

Meeting	<b>POLICY DEVELOPMENT GROUP</b>
Time/Day/Date	6.30 pm on Wednesday, 16 July 2014
Location	Council Chamber, Council Offices, Coalville
Officer to contact	Democratic Services (01530 454512)

The Monitoring Officer would like to remind members that when they are considering whether the following items are exempt information under the relevant paragraph under part 1 of Schedule 12A of the Local Government Act 1972 they must have regard to the public interest test. This means that members must consider, for each item, whether the public interest in maintaining the exemption from disclosure outweighs the public interest in making the item available to the public.

#### **AGENDA**

<b>Item</b>	<b>Pages</b>
<b>1. APOLOGIES FOR ABSENCE</b>	
<b>2. DECLARATION OF INTERESTS</b>	
Under the Code of Conduct members are reminded that in declaring disclosable interests you should make clear the nature of that interest and whether it is pecuniary or non-pecuniary.	
<b>3. PUBLIC QUESTION AND ANSWER SESSION</b>	
To receive questions from members of the public under rule no.10 of the Council Procedure Rules. The procedure rule provides that members of the public may ask any question on any matter in relation to which the Council has powers or duties which affect the District, provided that three clear days' notice in writing has been given to the Head of Legal and Support Services.	
<b>4. MINUTES</b>	
To approve and sign the minutes of the meeting held on 12 March 2014.	<b>3 - 6</b>
<b>5. UPDATE OF THE COUNCIL'S CONSTITUTION</b>	
Report of the Head of Legal and Support Services	<b>7 - 10</b>



<b>6.</b>	<b>ADDITIONAL COSTS OF THE DECENT HOMES PROGRAMME 2014/2015</b>	
	Report of the Director of Services and Head of Finance	<b>11 - 36</b>
<b>7.</b>	<b>UPDATING THE HOUSING REVENUE ACCOUNT BUSINESS PLAN</b>	
	Report of the Director of Services and Head of Finance	<b>37 - 44</b>
<b>8.</b>	<b>RISK MANAGEMENT STRATEGY</b>	
	Report of the Head of Finance	<b>45 - 58</b>
<b>9.</b>	<b>ITEMS FOR INCLUSION IN THE FUTURE WORK PROGRAMME</b>	
	To consider any items to be included in the work programme. The plan of forthcoming decisions of Cabinet is attached for information.	<b>59 - 66</b>

Circulation:

Councillor N Clarke  
Councillor J Cotterill  
Councillor J G Coxon (Chairman)  
Councillor D Everitt  
Councillor J Geary  
Councillor V Richichi  
Councillor A C Saffell  
Councillor S Sheahan  
Councillor N Smith  
Councillor M Specht (Deputy Chairman)

MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 12 MARCH 2014

Present: Councillor J G Coxon (Chairman)

Councillors N Clarke, J Cotterill, D Everitt, J Geary, V Richichi, A C Saffell, S Sheahan, N Smith and M Specht

In Attendance: Councillors R D Bayliss, R Johnson and T Neilson

Officers: Mr S Bambrick, Mr R Bowmer, Mrs C Hammond, Mr C Lambert, Ms C Proudfoot, Mr J Richardson, Mrs M Scott, Mr M Tuff, Ms S Williams-Lee and Mr R York

### **23. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

### **24. DECLARATION OF INTERESTS**

There were no declarations of interest.

### **25. PUBLIC QUESTION AND ANSWER SESSION**

There were no questions received.

### **26. ADMISSION OF ADDITIONAL ITEM**

RESOLVED THAT:

By reason of special circumstance in that an additional item of business needs to be considered before the next meeting of the Policy Development Group, the item entitled "Call-In of Cabinet Decision of 4 March 2014 Entitled 'Additional Costs of The Decent Homes Programme 2014/15'" be considered at this meeting as a matter of urgency in accordance with Section 100B(4)(B) of the Local Government Act 1972.

### **27. MINUTES**

Consideration was given to the minutes of the meeting held on 8 January 2014.

It was moved by Councillor M Specht, seconded by Councillor J Cotterill and

RESOLVED THAT:

The minutes of the meeting held on 8 January 2014 be approved and signed as a correct record.

### **28. RETURNING HOUSES TO HOMES UPDATE**

The Head of Community Services presented the report to Members. He highlighted that the annual returns of long term empty homes since 2010 had fallen each year, that the District figures were consistent with the other Districts in Leicestershire and confirmed that they had recruited to the three month Empty Homes Officer post in February.

Councillor N Smith asked that if a property that was owned by a private owner and it was the only property that they owned, was it correct that the Council would not be able to take

action against the owner, as there was a property in Ravenstone that had been empty for many years and he had been advised in the past that this was the case.

The Street Action Team Manager responded by advising the Committee that this was not the case and would be happy to discuss the individual case further with Councillor N Smith.

Members suggested that Officers contacted Melton Borough Council to seek advice on how they had managed to get their long term empty homes down to such a low percentage.

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

## **29. DISCRETIONARY HOUSING PAYMENTS – OVERVIEW OF THE CURRENT SCHEME AND THE AWARDS MADE IN 2013/14**

The Head of Finance presented the report to Members.

In response to a question from Councillor N Clarke, the Head of Finance advised Members that the Council's policy was in line with other Councils. He also explained when calculating the amount of Discretionary Housing Payment for a claimant, both the income and expenditure was taken into account and the two could cancel each other out.

It was moved by Councillor N Smith, seconded by Councillor M Specht and

RESOLVED THAT:

The report be noted.

## **30. ARMED FORCES COMMUNITY COVENANT**

The Head of Community Services presented the report to Members. He thanked Members of the Committee who had attended the Task and Finish Group.

He brought to Members' attention the amended recommendations that had been circulated to them at the start of the meeting.

Following a query from Councillor S Sheahan, Officers agreed to reconsider the remit and future of the Task and Finish Group, and provide Members with an update at the next meeting.

By affirmation of the meeting it was

RESOLVED THAT:

- a) Policy Development Group have considered the Draft Community Covenant and endorse the recommendations of the Task and Finish Group.
- b) That the Draft Community Covenant be passed to the Leader and Chief Executive to exercise their delegated authority to sign the Covenant on behalf of the Authority.

**31. CALL-IN OF CABINET DECISION OF 4 MARCH 2014 ENTITLED 'ADDITIONAL COSTS OF THE DECENT HOMES PROGRAMME 2014/15'**

The Head of Housing presented the report to Members. He highlighted to Members the four grounds for calling-in the decision and that the report took each ground in turn and provided information to address them.

Councillor S Sheahan advised the Committee that the call-in request had arisen following a routine briefing and he had concerns over the magnitude of money that was required. He requested a breakdown of how much of the additional £1.6 million was required for each of the four elements stated in the report.

The Head of Housing informed Members that £810k was required for roofing work, £226k was required for asbestos removal, £405k was required to offer a level access shower in suitable properties in lieu of a standard bathroom and £210k was required to cover other inflationary pressures.

Councillor S Sheahan asked if it was the aim of the Head of Housing to complete the work within the budget and if the overspend could have been avoided.

The Head of Housing advised Members that it was his objective to complete all work within budget, however Officers could not predict any additional works that may be required once the original work had begun. He stated that the additional money that was required was not an overspend, it was required as additional costs following surveys that had been completed in December, however in the future Officers would ensure that the surveys would be carried out in the earlier quarters so that any additional costs could be incorporated. He advised Members that on this occasion the additional costs could not have been avoided.

Councillor S Sheahan went on to ask if the additional costs that had been raised had come from just one contractor or both, and if the Council would use the Term Partnering Contract in the future.

The Head of Housing responded by advising Members that the contractors worked in different areas and it would depend on the age of the property and previous materials used as to the costs that each contractor would incur, however should contractors come to Officers with an increase in costs they must provide reasons and justify the increase. He went on to advise Members that he would recommend the use of the Term Partnering Contract again in the right circumstances, but would let experience decide if it was the right option for the work that was needed.

Councillor D Everitt asked that if the contractor found additional work, was the Council able to verify this itself and once the work had been completed was it signed off with the tenant, as to being completed to an acceptable standard.

The Head of Housing advised that Officers from the Council did go out to verify the additional work and that Council Officers, tenants and contractors would sign the work off together.

Councillor N Clarke raised concerns over the use of the Right to Buy money as this would affect the One to One Policy.

The Head of Housing advised Members that despite selling more properties, the decrease in value had not led to the income reaching a level to trigger the policy.

Councillors A C Saffell and J Geary expressed concerns at the lateness of the report and felt that they had not received enough time to take in the information provided.

Councillor J Geary stated that he was finding it difficult to understand the amount of money that was required, as he felt that Council should know the amount of asbestos within properties and the roofing materials should not be a significant part of the costs. He expressed doubts as to how the costs were procured.

The Head of Housing responded that it was difficult to know where the asbestos was in properties as it may have been built in behind objects in the past and with carrying out pre-inspections, Officers were locating more and completing the register that was required for contractors to view, and with regard to roofing materials, it was not until the purlins were removed that it was becoming apparent that the roof structures did not meet the standards. He advised that this could not be predicted by just looking into the roof space.

Councillor S Sheahan stated that he would be happy to receive a future report regarding the additional non-decent homes, but queried if the Council could secure additional external funding.

The Head of Housing advised that funding was only available for Authorities with more than 10% of homes requiring work by April 2015 and that he did not envisage the Council having more than 10% at that time.

Councillor N Smith stated that he had replaced many roofs over the years and informed the Committee that until you stripped the roof off you could not know what additional work may be required to ensure the safety of the structure.

Councillor N Clarke stated that he supported the Decent Homes Programme as a lot of the work had been carried out within his Ward and thanked Officers for all the hard work that had been put into the programme.

It was moved by Councillor M Specht, seconded by Councillor J Cotterill and

RESOLVED THAT:

No further action be taken.

## **32. ITEMS FOR INCLUSION IN THE FUTURE WORK PROGRAMME**

RESOLVED THAT:

The following items be included on the work plan for a future meeting:-

- a) Risk Management Strategy
- b) Asset Management Strategy and Corporate Capital Strategy

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.40 pm

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL****POLICY DEVELOPMENT GROUP – 16 JULY 2014**

Title of report	<b>UPDATE OF THE COUNCIL'S CONSTITUTION</b>
Contacts	<p>Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a></p> <p>Chief Executive 01530 454500 <a href="mailto:christine.fisher@nwleicestershire.gov.uk">christine.fisher@nwleicestershire.gov.uk</a></p> <p>Head of Legal and Support Services 01530 454762 <a href="mailto:elizabeth.warhurst@nwleicestershire.gov.uk">elizabeth.warhurst@nwleicestershire.gov.uk</a></p>
Purpose of report	To seek Scrutiny's recommendation to Council to postpone the Annual Review of the Constitution
Reason for Decision	To comply with the Constitutional update procedure agreed by Council
Council Priorities	Value for Money
Implications:	
Financial/Staff	None.
Link to relevant CAT	
Risk Management	A clear and up to date Constitution will minimise the risk of the Authority failing to comply with statutory requirements and assist in delivering its priorities and objectives.
Equalities Impact Assessment	Not applicable.
Human Rights	Not applicable.
Transformational Government	Clear and robust governance arrangements and procedures assist with the effective and efficient delivery of services and proper decision making.

Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	As author of the report, the report is satisfactory
Consultees	Statutory Officers. Head of Legal and Support Services. Procurement and Partnership Manager.
Background papers	None.
Recommendations	<b>THAT POLICY DEVELOPMENT GROUP ON THE ADVICE OF THE MONITORING OFFICER APPROVES THE RECOMENDATION CONTAINED IN PARAGRAPH 4.9 OF THE REPORT THAT THE ANNUAL REVIEW OF THE CONSTITUTION IS POSTPONED PENDING ENACTMENT OF LEGISLATION LIKELY TO AFFECT THE REVIEW</b>

## 1.0 BACKGROUND

1.1 Full Council regularly considers items relating to updates to the Constitution. The updates are generally required due to legislative and organisational changes or to clarify and improve processes within the Authority to reflect best practice. Members may recall that, in response to comments and suggestions made by members at Council, it was agreed that:

- (i) the Constitution underwent one main annual review - around the time of Annual Council;
- (ii) any remaining changes or matters arising after this date would be dealt with by way of one mid year review;
- (iii) further reviews or changes would only be suggested outside this process if legislation or national guidance required it;
- (iv) there was some “scrutiny” of the main annual review report whilst in draft and prior to its publication;
- (v) there would be informal consultation / engagement with members on the mid year and other reviews.

## 2.0 ROLE OF SCRUTINY

2.1 Where amendments are identified and proposed Policy Development Group are asked to consider the draft Council report and comment on the suggested amendments.



### 3.0 PROCESS OF REVIEW

- 3.1 As indicated at 1.1 above updates are generally required due to legislative and organisational changes or to clarify and improve processes within the Authority to reflect best practice.
- 3.2 Each year a survey of Officers is undertaken and they are invited to submit proposed amendments for consideration by the Monitoring Officer which arise from legislative changes, organisational changes or for reasons of business efficiency
- 3.3 In parallel with this process the Legal Services Team review any proposed legislation which is likely to require amendments to the constitution.

### 4.0 INITIAL OUTCOME OF REVIEW 2014

- 4.1 The annual survey of Officers this year has resulted in a small number of requests to amend the constitution to reflect organisational changes along with a number of minor changes for the purposes of clarity.
- 4.2 The Monitoring officer has a duty under the constitution to maintain an up-to-date version of the constitution in the following terms:

**“Maintaining the Constitution.** The Monitoring Officer will maintain an up-to-date version of the Constitution and will ensure that it is widely available for consultation by members, staff and the public. The Monitoring Officer is given delegated authority to make changes to the Constitution to reflect changes of fact and law, and decisions of the Council and of the Cabinet.”

- 4.3 It is considered that it would be appropriate for those changes to be made by the Monitoring Officer using her delegated powers to ensure that the Constitution correctly reflects the organisational structure, for example:

- A) amending the Scheme of Delegation to reflect correct job titles resulting from organisational changes
- B) Amending the Scheme Delegation following decision of Council or Cabinet
- C) Amending standing orders or the transfer of delegations

- 4.4 Additionally the Legal Services Team has identified a number of draft regulations which will impact on the Constitution, in particular ‘The Openness of Local Government Bodies Regulations 2014’.

- 4.5 Those regulations will introduce a right for members of the public, (including the press) to record all meetings of the Council.

- 4.6 The regulations will also introduce further requirements in relation to the recording and publication of Officer Decisions, the publication of background papers and introduces criminal offences of obstructing or refusing access to written records or background papers. The full implications of these draft regulations cannot be assessed until they are confirmed.

- 4.7 Also a new EU Directive has been issued revising the public procurement directives which have to be assessed for any impact the Directive may have on the contract procedure rules along with the findings of Procurement Task Force (Which is an officer working group looking at our corporate approach to procurement). It is anticipated that

as result of those findings amendments may be required to the Council's Contract Procedure rules.

