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Meeting	CABINET
Time/Day/Date	5.00 pm on Tuesday, 16 July 2019
Location	Board Room, Council Offices, Coalville
Officer to contact	Democratic Services (01530 454512)

AGENDA

Item	Pages
1. APOLOGIES FOR ABSENCE	
2. DECLARATION OF INTERESTS	
Under the Code of Conduct members are reminded that in declaring disclosable interests you should make clear the nature of that interest and whether it is pecuniary or non-pecuniary.	
3. PUBLIC QUESTION AND ANSWER SESSION	
4. MINUTES	
Minutes of the meetings held on 10 June 2019 and 18 June 2019	3 - 12
5. REVIEW OF MEDIUM TERM FINANCIAL PLAN	
Report of the Strategic Director of Housing and Customer Services Presented by the Corporate Portfolio Holder	13 - 52
6. LOCAL PLAN REVIEW	
Report of the Strategic Director of Place Presented by the Planning and Infrastructure Portfolio Holder	53 - 60
7. APPROVAL FOR THE PROCUREMENT OF A FENCING CONTRACTOR	
Report of the Strategic Director of Place Presented by the Community Services Portfolio Holder	61 - 66

- 8. 2018/19 QUARTER 4 PERFORMANCE MANAGEMENT REPORT**
- Report of the Chief Executive
Presented by the Leader **67 - 116**
- 9. MINUTES OF THE COALVILLE SPECIAL EXPENSES WORKING PARTY**
- Report of the Strategic Director of Place
Presented by the Community Services Portfolio Holder **117 - 126**
- 10. ELLISTOWN AND BATTLEFLAT NEIGHBOURHOOD PLAN**
- Report of the Strategic Director of Place
Presented by the Planning and Infrastructure Portfolio Holder **127 - 130**
- 11. EXCLUSION OF PRESS AND PUBLIC**
- The officers consider that the press and public should be excluded during consideration of the following items in accordance with Section 100(a) of the Local Government Act 1972 as publicity would be likely to result in disclosure of exempt or confidential information. Members are reminded that they must have regard to the public interest test and must consider, for each item, whether the public interest in maintaining the exemption from disclosure outweighs the public interest in making the item available.
- 12. AUTHORITY TO PROCURE RECURRENT WORKS CONTRACTS FOR HOUSING STOCK**
- Report of the Strategic Director of Housing and Customer Services
Presented by the Housing, Property and Customer Services Portfolio Holder **131 - 138**

Circulation:

Councillor R Blunt (Chairman)
Councillor R Ashman (Deputy Chairman)
Councillor R D Bayliss
Councillor T Gillard
Councillor N J Rushton
Councillor A C Woodman

MINUTES of a meeting of the CABINET held in the Board Room, Council Offices, Coalville on
MONDAY, 10 JUNE 2019

Present: Councillor R Blunt (Chairman)

Councillors R Ashman, R D Bayliss, T Gillard, N J Rushton and A C Woodman

In Attendance: Councillors D Everitt, J Legrys, V Richichi and S Sheahan

Officers: Mr J Arnold, Mrs T Bingham, Mr G Jones, Miss E Warhurst and Mrs C Hammond

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATION OF INTERESTS

There were no interests declared.

3. EXCLUSION OF PRESS AND PUBLIC

RESOLVED THAT:

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

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

4. LAND OPTIONS IN COALVILLE

The Leader presented the report to Members.

He informed the Members of the purpose of the report, the work that had already gone into the project and the possible risks that could arise.

The Leader advised Members that the approval of the Chairman of the Council had been given to exempt the decision from call-in as the execution of the option agreement and ancillary documents was time critical and so any delay in making the decision could result in the investor's acquisition and wider development of the area not occurring.

He noted the comments from the Community Scrutiny Committee and Local Ward Members, which were generally encouraging and supportive, although at the same time cautious and a little sceptical. He highlighted to Members the recommendation from the Committee to ring-fence any proceeds from the land to support regeneration of Coalville Town Centre. The Leader, however, felt that a considerable amount of capital budget had already been allocated to the regeneration of Coalville and therefore it would not be wise to ring-fence any potential capital receipt, but continue to support Coalville as set out in the 2019/20 Council Delivery Plan.

Councillor N J Rushton stated that he was opposed to ring-fencing in general and that with the amount that had already been put aside for the Coalville regeneration project he felt that ring-fencing further amounts could cause issues in other areas of the district. He also felt that with the projected borrowing need in 2022 the proceeds from the land sale could be used to meet that.

Councillor A Woodman asked that consideration be given by any new owner to align with the Council the management of parking both in terms of price and enforcement. Cabinet requested that the Strategic Director of Place pick this up separately with the future managers of the site and use best endeavours to work jointly on a joined up approach to parking.

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

RESOLVED THAT:

1. The disposal of the land as described in the report be approved.
2. Authority be delegated to the Strategic Director of Place in consultation with the Leader to approve the detailed terms of the land option agreement and ancillary documents and enter into a contract, provided that the market value for the land is achieved.
3. Legal and other development costs of up to £100,000 to be met from unallocated earmarked reserves be approved and noted that each party will bear their own costs of entering in to the contract.

Reason for decision: Cabinet approval is sought for the disposal of Council land holdings adjacent to the area detailed in the report, which will facilitate an investor to purchase the area from the current owner with a view to redevelopment.

The meeting commenced at 5.00 pm

The Chairman closed the meeting at 5.16 pm

MINUTES of a meeting of the CABINET held in the Board Room, Council Offices, Coalville on TUESDAY, 18 JUNE 2019

Present: Councillor R Blunt (Chairman)

Councillors R Ashman, R D Bayliss, N J Rushton and A C Woodman

In Attendance: Councillors D Everitt, B Harrison-Rushton, J Legrys, C A Sewell and S Sheahan

Officers: Mr J Arnold, Mrs T Bingham, Mr G Jones, Mrs B Smith and Mrs C Hammond

4. APOLOGIES FOR ABSENCE

Apologies were received from Councillor T Gillard.

5. DECLARATION OF INTERESTS

There were no interests declared.

6. PUBLIC QUESTION AND ANSWER SESSION

There were no questions received.

7. MINUTES

Consideration was given to the minutes of the meeting held on 9 April 2019.

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

RESOLVED THAT:

The minutes of the meeting held on 9 April 2019 be approved and signed by the Chairman as a correct record.

Reason for decision:- To comply with the Constitution.

8. PROVISIONAL FINANCIAL OUTTURN 2018/19

The Corporate Portfolio Holder presented the report to Members.

He advised that the report summarised the main elements of the financial performance for 2018/19 and sought approval of the impact on reserves. He noted that the results were 'provisional' as they were still subject to external audit and could change. He highlighted that the final audited accounts would be presented to the Audit & Governance Committee on 24 July 2019 for approval.

He informed members that the financial performance across the council had continued to improve and he thanked the Finance team for their hard work in delivering the annual accounts. He advised that the team had been dealing with some legacy issues and despite that, they had delivered a quality outcome against a tight deadline.

In relation to the General Fund he highlighted the following:-

- The expected final position on the General Fund was £1.525m surplus against a budget of £299k.

- The majority of variances had been known about and reported throughout the year.
- All major variances were included in Table 2 of the report.
- The most significant variance had been a favourable movement in business rates, with an additional £480k retained by the council compared to the budgeted level. Differences between budget and actual business rate income were not unusual due to the complex nature of forecasting business rates.
- It is proposed that £1.42m of the surplus was contributed to the self-sufficiency reserve.
- Of the remaining £100k surplus it was proposed to allocate:
 - £20k to fund an options appraisal for Moira Furnace and surrounding land. The Council had committed to do this in the Council Delivery Plan but had unfortunately not been unsuccessful in obtaining Resilient Heritage funding from the Heritage Lottery Fund.
 - £20k to support administration of EMEG Access to Work and Skills and the Shop Frontages Improvement Scheme, Enterprise Grant Scheme
 - £30.5k to commission a Carbon Footprint report which would provide assess the organisation and develop an action plan to move the district to a carbon neutral position by 2050 or before. The Council was also considering signing up to the UK100 Pledge, a group of Local Government bodies who were actively committed to shifting to 100% clean energy by 2050.
 - £30k to undertake a food waste recycling pilot.

In relation to the HRA he noted the following:-

- The outturn on the HRA was an expected surplus of £4.9m against a budget of £2.95m with the major variances being a lower than budgeted depreciation charge for the year, under spends on employee costs and on painting programmes.
- The In House Repairs team also generated a surplus of £385k that was recycled back into the HRA. In 2017/18, the amount was £272k and the increase for the past year demonstrates the effectiveness of bringing more repairs work and capital improvements back in house and the position should continue to improve in the current year.

He thanked the repairs team for the continuing good work.

In relation to Capital and Reserves he highlighted the following:-

- In total, the Council spent just under £12m on assets. The General Fund underspent by £400k and the HRA carried forward the majority of its £4.2m under-spend into future years for completion.
- The council's reserves remained healthy with agreed minimum levels maintained on both the General Fund and the HRA.

- The General Fund Self-Sufficiency reserve was now £4.19m and well ahead of forecasts. That meant that there was now a healthy reserve available to manage the future deficit years predicted to arise from 2021 on the General Fund medium term financial plan that totalled £5.2m to 2024.
- The HRA Loan Redemption reserve had now the full £13m of funds in place to repay maturity loans due for redemption in 2022, well ahead of the anticipated 2020 target date. Again, it was a credit to the team.
- There were £7.28m of earmarked reserves across all revenue accounts set aside for various projects. The amount included £0.9 unallocated reserves and it was proposed that:
 - £200k of the amount was committed to a new Local Centres Frontage Improvement scheme for commercial properties in Castle Donington, Kegworth, Ibstock and Measham;
 - £30k was committed to fund improvements that the Council needed to make on health and safety improvements.

Councillor R D Bayliss was pleased with the surplus from the HRA and therefore the Council was on track to repay the loan ahead of schedule. He added his thanks to the Finance team as they had not let the Council down and felt that there were ample options before them for the future.

Councillor A Woodman welcomed the allocated funds towards the commissioning of a Carbon footprint report and the £30k to undertake a food waste pilot that would help in reducing what went to landfill.

Councillor R Ashman welcomed the earmarked reserve towards the shopfronts and he was pleased that the surplus was not just being made but there were good proposals to use the funds.

Councillor R Blunt felt that the Council was in a very sound position, hitting its targets and developing new schemes to bring forward.

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

RESOLVED THAT:

The Financial Performance for 2018/19, including the impact in reserves and balances as at 31 March 2019 be approved.

Reason for decision:- Requirement of Financial Procedure Rule

9. TREASURY MANAGEMENT STEWARDSHIP REPORT FOR 2018/19

The Corporate Portfolio Holder presented the report to Members.

He advised that the report provided a summary update of the Treasury Management activity during 2018/19 and that regular, quarterly reports would be received by the Audit and Governance Committee. He informed Members that the summary set out how the Council had complied with its Prudential Indicators and the policies and requirements within the authority's Treasury Management Strategy.

He stated that there had been two breaches of investment limits in the year and these were reported to the Audit and Governance committee on 20 March 2019, the details of

which were set out in paragraph 6.12 of the report. He advised that both were unavoidable and there were no penalties or consequences because of the breaches.

He highlighted that the council had not undertaken any new long-term or temporary borrowing in the year and no opportunities in respect of rescheduling existing debt arose. He added that cash was invested in highly rated financial institutions, money market funds or the Government in line with the Council's investment priorities of security and liquidity, and optimum yield achievable within these.

He was pleased to advise that the Council had achieved a higher average rate of return in 2018/19 of 0.71% compared to 0.49% in 2017/18. That was a 40% increase, and that the treasury position at the end of the 2018/19 year reflected a reduction in net debt of £5.6m due to £1.1m repayment of HRA loans and an increase of £4.5m of council funds held in investments, partly as a result of increased income and asset sales.

The Head of Finance outlined the detail of the breaches and that they had been reported to Full Council as part of the Treasury Management Strategy.

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

RESOLVED THAT:

The report be noted.

Reason for decision: These are statutory requirements.

10. ENVIRONMENTAL HEALTH - FOOD SAFETY SERVICE DELIVERY PLAN 2019/2020

The Community Services Portfolio Holder presented the report to Members.

He noted that the key successes in 2018/19 were:-

- 96.4% of establishments that have received a hygiene rating have achieved a rating of three (Generally satisfactory) or higher (Good, Very Good).
- The number of establishments requiring urgent improvement (rated 0) fell from three to one during 2018/19.
- The number of establishments demonstrating very good hygiene standards (rated 5) increased from 520 to 541 during 2018/19.
- 100% of planned inspections to high and medium risk (category A, B, C, D) food establishments were delivered.

He advised that during 2019/20 priority would be given to establishments within risk category A, B, unrated and non-broadly compliant C and D. It was estimated that 30% of establishments would receive one or more revisits. In addition to the above programme, all new food establishments will receive an initial inspection and that each would receive advice from both the Environmental Health and Business Focus teams. He highlighted that the service would continue to use social media to communicate food hygiene ratings. He congratulated the team on its hard work.

It was moved by A Woodman, seconded by Councillor R Ashman and

RESOLVED THAT:

1. The Environmental Health Food Safety Service Delivery Plan 2019/20 appended to the report be approved
2. The performance and achievements in 2018/19 be noted.

Reason for decision:- To approve the content of the Food Safety Service Delivery Plan 2019/20 as required by the Food Standards Agency.

11. BUSINESS RATE PILOT PROJECTS - FINANCIAL SUSTAINABILITY AND INFRASTRUCTURE

The Corporate Portfolio Holder presented the report to Members.

He reminded Members that in 2018 the Council was successful in its bid along with all other Local Authorities across Leicestershire to take part in the 2019/20 75% Business Rate Retention Pilot. He advised that at the time of developing the 2019/20 budget, the total additional amount to be retained in Leicestershire was estimated to be £13.8m. The revised estimate is now £14.6m after setting business rates bases for the year and that the allocation principles between the County, Leicestershire Fire and Rescue Service, City and all Districts were agreed prior to submission of the bid and NWLDC Cabinet considered that at its meeting in September 2018.

He informed Cabinet that the Council included an assumption of £550k additional funding and corresponding expenditure in the 2019/20 Budget and in line with the bid, the funds must be spent on 'infrastructure' and/or 'financial sustainability' projects.

He asked Members to approve the expenditure of the confirmed £597k of funding on four projects set out in section 2 of the report and that any additional funding confirmed would be reported in forthcoming quarterly performance reports. The projects were:

- £517k or the remaining balance on Marlborough Square to support delivery of the planned improvements
- £50k to fund a Green Transport feasibility study, looking at greener, non-car alternatives
- £15k towards Digital Customer Services to aid a more efficient digitalised service
- £15k to fund 2 homeless prevention bed spaces to accommodate single people requiring accommodation. The Council currently utilises bed and breakfast for temporary homeless accommodation that was unsuitable and costly. The proposal would provide a more supportive environment and also reduce costs.

Councillor A Woodman welcomed the Green transport study and hoped that some of the funds could be used re-open the Ivanhoe line.

Councillor R D Bayliss noted the amount allocated to fund 2 homeless prevention bed spaces adding that it was a small amount but much needed.

It was moved by Councillor N J Rushton, seconded by Councillor A Woodman and

RESOLVED THAT:

The allocation of the forecast £597,000 Business Rates Funding to projects as set out in the report be approved.

Reason for decision:- Cabinet approval of allocation of funds is required.

12. SHOP FRONTS AND ADVERTISEMENTS SPD: ADOPTION

The Planning and Infrastructure Portfolio Holder presented the report to Members.

He advised that during Spring 2018 a number of people and organisations had been given the opportunity to respond to a consultation on the draft document, which had received general support. He advised that where comments had been made, the wording had been changed, where possible, and that more images had been used. He felt that the document was very easy to read and noted that it would replace a more formal document that had been in place since 2007. He stated that the document would support the design and building of future shops in the area to ensure that they fitted in to their surroundings.

Councillor R Blunt was pleased to have the document before Cabinet members, as it would make it easier to say no to applications that came forward should they not meet the design requirements.

Councillor R D Bayliss agreed that it was easy to read and a good document. He was pleased to see that Ashby was included.

It was moved by Councillor R Ashman, seconded by Councillor R Blunt and

RESOLVED THAT:

The revised SPD be adopted.

Reason for decision:- Adoption of the revised SPD would support the aims of the Council Delivery Plan relating to sustainable development and growth and people feeling proud of their homes and communities.

13. UNIFIED COMMUNICATIONS PLATFORM FOR TELEPHONY AND CONTACT CENTRE

The Housing, Property and Customer Services presented the report to Members.

He advised that the current system required modernising in order to continue the ongoing improvements to the customer experience. He noted that the recommendation should read "In consultation with the Housing, Property and Customer Services Portfolio Holder".

Councillor R Ashman agreed that it was a positive move in enabling the Council to better support its customers.

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

RESOLVED THAT:

Authority be delegated to the Strategic Director of Housing and Customer Services in consultation with the Housing, Property and Customer Services Portfolio Holder to procure and award a replacement telephony and contact centre platform over 5 years.

Reason for decision:- To approve the procurement of a replacement Telephony and Contact Centre platform which is anticipated to be above £250,000 over the 5 year contract term.

14. DISPOSAL OF PROPERTY - CONFIRMATION OF URGENT ACTION

The Housing, Property and Customer Services Portfolio Holder presented the report to Members.

He advised Members that under exceptional circumstances allowed for in the HRA Disposals Policy the Leader and Chief Executive had agreed to sell the property at 26 The Pinfold, Newton Burgoland. This property required a significant amount of work and the capital sum realised from its sale would be invested in the Council's new build and acquisitions programme. He advised that two houses in Ashby were shortly to be purchased for a combined price that was less than sale price of this one property. The report before them requested Cabinet to confirm that they were in agreement with the offer that had been accepted.

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

RESOLVED THAT:

The decision of the Chief Executive and the Leader of the Council to accept an offer of £210,000 for the freehold sale of 26 The Pinfold, Newtown Burgoland be confirmed.

Reason for decision:- The decision to dispose of the property was made by Cabinet on 9 April 2019, in accordance with the HRA Disposal Policy (approved by Cabinet on 3 March 2015) to generate a capital receipt to meet the needs of the HRA Business Plan and associated budget for 2019/20.

15. LEICESTERSHIRE PARTNERSHIP REVENUES AND BENEFITS JOINT COMMITTEE - APPOINTMENT OF MEMBERS

The Leader presented the report to Members.

He advised that in line with the Constitution of the Revenue and Benefits Joint Committee, each member authority was required to appoint two Cabinet members to it. He recommended Councillors R Ashman and R D Bayliss.