- 4.8 Taking all these matters together it is the opinion of the Monitoring Officer that it would be prudent to postpone the Annual Review of the Constitution until a detailed assessment has been made of the impact on the Constitution and any necessary amendments have been formulated.
- 4.9 It is therefore recommended that Policy Development Group having considered the advice of the Monitoring Officer agrees that the Annual Review of the constitution is postponed for the reasons outlined above.

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**POLICY DEVELOPMENT GROUP – 16 JULY 2014**

Title of report	<b>ADDITIONAL COSTS OF THE DECENT HOMES PROGRAMME 2014/2015</b>
Contacts	<p>Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a></p> <p>Councillor Roger Bayliss 01530 411055 <a href="mailto:roger.bayliss@nwleicestershire.gov.uk">roger.bayliss@nwleicestershire.gov.uk</a></p> <p>Director of Services 01530 454555 <a href="mailto:steve.bambrick@nwleicestershire.gov.uk">steve.bambrick@nwleicestershire.gov.uk</a></p> <p>Head of Finance 01530 454520 <a href="mailto:ray.bowmer@nwleicestershire.gov.uk">ray.bowmer@nwleicestershire.gov.uk</a></p> <p>Head of Housing 01530 454780 <a href="mailto:chris.lambert@nwleicestershire.gov.uk">chris.lambert@nwleicestershire.gov.uk</a></p>
Council Priorities	Value for Money Homes and Communities
<p>Implications:</p> <p>Financial/Staff</p> <p>Link to relevant CAT</p> <p>Risk Management</p> <p>Equalities Impact Assessment</p> <p>Human Rights</p> <p>Transformational Government</p>	<p>The implications of the decision are covered in the report</p> <p>Not applicable</p> <p>The risks associated with the decision are covered in the report</p> <p>The implications of the decision are covered in the report</p> <p>Not applicable</p> <p>Not applicable</p>
Comments of Head of Paid Service	The report is satisfactory

Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	On the advice of external solicitors, the report is satisfactory
Consultees	Housing Revenue Account Business Plan Project Board
Background papers	Additional Costs of the Decent Homes Improvement Programme 2014/15 (Cabinet - 4 March 2014) Call-in of Cabinet decision of 4 March 2014 entitled 'Additional Costs of the Decent Homes Programme 2014/15' (Policy Development Group - 12 March 2014)
Recommendations	<b>POLICY DEVELOPMENT GROUP CONSIDERS THE REPORT AND AGREES ONE OF THE FOLLOWING OPTIONS:</b>  <b>A) NO FURTHER ACTION BE TAKEN AND THE RECOMMENDATION TO CABINET (AS PROPOSED IN SECTION 5.10 OF THIS REPORT) THAT THE ADDITIONAL COSTS OF THE DECENT HOMES PROGRAMME BE FUNDED AS RECOMMENDED IN THIS REPORT SHOULD BE SUPPORTED.</b>  <b>B) CABINET SHOULD BE ASKED TO CONSIDER THE COMMENTS FROM POLICY DEVELOPMENT GROUP PRIOR TO MAKING DECISIONS RELATING TO THE MATTERS COVERED BY THIS REPORT.</b>

## 1.0 BACKGROUND

- 1.1 In February 2014 additional costs relating to the delivery of the 2014/15 Decent Homes Improvement Programme were identified. Budget provision was requested to address this, and the decision by Cabinet to recommend this to Council was called in and duly considered by Policy Development Group (PDG) on 12 March 2014, with there being four grounds of the call-in.
- 1.2 Whilst it was resolved by PDG at their meeting on the 12 March 2014 that "No further action be taken", this referred to the first three grounds of the call-in, as the report made reference to a subsequent report being presented to a later meeting of the group regarding the additional funding required for the newly identified non decent homes. This was because the final number of properties, cost of works, and options to secure funding had not been evaluated in detail, and these matters were to be presented to Cabinet on 29 July 2014.
- 1.3 The specific fourth call in ground this referred to was -

- 4 In addition we would like to consider recommendation 3 in the report, in order to ensure the options proposed and the reasons for this further funding request are sufficiently explained.
- 1.4 This report will advise PDG of the outcome of the detailed evaluation of the number of newly identified non decent properties, the projected cost of completing works to them, and the funding sources for completing this work that will be recommended to Cabinet at their meeting on 29 July 2014. This includes the draft revised Housing Revenue Account (HRA) Budget (as Appendix A), draft revised Capital Programme (as Appendix B) and draft revised prudential indicators (as Appendix C).
- 1.5 In addition it will also explain the implications of the data analysis completed as part of the end of year process following the successful completion of the 2013/14 Decent Homes Improvement Programme, and the effect of this on our Decent Homes Backlog Funding Grant allocation for 2014/15.
- 1.6 The impact of the funding implications of these matters on the Housing Revenue Account Business Plan are addressed in a separate paper on the agenda for this meeting of the group.

## **2.0 DELIVERY OF THE DECENT HOMES PROGRAMME TO DATE**

- 2.1 The Decent Homes Improvement Programme (DHIP) for 2013/14 has recently been completed, with a total of 2,118 Council tenants homes have now been made decent over two years using a combination of Homes and Communities Agency (HCA) backlog funding grant (£12.2m) and North West Leicestershire District Council funding sources during 2012/13 and 2013/14. Customer satisfaction with the completed works is 97.5% for Q4 of 2014/15 against a target of 95%.
- 2.2 The Homes and Communities Agency undertake an annual Value For Money benchmarking comparison exercise, to allow all Council's in receipt of Decent Homes Backlog Funding to compare their costs for specific items of work. An analysis of this cost information is attached as Appendix D and demonstrates strong performance in terms of low costs for 2012/13 and 2013/14. 2014/15 costs are also included in the Appendix for illustrative purposes although these will not be able to be compared with others until the end of the 2014/15 programme when all final costs are declared.

## **3.0 ADDITIONAL NON DECENT HOMES**

- 3.1 Further extensive work has been undertaken since the completion of the 2013/14 improvement programme at the end of March 2014 to reconcile details of the works completed to tenants' homes with both our new stock condition information, the original backlog funding bid, and the level of funding available.
- 3.2 The stock condition surveys we have been completing each year have now given us a comprehensive data base of both all the work completed, and that still required to all tenants' homes. This process has resulted in us refining our understanding of the decency position of each property, and as a result of this there have been a number of changes in the decency status of many homes. This has included both homes that were believed to be non decent that were actually found to be decent, and homes believed to be decent that were actually non decent. In addition the surveys have clarified the scope of work required at each property, which has minimised the number of variations

identified between the work we order and the work actually required at each address when the contractors commence. This makes expenditure more predictable, and reducing the opportunity for contractors to charge extra for unplanned works.

- 3.3 At the time of preparing the previous report to PDG on 12 March 2014, a projected 296 newly identified non Decent Homes had been identified, which at a projected average cost per unit of £8,014 (the average cost per property of the 2014/15 programme) would have required additional funding of £2,372,144. The detailed property reconciliation previously referred to has resulted in an additional nine properties being identified, which therefore increases the total number to 305, requiring a revised projected funding amount of £2,444,270 (£8,014 multiplied by 305 properties).
- 3.4 There is no formal requirement for the work to these homes to be completed by March 2015. This means we could simply defer works until the 2015/16 improvement programme, and make an appropriate provision within the 2015/16 capital programme to fund this.
- 3.5 Alternatively, Cabinet may wish to recommend to Council that these properties are added to the decent homes improvement programme for 2014/15 and if this is the preferred option, additional funding of up to £2,444,270 will be required. The potential sources of this funding will be examined in a subsequent section of this report.

**4.0 2014/15 DECENT HOMES BACKLOG FUNDING GRANT**

- 4.1 The original bid for backlog funding was produced in 2010, and was based on a projected number of non decent homes from our housing stock condition information held at the time. This included an assessment of the number of properties that would fail the decent homes standard before April 2012 (which were eligible for backlog funding grant) and a number that would fail after April 2012 (which were not eligible for backlog funding grant).
- 4.2 As part of the property details reconciliation completed at the end of the 2013/14 improvement programme, we have identified that a net figure of 91 homes that we believed would qualify for backlog funding grant from information available at the time of the bid, but actually failed the standard after April 2012, and are therefore not eligible for grant.
- 4.3 As a result of this, following negotiations with the HCA our grant allocation for 2014/15 will be adjusted to reflect the reduction in grant eligible property numbers. This will result in our total grant for 2014/15 being reduced by £618,895 (average grant level of £6,801 per property, multiplied by 91 homes). The impact of this on the three year grant funding is shown in the table below.

**Original and Revised Decent Homes Backlog Funding Grant**

Year	Original grant funding	Revised grant funding
<b>2012/13</b>	£3.69m	£3.69m
<b>2013/14</b>	£8.5m	£8.5m
<b>2014/15</b>	£8.56m	£7.94m
<b>Total</b>	<b>£20.75m</b>	<b>£20.13m (3% reduction)</b>

4.4 As these 91 properties failed the decent homes standard after April 2012, there is no requirement for them to be improved by March 2015, when the decent homes improvement programme ends. However, if Cabinet was minded to recommend to Council that the work was completed, an additional £618,895 would be required.

## 5.0 FUNDING OPTIONS AVAILABLE

5.1 The total funding available from the current approved/revised capital programme to complete the 2014/15 Decent Homes Improvement Programme is detailed in the table below.

### Approved and Revised Budget for Decent Homes Improvements 2014/15

Funding Source	Approved Budget	Available Budget	Required budget
Decent Homes Backlog Funding	£8,560,000	£7,941,105*	£7,941,105*
NWLDC funding provision (inc Asbestos and Enabling works)	£2,291,667	£2,291,667	£2,291,667
Approved additional funding for cost increases in the 2014/15 programme	£1,650,058	£1,650,058	£1,650,058
Additional funding - 305 newly identified non decent homes (305 @ £8,014)			£2,444,270
Additional funding - 91 non decent homes that do not qualify for grant (91 @ £6,801)			£618,895
<b>Total</b>	<b>£12,501,725</b>	<b>£11,882,830</b>	<b>£14,945,995</b>

\*reduced to reflect reduction in the number of grant eligible properties.

5.2 If it is decided to make sufficient financial provision to complete improvement works to all non decent homes by March 2015, additional funding will be required as detailed in the table below.

### Available / Required Funding for Completion of Non Decent Homes in 2014/15

	Available budget (revised)	Required Funding (to complete all properties)	Difference
<b>2014/15 Decent Homes Improvement Programme</b>	<b>£11,882,830</b>	<b>£14,945,995</b>	<b>-£3,063,165</b>

5.3 In the event of the decision being taken to complete works to all the non decent homes not eligible for grant funding and the newly identified non decent homes, a total of £3,063,165 will therefore be required.

- 5.4 It is important to note that this amount will provide sufficient funding to complete all the required works to all the properties in the programme, however it is not anticipated that we will be able to complete the required works to all of the properties due to tenants refusing works or property sales through the right to buy scheme. Where property numbers reduce, we will either have a reduction in our grant funding for grant eligible properties (pre April 2012 decent homes failures) or there will be a corresponding underspend at the end of the 2014/15 financial year on the approved budget for properties we are funding from our own budget. As we cannot accurately predict the number of refusals or sales, and whether these will be grant eligible or funded by ourselves, it is felt the most prudent approach is to make financial provision to complete the entire programme, although noting that the whole budget may not be required.
- 5.5 Any properties where work is not completed will require improvement at some subsequent point, and this will require an appropriate financial provision to be included in subsequent years' capital programmes. In order to maximise the amount of grant funding we can access, every effort is being made to work with tenants to secure access to complete the required work during 2014/15.
- 5.6 If grant eligible properties are sold, or the tenants refuse work, no expenditure is incurred, so any reduction in grant income has no net effect on the programme budget.
- 5.7 There are a number of potential sources for the required funding of £3,063,165. In determining the most appropriate source of funding (should it be required) we have taken advice from our retained treasury management advisors Arling Close, and having evaluated the options available, it is currently recommended that the funding is obtained from the following sources
- £613,451 2014/15 Capital Programme, unallocated contingency.
  - £1,206,359 - Capital Programme, underspend from 2013/14 (subject to confirmation as part of the final accounts process)\*.
  - £1,243,355 - HRA Balances, through An additional Revenue Contribution to Capital Outlay (in addition to the £1,679,058 already included in the approved HRA and Capital Programme budgets for 2014/15).
  - £3,063,165 – Total required funding.

\*In the event that the 2014/15 Decent Homes expenditure is less than projected less will be needed to be taken from HRA balances.

This approach will ensure we have available the financial capacity to complete all the required works to tenants homes.

- 5.8 It is important to note the use of additional HRA Balances will affect the HRA Business Plan in the medium to longer term, and a revised debt management approach may be required. This is being evaluated and will be considered as part of the 2015/16 budget setting process.



5.9 If the proposed funding of the required work is approved, it will require an amendment to the approved HRA budget, Capital programme and prudential indicators. Details of the amended budgets and indicators are attached as Appendix A, B, and C.

5.10 The draft wording of the proposed recommendation to Cabinet will be as follows

**THAT CABINET -**

- 1. NOTES THE REDUCTION IN THE NUMBER OF GRANT ELIGIBLE PROPERTIES AND THE CONSEQUENT REDUCTION IN BACKLOG FUNDING GRANT AS DETAILED IN SECTION 4.0 OF THIS REPORT, AND THE PROJECTED ADDITIONAL COST OF MAKING ALL IDENTIFIED NON DECENT HOMES MEET THE DECENT HOMES STANDARD BY MARCH 2015.**
- 2. CONSIDERS THE OUTCOME OF THE POLICY DEVELOPMENT GROUP'S CONSIDERATION OF THIS MATTER AT ITS MEETING ON 16 JULY 2014.**
- 3. RECOMMENDS TO COUNCIL THE REVISED 2014/15 HOUSING CAPITAL PROGRAMME AND HRA BUDGET AS DETAILED IN APPENDIX A AND B OF THIS REPORT TO FUND THE COMPLETION OF ALL THE REQUIRED WORK, AND THE AMENDED PRUDENTIAL INDICATORS DETAILED IN APPENDIX C.**

**6.0 CONCLUSION**

6.1 Additional costs have been identified in relation to both newly identified non decent homes, and homes found not to be eligible for decent homes backlog funding grant following the reconciliation of stock condition information and works completed in the 2013/14 improvement programme.

6.2 As a result of these changes up to £3,063,165 will be required to provide the budget capacity to make all tenants' homes decent by March 2015. This report identifies the recommended source of this funding, and PDG is invited to make any comments it wishes to have referred to Cabinet when it will consider a report on these matters on 29 July 2014.

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## HOUSING REVENUE ACCOUNT SUMMARY

LINE NO.	DETAIL	2013/2014		2014/2015
		Budget £	Provisional Out-turn £	Estimate £
<b>HOUSING REVENUE ACCOUNT</b>				
1.	TOTAL REPAIRS & MAINTENANCE	4,849,230	4,832,788	4,933,190
SUPERVISION & MANAGEMENT				
2.	General	2,114,740	1,952,754	2,117,130
3.	Special / Supporting People	229,830	152,408	387,720
4.		2,344,570	2,105,162	2,504,850
5.	PROVISION -DOUBTFUL DEBTS	96,760	224,154	170,790
6. CAPITAL FINANCING:-				
7.	Depreciation - MRA & other	4,008,170	3,985,825	3,995,170
8.	Debt Management Expenses	1,380	1,424	1,390
9.		4,009,550	3,987,249	3,996,560
10.	TOTAL EXPENDITURE	11,300,110	11,149,353	11,605,390
11. RENT INCOME				
12.	Dwellings	16,051,250	15,756,907	16,741,400
13.	Service Charges	316,550	308,630	304,550
14.	Garages & Sites	89,020	85,212	80,920
15.	Other	26,100	13,877	26,100
16.		16,482,920	16,164,626	17,152,970
17. GOVERNMENT GRANTS				
18.	Decent Homes Backlog Grant	0	8,500,000	7,941,105
		0	8,500,000	7,941,105
19.	TOTAL INCOME	16,482,920	24,664,626	25,094,075
20.	NET COST OF SERVICES	-5,182,810	-13,515,273	-13,488,685
21. CAPITAL FINANCING - HISTORICAL DEBT				
22.	CAPITAL FINANCING - SELF FINANCING DEBT	175,000	144,406	175,000
23.	INVESTMENT & OTHER INCOME	3,257,170	3,257,167	3,257,170
24.	PREMATURE LOAN REDEMPTION PREMIUMS	-25,200	-37,721	-25,200
25.		19,270	19,273	14,470
		3,426,240	3,383,125	3,421,440
26.	NET OPERATING EXPENDITURE	-1,756,570	-10,132,148	-10,067,245
27. REVENUE CONTRIBUTION TO CAPITAL				
28.	DEPRECIATION CREDIT - VEHICLES	250,000	250,000	2,922,413
29.	DECENT HOMES BACKLOG GRANT FINANCING	0	0	-50,730
30.	CONTINGENCY	0	8,500,000	7,941,105
31.	TRANSFER FROM RESERVES	33,000	0	0
32.		0	-126,853	0
		283,000	8,623,147	10,812,788
33.	NET (SURPLUS) / DEFICIT	-1,473,570	-1,509,001	745,543
<u>HRA BALANCES</u>				
35.	Balance Brought Forward	-3,759,156	-3,759,156	-5,268,157
36.	(Surplus)/Deficit for Year	-1,473,570	-1,509,001	745,543
37.	Balance as at year end	-5,232,726	-5,268,157	-4,522,614

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	Notes	2013/14 Outturn	2014/15 Original Budget (Cabinet 11/02/2014)	2014/15 Revised (Council 25/03/2014)	2014/15 Revised June 2014	2015/16	2016/17	2017/18	2018/19	
<b>2010/12 Programme</b>										
Miscellaneous		1,000								
<b>2012-17 DHIP Programme</b>										
Year 1 programme slippage (including Major Aids & Adaptations completed under DHIP)										
Year 2 Programme Slippage	Works completed in Year 2 (2013/14) that will be paid from year 3.				245,000					
HCA Funded Properties (90% of pre 2012 failures)			8,560,000	8,560,000	7,941,105	-	-	-	-	
NWLDC Funded Properties (10% + post 2012 failures)	Includes funding for Decent Home works to an additional 305 properties at an additional cost of £2,444,270. Post 2015/16 as per PIMSS	12,320,000	1,426,667	3,076,725	6,139,890	4,500,000	4,500,000	4,500,000	4,500,000	
Enabling Works Provision	Works in addition to core DHIP spec which are essential to complete jobs.		415,000	415,000	415,000	132,000	132,000	132,000	132,000	
Asbestos Handling	Disposal of asbestos, following R&D asbestos surveys	49,000	450,000	450,000	450,000	50,000	50,000	50,000	50,000	
Year 3 and 4 Scoping Surveys	Final year of scoping surveys	267,000								
<b>2012-17 HPIP Programme</b>										
2013/14 Slippage					378,000					
Fire Risk Assessment Remedial Works	Includes provision for fire risk assessment work, including doors, signage, external openings.	7,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
Lift Replacement	6 lift replacements at Sheltered Schemes	14,000	300,000	300,000	300,000					
Fire Alarm / Emergency Lighting	Sheltered scheme & communal flats emergency lighting and fire alarm upgrades	15,000	194,000	194,000	194,000					
Communal Boilers	4 schemes + Woulds/Cherry Tree	50,000								
Defective floor slabs (red ash floors)/Damp proofing (Loughborough rd and other identified in year)	Assumption of average of 25 properties p.a. @ £6k each. Loughborough rd - 17 properties, other - 15 properties pa £2.5k each. Budget originally intended for chemical injection, likely that other remedial works will be completed instead within same budget provision	190,000	310,000	310,000	310,000	187,500	187,500	187,500	187,500	
Fuel swaps (solid fuel to gas supply)	Energy company rebate on fuel swaps income = £12k estimate	6,000	78,000	78,000	78,000	25,000	25,000	25,000	25,000	
Garage Modernisation	One off £100k provision for demolitions, resurfacing & lighting works		100,000	100,000	100,000	-	-	-	-	
Carbon Monoxide Detectors	Potential delivery through solid fuel servicing contractor as will not exceed CV by more than 50%	13,000		-	-	-	-	-	-	
DH Works in Voids and Tenanted Properties	Additional provision added 13/14 to reflect historic expenditure trends	528,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	Anticipate higher void costs in 2014/15, however provision not increased since 2013/14 O/T £530k against £850k budget.
Major Aids & Adaptations	Expenditure on flat floor shower on DHIP needs a virement of additional costs over standard bathroom to be transferred out of this budget where there is not an active A&A referral @ an approx cost of £1200 pp	29,000	380,000	380,000	380,000	350,000	350,000	350,000	350,000	Underspend from 2013/14 (£111k) not added to 2014/15 as contract let on £1.43m to 2017/18
Development Site Preparations	Related to decommissioned sheltered schemes.		40,000	40,000	40,000	-	-	-	-	
Insulation Works	Principally external wall works. External grant income anticipated.		660,000	660,000	660,000	-	-	-	-	
Green & Decent Installations	Pilot costs for 2013/14, recurring budget requirement from 2015/16 for ongoing programme. External grant awarded (see funding below).		125,000	125,000	125,000	250,000	250,000	250,000	250,000	

IBS Upgrade (Contract Module)	Provision for repairs data requirements required to support implementation of repairs diagnostics and mobile working. Moved from 2012/13 to 2013/14.	33,000								
Speech Module	Replacement of speech module equipment in hard wired older persons accommodation.		50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Capital Programme Delivery Costs	Includes Decent Homes Improvement Programme contingency	701,000	698,000	698,000	698,000	623,000	623,000	623,000	623,000	£126k forecast capacity within this budget (£80k provision + £46k 'Contract Manager')
Unallocated/Contingency	Contingency prior to 2015/16 incorporated into individual budget lines. For 2015/16 onwards separate provision held to ensure adequate capacity available to meet in years needs as and when identified.					500,000	500,000	500,000	500,000	
One for One replacement programme	RTB receipts that must be made available for one for one replacement					122,178				
One for One replacement programme	NWLDC Contribution					285,083				
<b>Capital Allowances</b> Programme to be defined	Review of income from asset disposals will determine capacity within this budget. Potential option of funding works within Other Investment category from this source									
<b>Total Programme Costs</b>		<b>14,223,000</b>	<b>14,676,667</b>	<b>16,326,725</b>	<b>19,393,995</b>	<b>7,964,761</b>	<b>7,557,500</b>	<b>7,557,500</b>	<b>7,557,500</b>	
<b>Funding</b>										
Usable balances held		4,008,000	1,720,500	1,720,500	3,235,000	-	10,034	9,907	10,227	
Retained Right to Buy Receipts (RTB)	Based on assumed income projections in accordance with the the Right to Buy and One for One replacement policy	143,000	203,618	203,618	203,618	190,293	185,686	177,463	170,051	
RCCO	Balancing transfer from HRA to be verified through HRA Business Plan Model. For 2014/15 the provision based on gaining access to all properties within the programme. Any properties for which access is not gained and the works are not carried out will result in a reduced value (see comments below)	250,000	490,000	1,679,058	2,922,413	3,462,000	3,110,000	3,172,000	3,240,000	
Decent Homes Backlog Funding		9,026,000	8,560,000	8,560,000	7,941,105	-	-	-	-	
Major Repairs Allowance	More detailed work to be undertaken as part of HRA Business Planning and in reference to HRA component depreciation.	3,991,000	3,991,000	3,991,000	3,978,000	3,991,000	3,991,000	3,991,000	3,991,000	
Asset Disposals (Capital Allowance)	Income from sale of HRA (non RTB) assets. Target/estimate to be used one year in arrears. (Includes Broughton Street District Heating building).	40,000	325,000	325,000	325,000	100,000	100,000	100,000	100,000	
Windfall RTB receipts	Based on attributable debt income projections in accordance with the the Right to Buy and One for One replacement policy			461,000	770,859	231,503	170,687	117,358	56,680	
Green & Decent Funding					18,000					
<b>Total Funding</b>		<b>17,458,000</b>	<b>15,290,118</b>	<b>16,940,176</b>	<b>19,393,995</b>	<b>7,974,796</b>	<b>7,567,407</b>	<b>7,567,727</b>	<b>7,567,959</b>	
<b>Cumulative Over / (Under Resource)</b>		<b>3,235,000</b>	<b>613,451</b>	<b>613,451</b>	<b>-</b>	<b>10,034</b>	<b>9,907</b>	<b>10,227</b>	<b>10,459</b>	

The RCCO provision required for 2014/15 and subsequent years is dependent upon the number of properties within Year 3 of the Decent Homes Improvement Programme that we're able to gain access to in order to complete works.

For every pre 2012 failing property that we're unable to complete works in there will be a reduction in average expenditure of £8,014 per property and a reduction in decent homes backlog funding of £6,802 per property, the net affect being a reduction in expenditure of £1,212 per property. The value of RCCO will therefore fall for every pre 2012 failing property where work is not completed by £1,212 per property.

For every post 2012 failing property within the program that we are unable to gain access to there will be a reduction in expenditure of £8,014 per property. The value of RCCO will therefore fall for every post 2012 failing property where work is not completed by £8,014 per property.

## PRUDENTIAL INDICATORS

### 1 Background

The Local Government Act 2003 requires the Authority to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA 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 Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

### 2. 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 Authority 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.

The Section 151 Officer reports that the Authority has had no difficulty meeting this requirement in 2012/13, nor is there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

### 3. Estimates of Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

<b>Capital Expenditure</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Non-HRA	1.779	2.031	2.496	1.122	1.281
HRA	15.865	15.738	19.394	7.965	7.558
<b>Total</b>	<b>17.644</b>	<b>17.769</b>	<b>21.890</b>	<b>9.087</b>	<b>8.839</b>

Capital expenditure will be financed or funded as follows:

<b>Capital Financing</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Capital receipts	0.239	0.183	1.299	0.522	0.456
Government Grants	8.873	9.255	8.183	0.224	0.224
Major Repairs Allowance	0.000	3.991	3.978	3.991	3.991
Reserves	3.048	2.635	3.980	0.000	0.000
Other Contribution-s106	0.000	0.055	0.115	0.000	0.000
Grants - Other	0.000	0.000	0.013	0.000	0.000
Revenue contributions	4.213	0.448	3.082	3.601	3.260
<b>Total Financing</b>	<b>16.373</b>	<b>16.567</b>	<b>20.650</b>	<b>8.338</b>	<b>7.931</b>
Supported borrowing	0.000	0.000	0.000	0.000	0.000
Unsupported borrowing	1.271	1.202	1.240	0.749	0.908
<b>Total Funding</b>	<b>1.271</b>	<b>1.202</b>	<b>1.240</b>	<b>0.749</b>	<b>0.908</b>
<b>Total Financing and Funding</b>	<b>17.644</b>	<b>17.769</b>	<b>21.890</b>	<b>9.087</b>	<b>8.839</b>

#### 4. 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. The definition of financing costs is set out in the Prudential Code.

The ratio is based on costs net of investment income.

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2013/14 Approved %</b>	<b>2013/14 Revised %</b>	<b>2014/15 Estimate %</b>	<b>2015/16 Estimate %</b>	<b>2016/17 Estimate %</b>
Non-HRA	10.22	10.08	10.14	9.83	10.18
HRA	14.68	15.87	14.91	14.78	14.65
<b>Total (Average)</b>	<b>12.95</b>	<b>13.59</b>	<b>13.31</b>	<b>13.21</b>	<b>13.25</b>

#### 5. Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

<b>Capital Financing Requirement</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Non-HRA	13.619	13.591	14.248	14.421	14.740
HRA	79.155	78.168	77.159	76.128	75.072
<b>Total CFR</b>	<b>92.774</b>	<b>91.759</b>	<b>91.407</b>	<b>90.549</b>	<b>89.812</b>

#### 6. Actual External Debt

This indicator is obtained directly from the Authority's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.



<b>Actual External Debt as at 31/03/2013</b>	<b>£m</b>
Borrowing	88.510
Other Long-term Liabilities	0.055
<b>Total</b>	<b>88.565</b>

## 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 calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2013/14 Approved £</b>	<b>2013/14 Revised £</b>	<b>2014/15 Estimate £</b>	<b>2015/16 Estimate £</b>	<b>2016/17 Estimate £</b>
Increase in Band D Council Tax	2.55	2.59	2.99	2.32	2.63
Increase in Average Weekly Housing Rents	3.76	3.76	4.30	3.40 *	3.29 *

\*The Government is proposing to change the basis of the calculation of rents from 2015/16 and has recently consulted on this but the outcome is as yet undetermined. The estimates for 2015/16 and 2016/17 are based on one of four potential options and are therefore subject to change, when a new method has been agreed.

## 8. Authorised Limit and Operational Boundary for External Debt

The Authority 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 Authority and not just those arising from capital spending reflected in the CFR.

The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. 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 Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

<b>Authorised Limit for External Debt</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Borrowing	97.100	97.100	99.914	97.579	97.025
Other Long-term Liabilities	1.000	1.000	0.700	0.700	0.700
<b>Total</b>	<b>98.100</b>	<b>98.100</b>	<b>100.614</b>	<b>98.279</b>	<b>97.725</b>

The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

The Section 151 Officer has delegated authority, 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.

<b>Operational Boundary for External Debt</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Borrowing	95.100	95.100	97.914	95.579	95.025
Other Long-term Liabilities	0.500	0.500	0.500	0.500	0.500
<b>Total</b>	<b>95.600</b>	<b>95.600</b>	<b>98.414</b>	<b>96.079</b>	<b>95.525</b>

## 9. Adoption of the CIPFA Treasury Management Code

This indicator demonstrates that the Authority has adopted the principles of best practice.

<b>Adoption of the CIPFA Code of Practice in Treasury Management</b>
The Authority has re-affirmed adoption of the CIPFA Treasury Management Code within this strategy, 11 February 2014.

The Authority has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

## 10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. The Authority 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 Authority 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.