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

RESOLVED THAT:

Councillors R Ashman and R D Bayliss be appointed to serve on the Joint Committee

Reason for decision:- To comply with the Constitution of the Leicestershire Partnership Revenues and Benefits Joint Committee.

16. MINUTES OF THE COALVILLE SPECIAL EXPENSES WORKING PARTY

The Community Services Portfolio Holder presented the report to Members.

He was pleased to report back on the work that the working party had carried out. He noted the positive responses on the many events that had been organised and that the Coalville May Fair had been extended over two weekends. He also highlighted the responses to the Christmas in Coalville questionnaire, which suggested that the vast majority were happy with the event.

He stated that he was pleased to support the request to allocate £1200.00 for the graffiti art project, towards the progression of the Coalville Park Green Flag Award and the allocation of the £6206.00 for additional flowers around the town centre, with the progression towards Coalville in Bloom 2020. He advised that he hoped to update Members on both the projects at future meetings.

He welcomed the use of the external funding to target parks that required improvement. He noted recommendation C at 3.2 but observed that the play equipment at The Oval play area would not reach the end of its life for at least 6 years and so urged Cabinet to focus the funding at recommendation C on play areas with greater need.

It was moved by Councillor A Woodman, seconded by Councillor R D Bayliss and

RESOLVED THAT:

1. The recommendations made by the Coalville Special Expenses Working Party as detailed within the minutes be noted
2. Recommendations A and B as summarised at 3.2 of the report be approved.
3. The allocation of £15,714 of external funding, mentioned at 3.2 C of the report, be approved for the improvement of play areas with equipment that will come to the end of its life within the next 5 years.

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

The meeting commenced at 5.00 pm

The Chairman closed the meeting at 5.41 pm

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**CABINET – TUESDAY, 16 JULY 2019**

Title of report	REVIEW OF MEDIUM TERM FINANCIAL PLAN
Key Decision	a) Financial Yes b) Community No
Contacts	Councillor Nicholas Rushton Tel: 01530 412059 nicholas.rushton@nwleicestershire.gov.uk Strategic Director of Housing and Customer Services Tel: 01530 454819 glyn.jones@nwleicestershire.gov.uk Head of Finance Tel: 01530 454707 tracy.bingham@nwleicestershire.gov.uk
Purpose of report	To present members with the impact of modified assumptions within the council's Medium Term Financial Strategy and provide an update in respect of the Journey to Self Sufficiency Programme
Reason for decision	To keep members up to date in respect of the council's financial projections.
Council priorities	Value for Money
Implications: Financial/Staff	A review and revision of the assumptions used in the medium term financial plan and Housing Revenue Account business plan cash flow model has resulted in different projections in the forecast financial position between 2019/20 and 2023/24. These are detailed in the report. The deficit on the General Fund over this period has increased from £5.2m to £5.65m. The Housing Revenue Account surplus has reduced from £14.5m over five years to £14.3m.
Link to relevant CAT	None.

Risk Management	There are a number of risks associated with the medium term financial plan as clearly future events cannot be accurately predicted and the economic outlook can change quickly. In addition, a great deal of uncertainty remains in the local government sector around core funding from April 2020 for the General Fund. A risk and scenario analysis is included within this report to provide readers with an understanding of the range of potential outcomes.
Equalities Impact Screening	None.
Human Rights	None.
Transformational Government	The report provides an update in respect of the Journey to Self-Sufficiency Programme.
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	As report author, the report is satisfactory.
Comments of Monitoring Officer	The report is satisfactory
Consultees	Corporate Leadership Team
Background papers	MEDIUM TERM FINANCIAL STRATEGY CABINET 6 FEB 2018 MEDIUM TERM FINANCIAL COUNCIL 26 FEBRUARY 2019 PROVISIONAL FINANCIAL OUTTURN 2018/19 - CABINET 18 JUNE 2019
Recommendations	THAT CABINET: 1. NOTE THE IMPACT OF THE REVIEW OF THE MEDIUM TERM FINANCIAL PLANS ON THE COUNCIL'S PROJECTED FINANCIAL POSITION; 2. NOTE THE FINANCE AND BUSINESS PLAN (APPENDIX A); 3. NOTE THE PROGRESS OF THE JOURNEY TO SELF SUFFICIENCY PROGRAMME; AND 4. APPROVE THE ALLOCATION OF £20K FROM THE SELF-SUFFICIENCY RESERVE TO FUND CONSULTANCY SUPPORT IN DEVELOPING COMMERCIAL BUSINESS CASES (AS DETAILED IN PARAGRAPH 5.11).

1.0 BACKGROUND

- 1.1 The council's Medium Term Financial Strategy 2018 – 2023 was approved by Cabinet on 6 February 2018 and presents a high level, 5 year assessment of the financial resources required to deliver the Council's strategic priorities and essential services over this period in respect of both the revenue and capital plans of the General Fund and Housing Revenue Account (HRA).
- 1.2 The strategy promotes self-sufficiency to safeguard the Council's General Fund against future central government funding changes. A new Self-Sufficiency reserve was created as part of the setting of the 2018/19 budget.
- 1.3 This review forms part of the biannual monitoring cycle established as part of the new strategy and focuses on the appropriateness of the assumptions that drive the medium term financial plans and the resultant financial projections to 2024.
- 1.4 Assumptions on both the General Fund and HRA forecasts have been reviewed in light of the 2018/19 financial outturn, the Government's Spring Statement and other known information concerning the predictions around future funding, income and expenditure.
- 1.5 Funding of the General Fund from April 2020 has been reviewed in light of new information surrounding the ongoing Fair Funding Review, Business Rate Retention reform and the Local Government Spending review and as a consequence a key assumption around the resetting of the baseline funding level for business rates has been modified which has acted to increase the deficit.
- 1.6 Growth projections on the anticipated level of business rates have also been refreshed in light of ongoing work with the Business Focus and Revenues and Benefits teams and this has resulted in an increase in the estimated level of rates likely to be collected over the period that serves to counteract, in part, the increased deficit arising from a full baseline reset.
- 1.7 The overall position on the General Fund medium term financial plan is an increase of £457k in the projected deficit to 2024, taking it from £5.2m (as was the forecast in February 2019) to a revised position of £5.65m. It is to be noted that this position is much more favourable than we had anticipated a full (100%) reset would be, and this is because we have revised our growth assumptions, but still presented the likely worst-case position in respect of the changes to the business rates system. Further details can be found in section 3.
- 1.8 Given the level of uncertainty surrounding the outcome of the government's funding reviews, we have considered a number of scenarios alongside the base version of the medium term financial plan in order to present the range of outcomes and potential volatility in estimates surrounding future funding.
- 1.9 The HRA is more stable in comparison as there is not significant uncertainty over the medium term, with a surplus of £14.3m expected over five years. We continue to monitor and plan over a 30 year period and continue to forecast a deficit in the 2040s, when we need to repay the last of our self-financing loans back, or re-finance. However, we have reviewed our inflation assumptions and this has reduced the expected long-term deficit from £49.2m to £26.4m. Further detail can be found in section 4.

- 1.10 This report also provides an update on the progress of the Journey to Self-Sufficiency programme and how the organisation is currently responding to counteract the forecast deficit position. It is recommended that Cabinet agree to allocate a small budget provision to support the work in developing our commercial income streams and this report presents criteria for approval to allow the Strategic Director of Housing and Customer Services to approve use of the self-sufficiency reserve to fund revenue generating projects. Further detail can be found in Section 5.
- 1.11 Finally, Section 2 of this report details a new plan, the Finance and Business Plan, that sets out the council's vision and ambition for financial management. Section 6 details our plans to develop the 2020/21 budget and medium term financial plans.

2.0 CIPFA FINANCIAL MANAGEMENT CODE AND OUR FINANCE AND BUSINESS PLAN

- 2.1 In 2018 we launched our 'Finance Business Partnering' service delivery model in supporting effective financial management across the organisation. This new approach seeks to drive value for money, manage the volatility of funding streams, improve accuracy and transparency and specifically, reduce unexpected results across our revenue budgets. As a result we have seen financial performance improvements with variances between budget and outturn on expenditure and funding having reduced compared to previous years.
- 2.2 The Finance and Business Plan has been developed with the Finance Leadership Team based on Consultation feedback from the Finance team, the Corporate and Extended Leadership Teams and self-assessment against sector best practice guides including the consultation version of the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code which is due to be published this autumn and must be adopted by all councils from April 2020.
- 2.3 In preparing to adopt the Code from 2020, we have developed a three year 'Finance and Business Plan' that sets out our ambitions for financial management at North West Leicestershire in driving improved financial performance and financial certainty. The Plan focuses on our intended financial management model illustrated below through four key themes:
- **Financially Skilled Leadership:** Ensuring our leaders and managers have the appropriate level of capabilities to understand and manage finance and procurement, understand the financial health of the wider organization and their role in this context.
 - **A Culture of Collective Responsibility for Financial Health:** Placing responsibility for financial management and procurement at the appropriate levels across the organization and recognising the leadership role of the Finance Service in this.
 - **Integrated business planning:** Further embedding and aligning financial and procurement analysis and processes into our business planning and decision making processes.
 - **Streamlined Processes:** Updating our systems and processes to make them quicker and more user friendly.

- 2.4 The Corporate Leadership Team are responsible for the delivery of this Finance and Business Plan and will monitor its forthcoming delivery in support of the Journey to Self Sufficiency Programme. It is proposed that updates against progress of the plan is reported by the Head of Finance as part of the Finance workstream. The 'Finance and Business Plan' can be found in Appendix A.

3.0 REVIEW OF GENERAL FUND MEDIUM TERM FINANCIAL PLAN

2018/19

- 3.1 The final position on the General Fund for 2018/19 was a surplus of £1.525m, compared to a budgeted surplus of £299k. This is largely due to additional income in respect of Business Rates which reached £5.344m compared to a budget of £4.864m.
- 3.2 In line with the decisions made by council at its meeting on 27 February 2018, £1.425m of the £1.525m surplus has been transferred to the self-sufficiency reserve, taking the reserve from £2.76m to £4.19m. The remaining £100k surplus was transferred into earmarked reserves to fund a number of initiatives in support of the Council's priorities.
- 3.3 There has been no expenditure against the self-sufficiency reserve to date.

Medium Term Financial Plan - Original Projections

- 3.4 The projected financial position contained as at February 2019 shows projected deficit arising between 2019/20 and 2023/24 totalling £5.2m. A copy of the medium term financial plan can be found in Appendix B. To summarise this position, the following table details the projected financial position over the period:

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	TOTAL £'000
Surplus/(Deficit)	161	370	-1,029	-2,088	-2,613	-5,199*

* Subject to rounding

Review of Assumptions

- 3.5 In March of this year, the Chancellor of the Exchequer delivered the Spring Statement which provides an update in respect of the health of the economy and the Office for Budget Responsibility (OBR) forecasts. There was no change in fiscal policy but an update to economic and fiscal forecasts. Whilst there was no announcement surrounding funding for Local Government (this is shared annually as part of the Autumn Budget), the government's forecasts in respect of CPI has relevance for the council's financial projections.
- 3.6 As detailed in 1.5, funding for Local Government is set to change from April 2020. Three government-led reviews are underway, each with a specific focus:
- The Local Government Spending Review – will determine the total level of funding for Local Government spending. It is not anticipated that total funding will increase for the sector.

- The Business Rates Reform – is redesigning the system to move from a 50% to a 75% system. This means that the 50% of business rates currently retained by Local Government will become 75% in exchange for the management of grants currently administered by central government.

The revised system will also implement the reset of the business rates baseline, which represents the anticipated level of business rates within a locality. This baseline is used within the existing 50% retention system to share business rates between local preceptors and the government. Income collected that is above this baseline tends to be as a result of growth in the local area and under the retention system, is shared on a basis that is more favourable to the council.

This council benefits from business rate income well in excess of the baseline and as a result, the resetting of the baseline continues to pose a threat to our ongoing funding position.

- Fair Funding Review – will set new baseline funding allocation for all local authorities by delivering an up-to-date assessment of their relative needs and resources, and remains underway. These funding allocations were last reviewed in 2013/14.

Papers from the 'Needs and Resources' working group, a technical group set up to develop the new funding system have indicated some exemplifications of the effect of the revised proposals which appear to be marginally favourable to the Council.

- 3.7 Consultation was undertaken between December 2018 and February 2019 on both the Business Rate Reform and Fair Funding reviews. The council responded with the Corporate Portfolio Holder particularly stressing the adverse impact of a full baseline reset. The government are yet to publish their response to consultation feedback.
- 3.8 Appendix C includes a list of the original assumptions included in the MTF5 and details of assumptions that have been revised. Sections 3.9 – 3.24 below provide explanation for assumptions that have been modified.

Business Rates Pilot, Growth and Baseline Reset

- 3.9 Forecasting the council's share of business rates is a vastly complex area. Forecasts must take into account not only the number of assessments included in annual billing going forward (incorporating planned and likely local business growth), but also revaluations arising on the 2017 rating list, a wide range of reliefs, occupancy levels, the movement on appeals provisions, inflation, plans around the introduction of the 75% retention system and assumptions on the methodology for the resetting of the business rate baseline from 2020/21.
- 3.10 The district has a number of key sectors that may be impacted by EU Exit through the movement of goods or people: Logistics, Aviation, Hospitality, Manufacturing and Aggregates. Equally the District is also home to a number of foreign owned businesses and European Headquarters for global firms whose future is less certain in light of the EU exit. Through ongoing engagement with businesses via the Council's Economic Development team, there has not been any defined thought or movement from businesses. Whilst the

looming EU Exit may pose a risk to the Council's Business Rate income, officers remain unable to quantify this risk.

- 3.11 Growth forecasts included in the 2019/20 budget and medium term financial plan were based on known business rates assessments that would be occupied within the 2019/20 year. Forecasts for business rates forecasts from 2020 onwards were based on inflationary increases and some anticipated growth. This assumption has been reviewed against information from the Business Focus and Revenues and Benefits teams surrounding current local economic climate, business development and the likely level of resultant business rates. As a result, growth forecasts have been amended and now reflects 80% of the average growth that occurred between 2017/18 and the budgeted 2019/20 position per year. The impact of this assumption change is that an additional £6.2m of business rates are retained by the council over the period.
- 3.12 The resetting of the baseline funding level was previously assumed at the 2018/19 level of rates, reset on a partial (50%) basis. However, information contained within the December 2018 – February 2019 consultation on Business Rates Reform confirmed the government's intention to implement a full (100%) reset in 2020. The government did not state the level at which rates would be reset (for example, at the 2018/19 level or any other given year) which remains a risk since the later the year, the higher the business rates that are subsumed into the reset and the higher the loss of rates due to be received by the council. The council is worse off if the baseline is raised in full and our opposition to this was communicated in the council's response to the consultation in February. Given the risk associated with a full reset, the partial reset assumption has been updated to assume a full reset in order for the council to be able to consider its worst-case position. The impact of this assumption change is a reduction in business rates over the period of £10.6m.
- 3.13 **Council Tax**
- 3.14 Council tax is forecast based on any increases in precept and anticipated growth in the council tax base as a result of housing growth. The latest version of the medium term financial plan assumed growth in the council tax base of 600 per year and that the council's precept was frozen in line with the administration's council tax freeze policy.
- 3.15 Based on the Planning Policy team's draft trajectory for housing growth in the district, this assumption has been revised to 562 per year to reflect the downward movement in planning forecasts between 2020 and 2023 due to brought forward delivery in 2018/19 that is not expected to continue. The impact of this amended assumption is a reduction in council tax income over the period of £184k.
- 3.16 **Transition funding**
- 3.17 The Fair Funding review is considering the approach to transition from the current funding regime to the new system from 2020, including the minimising of losses that will occur in year one.
- 3.18 It is unlikely that the council will be compensated for any loss below the -5% that occurs as a result of its policy to freeze council tax. Therefore transition funding has been separately calculated on the basis of what the council would receive had it increased council tax.

- 3.19 In the February 2019 version of the plan, transitional funding was assumed on the basis that additional funding would be granted when the council's total level of funding reduced by more than 5%, based on advice received from the council's funding advisors Pixel. Because the business rates baseline reset was only assumed as a partial (50%) reset, the level of transition funding in the base plan was £0.469m over the period. As a consequence of the revised assumption regarding the full (100%) reset of the business rates baseline, this source of funding has increased to £4.6m over the period to smooth the effects of the full reset in 2020/21.
- 3.20 **New Homes Bonus**
- 3.21 In the Government's September 2018 consultation on the Draft Local Government Finance Settlement, it was stated that 2019/20 represented the final year of New Homes Bonus funding agreed through the 2015 Spending Review. The Government stated that they would explore how to incentivise housing growth most effectively going forward and would consult on any proposed changes.
- 3.22 The Government had previously announced that it may increase the national baseline for housing growth of 0.4% of council tax base (weighted by band), below which the Bonus will not be paid. The provisional settlement confirmed that the baseline would be maintained at 0.4%.
- 3.23 Given the above and the threat that the loss of New Homes Bonus presents to the Council, the Medium Term Financial Plan previously assumed that the scheme would cease but that payments would continue to be received for legacy growth until 2022/23. This assumption has not changed.
- 3.24 Other scenarios for New Homes Bonus include the scheme being abolished entirely or the scheme remaining as is, please see section 3.27 below and Appendix H.

Medium Term Financial Plan – Revised Projections

- 3.25 In comparing the original and revised projections there is an adverse movement in the projected deficit over the five year period of £457k.
- 3.26 The revised medium term financial plan can be found in Appendix D, with the table below summarising the position to 2024.

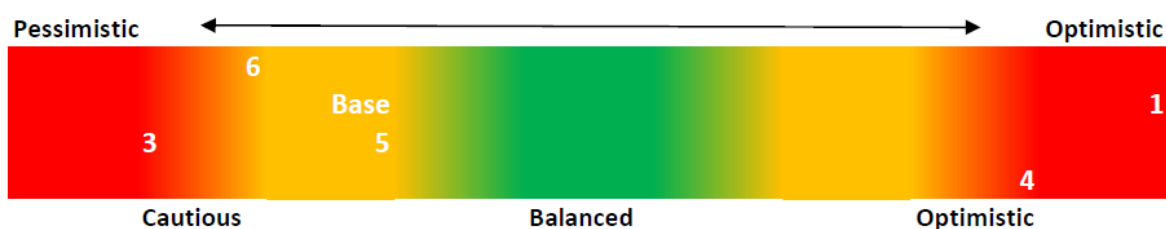
	2019/20	2020/21	2021/22	2022/23	2023/24	Total
Surplus/(Deficit)	325	365	-1,258	-2,103	-2,985	-5,656

- 3.27 **Assessment of Assumptions and Scenario Analysis**
- 3.28 The below diagram and table illustrate the assessed reasonableness of assumptions used within the revised Medium Term Financial Plan alongside 6 other potential scenarios to demonstrate the range of outcomes and volatility associated with different assumptions surrounding funding.

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

3.30 As illustrated, the base version of the medium term financial plan is cautious, but reflects the worst case position in respect of business rates.

<u>Ref</u>	<u>NHB</u>	<u>Business Rates</u>	<u>Council Tax</u>	<u>Transition</u>	<u>Expenditure</u>
Base	0.4% Baseline; Legacy payments from 2020	Full reset in 2020 based on 18/19 rates level	0% precept to 2024, growth 562 homes p.a	Transitional funding in place when total resources falls below -5%.	As per budgetary forecasts
1	0.4% Baseline; Scheme continues as is	as per Base	as per Base		as per Base
2	0.4% Baseline; Scheme abolished from 2020	as per Base	as per Base		as per Base
3	as per Base	Full reset in 2020 based on 19/20 rates level	as per Base		as per Base
4	as per Base	Partial reset in 2020 based on 18/19 rates level	as per Base		as per Base
5	as per Base	Full reset in 2020 based on 17/18 rates level	as per Base		as per Base
6	as per Base	as per Base	0% precept increase to 2024, growth deflated at 400 homes p.a.		as per Base



4.0 REVIEW OF HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL PLAN

Update following 2018/19 Outturn

4.1 The 2018/19 outturn for the Housing Revenue Account was more favourable than we were expecting. The final surplus was £4.9m against a budgeted surplus for the year of £2.9m. The cause of these movements were detailed in the Provisional Financial Outturn 2018/19 report, presented to Cabinet last month.

- 4.2 Of this surplus, £4.6m has been transferred to the loan redemption reserve, as per Council's 2018 decision to automatically save surpluses to repay the two loans that become redeemable in March 2022. The loan redemption reserve now has the full £13m required to repay these loans; three years before the loans must be paid.
- 4.3 The remaining £271k has been transferred to the HRA general working balance following Council's decision in February 2019 to use our surpluses more flexibly once the loan redemption reserve reached £13m.

Updating the 30 year HRA Business Plan

- 4.4 In our February 2019 MTFS report we reported that we expected a shortfall to arise in 2041/42 of £8.4m, with a further £40.8m shortfall in following years up to 2048/49. The additional unbudgeted surplus from 2018/19 of nearly £2m and the £4.2m underspend on the capital programme reduces this shortfall.
- 4.5 We have also taken the opportunity to review and update some of the key assumptions within the HRA business plan. Full detailed are included in Appendix F, but some of the key changes are:
- **Adjusting our cost inflation assumption.** We had previously assumed that inflation would be 3.5% per year. We have revised that down to 2.5%, which is closer to the Bank of England's target rate of 2%, although we expect housing management costs to increase slightly more than general inflation. This reduces our expected costs over the 30 years by £43.5m.
 - **Increasing Right to Buy Sales.** Tenants are continuing to enjoy the option of buying their home and actuals sales have outstripped our past estimates. As a result we have increased our estimate of the number of properties we sell through the right to buy scheme from 36 to 40 in 2019/20, which is in line with our budget, and 42 per year for the four years after that, after which the numbers taper down to 0 by the end of the 30 year period. This reduces our net income by £8.1m over 30 years.
- 4.6 As a result of these changes the shortfall we are expecting has reduced to £26.4m over the 30 year period. This shortfall arises as the Capital Programme needs funding from 2041/42.
- 4.7 This means we have a favourable change of £22.8m since the last Medium Term Financial Plan reported in February 2019. This illustrates the high degree of uncertainty in forecasting a 30 year period as our model is highly sensitive to small changes in assumptions, such as changes in our expected capital expenditure and measures of inflation. We will continue to monitor the 30 year financials but most of our focus will remain on the medium term period of the next five years.

The five year snapshot

- 4.8 The table below provides a summary of the next five years of cash flows for the HRA. The February 2019 figures can be found in Appendix E and a more detailed breakdown of the table below in Appendix G.

HRA	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	TOTAL £'000
Total Income	17,649	18,026	18,414	18,775	19,194	92,058
Total Expenditure	-11,308	-11,547	-11,761	-11,982	-12,212	-58,810
Contribution to the Capital Programme (RCCO)	-1,700	-1,069	-104	-413	0	-3,286
Financing Expenditure	-3,223	-3,264	-3,246	-2,987	-2,953	-15,672
Surplus	1,418	2,146	3,302	3,393	4,030	14,289

4.9 It shows that the HRA continues to generate healthy surpluses over the five year period totalling £14.3m. This is a result of additional income from rent increasing by CPI plus one percent from next year, as well as income from our new affordable properties.

4.10 The five year programme shows that we anticipate making further contributions to the capital programme in the three years from 2020/21 to 2022/23 in order to fund the non-new build elements, such as the Home Improvement Programme and Estate Improvements Works. This is because our current planned works exceed the level which can be funded through the Major Repairs Reserve and other capital funding sources.

4.11 The new build programme remains fully funded as a result of the continuing receipts from our right to buy sales, which can only be used to buy or build new properties to be let at affordable rent levels. This programme currently has healthy balances, but Central Government expects us to return these balances to HM Treasury if they are not spent within three years. There is currently a small risk, which officers are managing, that we may return some of the funding in 2020/21 if planned projects do not come to fruition. Government has also recently consulted on increasing the period of time to spend right to buy receipts from three years to five and we are awaiting their response.

5.0 JOURNEY TO SELF-SUFFICIENCY RESERVE AND PROGRAMME

5.1 As detailed in paragraph 3.2 above, the self-sufficiency reserve now stands at £4.19m, well ahead of the original projections contained within the Medium Term Financial Plan. There has been no expenditure to date against the reserve.

5.2 The reserve is intended to balance future projected deficit General Fund budgets and/or to fund initiatives that reduce ongoing expenditure or generate additional income and it is planned for the budgeted surpluses forecast to arise in 2019/20 and 2020/21 to be contributed to this reserve taking it to £4.7m by March 2021. This means that if we were to use this reserve to balance deficit years only, we would be able to meet the majority of the projected deficits that arise between 2022 and 2024. Furthermore, using the reserve only to balance a deficit year means that the reserve is utilised and cannot be utilised to invest in revenue generating activities or assets.

5.3 The council launched the Journey to Self-Sufficiency Programme in 2018 to promote self-sufficiency and the safeguarding of the council's financial position against anticipated future central government funding changes whilst also maximising the use of government grant and local income.

5.4 The programme is defined by four key workstreams, each of which are summarised below with a summary of progress since the last report to members in February 2019:

5.5 **Our Commercial Approach – Being More Business Like**

5.6 A Commercial Strategy for the council was approved by Cabinet on 9 October 2018. The strategy lays out how the council will focus on income generation and developing the culture of the organisation to become more commercial in all areas. The Head of Legal and Commercial Services is now leading the implementation of the strategy. During the first 9 months of the project the building blocks have been put in place to ensure that the council is in the best place to take advantage of commercial opportunities and take a more business-like approach to the way that we run our services.

5.7 Key tasks have included:

- A staff survey to benchmark the organisational awareness of the commercial agenda
- Project governance and “Think Tank” project team established. The Think Tank is a cross organisational group representing different levels and services in the organisation. It delivers key pieces of work, provides a sounding board and resources to managers exploring new ideas and collates success stories.
- Data capture exercise completed with team managers on current fees and charges, new income generation ideas and potential future customers/markets. This work has informed the development of the new fees and charges policy, provided projects for 19/20 and will inform decisions about future trading models and corporate structures.
- A commercial skills programme was delivered between April and July 2019. 240 places were provided on 8 courses which were open to all staff which included the following themes:
 - Powers to trade on a commercial basis
 - Procurement
 - Local authority decision making
 - Developing a commercial business case with practical project management
 - Knowing our markets and selling to them
 - Change management
 - Investment appraisals
 - Business improvement techniques
- Six out of the eight sessions were delivered by our in house teams, making the most of the talent, knowledge and resources and keeping the costs of the programme to a minimum. The programme was delivered for £1500 which equates to £6.25 per place.
- Snap shot trading accounts to be created to facilitate more business-like budget management and equip managers to innovate and take advantage of commercial opportunities.
- Corporate “umbrella” branding developed and rolled out to services.

5.8 Work has commenced on:

- Reviewing the 23 new income generation ideas which have been put forward by managers for exploration in 19/20

- Rolling out the creation of snap shot trading accounts – to be completed by September 2019.
- Linking the commercial work to the People Plan – this includes embedding commercial skills and acumen into our recruitment processes and developing an e-learning module for staff to complete during the probationary period.
- Developing a commercial guide for managers to access on line. This will include training materials, advice, guidance and templates for managers to use to develop a new business idea or review current systems and processes to be more efficient.
- Early thinking on the creation of a new corporate trading vehicle – considering the financial viability.
- Working with Finance to support the creation of a new financial monitoring system that will better enable the monitoring of income and the net financial position of service areas.
- Considering what resources we need to deliver on the 19/20 projects.

5.9 The early stages of the commercial strategy have been about putting key building blocks in place, particularly in relation to staff skills and confidence, about enhancing corporate knowledge of our current fees and charges and beginning to develop a business like culture which fosters innovation, accountability and empowerment. Whilst the focus of the early work has not been about income generation, this approach has begun to pay dividends with the new income being generated, opportunities being explored or efficiencies made in the following areas:

- £40K saving from consolidating the procurement of advertisements and public notices
- £1,750 (18/19) and (£150) from the provision of communications and design services to another Local authority
- £2,500 (estimate as work is ongoing) from the provision of democratic services and elections support to 2 local authorities.
- Negotiations are in progress to extend the provision of Internal Audit services by NWL from 1 to 2 local councils.
- Discussions are taking place about the provision of payroll services by NWL to 2 local authorities.

5.10 Some of these figures may seem small in the context of the overall budget. However, they are significant in terms of culture, confidence and reputation of our services, some of whom have never been asked to operate in a commercial context before.

5.11 As part of the Commercial workstream of the Journey to Self-Sufficiency Programme it is proposed that £20k is allocated to the Commercial workstream of the Journey to Self Sufficiency Programme for the purposes of providing professional consultancy support to assist in the development of commercial business cases.

5.12 **Asset Management**

5.13 External advisors were commissioned to carry out a market appraisal of our corporate buildings and (non-housing) land, and this work was completed in February 2019. As part of this review, valuations and net yields were produced for the 12 core properties in the Council's commercial portfolio, and a number of recommendations were made regarding the future use of these assets.

- 5.14 Determining our future approach for each asset will form a key part of our strategic approach to property management. This will be outlined in our new five year Asset Management Strategy which has been produced in draft format, and is planned to be considered by the Corporate Scrutiny Committee on 4 September 2019. The strategy will enable us to enshrine financial sustainability when making more effective decisions about council property and land assets in future.
- 5.15 **Reducing Corporate Costs**
- 5.16 The phase 2 restructures followed on from the senior management restructure which was implemented in February 2018 and are led by The Chief Executive Head of HR and Organisational Development. Annual revenue savings across the organisation of £68k have been achieved, of which £36k related to General Fund and £32k the Housing Revenue Account (excluding the anticipated one off redundancy costs charged to the General Fund of £25k).
- 5.17 A Phase 2 restructure has been reviewed by CLT and is currently out for consultation with employees and trade unions. If the proposals are not changed significantly following the consultation there will be an additional cost of £4k to the establishment. The review anticipates that further savings will be achieved after a two year period when the planned measures to improve the Customer First programme and the increasing digitalisation of services have made more progress. The Cultural Services review is due to be completed in late summer 2019.
- 5.18 All Team Managers of the council's corporate support services formed a group led by the Head of Finance to review how each service area can flex to deliver savings against the target of £200k reduction in corporate costs that was committed as part of the decision to outsource the councils leisure centres. Savings of £134 have been identified and included in the 2019/20 budget. It is anticipated that annual savings of £200k will be achieved from 2020. A vacancy review process has been implemented for all corporate support services to allow for thorough review of vacancies arising with a view to minimise central support costs where possible, and the savings achieved through this process coupled with savings in relation to supplies and services amount to £74k. A report will be considered at CLT in July 2019 to identify the approach to seek to achieve the necessary level of savings – in the first instance to try to achieve the savings through voluntary reductions, flexible retirements etc. that minimise the likelihood of redundancies as required by our Employment stability policy and legal obligations.
- 5.19 **Finance**
- 5.20 The Finance workstream has started to review areas where the council could procure and budget collectively.
- 5.21 In June, the Finance team launched a Financial Sense Check Tool and Investment Appraisal Tool. Both tools are designed to help officers think through the financial implications of a project and determine whether it should proceed.
- 5.22 Following completion of annual accounts, work commenced on the Snapshot trading accounts being fed into the Commercial Think-Tank. This exercise will enable service areas to understand the net financial position of their business activities and determine the level of appropriate fees and charges going forward.

- 5.23 Going forward, the Finance workstream will be consulting officers on a revised Corporate Fees and Charges Policy and this will be presented to Cabinet in September 2019 for approval. The new policy will focus on the use of accurate financial data to determine the charging strategy of income generating areas and future fees and charges levels.
- 5.24 Finally, the workstream will be redesigning the financial monitoring system to better enable the monitoring of income and the net financial position of service areas.

6.0 **DEVELOPING THE 2020/21 BUDGET AND MEDIUM TERM FINANCIAL PLAN**

- 6.1 The Medium Term Financial Plans will be updated and presented alongside the draft and final 2020/21 revenue budgets and 2020/21 – 2024/25 capital programmes presented to members in December 2019 and February 2020 as part of the budget setting process.
- 6.2 The government’s Autumn Budget announcement and local government provisional and final settlements will be used as the main basis for assessing and, where necessary, revising assumptions.
- 6.3 The MTFs will be developed further to include greater emphasis on assessment of financial risk and the sensitivity of financial plans to results that differ from the core assumptions.

Finance and Business Plan

2019 – 2022

Preface

North West Leicestershire District Council is changing the way it manages its finances. This plan sets out the vision for finance and business across the organisation and the principles for the transformation that is needed to ensure the council builds upon its stable financial position and deliver more for its 100,000 residents and over 4,000 businesses.

The Council is financially strong. We are part of the Leicestershire Business Rate Pool, have strong housing growth, and have been successful in delivering an ongoing balanced budget. We currently hold generous reserves, in a position where redeeming debt can be repaid and have a clear financial plan.

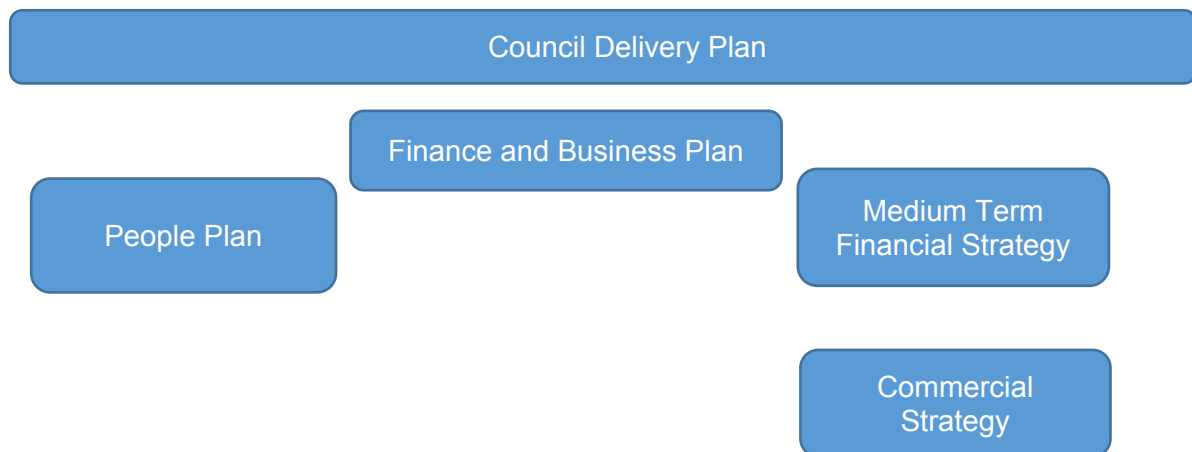
But the local government finance landscape is changing. There are three central government reviews underway and over 60% of our current funding could be affected. We need to act now to ensure we can sustain our financial health both now and in the future and continue to develop our organisational wide financial management approach to ensure it meets the needs of our organisation now and in the future.

The purpose of this plan is to drive forward financial management culture change, including the organisations approach to procurement and contract management. This plan will enable the Council to move away from a view that financial management and procurement is the responsibility of the Finance Team, but instead recognise that it is a cross cutting theme that spans the full organisation and underpins the very core of all plans.

This plan outlines how we will deliver this change and reinforces our commitment to sustaining our strong financial position both for the medium and long-term and provides the mandate to mobilise an ambitious change programme that will transform the authority's approach to financial management and procurement and the constructive challenge of this at all levels.

Linked Strategies

This plan underpins the deliverability of a number of core strategies and will support the delivery of the Council's Council Delivery Plan as outlined in the illustration below:



Strategic Context: The Challenges Ahead

Local government funding is changing. Currently there are three local government finance reviews underway which will be implemented from April 2020: the Fair Funding review; Business Rates Reform; and Local Government Spending Review.

These reviews will change the landscape in which we operate. Specifically, through Business Rates Reform, the Government intend on resetting the business rates baseline in full at 2018/19 business rates levels. This means that the Council will be significantly worse off as it will lose its ability to benefit from recent business growth in the area. The government have also indicated that the New Homes Bonus scheme will be reviewed and we are currently awaiting further detail on plans.

Over 60% of General Fund activities are funded by Business Rates and New Homes Bonus funding. This means that these Local Government funding reviews present a very real threat to the council's ongoing financial sustainability. This is why our Medium Term Financial Strategy (which was developed in 2018) created the Journey to Self-Sufficiency Programme, introduced a new self-sufficiency reserve and implemented a new approach in refreshing the medium term financial plans twice a year.

To sustain our strong financial position across the organisation, the Finance Service and the organisation as a whole need to make better use of technology and finance skills to better focus on supporting decision-making by driving and enabling the creation and addition of value. Our job is to help decision-makers decide where to allocate public money, how to control it and how to invest it in a way that gets the best value for taxpayers and tenants.

Delivery of this plan will broaden organisational understanding of financial and business concepts.