	<b>Existing (Benchmark) level 31/03/13 %</b>	<b>2013/14 Approved %</b>	<b>2013/14 Revised %</b>	<b>2014/15 Estimate %</b>	<b>2015/16 Estimate %</b>	<b>2016/17 Estimate %</b>
<b>Upper Limit for Fixed Interest Rate Exposure</b>	100	100	100	100	100	100
<b>Upper Limit for Variable Interest Rate Exposure</b>	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 Authority's treasury management strategy.

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

#### 11. 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.

<b>Maturity structure of fixed rate borrowing</b>	<b>Lower Limit for 2014/15 %</b>	<b>Upper Limit for 2014/15 %</b>
under 12 months	0	20
12 months and within 24 months	0	20
24 months and within 5 years	0	20
5 years and within 10 years	0	50
10 years and within 20 years	0	50
20 years and within 30 years	0	60
30 years and within 40 years	0	50
40 years and within 50 years	0	50
50 years and above	0	0

#### 12. 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 Authority having to seek early repayment of the sums invested.

	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
<b>Upper Limit</b>	5	5	5	5	5

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## Decent Homes Backlog Programme Component Cost Analysis

The HCA annually benchmark cost information provided by each Local Authority delivering decent homes works with Decent Homes Backlog funding.

Costs are presented in graphical format that show the average price a Local Authority paid and the average costs paid by the other Local Authorities in respect of:

- Bathrooms
- Central Heating
- Doors
- Kitchens
- Rewiring
- Roofs
- Windows

Costs are comparable against all Authorities included in the Decent Homes Backlog programme for 2013/14:

North West	North East & Yorkshire and the Humber	Midlands	East & South East	South South west
(NW)	(NE & YH)	(Midlands)	(ESE)	(SSW)
Manchester	South Tyneside	Wolverhampton	Stevenage	Sedgemoor
Blackpool	NE Derbyshire	Nottingham	Brighton and Hove	Mid Devon
Salford	Bassetlaw	NW Leicestershire	Basildon	Wokingham
Cheshire West & Chester	Doncaster	Shropshire	Waverley	
	Durham	Northampton	Harlow	
	Chesterfield	Corby		
		Melton		

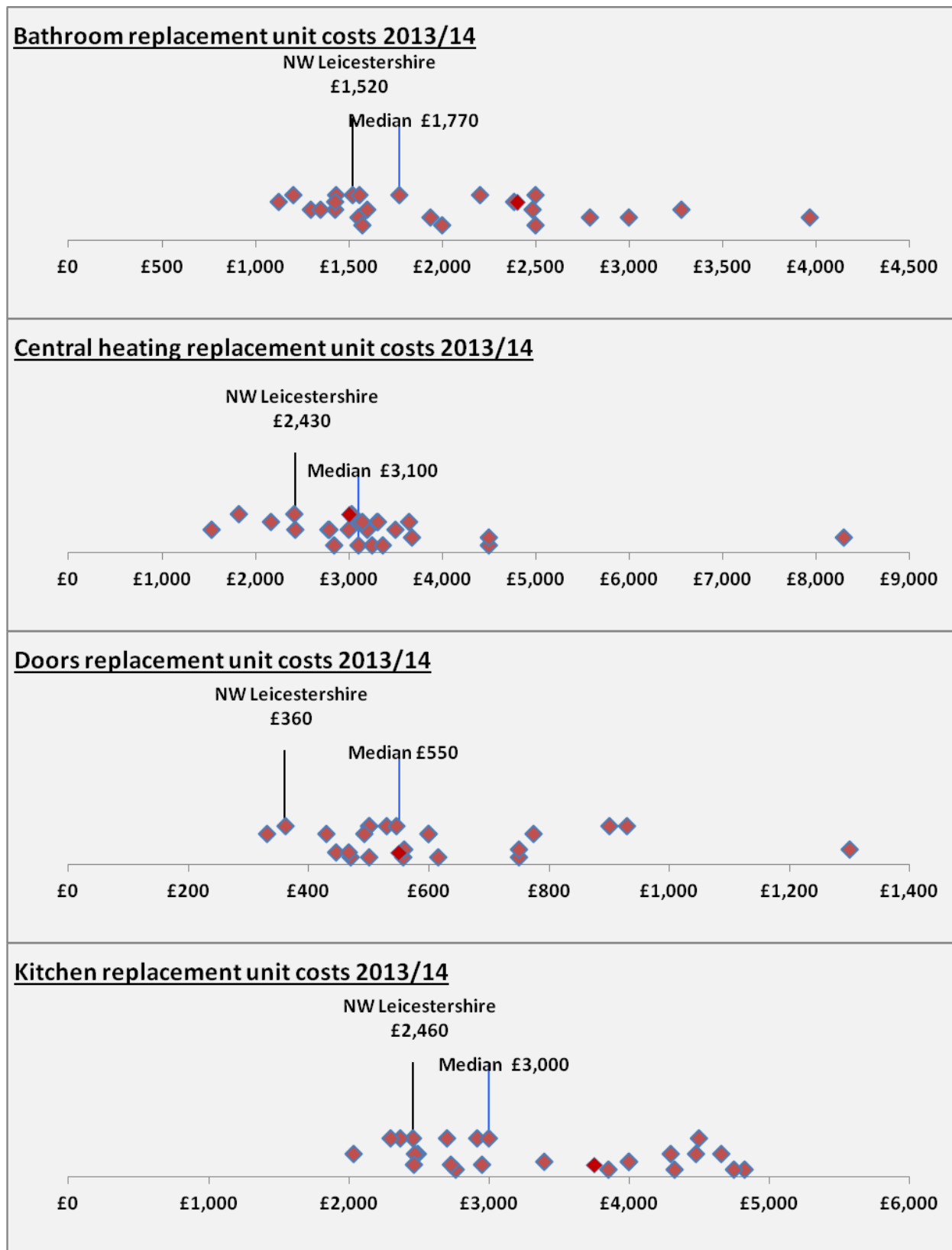
The information supplied by the HCA allows for comparison against all Authorities or regional only.

Nationally, North West Leicestershire District Council achieves upper quartile for all component costs. Regionally, lower quartile and median costs are achieved. The full set of graphs for 2013/14 can be found in Appendix A.

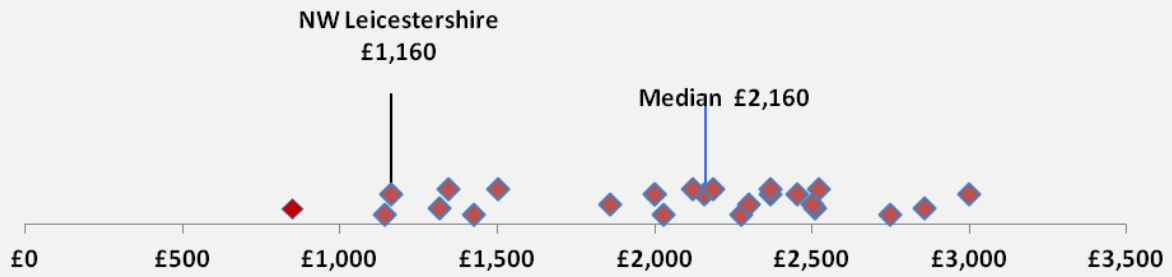
Comparison of other Local Authority (LA) 2013/14 costs against provisional 2014/15 DHIP costs has been assessed, the results of which are contained in Appendix B. It is important to note that the comparison is not a true reflection of 2014/15 unit costs since other LA 2014/15 costs will remain unknown until the end of 2014/15.

Appendix A

National Results



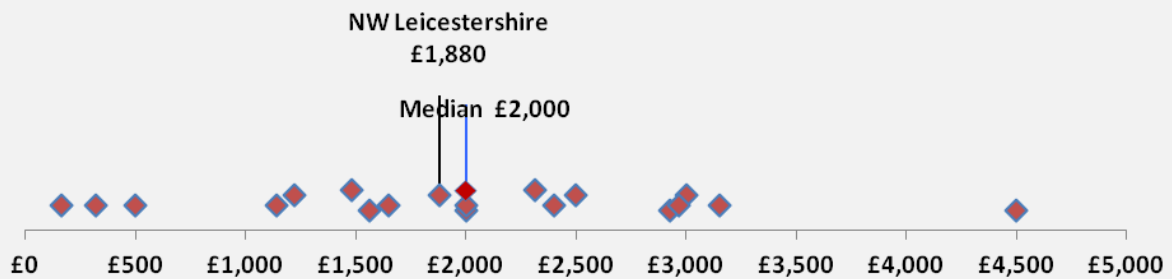
### Rewiring replacement unit costs 2013/14