Current Position

The Council's General Fund has historically achieved additional and unplanned surpluses at year end and as a result, reserves have risen. The Council's healthy reserves level means that it is able to invest heavily in assets. Between 2019 and 2022 we are developing a £23m brand new leisure facility in Coalville, predominantly funded through internal reserves. This investment, along with expenditure against other existing plans that utilise reserves will see the Council need to borrow to fund its ongoing General Fund Capital Programme from 2022.

Better planning and financial forecasting now means that the Council is less likely to achieve unplanned results and whilst this is a positive in that we can more reliably determine our financial position (and avoid the missed opportunities that positive but unplanned outcomes present), we must ensure value for money now more than ever to ensure resources are utilised in the right way.

Our latest General Fund medium term financial plan presents a range of outcomes associated with the ongoing local government funding reviews, and projects a deficit of £5.2m between 2019 and 2024. Our Self-sufficiency reserve is set to stand at £4m by March 2020.

The Housing Revenue Account continues to maintain a very strong financial position. Medium term financial projections show that this position will continue until the redemption dates of self-financing loans in 2037. The Council have agreed to not continue to automatically set aside its budgeted HRA surpluses for the repayment of maturity loans that fall due from 2037, allowing for a more flexible approach to refinancing and reinvesting surpluses back in to the Housing service.

Our Plan:

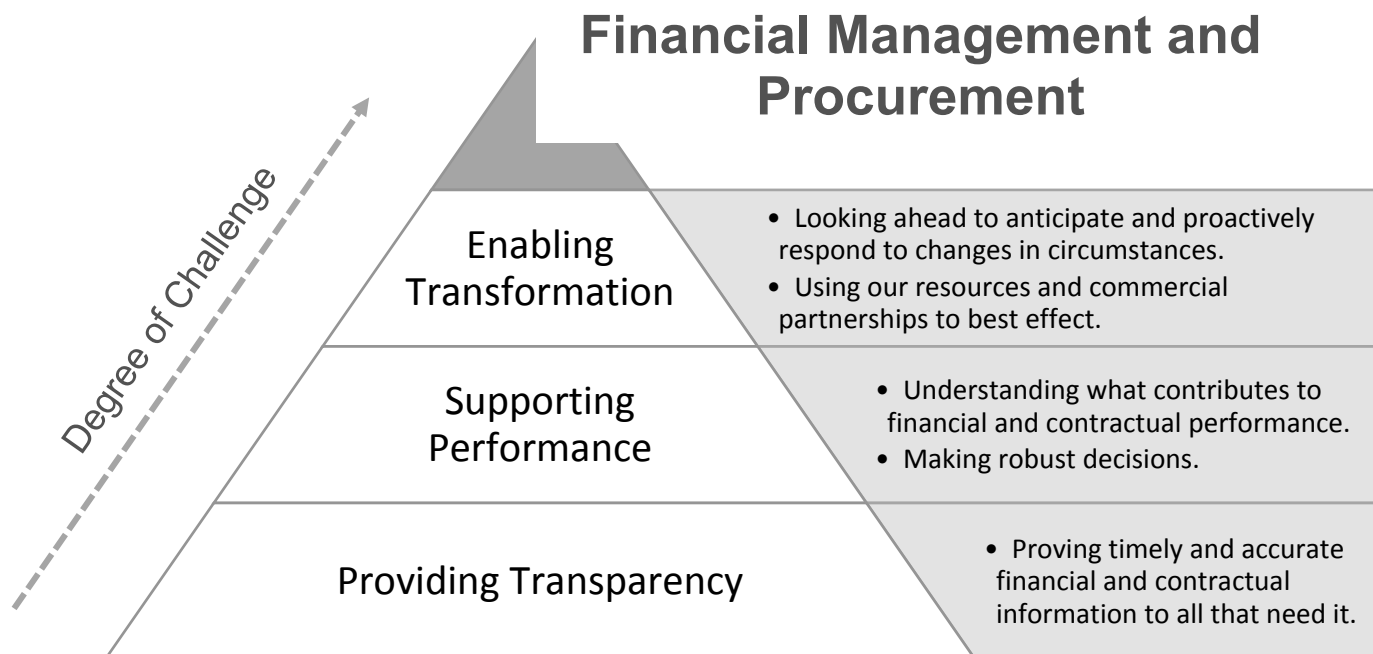
We need to have the skills, knowledge and processes to ensure the Council can adapt to the challenges of the future. This means strengthening our financial management and procurement across the Council so that Members, our corporate and extended management teams and other budget holders, and Finance staff are all equipped with the information and skills needed to manage the Council's finances and procurement activities.

Figure 1 below outlines what world class financial management ¹ looks like. This hierarchy of financial management styles loosely maps onto the components of value for money: economy, efficiency and effectiveness. This model is underpinned by a variety of more detailed good practice guides.

For the purposes of this Finance and Business Plan, we have removed the reference to 'world class' on the basis that whilst we do not need to be first class, we do need to be sufficiently abled enough in all areas of financial management in order to remain financially resilient. For completeness we have also included 'procurement'.

¹ Financial Management hierarchy by CPA Australia as referenced in the CIPFA Financial Management Code (consultation version)

Figure 1



In late 2018 we consulted the Finance Team and our Corporate and Extended Leadership Teams. We received a great deal of feedback around the vision for finance and areas to focus on.

We have also assessed ourselves against a variety of detailed good practice guides, including the consultation version of the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code (which is due to be adopted by all local authorities from April 2020) and also the National Audit Office (NAO) Financial Management Model.

This assessment and the consultation exercise shows that we need to focus on the following areas to see the biggest changes in our financial management:

- **Financially Skilled Leadership:** Ensuring our leaders and managers have the appropriate level capabilities to understand and manage finance and procurement, understand the financial health of the wider organization and their role in this context.
- **A Culture of Collective Responsibility for Financial Health:** Placing responsibility for financial management and procurement at the appropriate levels across the organization and recognising the leadership role of the Finance Service in this.
- **Integrated business planning:** Further embedding and aligning financial and procurement analysis and processes into our business planning and decision making processes.
- **Streamlined Processes:** Updating our systems and processes to make them quicker and more user friendly.

The delivery of this plan will be managed through a number of work streams:

- Workforce Development and Financial Management Culture
- Process Improvements

- Decision Making
- Monitoring and Forecasting; and
- Financial Reporting

The table below details the specific work and outputs against these workstreams. In order to deliver this plan work is required to ensure a fit for purpose finance team, including, but not limited to a review of the current position against requirements. This work will be led and delivered by the Head of Finance through a series of separate workstreams including the output of the final assessment against the published CIPFA Financial Management Code (anticipated publication date - June 2019).

Workstreams 2019 - 2024

Work Stream	Work Required	Outputs	Benefit	Corporate Lead(s)
Process Improvements	<ul style="list-style-type: none"> • Procurement and implementation of new finance system • Integration of finance monitoring to In-Phase performance management system 	<ul style="list-style-type: none"> • New finance system • Integrated performance and finance monitoring 	<ul style="list-style-type: none"> • Reduction in human time spent developing monitoring information and other manual processes and therefore release of Finance and key management staff time to focus on value-adding activities and to translate financial data and trends 	<p>Head of Finance</p> <p>Head of Customer Services</p> <p>Head of HR and Organisational Development</p>
Workforce Development & Financial Management Culture	<ul style="list-style-type: none"> • Update of Financial Procedure Rules • Develop staff Guide on financial management • Gap analysis between current position and requirement of Budget Holders' Financial Management capabilities • Align required position to corporate HR frameworks. • Wider organisational engagement / promotion and buy in 	<ul style="list-style-type: none"> • Clear and concise Finance Procedure Rules • Plain English staff Guide that compliments the FPR's and specifically explains Budget Holder responsibilities • Establishment of corporate Financial Management Standards and capabilities. • Adoption and adaption of corporate standards into 	<ul style="list-style-type: none"> • Reduced reliance on senior Finance staff to interpret FPR's • Organisational cultural change • Every officer understands the Council's commitments to financial management and their contribution to it. • Improved understanding across the organization in respect of Procurement 	<p>Head of Finance</p> <p>Head of HR and Organisational Development</p>

Work Stream	Work Required	Outputs	Benefit	Corporate Lead(s)
	<ul style="list-style-type: none"> • Establishment of Finance leads such as champions in each service area. • Development of Procurement Strategy • Development of Contract Management Guide 	<p>capability / competency frameworks.</p> <ul style="list-style-type: none"> • Our Procurement approach is widely understood • Our contracts are managed effectively across the organisation 	<p>approach and processes</p> <ul style="list-style-type: none"> • Contracts are managed effectively reducing risk of financial loss 	
<p>Decision Making</p> <p>34</p>	<ul style="list-style-type: none"> • Establish standardised investment appraisal approach • Identify key budget lines for each service area • Establishment of key cost and income drivers for key budget lines • Establishment of unit costs for key services • Establishment of key organisational income streams • Establishment of pricing strategies 	<ul style="list-style-type: none"> • Investment appraisal tool • Agreed number of key budget lines for each service area based on value and risk • Key cost drivers understood • Unit cost per key service • Top income streams known and reported on • Fees and charges policy • Pricing strategies of current and new opportunities clearly mapped out ensuring best value 	<ul style="list-style-type: none"> • All investment decisions are made on the same basis • Budgetary areas of each service area understood and are of a focus for monitoring and control purposes • Ability to model the impact of potential changes in the external environment that affect cost/income drivers and resultant expenditure/income, increasing the ability to mitigate risk and maximise opportunities 	<p>Head of Finance</p> <p>Head of Legal and Commercial Services</p> <p>Corporate Leadership Team</p>

Work Stream	Work Required	Outputs	Benefit	Corporate Lead(s)
	<ul style="list-style-type: none"> • Support refinement of project management approach in respect of financial monitoring • Support the review of corporate assets 	<ul style="list-style-type: none"> • Refreshed approach to monitoring of finance for projects • Revised Corporate Asset Management Strategy 	<ul style="list-style-type: none"> • Ability to understand the associated • Best value obtained for services provided • Ability for the organization to act commercially • Improved monitoring of project benefits • Financially sustainable asset portfolio that contributes positively to the financial position of the council 	
Monitoring and forecasting	<ul style="list-style-type: none"> • Profiling of budgets • Establishment of meeting management protocol for Finance Clinics • Developing the organisations approach to scenario modelling in the medium term financial plan • Develop new approach to balance sheet monitoring 	<ul style="list-style-type: none"> • Budgets aligned with anticipated level of spend/income • Finance Clinic forward plans and agendas • Scenario analysis on service demand and costs • New approach to monitoring commercial investments 	<ul style="list-style-type: none"> • Current financial position better understood - Over/Under spends are not reported in error • Expectations of budget holders and Finance clearly understood • Effective use of time of budget holders and Finance • Opportunity for robust challenge • Ability to model financial impact of different demand 	<p>Head of Finance</p> <p>Corporate Leadership Team</p>

GENERAL FUND MEDIUM TERM FINANCIAL PLAN – ORIGINAL

	2019/20	2020/21	2021/22	2022/23	2023/24
	Budget	Budget	Budget	Budget	Budget
	£000	£000	£000	£000	£000
Base Budget Indicative Base Budget (based on services assessment)	14,725	13,683	14,757	15,045	15,358
Total Budget before Savings/Surplus	14,725	13,683	14,757	15,045	15,358
Transfer to reserves (Savings Required)/Surplus to Self-Sufficiency Reserve	161	370	(1,029)	(2,088)	(2,613)
Total Final Expenditure Budget	14,886	14,053	13,727	12,957	12,746
Funding					
Revenue Support Grant	0	0	0	0	0
Business Rates	6,387	6,167	6,286	6,396	6,498
New Homes Bonus	3,068	2,418	1,887	891	0
Council Tax	5,341	5,436	5,554	5,665	5,784
Council Tax Surplus	90	32	0	0	0
Other grants					
Damping		0	0	5	464
Total Funding	14,886	14,053	13,727	12,957	12,746

GENERAL FUND REVENUE PROECTIONS 2019 – 2024
KEY ASSUMPTIONS

	Assumptions of Medium Term Financial Plan – January 2019	Revised Assumptions and additional information of the Medium Term Financial Plan – June 2019
Base Budget 2019/20	1. As per 2019/20 draft budget.	1. As per 2019/20 final budget.
Indicative Base Budget 2020/21 – 2023/24	<p>2. Stabilisation of planning fees from 2018/19 at £1.2 million per annum</p> <p>3. Stable car parking charges and income</p> <p>4. Local Council Tax Reduction / Support Scheme grant to town and parish councils reducing by £25,000 (approximately 25%) each year over four years, and maintain Special Expenses at their current levels</p> <p>5. Pay award in line with Local Government Pay Offer, with 3% built in for 2019/20 and 2% each year thereafter, pending a detailed redesign of the council's existing pay structure</p> <p>6. Pensions and national insurance costs inflated at anticipated levels to 2024.</p> <p>7. Adjustment to align with the governments forecasts for CPI as announced as part of the Spring Statement: 2019/20 – 1.8% 2020/21 – 2022/23 – 2%</p> <p>8. Return on investments at previously achieved performance level of 0.7%, with no additional targets included for commercial activity such as a Local Housing Company or investment into property funds</p> <p>9. Apprenticeship levy of 0.5%</p> <p>10. That the council saves £100k in corporate overheads in 2019/20 and</p>	<p>2. No change</p> <p>3. No change</p> <p>4. No change</p> <p>5. No change, redesign of the council's pay structure has been implemented.</p> <p>6. No change. Additional pension contributions due to be confirmed later in the year. The 1% annual increase included in the base budget have been tested and has been confirmed as reasonable.</p> <p>7. No change, as confirmed via the Spring Statement</p> <p>8. No change. Anticipate change in line with 2020/21 budget and resultant investment income.</p> <p>9. No change</p> <p>10. No change. The 2019/20 base budget has been aligned with the</p>

	<p>£200k from 2020/21 and saves £25k in year 1 based on the net position of the new leisure outsourcing arrangement.</p> <p>Additional interest and minimum revenue provision (repayment of internal debt) is also factored in from 2020/21.</p>	<p>management fees payable to and from the contractor.</p> <p>Management fee payable: 2019/20: £529,000 2020/21: £280,000 2021/22: £208,000</p> <p>Management fee receivable: 2022/23: -£59,000 2023/34: -£321,000</p>
Revenue Support Grant	<p>11. RSG is phased out in 2018/19. Although it should be noted that until the outcome of the Fair Funding review is known, negative RSG is absorbed into the council's business rate baseline funding level, reducing the council's funding position by:</p> <ul style="list-style-type: none"> • 2019/20: nil • 2020/21: -£210k • 2021/22: -£270k • 2022/23: -£320k 	<p>11. No change, subject to the outcome of the Fair Funding review.</p>
Business Rates	<p>12. Partial Business Rates Baseline reset in 2020/21 at the 2018/19 level of business rates collected with transition payments assumed so that the council's net funding doesn't reduce below 5%.</p> <p>13. 75% Business Rate Retention system implemented in 2020/21</p> <p>14. Tariff on business rates income in line with Government announcement in respect of 2018/19. 2019/20 and beyond assumed at anticipated level before the announcement in respect of 2018/19. These projections will be updated once firmer detail is understood.</p>	<p>12. Full Business Rates Baseline reset in 2020/21 at the 2018/19 level of business rates collected with transition payments assumed so that the council's net funding doesn't reduce below 5%. Subject to the outcome of the 75% Business Rates Retention system reform and the Fair Funding review.</p> <p>13. No change. Business Rates are aligned with the 75% retention business rates pilot.</p> <p>14. No change</p>
New Homes Bonus	<p>15. That New Homes Bonus funding is removed from 2020/21 but that legacy payments continue and reduce to NIL by 2023/24.</p>	<p>15. No change, pending outcome of Fair Funding Review.</p>
Council Tax	<p>16. Council tax assumed at 0% increase to the council tax base per annum.</p>	<p>16. No change, on the basis of the Conservative Party Manifesto commitment.</p>

	<p>17. Estimates of council tax base increase of 1.8% every year (broadly 600 homes each year) which impacts on council tax base and NHB. Note that the average increase since 2014 has been in the region of 700 new homes per year.</p> <p>NB – A report was presented to Cabinet in December which amended the current discounts offered on second homes and empty homes. This will marginally increase the council tax base and therefore the income collected. These assumptions have now been built into the calculations.</p>	<p>17. Council tax base increases are 562 properties per year.</p>
Council Tax Surplus	<p>18. £90k surplus for 2019/20, assumed at £32k 2020/21 and to NIL from 2021/22.</p>	<p>18. No change.</p>
Other	<p>19. Self Sufficiency Reserve of £2.76 million.</p> <p>20. That we will maintain a minimum General Fund working balance will be maintained at the higher of £1.5 million or 10% of net expenditure to 2023</p> <p>21. The General Fund Capital Programme is fully funded.</p> <p>22. Transitional measures based on assumption that the council will not suffer a loss of total resources of more than 5% in any one year.</p> <p>23. Minimum Revenue Provision policy revised in line with Statutory Guidance – impact to 2019/20 negligible, but increase in MRP for future years.</p>	<p>19. Self Sufficiency now stands at £4.2 million.</p> <p>20. No change.</p> <p>21. No change. Resultant increases in finance costs reflected in base budget.</p> <p>22. No change.</p> <p>23. No change. Anticipated increase in financing costs in future years, not only reflects the MRP policy change but also costs related to the council's need to borrow in 2022 as identified in the Treasury Management Strategy presented to Cabinet in February 19</p>
Transition Funding	<p>24. Assumed to be received when core funding reduces by more than 5% of total funding. Calculated on basis that council tax precept has been increased.</p>	<p>24. No change, however amount assumed has increased due to change in assumption on resetting of the business rates baseline.</p>

GENERAL FUND MEDIUM TERM FINANCIAL PLAN – REVISED

	2019/20	2020/21	2021/22	2022/23	2023/24
	Budget	Budget	Budget	Budget	Budget
	£000	£000	£000	£000	£000
Base Budget	14,772				
Indicative Base Budget (based on services assessment)		13,683	14,757	15,045	15,358
Assumed Base Budget (5% increase year on year)					
Total Budget before Savings/Surplus	14,772	13,683	14,757	15,045	15,358
Transfer to reserves (Savings Required)/Surplus to Self-Sufficiency Reserve	325	365	(1,258)	(2,103)	(2,985)
Total Final Expenditure Budget	15,096	14,048	13,499	12,942	12,374
Funding					
Revenue Support Grant	0	0	0	0	0
Business Rates	6,598	4,056	4,811	5,569	6,332
New Homes Bonus	3,068	2,418	1,887	891	0
Council Tax	5,341	5,430	5,519	5,608	5,697
Council Tax Surplus	90	32	0	0	0
Levy Account Surplus					
Other grants					
Damping		2,112	1,281	873	345
Total Funding	15,096	14,048	13,499	12,942	12,374

Appendix E

HRA BUSINESS PLAN MODEL PROJECTIONS – February 2019

Year	2019.20	2020.21	2021.22	2022.23	2023.24
£'000	1	2	3	4	5
INCOME:					
Rental Income	17,008	17,607	18,058	18,463	18,881
Void Losses	1	-144	-147	-151	-154
Service Charges	553	567	587	607	629
Non-Dwelling Income	86	82	79	75	73
Grants & Other Income	276	274	272	271	269
Total Income	17,925	18,386	18,848	19,266	19,697
EXPENDITURE:					
General Management	-2,261	-2,325	-2,407	-2,491	-2,578
Special Management	-710	-727	-753	-779	-806
Other Management	0	0	0	0	0
Rent Rebates	0	0	0	0	0
Bad Debt Provision	-100	-107	-110	-113	-115
Responsive & Cyclical Repairs	-5,315	-5,446	-5,627	-5,814	-6,030
Total Revenue Expenditure	-8,386	-8,604	-8,896	-9,197	-9,529
Interest Paid	-2,252	-2,227	-2,198	-1,862	-1,835
Finance Administration	-10	-8	-9	-9	-9
Interest Received	109	186	228	193	253
Depreciation	-3,139	-3,173	-3,179	-3,185	-3,195
Net Operating Income	4,247	4,559	4,795	5,207	5,383
APPROPRIATIONS:					
FRS 17 /Other HRA Reserve Adj	-1,389	0	12,990	0	0
Revenue Provision (HRACFR)	-1,128	-1,154	-14,180	-1,206	-1,234
Revenue Contribution to Capital	-1,700	0	-100	-616	0
Total Appropriations	-4,136	-1,154	-1,290	-1,823	-1,234
ANNUAL CASHFLOW	111	3,406	3,505	3,384	4,149
Opening Balance	1,000	1,111	4,517	8,022	11,406
Closing Balance	1,111	4,517	8,022	11,406	15,555
Other HRA Reserve Balance	0	0	0	0	0
HRA Debt Repayment Reserve	13,000	13,000	0	0	0
HRA New Build Reserve	0	0	0	0	0

HOUSING REVENUE ACCOUNT PROJECTIONS 2019 – 2024
KEY ASSUMPTIONS

	Assumptions of Medium Term Financial Plan – February 2019	Revised Assumptions of the Medium Term Financial Plan – June 2019
Income (Rents)	<ol style="list-style-type: none"> 1. As per Government rent policy of CPI + 1% for five years and then CPI + 0.5% for the remaining 25 years. CPI assumed at 2%. 2. Rent loss performance on empty homes sustained at 0.8% for the life of the plan 3. Right to Buy sales projected to be 36 in 2019/20, 34 in 2020/21 and falling to 30 per annum thereafter. 4. 37 new homes added to the housing stock during 2019/20 at affordable rent levels and 20 in 20/21 	<ol style="list-style-type: none"> 1. No change 2. No change 3. Right to Buy sales increased to 40 in 2019/20, 42 in 2020/21 to 2023/24, 41 for the 4 years to 2027/28 in which is move to 40 in 2028/29 and decreases by two per year until it reaches 0. 4. 26 new affordable properties added to stock levels in 2019/20 with 20 properties added in 2021/22.
Base budget	<ol style="list-style-type: none"> 5. Inflationary increase of 3.5% per annum. 	<ol style="list-style-type: none"> 5. Inflation increased revised down to 2.5% to bring to closer to Bank of England target rates.
Other	<ol style="list-style-type: none"> 6. Surplus balances on the HRA to be transferred to the loan redemption reserve to repay the first £13 million of maturity loans. 7. HRA Capital Programme is full funded 8. The 30 year capital programme cost projects for the HRA was £186 million. 	<ol style="list-style-type: none"> 6. We now have £13 million so surpluses will be retained in working balances unless needed for other reasons. 7. No change as the Capital Programme remains fully funded. There is a £1.7 million revenue to capital contribution budgeted in 2019/20 and our model predicts that further contributions may be needed to fund non-new build works in the future. 8. This figure has increased to £188.0 million in today's prices. It rises to £287.1 million when inflation is added.

HRA BUSINESS PLAN MODEL PROJECTIONS – JUNE 2019

	1	2	3	4	5
	2019.20	2020.21	2021.22	2022.23	2023.24
Dwelling rents	17,009,750	17,384,057	17,759,063	18,107,675	18,513,203
Non-dwelling rents	65,920	67,238	68,583	69,955	71,354
Service charge income	553,070	553,931	565,010	576,310	587,836
Other income and contributions	20,120	20,522	20,933	21,352	21,779
Total income	17,648,860	18,025,749	18,413,589	18,775,292	19,194,172
Repairs & maintenance	5,372,410	5,506,720	5,644,388	5,785,498	5,930,135
Management	2,693,780	2,761,125	2,830,153	2,900,906	2,973,429
Bad debts	100,000	103,287	105,602	107,688	110,109
Depreciation	3,139,190	3,172,954	3,178,525	3,185,399	3,195,080
Debt management	2,750	2,750	2,750	2,750	2,750
Total costs	11,308,130	11,546,836	11,761,418	11,982,241	12,211,503
Net income from services	6,340,730	6,511,027	6,709,256	6,875,960	7,092,094
Interest payable	-2,253,980	-2,226,562	-2,197,892	-1,861,824	-1,834,544
Interest income	108,550	116,171	133,019	84,440	120,313
Net income/expenditure before appropriations	4,195,300	4,400,636	4,644,383	5,098,575	5,377,863
Set aside for debt repayment	-1,128,190	-1,153,676	-14,179,746	-1,206,414	-1,233,694
Revenue contributions to capital	-1,700,000	-961,341	0	-301,017	0
Allocation to/from other reserves	0	0	13,000,000	0	0
Other appropriations	50,730	0	0	0	0
Net HRA Surplus/Deficit	1,417,840	2,285,618	3,464,637	3,591,144	4,144,169
HRA Balance brought forward	1,272,099	2,689,938	4,975,557	8,440,193	12,031,337
HRA surplus/deficit	1,417,840	2,285,618	3,464,637	3,591,144	4,144,169
HRA Balance carried forward	2,689,938	4,975,557	8,440,193	12,031,337	16,175,506

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

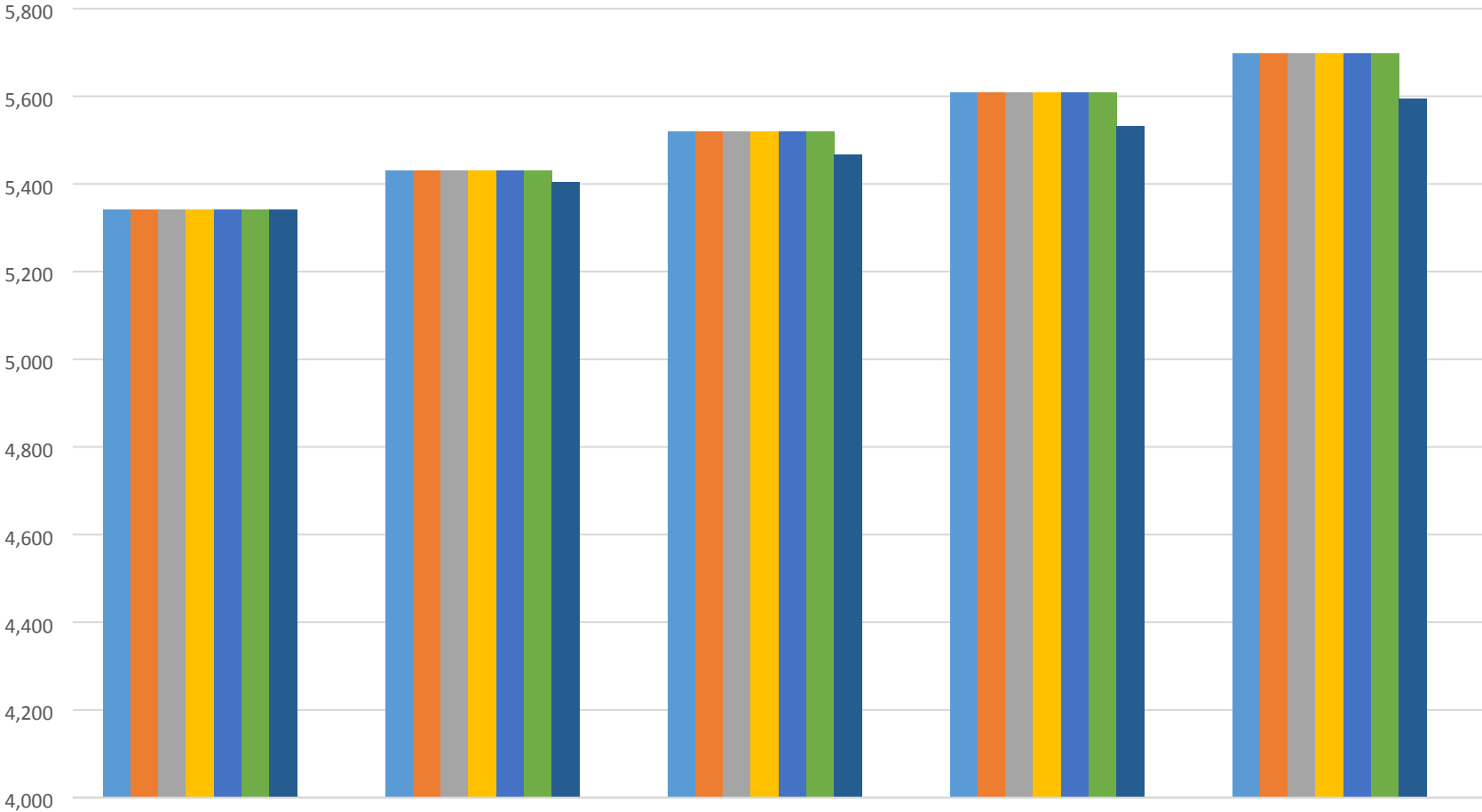
The charts below are intended to illustrate the isolated change in an assumption. The table below explains each scenario and the change in funding.

Table 1 – Scenarios

<u>Ref</u>	<u>NHB</u>	<u>Business Rates</u>	<u>Council Tax</u>	<u>Transition</u>	<u>Expenditure</u>
Base	0.4% Baseline; Legacy payments from 2020	Full reset in 2020 based on 18/19 rates level	0% precept to 2024, growth 562 homes p.a	Transitory funding in place when total resources falls below - 5%.	As per budgetary forecasts
1	0.4% Baseline; Scheme continues as is	as per Base	as per Base		as per Base
2	0.4% Baseline; Scheme abolished from 2020	as per Base	as per Base		as per Base
3	as per Base	Full reset in 2020 based on 19/20 rates level	as per Base		as per Base
4	as per Base	Partial reset in 2020 based on 18/19 rates level	as per Base		as per Base
5	as per Base	Full reset in 2020 based on 17/18 rates level	as per Base		as per Base
6	as per Base	as per Base	0% precept increase to 2024, growth deflated at 400 homes p.a.		as per Base

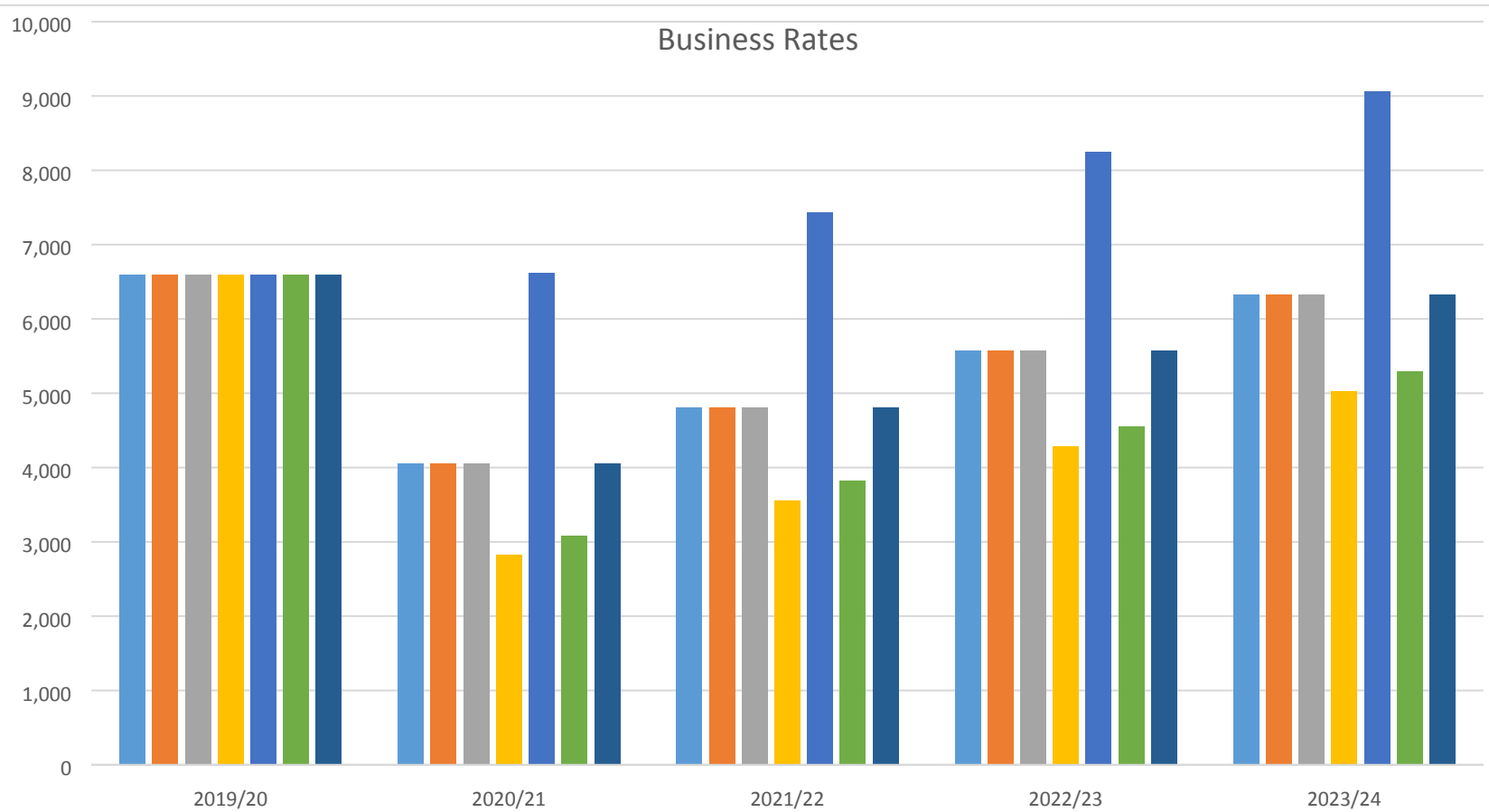
Council Tax

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



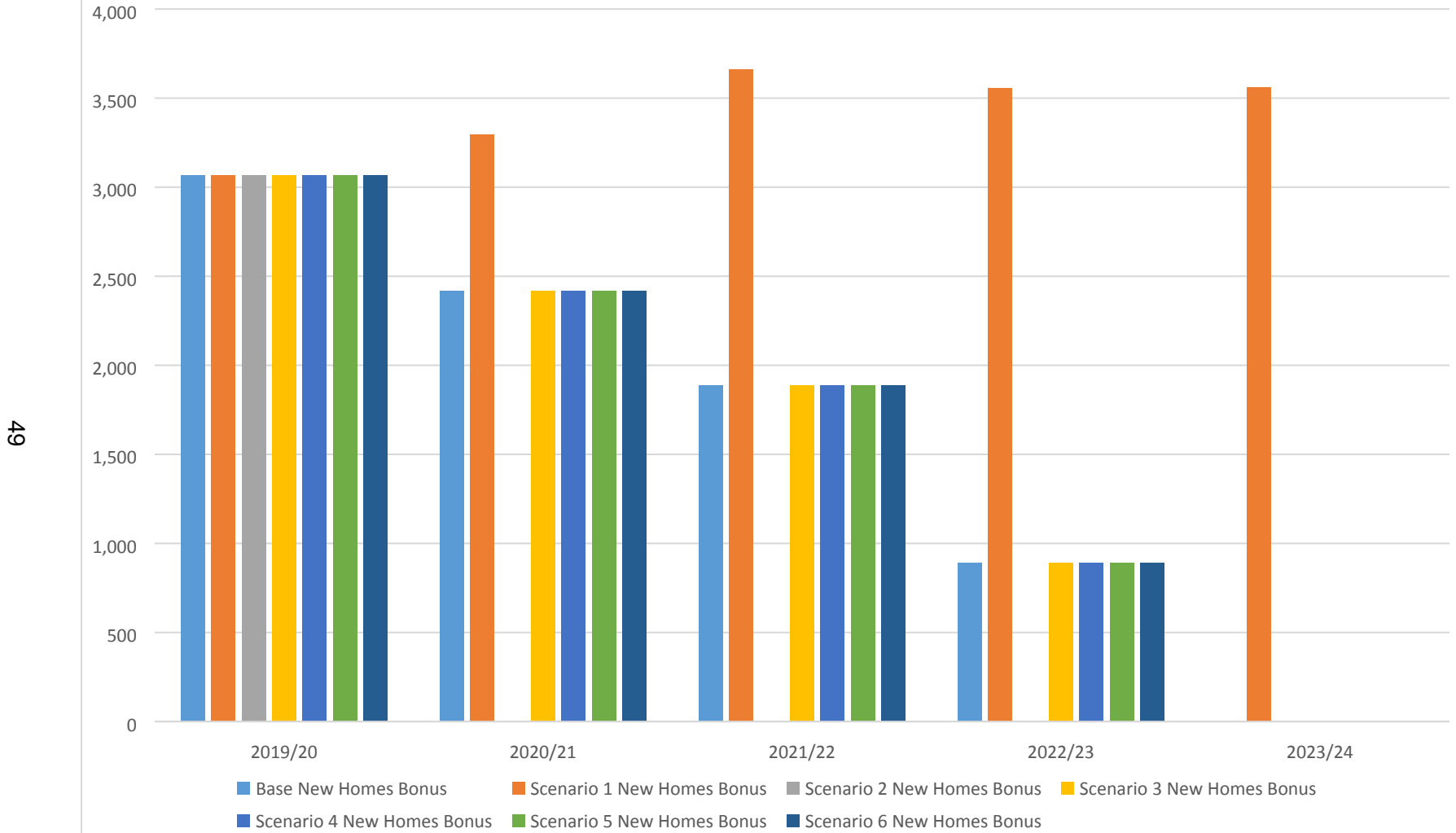
Business Rates

48



- Base Business Rates
- Scenario 1 Business Rates
- Scenario 2 Business Rates
- Scenario 3 Business Rates
- Scenario 4 Business Rates
- Scenario 5 Business Rates
- Scenario 6 Business Rates