### Roofing replacement unit costs 2013/14

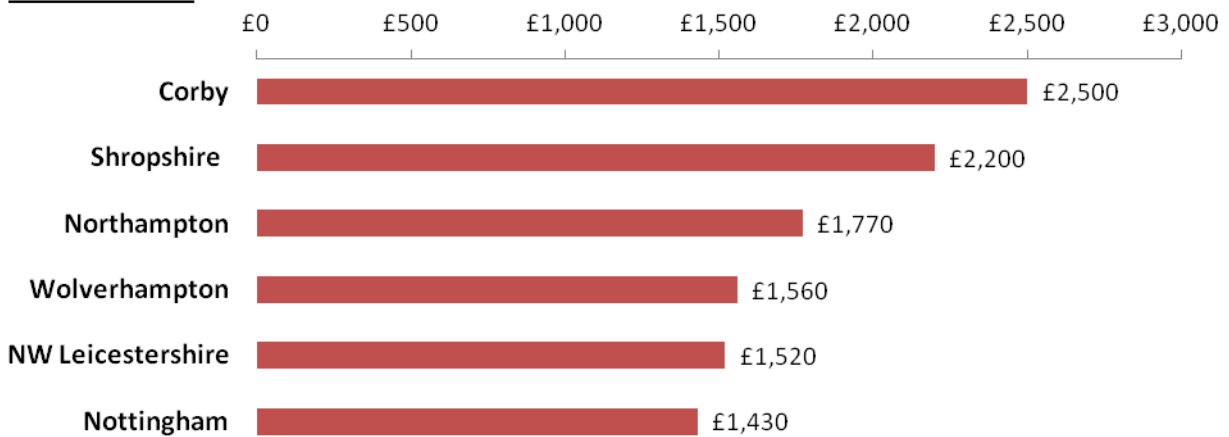


### Windows replacement unit costs 2013/14



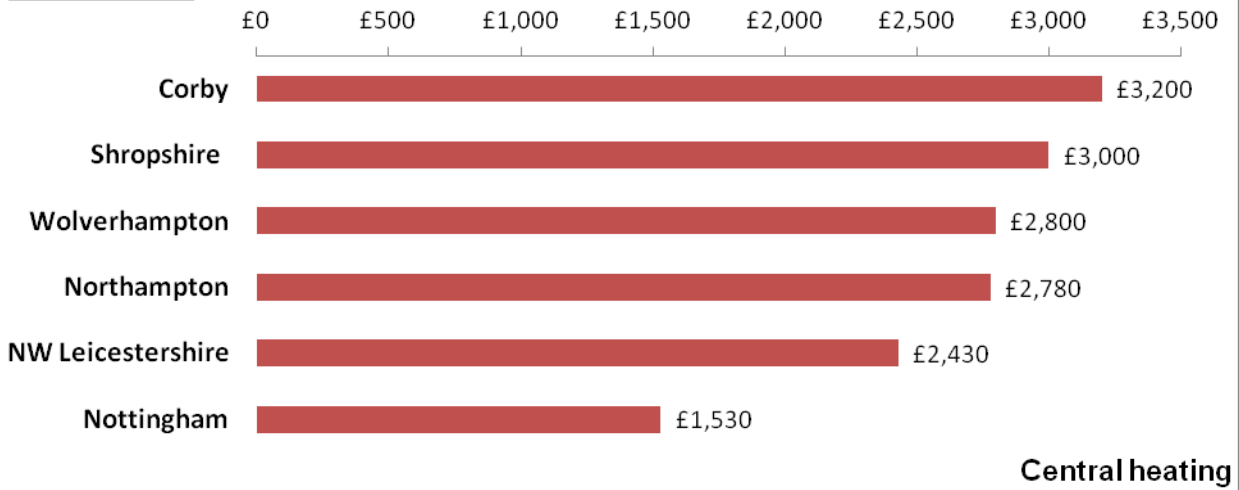
## Regional Results

### Midlands

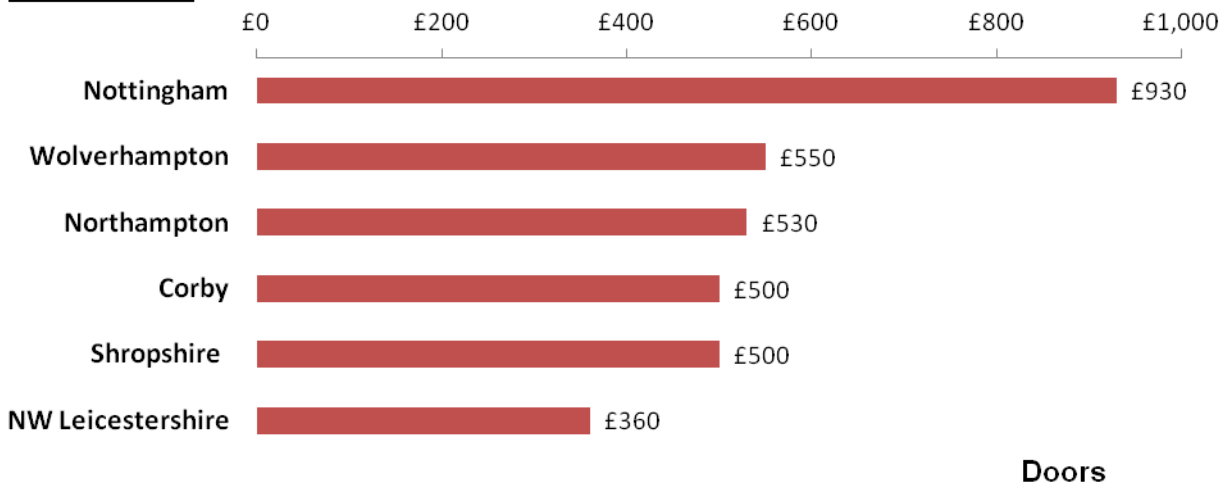


Bathroom

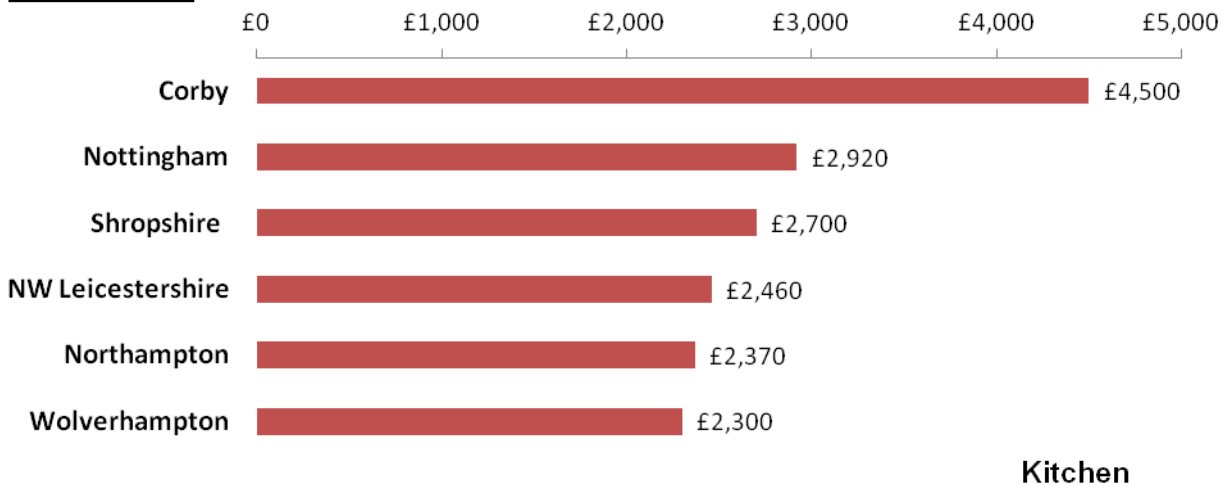
## Midlands



## Midlands

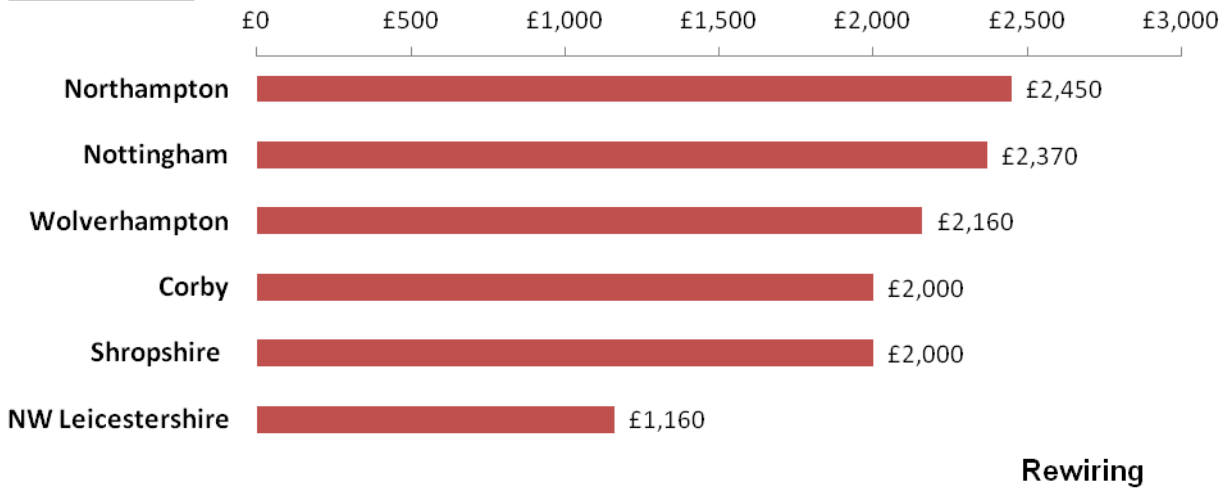


## Midlands

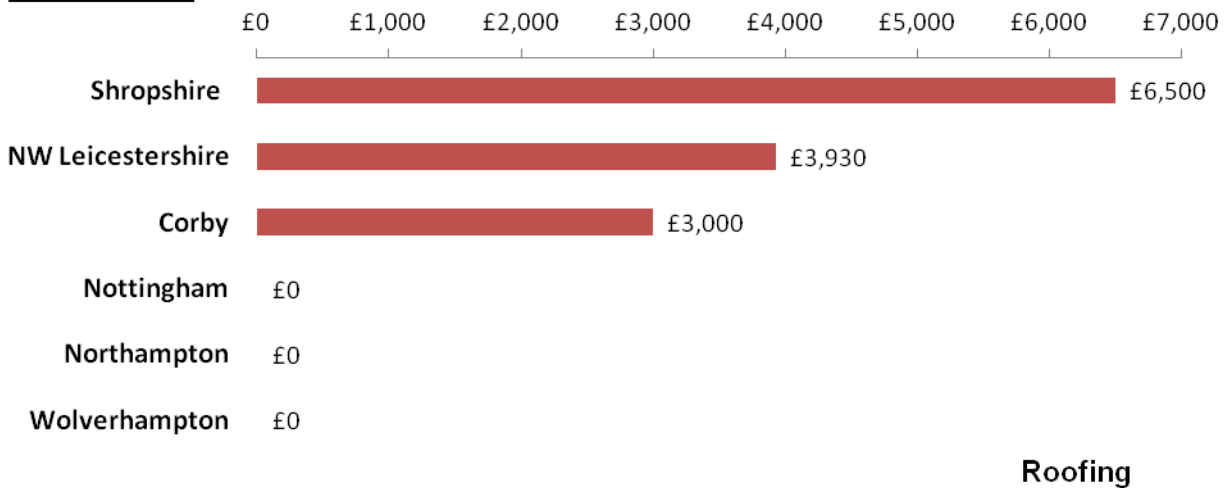




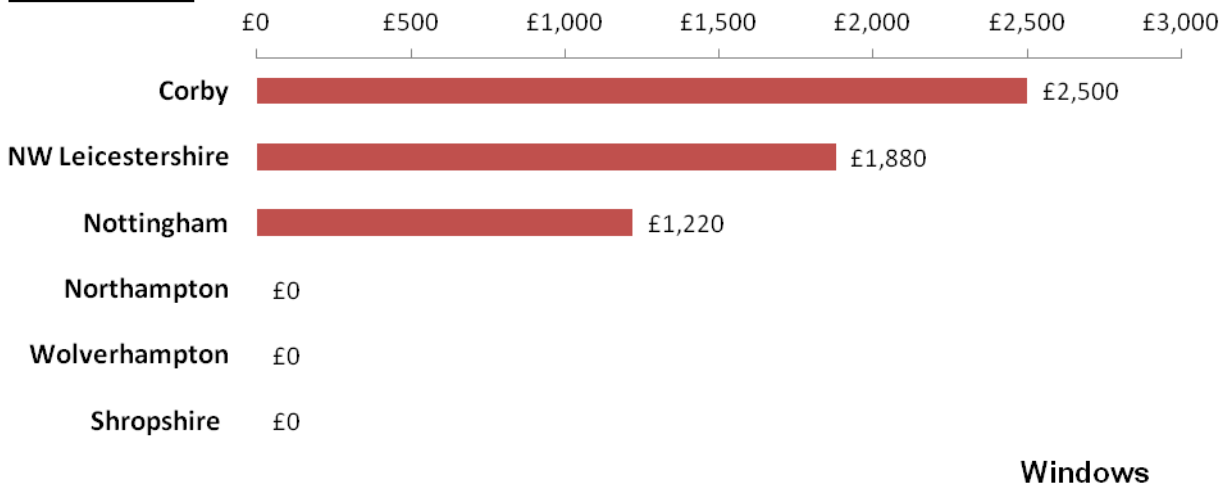
## Midlands



## Midlands



## Midlands



**Appendix B**  
**NWLDC 2014/15 unit costs against DHB LA costs 2013/14**

Bathroom replacement unit costs 2013/14		NWLDC 2014/15
Basildon	£3,970	
Bassetlaw	£3,280	
Harlow	£3,000	
Stevenage	£2,790	
Corby	£2,500	
Wokingham	£2,500	
NE Derbyshire	£2,480	
Blackpool	£2,400	
Manchester	£2,390	
Shropshire	£2,200	
Mid Devon	£2,000	
Waverley	£1,940	£1,931
Northampton	£1,770	
Chesterfield	£1,600	
Sedgemoor	£1,570	
Wolverhampton	£1,560	
Brighton and Hove	£1,550	
NW Leicestershire	£1,520	
Nottingham	£1,430	
Doncaster	£1,430	
Cheshire West & Chester	£1,430	
Durham	£1,350	
South Tyneside	£1,300	
Melton	£1,200	
Salford	£1,130	

Central heating replacement unit costs 2013/14		NWLDC 2014/15
Mid Devon	£8,300	
Harlow	£4,500	
Wokingham	£4,500	£4,278
Sedgemoor	£3,680	
NE Derbyshire	£3,640	
Melton	£3,500	
Basildon	£3,360	
Durham	£3,310	
Chesterfield	£3,300	
Waverley	£3,250	
Corby	£3,200	
Bassetlaw	£3,140	
Brighton and Hove	£3,100	
South Tyneside	£3,100	
Salford	£3,030	
Shropshire	£3,000	
Blackpool	£3,000	
Stevenage	£2,840	
Wolverhampton	£2,800	
Northampton	£2,780	
NW Leicestershire	£2,430	
Cheshire West & Chester	£2,420	
Doncaster	£2,160	
Manchester	£1,820	
Nottingham	£1,530	

Doors replacement unit costs 2013/14		NWLDC 2014/15
Mid Devon	£1,300	
Nottingham	£930	
Melton	£900	
Doncaster	£770	
Harlow	£750	
Wokingham	£750	
Stevenage	£620	
South Tyneside	£600	
Chesterfield	£600	
Sedgemoor	£560	
Brighton and Hove	£560	
Blackpool	£550	
Wolverhampton	£550	
Northampton	£530	
Corby	£500	
Waverley	£500	£499
Shropshire	£500	
Bassetlaw	£490	
Basildon	£470	
Salford	£470	
Manchester	£450	
NE Derbyshire	£430	
NW Leicestershire	£360	
Durham	£330	
Cheshire West & Chester	n/a	

Kitchen replacement unit costs 2013/14		NWLDC 2014/15
Basildon	£4,820	
Harlow	£4,750	
Bassetlaw	£4,660	
Corby	£4,500	
Chesterfield	£4,480	
Stevenage	£4,320	
NE Derbyshire	£4,300	
Mid Devon	£4,000	
Wokingham	£4,000	
Waverley	£3,850	
Blackpool	£3,750	
Sedgemoor	£3,390	£3,405
Melton	£3,000	
Manchester	£2,950	
Nottingham	£2,920	
Brighton and Hove	£2,760	
Cheshire West & Chester	£2,730	
Shropshire	£2,700	
Doncaster	£2,500	
South Tyneside	£2,470	
Salford	£2,460	
NW Leicestershire	£2,460	
Northampton	£2,370	
Wolverhampton	£2,300	
Durham	£2,030	

Rewiring replacement unit costs 2013/14		NWLDC 2014/15
Melton	£3,000	
Salford	£2,860	
Harlow	£2,750	
Bassetlaw	£2,520	
Cheshire West & Chester	£2,510	
Wokingham	£2,500	
Northampton	£2,450	
Nottingham	£2,370	
NE Derbyshire	£2,370	
Mid Devon	£2,300	
Stevenage	£2,280	
Durham	£2,190	
Wolverhampton	£2,160	
South Tyneside	£2,120	£2,061
Brighton and Hove	£2,030	
Corby	£2,000	
Shropshire	£2,000	
Sedgemoor	£1,860	
Chesterfield	£1,500	
Basildon	£1,430	
Doncaster	£1,350	
Manchester	£1,310	
NW Leicestershire	£1,160	
Waverley	£1,140	
Blackpool	£850	

Roofing replacement unit costs 2013/14		NWLDC 2014/15
Basildon	£14,130	
Waverley	£8,580	£8,882
Harlow	£6,500	
Shropshire	£6,500	
Brighton and Hove	£6,000	
Bassetlaw	£5,980	
Durham	£5,740	
Salford	£5,250	
Mid Devon	£5,200	
Melton	£5,000	
South Tyneside	£5,000	
Chesterfield	£5,000	
NW Leicestershire	£3,930	
NE Derbyshire	£3,830	
Wokingham	£3,800	
Manchester	£3,750	
Blackpool	£3,300	
Corby	£3,000	
Cheshire West & Chester	£2,850	
Doncaster	£1,720	
Stevenage	n/a	
Nottingham	n/a	
Northampton	n/a	
Wolverhampton	n/a	
Sedgemoor	n/a	

Windows replacement unit costs 2013/14		NWLDC 2014/15
Brighton and Hove	£4,500	
Mid Devon	£3,150	
Melton	£3,000	
Sedgemoor	£2,970	
Basildon	£2,930	
Corby	£2,500	
South Tyneside	£2,400	
Salford	£2,320	
Harlow	£2,000	
Chesterfield	£2,000	
Blackpool	£2,000	£1,998
NW Leicestershire	£1,880	
NE Derbyshire	£1,650	
Waverley	£1,560	
Manchester	£1,480	
Nottingham	£1,220	
Doncaster	£1,140	
Wokingham	£500	
Bassetlaw	£320	
Durham	£160	
Stevenage	n/a	
Northampton	n/a	
Wolverhampton	n/a	
Shropshire	n/a	
Cheshire West & Chester	n/a	

## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

## POLICY DEVELOPMENT GROUP – 16 JULY 2014

Title of report	<b>UPDATING THE HOUSING REVENUE ACCOUNT BUSINESS PLAN</b>
Contacts	<p>Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a></p> <p>Councillor Roger Bayliss 01530 411055 <a href="mailto:roger.bayliss@nwleicestershire.gov.uk">roger.bayliss@nwleicestershire.gov.uk</a></p> <p>Director of Services 01530 454555 <a href="mailto:steve.bambrick@nwleicestershire.gov.uk">steve.bambrick@nwleicestershire.gov.uk</a></p> <p>Head of Finance 01530 454520 <a href="mailto:ray.bowmer@nwleicestershire.gov.uk">ray.bowmer@nwleicestershire.gov.uk</a></p> <p>Head of Housing 01530 454780 <a href="mailto:chris.lambert@nwleicestershire.gov.uk">chris.lambert@nwleicestershire.gov.uk</a></p>
Council Priorities	Value for Money Homes and Communities
Implications:	
Financial/Staff	The implications of the decision are covered in the report
Link to relevant CAT	Not applicable
Risk Management	The risks associated with the decision are covered in the report
Equalities Impact Assessment	The implications of the decision are covered in the report
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	Housing Revenue Account Business Plan Project Board
Background papers	<b>Additional Costs of the Decent Homes Improvement Programme 2014/15 (Cabinet - 4 March 2014)</b> <b>Call-in of Cabinet decision of 4 March 2014 entitled 'Additional Costs of the Decent Homes Programme 2014/15' (Policy Development Group - 12 March 2014)</b>
Recommendations	<b>POLICY DEVELOPMENT GROUP CONSIDERS THE REPORT AND MAKES ANY COMMENTS IT WISHES TO HAVE REFERRED TO CABINET ON 29 JULY 2014 WHEN THIS MATTER WILL BE CONSIDERED.</b>

## 1.0 BACKGROUND

- 1.1 This report is linked to the item on the agenda for this meeting entitled "Additional Funding for the Decent Homes Improvement Programme 2014/15".
- 1.2 The Housing Revenue Account Business Plan was originally approved by Cabinet on 27 March 2012, and provides the service and financial planning framework for the delivery of the Council's landlord services over a 30 year period. The Business Plan has two key elements, the narrative text section, and a financial spreadsheet model, which forecasts income and expenditure levels over the full 30 year plan period.
- 1.3 When the Business Plan was originally established it was proposed that it would be updated annually to reflect actual expenditure in the previous year and any budget adjustments, and fully reviewed every 5 years. However, in response to the additional funding required to deliver the Decent Homes Improvement Programme (DHIP) in 2014/15 and a range of other changes that have affected the Plan's base assumptions, it is being reviewed earlier than originally planned, as part of the preparations for the 2015/16 budget setting process. Cabinet will be asked to approve the revised HRA Business Plan, as part of the 2015/16 budget setting process.
- 1.4 This report provides Policy Development Group (PDG) with an introduction to the key issues being addressed in the reviewed business plan, and illustrates how they interlink with the additional funding required to complete the 2014/15 improvement programme. The Cabinet will also receive this information and any comments from PDG at its meeting on 29 July 2014.