New Homes Bonus



Transition Funding

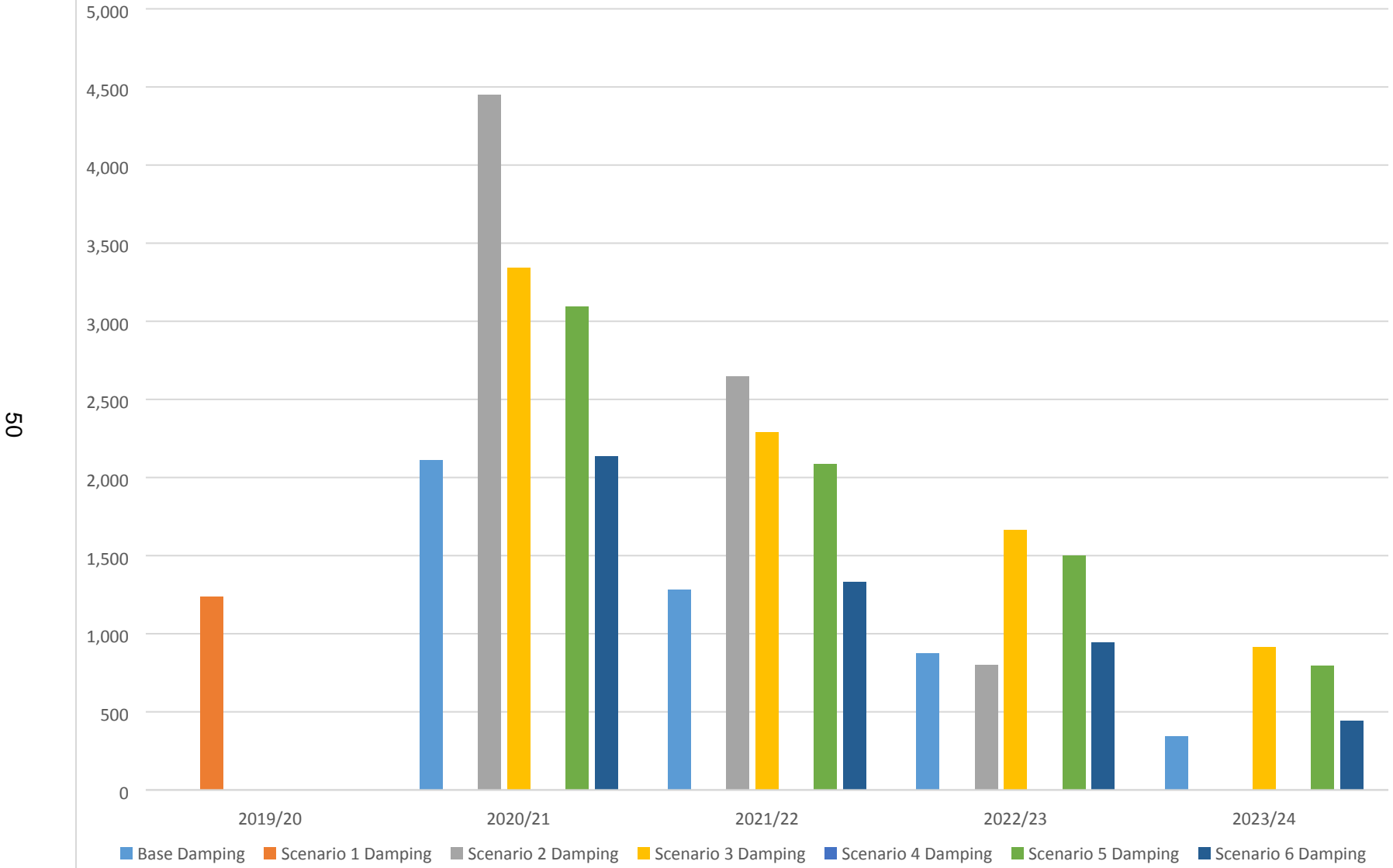


Table 2 - In Year Surplus/(Deficit)

	2019/20	2020/21	2021/22	2022/23	2023/24	Total*
Surplus/(Deficit)	325	365	- 1,258	- 2,103	- 2,985	- 5,656
Scenario 1	1,561	- 870	- 767	- 310	232	- 154
7Scenario 2	325	287	- 1,779	- 3,067	- 3,329	- 7,564
Scenario 3	325	361	- 1,505	- 2,596	- 3,722	- 7,137
Scenario 4	325	821	83	- 299	- 596	333
Scenario 5	325	372	- 1,448	- 2,491	- 3,570	- 6,813
Scenario 6	325	366	- 1,260	- 2,107	- 2,988	- 5,663

* Subject to Rounding

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**CABINET – TUESDAY, 16 JULY 2019**

Title of report	LOCAL PLAN REVIEW
Key Decision	a) Financial No b) Community Yes
Contacts	Councillor Robert Ashman 01530 273762 robert.ashman@nwleicestershire.gov.uk Interim Head of Planning and Infrastructure 01530 454782 chris.elston@nwleicestershire.gov.uk Planning Policy Team Manager 01530 454677 ian.nelson@nwleicestershire.gov.uk
Purpose of report	To seek Cabinets approval for changes to the proposed approach in respect of the Local Plan review.
Reason for Decision	Cabinet approval of the proposed approach required.
Council Priorities	Local people live in high quality, affordable homes Support for businesses and helping people into local jobs Developing a clean and green district Our communities are safe, healthy and connected
Implications: Financial/Staff	 If Cabinet agree to the recommendation then this will mean that there would be two Examinations rather than the one initially envisaged (i.e. one for the review of Policy S1 only and then one for a wider review). The Examination for the wider review will need to come from future budgets and will be built in to the budget process.
Link to relevant CAT	None

Risk Management	Policy S1 of the adopted Local Plan as currently worded represents a significant risk to the Council as having an out dated plan would leave the Council vulnerable to unwanted applications and appeals. The risk is not just financial but also reputational. The suggested approach outlined in the report offers a potential way forward which if successful would remove the risk of the plan being considered to be out-of-date, although as outlined in the report is not without its own risks.
Equalities Impact Screening	An Equalities Impact Assessment of the Local Plan review will be undertaken as part of the Sustainability Appraisal.
Human Rights	No discernible impact
Transformational Government	Not applicable
Comments of Head of Paid Service	The Report is Satisfactory
Comments of Section 151 Officer	The Report is Satisfactory
Comments of Deputy Monitoring Officer	On the advice of the external solicitor, the report is satisfactory
Consultees	Strategy Group
Background papers	<p>National Planning Policy Framework which can be found at https://www.gov.uk/government/publications/national-planning-policy-framework--2</p> <p>The Town and Country Planning (Local Planning)(England) Regulations 2012 which can found at http://www.legislation.gov.uk/ukSI/2012/767/contents/made</p> <p>Adopted North West Leicestershire Local Plan Local Plan 2011-2031 - North West Leicestershire District Council</p> <p>Leicester and Leicestershire Strategic Growth Plan Strategic Growth Plan Leicester and Leicestershire - North West Leicestershire District Council</p>
Recommendation	THAT CABINET AGREES TO RECOMMEND TO THE LOCAL PLAN COMMITTEE THAT:

	<p>(I) THE INITIAL LOCAL PLAN REVIEW FOCUS UPON CHANGES TO POLICY S1 AS OUTLINED IN THE REPORT;</p> <p>(II) OFFICERS CONTINUE TO WORK ON A WIDER REVIEW AND WITH A VIEW TO SUBMITTING AS SOON AS REASONABLY PRACTICABLE AFTER THE PUBLICATION OF THE 2018-HOUSEHOLD PROJECTIONS;</p> <p>(III) TIMETABLES FOR BOTH THE INITIAL REVIEW AND WIDER REVIEW BE ESTABLISHED AS PART OF A REVISED LOCAL DEVELOPMENT SCHEME</p>
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1.0 BACKGROUND

1.1 The North West Leicestershire Local Plan was adopted on 21 November 2017 and covers the period to 2031.

1.2 Policy S1 commits the Council to undertaking an early review of the plan. It states that:

The District Council will commence a review of this Local Plan (defined as being publication of an invitation to make representations in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012) by the end of January 2018 or within 3 months of the adoption of this Local Plan (whichever is the later). The Plan Review will be submitted for examination within two years from the commencement of the review. In the event that the reviewed plan is not submitted within two years then this Local Plan will be deemed to be out of date.

1.3 The wording of Policy S1 was agreed with the Local Plan Inspector during the Examination process. The Inspector had required the wording regarding timescales so as to ensure that “the Council is expressly committed, by adopted policy, to early review of the plan, within a stated period after any such unmet needs to be met within NWL are identified” (paragraph 135 of Inspector’s Report).

1.4 The early review was required to:

- Address a shortfall in employment land (excluding strategic B8) provision to address new evidence published whilst the plan was at examination;
- To possibly make additional housing provision as a result of the inability of one or more of the Leicestershire authorities to accommodate their own housing needs within their administrative boundaries. At the time of the examination precisely where the housing need of the Housing Market Area (“HMA”) as a whole would be met was not certain.

1.5 In respect of the latter point, Leicester City had declared in January 2017 that it was not likely to be able to meet its own housing need, although it was not able to identify the quantity of unmet need. At the time of the Examination, Oadby and Wigston also declared an unmet need but this has since been retracted.

1.6 An initial consultation under Regulation 18 of the Local Plan Regulations 2012 was undertaken between 21 February and 4 April 2018, in accordance with the timescale

established by Policy S1. This means that to comply with policy S1 the reviewed plan would have to be submitted by February 2020.

- 1.7 Further consultation was undertaken in November/December 2018 in accordance with the Local Development Scheme.
- 1.8 To date the review has been seen as a partial review rather than a whole scale review.
- 1.9 There are a number of changes which have occurred since the Local Plan was adopted and which have potential implications for the Local Plan review and its timetable. These are considered below.

2.0 CHANGES IN CIRCUMSTANCES

The National Planning Policy Framework

- 2.1 The revised National Planning Policy Framework (NPPF) was published in July 2018 (and there were subsequent further changes in February 2019). This introduced a number of new plan-making requirements, including:
 - Clear distinction between strategic and local policies;
 - Guidance on the provision of 'entry level homes';
 - Specific reference to storage and distribution uses;
 - Specific reference to lorry parking; and
 - Viability
- 2.2 In terms of strategic policies the NPPF states such policies "*should look ahead over a minimum 15 year period from adoption*".

Housing requirements

- 2.3 At the time the inspector's recommended modifications to the Local Plan were being finalised (winter 2016/17) it had been envisaged that the housing requirements for a review would be based upon the Housing and Economic Development Needs Assessment (HEDNA) and that Leicester City would have declared the full extent of any unmet need and that this would have been agreed with the Leicestershire authorities as would its redistribution. However, Leicester City Council has still not formally declared the extent of its housing need that it cannot meet within its own boundaries.
- 2.4 A further issue in terms of housing requirements is the introduction by the government of the new "standard method" for calculating housing requirements. The latest figure for North West Leicestershire when using the 2014-household projections and the March 2019 affordability ratio, is 379 dwellings. This is over 100 dwellings less than that in the adopted Local Plan. It is also less than that identified through the HEDNA. There is therefore significant 'headroom' in the existing local plan for meeting need that arises elsewhere in the HMA without a formal review.
- 2.5 North West Leicestershire is in the minority of local authorities whereby the outcome from the 2016 household projections, which have been rejected by the government, results in a

higher housing requirement (529 dwellings) when using the standard method than the 2014 household projections.

- 2.6 The government has stated that it intends to publish changes to the standard methodology at some point before the next household projections are published in autumn 2020 (these would be 2018 based projections). This is partly to ensure that the outcome from the standard methodology reflects the government's stated aim of 300,000 new homes annually across England. It is reasonable to assume, therefore, that the housing requirement (irrespective of any unmet need from Leicester City) will be higher than those derived from the 2014-household projections, but it is not clear as to what this is likely to be.
- 2.7 There is, therefore, considerable uncertainty regarding the housing requirement element which the review would need to plan for. In the meantime, the adopted local plan's requirement figure appears sufficient to meet need arising in North West Leicestershire and a significant contribution to need that arises elsewhere in the HMA.

Employment requirements

- 2.8 The HEDNA identifies the amount of employment land required to 2031 and 2036, except for strategic B8 uses (those of over 9,000sqm) which are identified in a separate study.
- 2.9 Since the Local Plan was adopted additional planning permissions which have been granted means that the current shortfall (allowing for potential losses of existing employment sites) is 17ha compared to 39ha in October 2016 (the figures used at the Examination).
- 2.10 Officers have concerns regarding the amount of land which the HEDNA suggested is required for B1a/b uses, not least because such an amount is contrary to past trends and also to what the market appears to want which is more B8 uses (both large and small).
- 2.11 For this reason the Local Plan consultation undertaken in late 2018 asked a specific question regarding the suitability of the HEDNA as an evidence base. Whilst there was some support for the HEDNA, there were also some representations which questioned its continuing validity for a number of reasons, including:
- The latest evidence from the Office of National Statistics shows that the overall level of jobs located in North West Leicestershire has increased substantially;
 - The HEDNA was based on assumptions that were overly optimistic with the future supply of workers and overly-pessimistic regarding the future demands of employers;
 - It over-simplifies the need and demands for employment land and how economic investment is realised;
 - It fails to address the relationships with employment land supply, need and demand in the West Midlands with which North West Leicestershire has a functional relationship; and
 - The evidence presented in HEDNA on the take-up of employment land is questionable, when compared to Valuation Office Agency data.

- 2.12 On balance, therefore, additional evidence has been commissioned to assess the continuing robustness of the HEDNA conclusions and (if necessary) to produce some alternative forecasts.
- 2.13 In terms of strategic B8 requirements, the requirements for this are set out in the Leicester and Leicestershire Strategic Distribution Study 2014, which was updated in 2016. It has been agreed by the Leicester and Leicestershire authorities to commission updated evidence on this issue.
- 2.14 As with housing there is significant uncertainty regarding the exact amount of employment land which would need to be identified as part of the review.

Leicester and Leicestershire Strategic Growth Plan

- 2.15 Members will be aware that the Leicester and Leicestershire authorities have jointly prepared and agreed a Strategic Growth Plan (SGP) covering the period 2011-50. This is a non-statutory plan, but its intended purpose was to provide a framework for future Local Plans. The SGP was formally agreed in late 2018.
- 2.16 The SGP is seeking a step change in the way that growth is delivered; focussing more development in strategic locations and reducing the amount of new development that takes place in existing towns, villages and rural areas. One of these strategic locations lies partly within North West Leicestershire and is known as the 'Leicestershire International Gateway' (The Gateway) which covers the northern part of North West Leicestershire and Charnwood. The SGP estimates that The Gateway could accommodate about 11,200 dwellings to 2050. The split between North West Leicestershire and Charnwood has to be agreed, but is likely to be at least 5,200 dwellings in North West Leicestershire.
- 2.17 Whilst the Local Plan review will not go up to 2050, the scale of development is such that it will need to be planned for well in advance and so will need to be addressed as part of the review. It is likely that some large scale developments will be required, possibly new settlements. Such developments are inherently complex and require time to compile the necessary supporting evidence.

3.0 WHAT DOES THIS MEAN FOR THE LOCAL PLAN REVIEW?

- 3.1 For the reasons outlined above, the circumstances are very different to those at the time the Local Plan was adopted. A particular issue is the lack of clarity regarding unmet need from Leicester City. The Local Plan Inspector had, understandably sought to try and ensure that the review was carried out speedily "*within a stated period after any such unmet needs to be met within NWL are identified*", but at this time no such needs have been identified. Indeed, doubt has been cast on the continuing robustness of the HEDNA as being a suitable evidence base to assess housing and employment land need in the HMA.
- 3.2 The Council needs to have a high degree of confidence that whatever it puts forward would be supported at examination. Compliance with the NPPF will be a key issue in this respect.
- 3.3 In order to comply with the NPPF provisions regarding strategic policies and for the review to continue to plan for the period to 2036 (as previously agreed by the Local Plan Committee), it would be necessary for the review to be adopted by April 2021. Based on

experience elsewhere it would be prudent to allow for a period of 18 months from the date of submission to adoption. This would mean that the plan would have to be submitted by late September 2019. This would meet the requirements of policy S1 in terms of the plan being submitted by February 2020. However, such a deadline is simply not feasible.

- 3.4 Moving forward an option would be to continue with the partial review and address the employment land shortfall to 2031; the same period as the adopted plan. The timetable to meet the February 2020 requirement of Policy S1 would be challenging, but potentially feasible. However, this approach would potentially conflict with the NPPF requirement for strategic policies to look ahead 15-years from adoption.
- 3.5 An alternative approach would be to continue with, but widen out, the review. This could necessitate making certain assumptions regarding possible future growth so as to maintain progress with a view to submission being as soon as possible after the 2018-household projections are known. This would help to ensure that the plan was as up-to-date as possible. Under this option the plan could potentially be adopted in early 2022 and could have an end date of 2038 or 2039, so satisfying the 15 year from date of adoption period of the NPPF. This approach would have the added advantage that by the time of submission the situation in respect of the quantum of unmet need from Leicester City should be known and agreed.
- 3.6 Whichever approach is taken the Council is faced with a significant dilemma; adhere to the provisions of policy S1 in terms of submitting the Local Plan by February 2020 or satisfying the requirement of the NPPF and have a plan that looks ahead at least 15-years from the date of adoption. Doing both is not feasible.
- 3.7 Whichever of the options outlined is pursued has associated risks. Continuing with a partial review to 2031 (the first option) runs the risk that an Inspector considers the review to be not sound as it would not look ahead 15-years. It is not clear as to whether this would still leave the remaining provisions of the adopted Local Plan intact.
- 3.8 By concentrating on the wider review and looking to plan ahead to 2038 or 2039 but missing the February 2020 deadline poses a risk for the adopted Local Plan in view of the provision in policy S1 for the plan to be considered out-of-date.
- 3.9 There are a variety of reasons why, but for the provisions of Policy S1, that the second option represents a logical choice:
 - the Local Plan was adopted less than two years ago;
 - housing provision and supply remains healthy;
 - the government has stated it will change the standard methodology which will impact current housing requirements; and
 - new household projections are due in a little over a years' time.
- 3.10 To address the issue of Policy S1, a further option would be to simply submit a review of the Local Plan as soon as possible that simply deletes or (more likely) amends the requirement for the review in policy S1.
- 3.11 Such an amendment would have to go through the normal process (i.e. consultation, submission, Examination) and be "sound", legally compliant and subject to sustainability appraisal. But the unforeseen changed circumstances arising since adoption of policy S1,

together with the unsatisfactory nature of the options outlined above, point to this as being a way forward.

- 3.12 Officers have taken external legal advice which supports such an approach.
- 3.13 It should be appreciated that this approach is not without its own risks. There is no guarantee that an Inspector would regard such an approach as being 'sound'. In these circumstances the statement that the plan would be "deemed to be out-of-date" would still form part of the policy. However, it would not have any effect as the requirement elsewhere in the policy for the plan to have been submitted would have been complied with; policy S1 does not require that the review be found 'sound'.
- 3.14 The issue of whether a plan is up-to-date is a matter for consideration by virtue of paragraph 11d of the NPPF. This requires the Council as decision maker to consider whether the relevant policies are out-of-date when determining planning applications. Where they are, the 'presumption in 'favour of sustainable development' applies. This would be the case whether the suggested approach was considered 'sound' or not. In terms of housing, paragraph 73 of the NPPF confirms that as the housing requirement in the adopted Local Plan is less than 5-years old it would still provide the appropriate basis for determining housing applications irrespective of any different housing projections which might be published (and this is the case until November 2022).

4.0 NEXT STEPS

- 4.1 As noted above a review which focussed solely upon Policy S1 would need to follow normal process. In accordance with the council's constitution, it would be for the Local Plan Committee to agree any consultation and to then agree to submit the review for Examination. Therefore, it is proposed to take a report to the Local Plan Committee on 18 September 2019 on this issue.
- 4.2 There is a greater likelihood of the suggested approach being found 'sound' if the Council can demonstrate that it is making significant progress on a wider review. Therefore, a timetable for the wider review will be prepared with a view to this taking place in parallel with the review of Policy S1. This will be included as part of the report to the Local Plan Committee in September and hence result in a new Local Development Scheme.
- 4.3 It is also proposed to discuss this matter with the other Leicestershire authorities under the Duty to Cooperate.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**CABINET – TUESDAY, 16 JULY 2019**

Title of report	APPROVAL FOR THE PROCUREMENT OF A FENCING CONTRACTOR
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Andrew Woodman Tel: 07932 758555 andrew.woodman@nwleicestershire.gov.uk Strategic Director of Place Tel: 01530 454555 james.arnold@nwleicestershire.gov.uk Head of Community Services Tel: 01530 454832 paul.sanders@nwleicestershire.gov.uk
Purpose of report	To seek approval to commence a procurement process to identify a fencing contractor to support the work delivered by the Grounds Maintenance team and delegate authority to award a contract to successful tenderer to Strategic Director of Place in consultation with the portfolio holder of Community Services.
Reason for decision	The level of expenditure on proposed contracts exceeds the authority threshold in the Scheme of Delegation.
Council priorities	Support for businesses and helping people into local jobs
Implications:	Procurement regulations
Financial/Staff	Expenditure will be recharged to Housing Services for whom Grounds Maintenance procure and manage the work. Housing Services budget annually for this work to be undertaken
Health and Safety	None
Risk Management	Included within the report
Equalities Impact Screening	None
Human Rights	None

Transformational Government	Offering value for money by delivering services in a different way
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Deputy Monitoring Officer	The report is satisfactory
Consultees	Head of Community Services Procurement Officer Open Spaces and Parks Team Leader Grounds Maintenance Supervisor Housing Services
Background papers	None
Recommendations	THAT CABINET; A) APPROVES THE COMMENCEMENT OF A PROCUREMENT PROCESS IN ORDER TO SECURE A FENCING CONTRACTOR FOR THE GROUNDS MAINTENANCE SERVICE B) DELEGATE AUTHORITY TO AWARD THE FENCING CONTRACT TO THE STRATEGIC DIRECTOR OF PLACE IN CONSULTATION WITH THE COMMUNITY SERVICES PORTFOLIO HOLDER

1.0 CONTEXT

- 1.1 The Grounds Maintenance service undertake a range of varied tasks. These include arboricultural works, grass cutting, flower bed management, weed management, hedge maintenance, sexton services, hard and soft landscaping, tree management surveys, building repairs, improvement planning, including responding to S106 requests, the formal checking of play areas and fencing works.
- 1.2 These services are delivered to a varied range of customers which include Housing Services, Property Services, parish councils, schools, leisure centres, sports clubs, local businesses and burial committee's.
- 1.3 As demand on the service has grown, the team has been restructured to increase its flexibility to be able to meet this demand with a service review taking place in 2017/18. This was implemented in April 2018 and is still in the process of being fully embedded.
- 1.4 Demand on different areas of the service continues to grow, an example of this being the amount of fencing works being requested from Housing Services.

- 1.5 To support the delivery of the additional fencing works, a fencing contractor has been procured by the grounds maintenance team. The reasons for this are:-
- A lack of capacity within the grounds maintenance team to undertake all the works
 - The fencing contractor can normally undertake the work more cost effectively than the grounds maintenance team can due to;
 - Their ability to procure materials cheaper than the council due to the economies of scale of them buying in bulk
 - Their staff tend to be on a lower rate of pay than council staff
 - They can undertake the work quicker as this is their area of expertise
- 1.6 Whilst initially the value of the fencing work being procured was nominal and met procurement requirements, this amount has significantly increased leading to procurement implications.

2.0 OPTIONS

- 2.1 In order to evaluate the the most effective way of undertaking fencing works, various options have been considered and reviewed. These are highlighted in the table below;

	Option	Advantages	Disadvantages
Option 1	Housing Services procure their own fencing contractor	<ul style="list-style-type: none"> • Work may be undertaken quicker 	<ul style="list-style-type: none"> • Lack of knowledge to identify specific fencing requirements • Lack of knowledge to effectively manage the contractor • Grounds Maintenance would still need to be engaged to undertake preparatory and ancillary works
Option 2	Grounds Maintenance procure the fencing contractor	<ul style="list-style-type: none"> • More effective management of the contractor due to higher levels of knowledge of fencing requirements and the specific tasks • Single point of contact with the contractor as compared to a number of officers through Housing Services • Grounds Maintenance will more than likely already be undertaking preparatory and ancillary works on site and can therefore co-ordinate tasks with the contractor 	<ul style="list-style-type: none"> • Adds an extra level of bureaucracy to the ordering process

Option 3	Grounds Maintenance recruit additional staff to deliver the service	<ul style="list-style-type: none"> • More responsiveness to delivering work • Increased capacity to meet other demands 	<ul style="list-style-type: none"> • Increased fixed costs • The risk of the amount of fencing works required reducing • Not as cost effective as engaging a contractor
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2.2 Following discussions with Housing Services and the Procurement Officer, and considering the above advantages and disadvantages, it has been concluded that the best option would be Option 2, for Grounds Maintenance to procure a fencing contractor with a view to then managing and co-ordinating the works required.

3.0 FINANCIAL IMPLICATIONS

3.1 In 2016/17, the contractor spend within the Housing Revenue Account(HRA) on fencing was £28,000. This increased to £98,800 in 2017/18, with a further £56,300 by November 2018.

3.2 Consequently, the total spend on fencing during this period exceeds £180,000 which means there is a requirement for a formal tender process in line with EU (OJEU) Procurement Regulations.

3.3 Housing Services procure the Grounds Maintenance team to undertake all fencing works. This is underpinned by a Service Level Agreement which is being developed between the service areas.

3.4 Whilst the Grounds Maintenance budget for contractors has been exceeded in 2017/18 and 2018/19, this is offset through the additional income generated from Housing Services for undertaking this work, which covers all costs.

3.5 Housing Services plan for fencing work to be delivered and therefore budget for these costs on an annual basis.

3.6 The intention is for a 3 year contract to be awarded, with an option to extend beyond that period. Current spend levels indicate this is likely to be in excess of £250,000 and, therefore, Cabinet approval is required to award the contract. However, 3.4 of the Scheme of Delegation allows for Cabinet to approve the delegation of authority for contracts in excess of £250,000 to a Director to be able to award. Consequently, it is requested that Cabinet delegate authority for the awarding of this contract to the Strategic Director of Place.

4.0 RISKS

4.1 Failure to follow the appropriate procurement process to award a contract could lead to fines associated with a breach of EU procurement regulations. This, in turn, could lead to negative publicity and a reputational risk for the council.

4.2 If a fencing contractor isn't procured, then this will lead to further capacity issues within the grounds maintenance team. This would lead to a delay in work being undertaken, which may lead to customer dissatisfaction and a potential loss of income.

4.3 Any contractor being procured would need to be managed by the grounds maintenance team. However, this already happens through ensuring there are adequate risk assessments and method statements in place for work being undertaken. In addition, the work of the fencing contractor is monitored for health and safety compliance. This approach would be further enforced through the procurement process.

5.0 PROCUREMENT DELIVERY

5.1 If the recommendations are approved, the grounds maintenance team will liaise with the Procurement Officer to ensure an appropriate procurement process is followed that is compliant with relevant procurement legislation and policy, and that this is done in a timely manner. It is anticipated this will be an OJEU-compliant open tender process

5.2 The Project Team to undertake the procurement process, including finalising the specification and undertaking evaluation of tender submissions, will be made up of the following-:

- Paul Ashmore Open Spaces and Parks Team Leader
- Steve Truman Grounds Maintenance Supervisor
- Richard James Housing Commercial Services Manager
- Sohail Aboobakar Procurement Officer

5.3 The Project Sponsor will be Jason Knight, Leisure Services Team Manager.

5.4 The length of contract will be 3 years with an option to extend beyond that period, and the specification of works within the tender will include the removal and disposal of existing fencing, the preparing of bases, the supplying and installation of posts, and the supplying and installation of 8 different types of fencing.

5.5 The tender submissions will be evaluated on both price (60%) and quality (40%).

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 16 JULY 2019

Report Title	2018/19 QUARTER 4 PERFORMANCE MANAGEMENT REPORT
Contacts	<p>Councillor Richard Blunt 01530 454510 richard.blunt@nwleicestershire.gov.uk</p> <p>Chief Executive 01530 454500 bev.smith@nwleicestershire.gov.uk</p> <p>Strategic Director of Place 01530 454555 james.arnold@nwleicestershire.gov.uk</p> <p>Strategic of Director of Housing and Customer Services 01530 454819 glyn.jones@nwleicestershire.gov.uk</p>
Purpose of report	The report provides members of the Cabinet with information on the performance and progress made against the Council Delivery Plan actions and performance indicators for Quarter 4 (Q4) (January-March 2019).
Reason for Decision	The report is provided for members to effectively monitor the organisation's performance.
Council Priorities	The report addresses performance against each of the Council's five priorities for 2018/19.
Implications	
Financial/Staff	The report contains summary performance data on staff management and financial information.
Link to relevant CAT	The report links to the work of all Corporate Action Teams.
Risk Management	Risk management is applicable to all areas of the Council's statutory duties and service provision. Any relevant risks relating to actions set out in the Council Delivery Plan are managed through the Corporate Risk Register.
Human Rights	No direct implications.

Transformational Government	No direct implications
Comments of Head of Paid Service	The report is satisfactory.
Comments of Section 151 Officer	The report is satisfactory.
Comments of Monitoring Officer	The report is satisfactory.
Consultees	Corporate Leadership Team
Background papers	Council Delivery Plan 2018-2019 Agenda of the Corporate Scrutiny Committee held on Wednesday, 12 June 2019
Recommendation	THAT CABINET RECEIVES AND COMMENTS ON THE QUARTER 4 PERFORMANCE REPORT (JANUARY TO MARCH 2019).

PERFORMANCE SUMMARY FOR QUARTER 4

1 INTRODUCTION

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

- 1.5 At a service level, Heads of Service need to monitor performance against service plans. These include all tasks, projects, measures and risks relating to their own service objectives and from any other source, e.g. external inspectorate recommendations such as the planning peer review and internal audit recommendations etc.
- 1.6 At an operational level, individual work plans may be in place to monitor and report on team and individual performance to feed up into the service plans. This then informs individual performance appraisals.
- 1.7 Performance is monitored against the five Corporate priorities that applied in the 2018/19 financial year.
- Value For Money
 - Home and Communities
 - Building Confidence in Coalville
 - Business and Jobs
 - Green Footprints
- 1.8 The quarterly performance reports will seek to recognise good performance, share best practice across the organisation and also to identify 'performance gaps' highlighting if and where action is required to meet targets. Once these gaps are identified, time bound intervention plans will be created or adapted to improve performance towards the target. This will be part of a continual cycle of review and action.

Summary of Performance Quarter 4

- 1.9 This report sets out the performance and progress against the Council Delivery Plan priority actions, performance indicators, and finance and sickness absence management.
- 1.10 A high level exception report of the Council's performance for Q4 is included in Appendix 1.

2. COUNCIL PRIORITIES

2.1 VALUE FOR MONEY

- 2.1.1 All of the six actions are on track or within tolerance to achieve the milestones set with some good progress on the Customer First Programme and the delivery of the leisure services project.
- 2.1.2 The performance indicators show out of nineteen indicators, eighteen are on target or within tolerance and one is falling below target relating to leisure income.
- 2.1.3 Performance in the call centre continues to be good, which has carried through in to the busy council tax billing period. The percentage speed of answer targets though short of target are in comparison to the same period 2017/18 dramatically improved (40%+ improvement). The rate of abandonment is equally improved 6.86%, which is reflected in high levels of customer satisfaction.

The council relaunched its "My account" self-service account, following a full redesign and reengineer of the customer journey. This was linked to the Council Tax annual billing campaign and supported by Communications and Customer Services.

To complement the relaunch, further progress has been made by the Digital programme which has completed several new customer processes in this quarter, increasing the opportunity for customer to self-serve.

A corporate customer experience group has now been formed, with the first meetings to be held in Q1 2019/20, to drive the next phases of customer experience work.

- 2.1.4 The Leisure project remains on target, with the contract start date being 1 May 2019. The three bidders submitted their final tenders on 16 November 2018. The council's project team has completed the evaluation of the qualitative, design and financial aspects of the three bidders and the successful bidder has been selected, Everyone Active who have their office based in Hinckley.

2.2 HOMES AND COMMUNITIES

- 2.2.1 All four actions are showing good progress against the milestones, eight of the nine performance indicators are on target or within tolerance. One indicator, the Number of properties empty and unavailable to let within the council's housing stock was 42 and above the end of year target. This indicator has been declining steadily over the last three years – there were 86 such properties in June 2016. Of the remaining properties, the vast majority are at Woulds Court, Moira, and Queensway House, Measham, both of which are de-commissioned sheltered housing blocks awaiting redevelopment. Other decommissioned sheltered blocks at Greenacres, Coalville and Westgate House, Ibstock have been redeveloped respectively by the Council (11 new houses completed) and east midlands homes (13 new homes currently being constructed).

Both buildings will need to come down to allow any new development to proceed, so the decision was taken for the Council to demolish them. A tender exercise was undertaken in quarter 4 to appoint a demolition contractor (and a contractor for asbestos removal). The intention is to appoint contractors and complete the demolition of both sites by the end of July 2019.

Discussions are ongoing with two developers to progress these sites and the preferred partner for Woulds Court has completed design and viability work, with a legal agreement with the Council agreed in principle. Discussions at Queensway House have taken place with the developer who owns the adjacent site (for which there is planning permission) as a combined site would produce a better overall outcome, but progress has been difficult.

- 2.2.2 Following the publication (in the previous quarter) by HS2 Ltd of their working draft of the Environmental Statement extensive comments were submitted by NWLDC, LCC, parish councils and partners in order to enable HS2 to find ways of minimising the numerous impacts on communities, individuals and businesses. A response from HS2 Ltd is imminent. Further consultation by HS2 Ltd on a small number of changes to their proposals is also expected soon.
- 2.2.3 Work with partners on the East Midlands HS2 Strategic Board is also continuing. This is looking at opportunities to maximise the economic and infrastructure benefits of HS2 which will include new housing and employment areas. In Northwest Leicestershire this may include links to the proposed transport hub at Toton and links from Toton to East Midlands Airport.
- 2.2.4 The sole major residential development scheme approved in Quarter 4 scored positively against Building for life 'good' standard ensuring continued high quality developments in our district.
- 2.2.5 Phase 2 of the new build programme is the redevelopment of the former Police Station site on Ashby Road, Coalville, with work now well advanced to all properties. The 24 new homes will be advertised to invite bids from prospective tenants in late April, and then handed over in phases from May 2019 onwards.

- 2.2.6 A planning application was submitted regarding the redevelopment of the Cocked Hat site on Cropston Drive, Greenhill and this was approved. Pricing negotiations with our construction contractor Robert Woodhead commenced as the site design for 8 new homes is confirmed. Assuming agreement is reached on the price, works will start on site by early August (although the site has already been cleared), with completions of the homes by April 2020. Feasibility investigations into a number of other sites across the district continue to be progressed including Measham (x2), Whitwick, Ibstock, and Thringstone
- 2.2.7 Our performance regarding the delivery of new affordable homes exceeded our annual target of 100 new homes, with 117 delivered by the end of Q4. A planning application has now been submitted for the new extra care housing scheme being developed by East Midlands Housing off Burton Road, Ashby de la Zouch. This scheme is due to provide 50 rented and 15 shared ownership new apartments for older people, and is being financially supported by the Council.
- 2.2.8 We welcomed the arrival of two families to Ibstock and Measham under the Syrian Vulnerable Persons Relocation Scheme in March 2019. The necessary plans to support the families are in place, using the government funding provided for this work. We will facilitate the arrival of a further two families by November 2019.
- 2.2.9 Rent arrears were 1.99% against a year end target of 2% and this has been achieved despite the challenges of having over 300 council tenants in receipt of Universal Credit.
- 2.2.10 Performance in repairing and reletting empty Council homes further improved in Q4, with an end of year performance of 21 days. Performance compares favourably with outturns of 30 days for 2017/18 and 38 days in 2016/17, and represents a significant improvement, facilitated by close working between the repairs and housing management teams.
- This continued reduction further improved our rent loss performance, which was 0.63% at year end, thus out-performing our target and improving on the previous year's figure of 0.88%. Letting empty homes more quickly means we gain extra rental income, and also new tenants can benefit from accessing their new home more promptly.
- 2.2.11 The repairs teams completed 96.6% of all repairs within the target timescale against a target of 87%. A pilot to test customer demand for later repairs appointments on Thursdays commenced in February, and the outcome will guide whether extended appointments will become a regular feature of the service.
- 2.2.12 We will be conducting our biennial STAR (Survey of Tenants And Residents) in May / June 2019 to get an independently commissioned view of how satisfied residents are with various aspects of the housing service. Survey forms (which can also be completed on line) will be sent to 2000 residents in May 2019 so members are requested to encourage residents to complete and return the survey. The results will be known in August.