## 2.0 THE BUSINESS PLAN FINANCIAL MODEL

- 2.1 The HRA Business Plan financial model covers a 30 year period and illustrates income and expenditure projections over the plan period. As part of the review being completed the plan is being rebased, with 2014/15 as year 1 of the 30 year cash flow model. In addition to this, we have also introduced a revised and updated spreadsheet model from our business planning professional advisors the Chartered Institute of Housing (CIH), which incorporates all current housing finance legislation. The new baseline plan uses information from the provisional outturn figures for the HRA and the

Capital Programme for 2013/14. Both of these are subject to confirmation by members as part of the outturn approval process over the coming months, and any amendments made as part of this process will require the business plan model to be adjusted accordingly. It also incorporates the revised HRA and Capital Programme budgets approved by Council on 25 March 2014.

2.2 Part of the process of reviewing and updating the plan includes the following mandatory updates to reflect current position:

- Updated balances for the Housing Revenue Account (HRA) and Major Repairs Reserve (MRR).
- Revised 'Year 1' income and expenditure to reflect 2014/15 budget.
- Revised housing stock numbers to reflect the number of properties within the rental system available for let following deduction of previous years' right to buy sales and decommissioned sheltered schemes.
- Updated the opening debt to reflect the partial repayment of annuity loans.

2.3 In addition, the following revisions have been made to enable more accurate forecasting of future cash flows:

- The number of assumed Right to Buy (RTB) sales in the future has been increased to reflect the more recent trends since the Government increased the discounts available to tenants.
- The vacant property percentage rate used in the model has been increased from 0.75% to 1.09% (£184k) for 2014/15 and 1.8% from 2015/16 (£319k) to reflect current position. This will be kept under review and adjusted back down as vacant property numbers reduce once the improvement programme is completed. The original level of vacant properties is still considered to be the typical level we will experience over the medium to long term. Completing the decent homes improvement programme has resulted in a number of properties remaining empty for longer than normal as a result of the need to coordinate different contractors completing different works in them. This situation has been compounded by an increase in the number of properties coming vacant, which we believe to be only a short term situation.
- The provision for bad debt been has increased from 0.4% to 1% (to £169k). This reflects the increase in bad debt provision approved as part of the 2013/14 budget setting process in preparation for anticipated higher levels of debt following the introduction of Welfare Reform.
- The Rent Convergence date for converging property rents has been amended from 2015/16 National Government Policy target date to 2016/17 which is the date that the majority of properties will meet convergence (although this will require further amendment in the light of the recent Government announcement on future rent policy also referred to in this report).
- Revenue Contribution to Capital Outlay (RCCO) provision has been amended in the model to be input at a pre-determined level for 2014/15 rather than calculated amount.

- 2.4 The rebased 2014/15 model shows a healthy long term future for the Council's landlord activities based on current assumptions and current social rent policy. A previously known projected funding shortfall issue presents itself in year 8 of the plan (2021/22), with a need to source additional resources of £112k. This is because we have to repay two of the maturity loans of £10 million and £3 million fall due for repayment. Options to fund this shortfall will be considered once the final amount is confirmed as part of the ongoing budget setting process, and could include reductions in revenue expenditure, or simply refinancing the loans. The amount required is a significant reduction from the previously forecast sum which was in excess of £1m. The reduction is as a result of the incorporation of projected under spending from the 2013/14 capital programme into the model, and other changes as a result of amendments to the assumptions the model is based on, as detailed in this report.
- 2.5 The baseline 2014/15 model excludes the additional estimated £3.063m required to fund additional non decent properties. Financial modelling of the options available to fund the improvements has been undertaken and is detailed under Section 4.
- 2.6 The revised baseline model future capital funding projections remain based on information derived from our previous housing stock condition information. The new stock condition surveys of all homes, completed over the last three years as part of the decent homes programme are currently being analysed to allow us to revise our future funding projections, and this information will be built into the business planning process for consideration as part of the 2015/16 budget setting process.

### **3.0 THE BASELINE BUSINESS PLAN FINANCIAL ASSUMPTIONS**

- 3.1 As part of the process of reviewing the business plan, there are a number of areas that require updating and revision to reflect the current position. This section of the report explains the proposed areas we will be reviewing.
- 3.2 The general inflation rate contained in the financial model has not been revised and remains at 2.5%, and therefore all classes of income and expenditure increase by this amount (unless singularly varied and referenced below):
- 3.3 Depreciation has been amended in the model to actual 2014/15 figure. In addition the model has been amended so that the value is not increased by the general inflation rate as this represents the advice we have received from Charter Institute of Housing.
- 3.4 The forecast level of Retail Price Index (RPI) which currently drives the annual rent increase also remains at 2.5%, with the formula rent increase percentage remaining at 0.5% to reflect current national rent policy. Details regarding the potential impact of proposed changes to rent policy are detailed in section 3.6 of this report.
- 3.5 Decent Homes Improvement Programme - additional costs have been identified relating to the delivery of the 2014/15 improvement programme, as previously reported, and falling into three categories -
- A. Additional improvement works costs - £1,650,058
  - B. Funding for newly identified non decent homes - £2,444,270
  - C. Funding for non grant eligible non decent homes - £618,895

The funding required to address item A has been identified and approved by Cabinet/Council with consequent amendments being made to the approved budget for 2014/15.



The proposed source of funding for items B and C has also been identified as explained in a separate report to PDG on this agenda, and it is proposed that this will form a report to Cabinet on 29 July 2014 and Council on 16 September 2014 recommending that improvement works to these properties are completed in 2014/15, and amending the Housing Revenue Account and Capital programme budgets accordingly.

As part of the evaluation of the options to provide this additional funding, an assessment of the impact of additional borrowing on different terms was completed. Following this review, it was decided not to recommend additional borrowing as a source of funding for the additional costs, as the required funding could be obtained from existing sources within the capital programme and HRA balances, thus avoiding any interest charges which would be associated with any loan funding.

- 3.6 Future Government Rent Policy – as part of the introduction of the HRA self financing regime, the Government retained control of national social rent policy. This was to allow control of Housing Benefit expenditure and to seek to retain the alignment between Housing Association and Council rent levels which was being achieved through the rent restructuring process.

In October 2013 the Department for Communities and Local Government (DCLG) consulted all social housing providers on proposed amendments to social housing rent policy. The proposed changes include an amendment to the formula used for increasing rents, replacing the Retail Price Index (RPI) + 0.5% with Consumer Price Index (CPI) + 1%. Over time it is anticipated that this will produce lower rent increases for tenants, however it also reduces the level of income from rents within the business plan. If rental income increases at a slower rate than costs increase, this will create pressures within the business plan, which will need to be managed carefully.

Also included in the proposed changes is the removal of 'rent convergence', a system by which rents that are at a lower level are increased by a further up to £2 per year until they reach what is called limit rent or target rent. The current proposal is that all rents will be increased by the new formula only from their position at April 2015 and there will be no additional increases for those whose rent is not already at the 'limit rent' level.

DCLG announced the outcome of their consultation and confirmed the new Social Rent policy in June 2014.

Initial assessment of the impact of both of these changes has been modelled in a version of the HRA Business Plan 30 year cash flow model. When compared to the current Baseline version of the plan, the resultant loss in income over the 10 year period from 2014/15 to 2023/24 could be up to approximately £15m. Detailed work on the changes and flexibility granted by DCLG and resulting impact to the HRA is currently being undertaken and Members will be advised of any changes to the business plan we consider are necessary during the 2015/16 budget setting process.

- 3.7 Right to Buy - the level of council house sales has increased in recent years as shown in the table below, and it is assumed that the recent announcement that the Government will be appointing "Right to Buy Agents" to promote the scheme nationally will further stimulate interest from tenants in purchasing their homes.

Year	2011/12	2012/13	2013/14
Number of Sales	2	15	36

The increased level of sales has been factored into the revised business plan, and both income (due to reduced rent paid) and expenditure (due to fewer properties to repair and improve) are being adjusted accordingly.

In June 2012 we signed an agreement to retain all of the receipts we received from right to buy sales over and above an agreed level as part of the Governments one for one replacement initiative. Under the present arrangements the income from right to buy sales is split between the Council (25%) and the Government (75%). The new arrangements mean that we can retain all of the surplus receipts above an agreed level, on condition that we add to them from our own resources, and reinvest them in providing additional affordable housing within a given timeframe.

The formula through which we assess whether we have qualified to retain receipts is complex and can only be implemented each quarter after property sale numbers and values are confirmed.

Right to buy sales in Quarter 4 of 2013/14 represented a level where we qualified to retain receipts under the one for one replacement provisions, with £122,178.35 retained. Under the agreement we are required to supplement this to raise the available resources to a total £407,261.17 which is to be spent on providing additional rented homes by 31 August 2017. The funding for this will be incorporated into the 2015/16 capital programme.

There are a number of options available for the Council to fulfil its one for one replacement obligations, these include:

- Partnership working with a Registered Provider (RP) by providing grant funding to develop affordable homes.
- Partnership working with a RP by using them as developing agent.
- The Council directly deliver the replacement affordable home programme.
- Special Purchase Vehicle
- Buy Back (repurchase of former Council properties sold under the Right to Buy).
- Purchasing existing or new properties from developers of private owners.

These options are currently being evaluated and recommendations regarding the proposed approach to delivering the required additional properties will form part of the 2015/16 budget setting process.

- 3.8 Garages and Hard Standings - the Council has 383 garages and 240 sites (hard standings) which are available to let to local residents. The potential annual income from rental charges is £158,968, however only 51% (£80,686) is being achieved due to the location and/or condition of many of the sites and garages.

Following a review of the garages and hard standings it is proposed that a Garages policy be adopted, which is due to be considered by Cabinet in the summer of 2014. This will provide the policy position from which we intend to develop a 10 year garage

site improvement programme, and consider some sites for redevelopment where appropriate.

- 3.9 Review of Sheltered Housing Schemes - Cabinet approved the decommissioning of three sheltered housing schemes in September 2011 with two further schemes identified as not having a long term viable future. One scheme has been disposed of on the open market achieving a capital receipt of £325k. The options for the future use of the buildings other buildings is currently being finalised and will be addressed as part of the 2015/16 budget setting process.
- 3.10 Empty Properties - As at 7 April 2014, there were 250 empty properties of which 64 are in the sheltered schemes referred to above. These, and a further 65 properties are 'out of debit' which means they are effectively removed from our stock numbers along with the associated rental income. Decisions to undertake intrusive asbestos surveys and Decent Homes improvements whilst the properties are empty together with the level of empty properties being higher than anticipated has resulted in reduced rental income of £333,811 which equates to 2.04% of the gross rental income for 2013/14, and this has been factored into our revised business plan.
- 3.11 Post 2014/15 improvement programme priorities – as part of the detailed preparations for the 2015/16 budget setting process, the level of funding required to sustain all tenants homes at the decent homes standard after 2014/15 is being re-evaluated. The outcome of this work could revise the level of funding required from 2015/16 onwards from the level currently projected in the business plan, which was based on 2006 stock condition information. The outcomes of this work will also impact upon the level of capital funding available for new initiatives, such as an accelerated improvement programme or new build, and is due to be completed in time to inform the 2015/16 budget setting process.
- 3.12 All of these factors are currently being incorporated into the revised HRA Business Plan, and the revised document will be considered for approval as part of the 2015/16 budget setting process.

#### **4.0 FINANCIAL IMPLICATIONS OF ADDITIONAL COSTS OF THE DECENT HOMES IMPROVEMENT PROGRAMME ON THE HRA BUSINESS PLAN.**

- 4.1 The detailed implications of the medium to long terms impact of the proposed approach to funding the additional costs of the 2014/15 decent homes improvement programme have been evaluated. Financial modelling has been undertaken on financing the required funds through the use of HRA reserves and unallocated balances within the capital programme, to fund the estimated additional costs of £3.06m. This approach to securing the required funding is considered to represent better value for money to the Council than borrowing the funds, as interest charges are avoided, and investment income from balances held is currently very low.
- 4.2 The proposed approach to funding the additional £3.06m required to complete the decent homes programme in 2014/15 is detailed in the separate report to PDG, and involves the use of the following sources of funding –
- **£613,451** 2014/15 Capital Programme, unallocated contingency.
  - **£1,206,359** - Capital Programme, underspend from 2013/14 (subject to confirmation as part of the final accounts process)\*.

- **£1,243,355** - HRA Balances, through An additional Revenue Contribution to Capital Outlay (in addition to the £1,679,058 already included in the approved HRA and Capital Programme budgets for 2014/15).

\*In the event that the 2014/15 Decent Homes expenditure is less than projected less will be needed to be taken from HRA balances.

The impact of this funding on the Business Plan will be to increase the size of the projected shortfall in year 8 of the plan (2021/22) from £112k to circa £3.3m.

The principal options to address this funding requirement are -

- Reducing ongoing revenue expenditure to create budget capacity. This option would require revenue savings of £471k per year for 7 years to generate the required £3.3m by 2021/22. Savings would not have to be made equally each year.
- Refinancing the loans rather than repaying them. There is an option to re-borrow the required funds, but this would be subject to future revenue costs for repayment and the interest rate for the loans cannot be projected with absolute accuracy.
- A combination of revenue reductions and refinancing.

Using reserves/balances would utilise existing HRA resources and as a result the Council would not incur any additional interest costs in borrowing additional funds. There would be a reduction in interest income on balances though, although given the low level of interest rates this is not projected to be more than £10k per annum.

The currently approved RCCO budget of £1.679m would increase by £1.243m to £2.922m.

Additionally it is important to note that the impact of changes in Government social rent policy recently announced have not yet been modelled, and we will also be updating our future investment requirements in response to the updated housing stock condition survey analysis currently being completed. Both of these factors will be addressed as part of the process of revising the business for the 2015/16 budget setting process.

## **5.0 CONCLUSION**

- 5.1 This report is designed to advise the PDG of a range of issues relating to the HRA Business Plan which are currently being updated. This also reflects the current position following the identification of additional funding requirements to deliver the 2014/15 improvement programme.
- 5.2 The revised HRA Business Plan will be the subject of a report to a future Cabinet meeting as part of the preparations for the 2015/16 budget setting process. PDG are invited to offer any comments they wish to have referred to Cabinet as part of this process.

## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

## POLICY DEVELOPMENT GROUP – 16 JULY 2014

Title of report	<b>RISK MANAGEMENT STRATEGY</b>
Contacts	Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicesterhire.gov.uk">nicholas.rushton@nwleicesterhire.gov.uk</a>  Head of Finance 01530 454520 <a href="mailto:ray.bowmer@nwleicestershire.gov.uk">ray.bowmer@nwleicestershire.gov.uk</a>
Purpose of report	To request any comments from the Policy Development Group on the draft revised Risk Management Strategy which Cabinet will be asked to approve on 29 July 2014.
Council Priorities	Value for Money
Implications:	
Financial/Staff	The Council manages its risks within its existing budgets. Effective risk management reduces the number of insurance claims which can have a positive impact on the premium paid.
Link to relevant CAT	Not applicable
Risk Management	Risks have been considered and are covered within the policy
Equalities Impact Assessment	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	As author of the report, the report is satisfactory
Comments of Monitoring Officer	The report is satisfactory
Consultees	Zurich (Council's insurer)
Background papers	None
Recommendations	<b>THAT MEMBERS NOTE THE REPORT AND PROVIDE ANY COMMENTS WHICH IT WISHES THE CABINET TO CONSIDER</b>

## **1.0 BACKGROUND**

- 1.1 The Risk Management Strategy encapsulates the way risk management will be undertaken consistently throughout the Council.
- 1.2 The Council needs to ensure that risks are only taken when justified and with a detailed knowledge and understanding of their possible impact upon the Council, its reputation, its assets, its stakeholders and the community. Through our culture of progressive improvement, risk management increases the success of the Council in delivering the best outcomes for the people of the District
- 1.3 The Council maintains high standards of corporate governance and recognises risk management as a key component of its governance and assurance framework. The Council's key proposals and objectives are examined to consider the potential risks to their achievement. This involves systematic risk identification and analysis of both corporate and service risks, as well as any risks arising from the delivery of Council objectives through partnership working.
- 1.4 The Council accepts its legal and moral duties in taking informed decisions about how best to control and minimise the downside of risk, whilst still maximising opportunity and benefiting from positive risks. The Council will ensure that Members and Officers understand their responsibility to identify risks and their potential consequences.

## **2.0 AIM AND OBJECTIVES OF THE STRATEGY**

- 2.1 The Risk Management Strategy is attached at Appendix 1.

### **Aim**

- 2.2 The aim of this Strategy is to improve the Council's ability to deliver its strategic service priorities and objectives by managing risks and enhancing its opportunities.

### **Objectives**

- 2.3 The objectives of the Strategy are to:
- to protect the health, safety and welfare of its employees and the people it serves;
  - to protect its property, assets and other resources;
  - to protect the services it provides;
  - to maintain its reputation and good standing in the wider community.
  - to deliver its overall objectives and priorities

## **3.0 WHAT IS RISK MANAGEMENT?**

- 3.1 Risk management is essentially about identifying and managing significant obstacles and weaknesses which the organisation is faced with. When these risks have been identified the next stage is to assess their likelihood and impact and compare the scores against the organisation's appetite for risk. Once assessed it is essential that steps are taken to then effectively manage those risks. The aim is that major obstacles or blockages that exist can be mitigated to provide the council with a greater chance of being able to achieve its objectives.

## **4.0 LINKS TO SERVICE PLANNING**

4.1 Risk management needs to be viewed as a strategic tool that is an essential part of effective and efficient management and planning. There are clear links between corporate planning and risk management. These include:

- Each priority and objective identified in the corporate plan has milestones and performance indicators that the Council's activities will aim to achieve. During the lifetime of the plan there will be direct and indirect risks to this achievement.
- Incorporating risk management action plans into Corporate and Team Business Plans facilitates important risk control activity. The resources for risk management can also be considered at the same time as the budget for the plans is set.
- During reviews of performance and service delivery plans the actions taken to control risks can be monitored and the profile of risks reviewed to reflect any changes.
- Risk management will, by adding to the business planning and performance management processes, strengthen the ability of the Council to achieve its objectives and enhance the value of the services provided.
- Risk management is also an essential requirement of the Council's formal Governance Framework and is incorporated in the Annual Governance Statement.

## **5.0 BENEFITS OF RISK MANAGEMENT**

5.1 The benefits of good risk management include:

- *Enhanced operational performance*

Better outcomes and reduced costs by means of more efficient and effective deliveries. The achievement of strategic corporate priorities is enhanced with reduced scope for disasters and surprises. There is improved working with external agencies and stakeholders, added value across service areas, improved internal controls, consistent management of risk and opportunities resulting in improved service delivery, communication, consensus and prioritisation.

- *Improved financial performance*

More certainty of financial objectives being achieved, reduced level of error and fraud, increased capacity through reduction in decisions that need reviewing or revising, and a decreased number and impact of critical risks and events. This is evidenced by the Council's excellent track record of unqualified External Audit opinions on its accounts and proven performance against budget.

- *Opportunity Risk Management*

Better and evidence-based assessment of potential strategies, and clearer understanding of the community impact of lost opportunities.

- *Improved corporate governance and systems compliance*

The Annual Governance Statement is better substantiated and demonstrated, increased public satisfaction, fewer regulatory visits and reductions in legal challenges.

- *Improved human resources management*

Reduced staff turnover, absenteeism and stress.

- *Improved Partnership Working*

More transparent risk management arrangements will promote common understanding with partners, and will reveal vulnerabilities to the achievement of objectives.

- *Improved Internal Control Framework*

The use of risk management techniques by Internal Audit focuses control and compliance investigation work in the areas of greatest vulnerabilities.

- *Improved Business Resilience*

Internal and community risk registers assist in the preparation of business resilience plans. These increase the reliability of service delivery, and assist in tackling community disasters.

- *Improved insurance management*

Reduced cost of insurance premiums and number and level of claims, and a reduced number of uninsured losses.



## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL RISK MANAGEMENT STRATEGY

### 1. INTRODUCTION

1.1 In line with established best practice, North West Leicestershire District Council has reviewed its principles of risk management which were approved in September 2009. The Council has adopted the principles of risk management in order to meet the following objectives:

- to protect the health, safety and welfare of its employees and the people it serves;
- to protect its property, assets and other resources;
- to protect the services it provides;
- to maintain its reputation and good standing in the wider community.
- to deliver its overall objectives and priorities

### 2. RISK MANAGEMENT STRUCTURE

2.1 Risk Management is co-ordinated corporately by the Health and Safety Officer based in the Council's Human Resources Team and through the Risk Management Group (RMG) chaired by the Director of Services. Each of the Council's Services has a representative on the RMG. Progress on Corporate Risk Management will be reported to elected Members through performance reports to the Cabinet. The Corporate Portfolio Holder is the Cabinet Member with overall responsibility for risk management.

2.2 Risk management will be embedded in the culture of the authority through:

- the continued adoption of the Council's risk management policy statement;
- a nominated officer lead, currently the Head of Finance;
- the Risk Management Group with representation from each Service Area;
- an established uniform procedure for the identification, analysis, management and monitoring of risk; and -
- regular monitoring and reporting through the corporate performance management system

### 3. POLICY STATEMENT

3.1 The Council will strive to maintain its diverse range of services to the community and visitors to the North West Leicestershire area. It will protect and preserve its ability to continue to provide these services by ensuring that its assets, both tangible and intangible, are protected against loss and damage. The Council is committed to a programme of risk management to ensure its ambitions for the community can be fulfilled through:

*“The identification, analysis, management and financial control of those risks which can most impact on the Council's ability to pursue its approved delivery plan”.*

3.2 The Council is committed to using risk management to maintain and improve the quality of its own services as well as any contribution by partnerships through its community leadership role. The Risk Management Strategy has the following aims and objectives:

- to further embed risk management into the culture of the Council;
- to promote the recognition of risk within the Council's defined corporate aims and objectives;
- continue to raise risk awareness within the Council and its partners;
- to manage risk in accordance with best practice;
- to comply with legislation and guidance;
- to improve safety and increase safety awareness;
- to protect Council property, services and reputation;
- to reduce disruption to services by having effective contingency or recovery plans in place to deal with incidents when they occur;
- to minimise injury, damage, loss and inconvenience to residents, staff and service users arising from or connected with the delivery of Council services;
- to review robust frameworks and procedures for the identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice;
- to maximise value for money.

3.3 Each year, through the Risk Management Group, the Council's Corporate Leadership Team (CLT) will review the Risk Management Policy Statement and its risk management processes to ensure their continued relevance to the Council. The annual review will also assess performance against the aims and objectives set out above. CLT will be accountable to Members for the effective management of risk within the Council. This will be achieved through the quarterly reporting of corporate risks to Cabinet and reports to the Audit and Governance Committee.

#### **4. RISK MANAGEMENT STRATEGY**

4.1 The overall objective of the Council's risk management strategy is to ensure that risks to the Council's objectives, services, employees, partnerships and contractors are identified, recorded, amended, prioritised and then addressed by being treated, tolerated, transferred or terminated. The strategy incorporates:

##### **a. Identification / consideration of risks**

- Identifies corporate and operational risks, assesses the risks for likelihood and impact, identifies mitigating controls and allocates responsibility for the mitigating controls.
- Requires the consideration of risk within all service plans and reviews and the regular review of existing risks as identified in the risk register.
- Requires, reports supporting strategic policy decisions and project initiation documents, to include a risk assessment.

##### **b. Development / Delivery**

- Allocates responsibility for embedding risk management to a senior officer and Member, to jointly champion.
- Embeds risk management into; strategic planning, financial planning, policy making and review, and performance management.

- Requires that an update report arising from the work of the Risk Management Group is presented to Corporate Leadership Team for discussion and information.
- Develops arrangements to monitor and measure performance of risk management activities against the Council's strategic aims and priorities.
- Considers risks in relation to significant partnerships, which requires assurances to be obtained about the management of those risks.

**c. Member Involvement / Responsibility**

- Requires approval of the Risk Management Strategy by Cabinet.
- Requires regular reporting to Cabinet and the Audit and Governance Committee on the management of risks together with recommendation of appropriate actions.

**d. Training / Awareness**

- Provides relevant training to appropriate staff to enable them to take responsibility for managing risks within their environment.
- Requires the maintenance of documented procedures for the control of risk and the provision of suitable information, training and supervision.
- Develops appropriate toolkits, procedures and guidelines.
- Considers positive risks (opportunities) and negative risks (threats).
- Provides risk management awareness training for staff and Members.

**e. Review**

- Maintains and reviews a register of corporate business risks linking them to strategic business objectives and assigning ownership for each risk.
- Requires an annual review of the risk management process, including a report to CLT and quarterly reporting to the Audit and Governance Committee and, in the case of strategic risks, to Cabinet through the performance reporting process.
- Includes a monthly one-to-one review between managers and risk owners.

**f. Business Continuity / Insurance**

- Develops contingency plans in areas where there is a potential for an occurrence having a catastrophic effect on the delivery of the Council's services.
- Ensures the Council's Insurance Officer is notified of any new risks.
- Ensures adequate records are maintained and retained to support the Council's defence against disputed insurance claims.

**5. CORPORATE RISK MANAGEMENT GROUP**

5.1 The Corporate Risk Management Group is made up of technical experts and corporate leads from the Council's Service Areas. Members of the Group act as "champions" for risk within their services and the Group provides a link into the CLT.

5.2 The role of the Group is to maintain a formal framework that will assist with the management of risk and business continuity, by developing the corporate lead and advising CLT on the expected outcome. The objectives of the Group are:

- to assess and advise on the reduction of prevailing risks within the Council's services, to the benefit of staff and the public;

- to discuss, agree and recommend as appropriate, on matters relating to corporate risk policy and strategy;
- to make reports and recommendations to CLT;
- to discuss operational risks insofar as they relate to matters of cross-directorate interest;
- to oversee the implementation of the Council's Risk Management Strategy, and to promote a holistic approach to its ongoing management;
- to promote good risk management practices with the aim of reducing potential liabilities;
- to consider and identify ideas/schemes for risk reduction;
- to provide a forum to discussion on risk management issues.

These will be achieved through the following:

- the use of the Council's Risk Management reporting system;
- monitoring the risk management strategy;
- reviewing the Council's strategic risk register and associated action plans, acting as a forum for examining and rating risks and making recommendations to CLT.
- developing a comprehensive performance framework for risk management, and developing and using key indicators capable of showing improvements in risk management and providing early warning of risk;
- supporting the development and review of internal standards and procedures regarding significant risk areas;
- supporting the development and implementation of relevant training, awareness and education programmes;
- supporting the development and implementation of adequate, relevant and effective reporting, communication and information dissemination systems with managers and staff;
- supporting the effective monitoring and review of near misses, untoward incidents and accidents, legal and insurance claims and verifying that appropriate management action has been taken promptly to minimise the risk of future occurrence;
- supporting the review of the risk register and action plans to ensure that appropriate management action is taken appropriately to tolerate, treat, transfer or terminate the risk;
- monitoring compliance with legal and statutory duties;
- providing progress reports to CLT and Members, drawing to their attention significant business risks.

## **6. PROCEDURES**

- 6.1 The Council will adopt uniform procedures for the identification, analysis, management and monitoring of risk. These will be embodied in a formal risk management framework, which will be subject to review by the Cabinet, following consideration by CLT.

The approved framework is set out in Appendix A to this strategy document.

## **7. FUNDING FOR RISK MANAGEMENT**

- 7.1 The annual Service and Financial Planning process will include a review of operational risks and consider the allocation of funds for risk management initiatives as part of the annual budget process. If additional funds are required approval will be sought initially from CLT.

## **8. BENEFITS OF EFFECTIVE RISK MANAGEMENT**

8.1 Effective risk management will deliver a number of tangible and intangible benefits to Individual services and to the Council as a whole e.g.

### **Improved Strategic Management**

- Greater ability to deliver against objectives and targets
- Increased likelihood of change initiatives being achieved effectively
- Improved reputation, hence support for regeneration

### **Improved Operational Managements**

- Reduction in interruptions to service delivery.
- Reduction in managerial time spent dealing with the consequences of a risk event occurring
- Improved health and safety of employees and others affected by the Council's activities
- Compliance with legislation and regulations

### **Improved Financial Management**

- Better informed financial decision-making
- Enhanced financial control
- Reduction in the financial costs associated with losses due to service interruption, litigations, etc.
- Improved containment of insurance premiums.

### **Improved Customer Service**

- Minimal service disruption to customers and a positive external image

**North West Leicestershire District Council**  
**July 2014**

## North West Leicestershire District Council Risk Management Framework

### (A) What is this framework?

This framework is intended to promote a set of uniform risk management procedures through which directorates will identify, analyse, monitor and manage the risks faced by the Council.

For the purposes of the framework, risk management is defined as *“the identification, analysis, management and financial control of those risks that can impact on the Council’s ability to deliver its services and priorities.”*

Risk management is therefore concerned with better decision making, through a clear understanding of all associated risks before final decisions are made by either Members or officers. When risks are properly identified, analysed and prioritised it is possible to formulate action plans that propose management actions to reduce risk or deal adequately with the consequences of the risks should they occur. The underlying aim is to treat, terminate or transfer risk to bring them to an acceptable manageable level within the Council, monitor tolerated risk, ensuring services to the public can be maintained, and that the Council’s priorities can be fulfilled.

Risk management therefore supports the Council’s service planning process by positively identifying the key issues that could affect the delivery of the service objectives.

### (B) Why does the council need to consider risk management as part of its service planning?

All organisations have to deal with risks, whatever their nature. As a general principle the Council will seek to reduce or control all risks that have the potential to:

- harm individuals;
- affect the quality of service delivery or delivery of the Council’s priorities;
- have a high potential of occurrence;
- would affect public confidence;
- would have an adverse effect on the Council’s public image;
- would have significant financial consequences.

Risk Management cannot therefore be considered in isolation, but needs to be an integral part of decision-making and service planning processes of the Council. Risk management must be fully embedded in:

- service planning,
- performance management,
- best value,
- committee reports.

### (C) Assessing risk

Once risks have been identified, an assessment of their significance is required. This requires a robust and transparent scoring mechanism to be used uniformly across Council directorates.

Scoring should be a group exercise including managers and frontline employees. This is because people's perceptions vary and this can have an effect on scoring the risk. Employees who experience a risk every day can become complacent and fail to see how serious it may actually be, whilst a group will usually see the wider impact.

A decision on risk ownership is also required. The owner should be at management level and be responsible for ensuring that controls identified to manage the risk are in place and that they are effective. Delegation of responsibility for particular actions to other employees is acceptable, but overall control of risk must remain with management.

Tables 2 and 3 below set out a scoring mechanism for assessing the likelihood and the impact of exposure to risk.

**Table 2 – assessing the likelihood of exposure**

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

**Table 3 – assessing the impact of exposure**

<b>1. Minor</b>	Loss of a service for up to one day Objectives of individuals are not met No injuries Financial loss below £10,000 No media attention No breaches in council working practices No complaints/litigation
<b>2. Medium</b>	Loss of a service for up to one week Service objectives of a service unit are not met Injury to an employee or member of the public requiring medical treatment Financial loss over £10,000 Adverse regional or local media attention – televised or news paper report High potential for a complaint litigation possible Breaches of regulations/standards

<p><b>3. Serious</b></p>	<p>Loss of a service for one week or more  Service objectives of the directorate are not met  Non- statutory duties are not achieved  Permanent injury to an employee or member of the public  Financial loss over £100,000  Adverse national or regional media attention – national news paper report  Litigation to be expected  Breaches of law punishable by fine</p>
<p><b>4. Major</b></p>	<p>An incident so severe in its effects that a service or project will be unavailable permanently  Strategic priorities are not met  Statutory duties are not achieved  Death of an employee or member of the public  Financial loss over £1m.  Adverse national media attention – national televised news report  Litigation almost certain and difficult to defend  Breaches of law punishable by imprisonment</p>



#### (D) Prioritisation of risk

Table 4 brings together in a matrix the likelihood and impact of risk.

**Table 4 – a risk matrix**

		Likelihood			
		1	2	3	4
Impact	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4

Based on this matrix, the Council must decide on the level of risk it is prepared to accept as part of its ongoing operations. Any risk above the agreed level should be considered unacceptable and will therefore need to be managed. The risks in the above matrix fall into three zones; red, amber and green. Table 5 sets out the Councils intended response to these risks.

**Table 5 – Intended responses to risk**

<b>Red</b>	Controls and/or mitigating actions are required to reduce the risk to an acceptable level. Effort should be focused on reducing the risk of any items appearing in this zone, hence moving them to the amber or green zone.
<b>Amber</b>	Risks will require ongoing monitoring to ensure they do not move into the red zone. Depending on the resources required to address the red risks, it may be appropriate to develop controls/mitigating actions to control these risks.
<b>Green</b>	Existing controls and/or mitigating actions are sufficient and may be excessive. More resource committed to reduce these risks is likely to be wasted. Consideration should be given to relaxing the level of control to release resources for mitigating higher level risks.

#### (E) Format of the risk register

Annex 1 to this framework provides a standard format.

Ref No	Risk Owner/ Collector	Risk Description	Consequence	Inherent risk			Existing Control Measures	Mitigated risk (current after existing controls)			Are existing control measures acceptable? Y/N	If not, what additional mitigating actions are required?	Target risk (after additional actions implemented)			
				L	I	IRR		L	I	MRR			L	I	TRR	

## DRAFT Notice of Executive Key Decisions – as at 2 July 2014

The attached notice lists the matters which are likely to be the subject of a key decision by the Council's executive and executive decision making bodies. This notice is produced in accordance with the Constitution adopted by North West Leicestershire District Council and will be published a minimum of 28 days before the date on which a key decision is to be made on behalf of the Council.


The date of publication of this notice is Friday, 22 August 2014. The Deadline for making any representations as to why items marked as private should be considered in public by **Cabinet on 23 September 2014 is 5pm Friday, Tuesday, 16 September 2014.**

### Key Decisions

A key decision means a decision taken by the Cabinet, a committee of the Cabinet, an area or joint committee or an individual in connection with the discharge of a function which is the responsibility of the executive and which is likely:

- (a) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the Council;
- (c) for the purposes of (a) and (b) above £100,000 shall be regarded as significant in terms of expenditure or savings, and any issue which, in the opinion of the Leader is likely to have an impact on people, shall be regarded as significant in terms of impact on communities.

### The Council's Executive

 The Council's executive committee is the Cabinet. The Cabinet comprises:

Councillor R Blunt	-	Leader	Councillor T J Pendleton	-	Regeneration and Planning
Councillor A V Smith MBE	-	Deputy Leader and Community Services	Councillor N J Rushton	-	Corporate
Councillor T Gillard	-	Business	Councillor R D Bayliss	-	Housing

### Confidential Items and Private Meetings of the Executive

Whilst the majority of the Cabinet's business at the meetings listed in this notice will be open to the public and media organisations to attend, there will inevitably be some business to be considered that contains, for example, confidential, commercially sensitive or personal information. This is a formal notice under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that part of the Cabinet meetings listed in this Forward Plan may be held in private because the agenda and reports for the meeting contain exempt information under Part 1 Schedule 12A to the Local Government Act (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. Those Items where it is considered that they should be considered in private are identified on the Notice.

### Access to Agenda and Related Documents

Documents relating to the matters listed in this notice are available at least 5 clear working days prior to the date of decision as indicated below. Other documents relevant to the matters listed in this notice may be submitted to the decision maker.

If you wish to request or submit a document, or make representation in relation to any issue contained within this notice, please contact Democratic and Support Services on telephone number 01530 454512 or by emailing [memberservices@nwleicestershire.gov.uk](mailto:memberservices@nwleicestershire.gov.uk)

## Executive Decisions

Decision	Decision Maker	Status of Decision	Public or Private (and reason – where private)	Date of Decision	Contacts	Documents to be submitted to the Decision Maker
Supporting Cycling in Ashby	Cabinet	Non-Key	Public	29 July 2014	Councillor Alison Smith MBE Tel: 01530 835668 alison.smith@nwleicestershire.gov.uk  Head of Community Services Tel: 01530 454832 john.richardson@nwleicestershire.gov.uk	Report Appendix of Route Map
Investing in Our Communities	Cabinet	Key	Public	29 July 2014	Councillor Alison Smith MBE Tel: 01530 835668 alison.smith@nwleicestershire.gov.uk  Head of Community Services Tel: 01530 454832 john.richardson@nwleicestershire.gov.uk	Report Appendix showing area breakdowns
Q1 Performance Report	Cabinet	Non-Key	Public	29 July 2014	Councillor Richard Blunt Tel: 01530 454510 richard.blunt@nwleicestershire.gov.uk  Head of Legal and Support Services Tel: 01530 454762 elizabeth.warhurst@nwleicestershire.gov.uk	Quarter 1 Performance Report
Local Plan Advisory Committee - minutes of meetings	Cabinet	Non-Key	Public	29 July 2014	Councillor Trevor Pendleton Tel: 01509 569746 trevor.pendleton@nwleicestershire.gov.uk  Head of Regeneration and Planning Tel: 01530 454782 david.hughes@nwleicestershire.gov.uk	Report and Minutes of meeting of the Local Plan Advisory Committee

<b>Decision</b>	<b>Decision Maker</b>	<b>Status of Decision</b>	<b>Public or Private</b> <small>(and reason – where private)</small>	<b>Date of Decision</b>	<b>Contacts</b>	<b>Documents to be submitted to the Decision Maker</b>
Tenant Scrutiny Panel Update and Revised Terms of Reference	Cabinet	Key	Public	29 July 2014	Councillor Roger Bayliss Tel: 01530 411055 roger.bayliss@nwleicestershire.gov.uk  Head of Housing Tel: 01530 454780 chris.lambert@nwleicestershire.gov.uk	Report
Risk Management Strategy	Cabinet	Key	Public	29 July 2014	Councillor Nicholas Rushton Tel: 01530 412059 nicholas.rushton@nwleicestershire.gov.uk  Head of Finance Tel: 01530 454520 ray.bowmer@nwleicestershire.gov.uk	Report
Coalville and Ashby Markets - Status and Rival Markets Policy	Cabinet	Key	Public	29 July 2014	Councillor Tony Gillard Tel: 01530 452930 tony.gillard@nwleicestershire.gov.uk  Head of Regeneration and Planning Tel: 01530 454782 david.hughes@nwleicestershire.gov.uk	Report including Draft Policy
Additional Costs of the Decent Homes Programme 2014/2015	Cabinet	Key	Public	29 July 2014	Councillor Roger Bayliss Tel: 01530 411055 roger.bayliss@nwleicestershire.gov.uk  Head of Housing Tel: 01530 454780 chris.lambert@nwleicestershire.gov.uk	Report

<b>Decision</b>	<b>Decision Maker</b>	<b>Status of Decision</b>	<b>Public or Private</b> <small>(and reason – where private)</small>	<b>Date of Decision</b>	<b>Contacts</b>	<b>Documents to be submitted to the Decision Maker</b>
Updating the Housing Revenue Account Business Plan	Cabinet	Key	Public	29 July 2014	Councillor Roger Bayliss Tel: 01530 411055 roger.bayliss@nwleicestershire.gov.uk  Head of Housing Tel: 01530 454780 chris.lambert@nwleicestershire.gov.uk	Report
Community Safety Strategy 2014 -17	Cabinet	Key	Public	29 July 2014	Councillor Trevor Pendleton Tel: 01509 569746 trevor.pendleton@nwleicestershire.gov.uk  Head of Community Services Tel: 01530 454832 john.richardson@nwleicestershire.gov.uk	Report and Community Safety Strategy 2014-17
Provisional Financial Outturn 2013/14	Cabinet	Key	Public	29 July 2014	Councillor Nicholas Rushton Tel: 01530 412059 nicholas.rushton@nwleicestershire.gov.uk  Head of Finance Tel: 01530 454520 ray.bowmer@nwleicestershire.gov.uk	Report
Treasury Management Stewardship Report	Cabinet	Key	Public	29 July 2014	Councillor Nicholas Rushton Tel: 01530 412059 nicholas.rushton@nwleicestershire.gov.uk  Head of Finance Tel: 01530 454520 ray.bowmer@nwleicestershire.gov.uk	Report

Decision	Decision Maker	Status of Decision	Public or Private (and reason – where private)	Date of Decision	Contacts	Documents to be submitted to the Decision Maker
Medium Term Financial Strategy 2015/16 - 2018/19	Cabinet	Key	Public	23 September 2014	Councillor Nicholas Rushton Tel: 01530 412059 nicholas.rushton@nwleicestershire.gov.uk  Head of Finance Tel: 01530 454520 ray.bowmer@nwleicestershire.gov.uk	Report
Refuse Transfer Facility (Coalville)	Cabinet	Key	Public	23 September 2014	Councillor Alison Smith MBE Tel: 01530 835668 alison.smith@nwleicestershire.gov.uk  Head of Community Services Tel: 01530 454832 john.richardson@nwleicestershire.gov.uk	Report
Review of HRA Garages and Hardstandings Outcome	Cabinet	Key	Part Private Some background papers contain exempt information	23 September 2014	Councillor Roger Bayliss Tel: 01530 411055 roger.bayliss@nwleicestershire.gov.uk  Head of Housing Tel: 01530 454780 chris.lambert@nwleicestershire.gov.uk	Report
Former Tenant Rent Arrears, Current Tenant Rent Arrears, Council Tax, Non Domestic Rates and Sundry Debtor Write Offs	Cabinet	Key	Public	23 September 2014	Councillor Nicholas Rushton Tel: 01530 412059 nicholas.rushton@nwleicestershire.gov.uk  Head of Finance Tel: 01530 454520 ray.bowmer@nwleicestershire.gov.uk	Report

<b>Decision</b>	<b>Decision Maker</b>	<b>Status of Decision</b>	<b>Public or Private</b> <small>(and reason – where private)</small>	<b>Date of Decision</b>	<b>Contacts</b>	<b>Documents to be submitted to the Decision Maker</b>
Asset Management Strategy and Corporate Capital Strategy	Cabinet	Key	Public	21 October 2014	Councillor Nicholas Rushton Tel: 01530 412059 nicholas.rushton@nwleicestershire.gov.uk  Head of Finance Tel: 01530 454520 ray.bowmer@nwleicestershire.gov.uk	Report
Q2 Performance Report	Cabinet	Non-Key	Public	18 November 2014	Councillor Richard Blunt Tel: 01530 454510 richard.blunt@nwleicestershire.gov.uk  Head of Legal and Support Services Tel: 01530 454762 elizabeth.warhurst@nwleicestershire.gov.uk	Quarter 2 Performance Report
Former Tenant Rent Arrears, Current Tenant Rent Arrears, Council Tax, Non Domestic Rates and Sundry Debtor Write Offs	Cabinet	Key	Public	9 December 2014	Councillor Nicholas Rushton Tel: 01530 412059 nicholas.rushton@nwleicestershire.gov.uk  Head of Finance Tel: 01530 454520 ray.bowmer@nwleicestershire.gov.uk	Report
Former Tenant Rent Arrears, Current Tenant Rent Arrears, Council Tax, Non Domestic Rates and Sundry Debtor Write Offs	Cabinet	Key	Public	3 March 2015	Councillor Nicholas Rushton Tel: 01530 412059 nicholas.rushton@nwleicestershire.gov.uk  Head of Finance Tel: 01530 454520 ray.bowmer@nwleicestershire.gov.uk	Report



Decision	Decision Maker	Status of Decision	Public or Private (and reason – where private)	Date of Decision	Contacts	Documents to be submitted to the Decision Maker
Q3 Performance Report	Cabinet	Non-Key	Public	3 March 2015	Councillor Richard Blunt Tel: 01530 454510 richard.blunt@nwleicestershire.gov.uk  Head of Legal and Support Services Tel: 01530 454762 elizabeth.warhurst@nwleicestershire.gov.uk	Quarter 3 Performance Report
Q4 Performance Report	Cabinet	Non-Key	Public	16 June 2015	Councillor Richard Blunt Tel: 01530 454510 richard.blunt@nwleicestershire.gov.uk  Head of Legal and Support Services Tel: 01530 454762 elizabeth.warhurst@nwleicestershire.gov.uk	Quarter 4 Performance Report

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