2.3 BUILDING CONFIDENCE IN COALVILLE

- 2.3.1 All three actions are on target or within tolerance to deliver against the milestones set, two of the four performance indicators relating to Coalville shop fronts, businesses engaged and grant awards have fallen short of the Q4 target.
- 2.3.2 Intervention plans for these indicators have been developed and are set out in Appendices A and B.
- 2.3.3 In response to the 'Make the regeneration of Coalville a priority' petition, Business, Community Focus and Communications facilitated two community drop in events to consult with local residents about the Coalville Project. The event took place on Wednesday 13 March at Insomnia Café in the Belvoir Centre and again on Friday 15 March at the Marlene Reid Centre on Belvoir Road. Comments will be fed into the work

on the Coalville Regeneration Framework.

- 2.3.4 In Q4 the Business Focus Team prepared and submitted a substantial expression of interest funding form to the Future High Streets Fund. This fund is a new £675 million Government funding programme to help 'local areas to respond to and adapt to changes'.
- 2.3.5 Following the Midpoint Review of the Coalville Frontage Improvement Scheme, the Business Focus team are currently actioning the recommendations and preparing to appoint an architectural consultant who, in addition to providing architectural and design input, will also fulfil the role that Leicestershire County Council had previously performed to support the delivery of the scheme. It is anticipated that the Coalville Frontage Improvement Scheme will fully reopen for applications in June 2019 and will we have identified priority targets for investment of grant funding, including eligible properties on the south side of Marlborough Square. Following agreement with LCC that NWLDC should lead on the regeneration of Marlborough Square, initial designs have been reviewed and are being amended by consultants.
- 2.3.6 Business Focus are continuing to work with Intechology to deliver free to access Wi-Fi in Coalville and Ashby. In Q4 a final site meeting took place to finalise the location of hardware to provide the Wi-Fi Network. Further work has been completed to obtain the necessary permission and licenses to install the new hardware in Coalville and Ashby town centres. It is anticipated that the installation works will begin in May and take place overnight to avoid disruption. The contractor estimates that the install could be completed within three weeks.

2.4 BUSINESS AND JOBS

- 2.4.1 All five actions are showing good progress against the milestones, the four performance indicators are also on target or within tolerance.
- 2.4.2 Business Focus continue to raise awareness of the available EU Exit guidance and information for local businesses. In Q4 Business Focus shared the Government advice for businesses to get ready for the possibility of a 'No Deal' scenario. Details of the governments Partnership Pack and the Technical Notes were sent to all of our business champions, partner organisations, businesses networks and the international trade businesses operating around EMA. Business Focus will continue to engage with local business as further guidance and clarity on potential dates for EU Exit are available.
- 2.4.3 In a series of four documents, the Business Focus Team have developed a draft Economic Growth Plan. The Plan sets out ambitions for North West Leicestershire and, how working cooperatively with our partners, we will continue to develop a thriving and sustainable economy and to play a prominent role in the regional and national economies. As well as a strategic document, the Economic Growth Plan will also be utilised as a place marketing and inward investment tool and also as a lever to attract funding.

In Q4 the Economic Growth Plan was be presented to Cabinet and to Policy Development Group. The plan is now subject to partner consultation, which will take place in May before the final draft is returned to Cabinet for final approval.
- 2.4.4 The Business Focus team completed a procurement exercise and commissioned Building Business to run a number of Women in Business workshops and one-to-one sessions to encourage entrepreneurial activity amongst women throughout 2019. The programme will launch in May and look to provide support specifically to women to support them in the workplace or to consider self-employment.
- 2.4.5 The Business Focus team continued to work with partners to deliver two further jobs fairs in January. The first job fair was held on 14 January with Job Centre Plus, a mini sector specific jobs fair was held at the Job Centre Plus offices in Coalville. The jobs fair was

targeted to support recruitment within the care sector.

The other job fair was held on 26 January, East Midlands Airport hosted a jobs fair specifically for East Midlands Airport and the employers on Pegasus Business Park. A total of 350 jobs were available at the airport in passenger services, security, car parking, hospitality, retail and catering. In addition, Jet2.com, Swissport, DHL, UPS and Jury's Inn hotel were also recruiting. Over 2,000 job seekers attended the jobs fair.

- 2.4.6 Business Focus continue to support the occupation of the SEGRO Logistics Park near East Midlands Airport. In Q4, Business Focus met again with XPO, K&N and Shop Direct. In addition, Business Focus held initial meetings with new occupier Maritime Transport, who will be operating the new Rail Hub at SEGRO, to begin support for their plans and labour requirements for circa 300 jobs.
- 2.4.7 During Q4, K&N officially went live culminating in the amalgamation of existing K&N sites in Nottingham & Minworth. Business Focus, working with the Job Centre, assisted K&N to recruit an additional 28 new staff.
- 2.4.8 Business Focus also met with Panattoni Developments and agents Fisher Hargreaves Proctor to officially begin works on EMDC 525, a new 525,000 sq. ft. speculative development at the East Midlands Distribution Centre business park. The Business Focus Team will continue to work with Panattoni to promote the development to potential occupiers. It is hoped it will be completed by the end of 2019 and once occupied could create up to 1000 new jobs in the District.

2.5 GREEN FOOTPRINTS

- 2.5.1 Five of the six actions are on track or within tolerance to achieve the milestones set. One action remains below target that of the replacement of solid fuel heating systems in council owned homes with Air Source Heat Pumps (ASHP).
- 2.5.2 The performance indicators show out of three indicators, two are on target or within tolerance and one falls below target for Air Source Heat Pumps. The forecast for replacement of Air Source Heat Pumps has been revised and the remaining 57 are due to be completed by the end of Q2 2019/20.
- 2.5.4 As part of our commitment to establish a green policy, an invite to tender for consultants to measure the current carbon footprint of our services, closed on Friday 12 January 2019. Two companies have submitted responses to the tender; these will be assessed and if acceptable a contract will be awarded in April 2019. Work is expected to commence in April 2019 and completed no later than July 2019.

Taking into account the viability and investment costs, the tendering company will be asked to make recommendations on the type of work to be completed. Once this work is completed a policy and action plan will be created to deliver the changes, achieving the targets set out in the Climate Change Act 2008 or the UK100 pledge.
- 2.5.5 The Green Grant scheme has been a great success, however the funding for 2018-19 has been exhausted. The Stronger and Safer team look forward to relaunching this in the new financial year.

3. FINANCIAL MANAGEMENT UPDATE

- 3.1 This year represents the second year of faster closedown, whereby local authorities are required to approve and publish the accounts by 31 May and 31 July respectively meaning that the council now has a better understanding of its outturn position earlier than previously. A separate report detailing the provisional outturn for the 2018/19 year was presented to Cabinet on the 18 June 2019, however the paragraphs below

summarise the position.

- 3.2 Financial performance in 2018/19 has continued to improve. Variances between budget and outturn on expenditure (net cost of services) and funding or rental income having reduced compared to previous years on both the General Fund and Housing Revenue Account (HRA).
- 3.3 The expected final position on the General Fund is a provisional surplus outturn for the year of £1.525m, compared to a budget of £299k. This is due to a number of positive movements, with the net position being a forecast £1.226m additional surplus compared to annual budget and an additional £425k compared to the Q3 forecast outturn position, specifically attributable to additional business rates received and underspending on rent allowances and rent rebates that were not anticipated at the Quarter 3 update. As part of the annual budget on 27 February 2018, the council committed to transferring the surplus income over expenditure in 2018/19 to the Self-Sufficiency Reserve.
- 3.4 Income in respect of Business Rates is forecast to be £5.344m compared to a budget of £4.864m. The additional £480k of business rates is the largest favourable variance for the year. This is largely due to additional Section 31 grant being received towards the end of the financial year.
- 3.5 Other major variances for the year in respect of the General Fund include combined salary savings of £578k in relation to the phase 1 and 2 restructures and a number of vacant posts across the organisation. Rent allowances and Rent rebates were underspent by £240k as a result of less benefits paid than budgeted for (the budget was based on the mid-year subsidy estimate submitted in August 2018), . Additional planning income of £130k, investment income of £124k, recycling income of £56k and licence fee income of £39k. A reduction in net financing costs of £56k and savings in the technical advice needed for planning appeals generating a saving of £60k
- 3.6 There was also a number of significant adverse General Fund variances which have counteracted the favourable variances including, additional net expenditure against the budget of £246k for the leisure centres, increase in non-distributed retirement benefits of £98k and a revenue contribution to capital of £78k for the purchase of a piece of land.
- 3.7 Detailed within the Provisional Outturn 2018/19 report is the recommendation to transfer £1.42m of the general fund surplus to the Self Sufficiency Reserve, with the net difference of £100.5k proposed to be utilised to create four new earmarked reserves) taking the reserve balance from £2.76m 31 March 2018 to £4.18m as at 31 March 2019.
- 3.8 As part of the Journey to Self-Sufficiency Programme and development of the council's Commercial Strategy, there remains the opportunity to utilise this reserve to fund investment in income generating or revenue saving opportunities. However, officers are mindful not to reduce the reserve balance to the degree that it limits the council's ability balance future predicted deficit budget years on the General Fund arising from 2021/22 and at a total of £5.2m over the years to 2023/24. During 2018/19, the Journey to Self-Sufficiency Programme has:
- Developed a Commercial Strategy which sets out how we will focus on income generation and develop the culture of the organisation to become more business-like.
 - Committed to Reducing our Corporate Costs by establishing a work stream to identify and make savings against the way we deliver our services.
 - Started to review our Asset Management approach by developing a new Asset Management Strategy and by engaging a commercial property consultant to undertake a market valuation of our commercial properties.

- Changed the way in which we set our Budget by challenging service areas to deliver target savings and more robustly forecast anticipated grant funding, income and expenditure. For the forthcoming 2019/20 year, this meant that we limited the increase in the forthcoming budget to just 1% compared to 2018/19. We also implemented a new Financial Management approach to monitoring and controlling spend with our 'Finance Clinics' where managers meet with Finance on a monthly basis to track and forecast our financial position and to identify potential savings, efficiencies and more cost advantageous ways of working. We have also implemented the biannual review of the Medium Term Financial Plan with members.

A further update on the progress of the Journey to Self-Sufficiency Programme will be provided to Cabinet in July as part of the biannual review of the council's Medium Term Financial Strategy.

- 3.9 The provisional outturn for Special Expenses is £532k compared to the approved budget of £513k. There are no significant variances to report.
- 3.10 The Housing Revenue Account (HRA) surplus is currently forecast to be £4.9m by the end of the financial year, compared to £3.3m reported in quarter 3 and a budget figure for the year of £2.9m. The change since quarter 3 was for the most part caused by a saving in depreciation of £535k that was not anticipated throughout the year and the release of £231k of earmarked reserves that were not utilised in 2018/19 and were no longer required for the original purpose they were created for.
- 3.11 Other major variances for the year in respect of the Housing Revenue Account include savings on employee costs of £656k due to vacant posts (offset by £433k spent on agency staff and advertising bringing the net savings down to £223k), an additional £385k 'profit' generated through increased use of our In-house Repairs Team to complete both repairs work and capital improvement works on our properties, spending £276k less on re-painting the exterior of our houses than originally planned and an additional £113k in rental income largely as a result of reducing the length of time our properties are empty between tenancies.
- 3.12 There was also a number of significant adverse Housing Revenue Account variances including unbudgeted costs of £126k for ill health retirements and lower than expected income from our service charges, garage rents and other charges of £73k.
- 3.13 This additional surplus means the HRA Loan Reserve now has the £13m required to repay the first of the HRA loans that fall due in 2022. Following Cabinet's decision to use surpluses more flexibly in the future, £271k of the surplus has been added to the £1.0m working balance.
- 3.14 The General Fund Capital Programme is forecast to be £4.048m. Movements during the quarter include additional £75k in relation to a land purchase and £63k for the town centre Wi-Fi scheme.
- 3.15 The HRA Capital Programme outturn is now forecast to be £7.6m, a reduction of £0.3m from quarter 3. This is largely due to £260k of new build expenditure being re-profiled into future years. There was also an under spend of £219k in this financial year on the development of the new housing IT system – but this is expected to be spent in future years. This offset by additional spending on the air source heat pump programme of £94k, £54k additional spend on our Home Improvement Programme and £33k on off street parking.
- 3.16 Details of the major variances for all revenue accounts and the Capital Programme as at Quarter 4 can be found in Appendix 1 - Section 3 of this report.

4. SICKNESS ABSENCE MANAGEMENT UPDATE

- 4.1 In Q4 (2018/19) there were 1242 FTE days lost due to sickness - 407 FTE days fewer when compared with the same period in 2017/18. This is the equivalent of 2.58 days per full time equivalent (FTE). The final figure for 2018/19 is 9.67 days/FTE, this is lower than last year's figure of 10.21 days/FTE, however continues to remain above the corporate target of 8.0 days.
- 4.2 Legal and Support Services (4.58 days/FTE), Community Services (3.30 days/FTE) and Housing (2.16 days/FTE) were the work areas with the highest levels of sickness in this Quarter.
- 4.3 High levels of sickness in Legal and Support Services and Community Services is the result of long term sickness (68% of all sickness in these sections was long term). Over half of all sickness incidents in Community Services occurred in Waste services, 74% of which was long term sickness.
- 4.4 Across the organisation musculoskeletal accounted for over 30% of all sickness, almost half of it occurring in the waste services (47%), more than a quarter in Leisure Services (27%). This was followed by cold and flu (15%) and non-work related stress (13%) as the most common reasons for sickness. Instances of cold and flu related sickness remains high, increasing from 11% in Q3 to 15% of all sickness in Q4.
- 4.5 Table below illustrates total sickness as a percentage by reason:

Sickness reason	Percentage of sickness by reason
Asthma - bronchitis - respiratory	8.18%
Back pain - sprain - strain - musculo-skeletal	29.71%
Blood conditions	0.56%
Cold and Flu	14.85%
Debility - fatigue	0.20%
Ear nose & throat - dental	2.06%
Genito-urinary	0.32%
Gynaecological - obstetric	3.54%
Headache - migraine - neurological	3.18%
Heart - cardiovascular	0.08%
Infectious diseases	0.56%
Operation / Post Op	11.59%
Stomach - bowel - gastric - intestinal	8.88%
Stress - depression - anxiety - psychological (non-work related)	12.72%
Stress - depression - anxiety - psychological (work related)	3.54%

- 4.6 High levels of cold and flu continue to result in higher than normal levels of short term sickness (13%). Overall 59% of all sickness was long term sickness (10 days or more) and 41% was short term ad-hoc sicknesses.

- 4.7 Out of the 33 employees on long term sick in Q4, 26 have returned back to work, either full-time or on a phased return. There are currently 7 employees still on long term sickness. The Senior HR Advisors are working with team managers and Occupational Health to manage these employees back to work.

Priority Dashboards - Appendix 1

Appendix 1 sets out the following items:

- Detailed statistics of CDP actions and performance indicators
- Details of actions plans where indicators are red
- Finance
- Management of Absence
- Customer Service Call Centre Statistics

Status definitions used in Appendix 1



Performance on track (milestones) or performance on or above target (PI's)



Performance under control (milestones)



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

Corporate Risk Register - Appendix 2

Please find attached for information the latest version of the Corporate Risk Register at Appendix 2. Amendments have been made to risk 8 to describe additional control measures to reflect the latest phase of the Leisure Project and to risk 13 to reflect the latest developments with regard to the UK's exit from the EU.




5.0 COMMENTS FROM CORPORATE SCRUTINY COMMITTEE


















The performance report was considered by the Corporate Scrutiny Committee of the Council at its meeting on 12 June 2019. The comments of the group are attached as draft minutes at Appendix D.



2 PERFORMANCE DASHBOARD – VALUE FOR MONEY

Progress against CDP milestones			Progress against CDP Performance Indicators		
6 Green	0 Amber	0 Red	15 Green	3 Amber	1 Red

Action	Update	Status
Delivery of the Leisure Project. Procure a new contractual partnership with an external leisure provider to build a new leisure centre in Coalville and make improvements to Ashby Leisure Centre.	The contract has been awarded to Everyone Active. It is in the process of being finalised prior to being signed and will commence on 1 May 2019.	
The Council's financial resources are aligned with its priorities and the council achieves self-sufficiency.	Budget approved on the 26th February.	
Placing customer at the heart of the organisation.	<p>Work continues in this area, the Digital programme has completed a number of new customer processes, which provides an increasing online access for the customers to self-service.</p> <p>The call center has continued to provide a much increased level of responsiveness, which has been sustained into the busy annual billing period. The ambitious % speed of answer targets have not yet been reached but in comparison to the same period 2017/18, performance is dramatically improved (40%+ improvement). The rate of abandonment is very healthy at 6.86%, which is reflected in high levels of customer satisfaction.</p> <p>Work has also continued to further reengineer the customer complaints journey.</p> <p>A corporate customer experience group has now been formed, with the first meetings to be held in Q1 2019/20, to drive the next phases of customer experience work.</p>	

Start our Customer First Programme to improve our customer service.	As the Customer Experience Strategy has now been produced and approved, this action is now complete.	
Level of satisfaction with Customer Services – the % of customers that are satisfied or above with the services.	96% (of 139) respondents indicated that they were satisfied or above with the level of service provided by Customer Services.	
To promote the chargeable service offered by Waste Services.	This key deliverable has now been completed.	

Performance Indicators	Q4 Target	Q4 Actual	Status
Combined benefits performance - time taken to process new claims and changes in circumstances in average days	8.9	7.8	
Processing of new claims – time between application and confirmation of award in average days	18.5	15.2	
Processing of change of circumstances - the time it takes from receiving a notification of changes to the date of a revised award in average days	7.7	6.1	
Council Tax in year collection rate	97.6%	97.8%	
Non-domestic rates in year collection rate	99.0%	99.1%	
Housing Benefits overpayments collection rate – the percentage of outstanding overpayments collected as a percentage of the total amount outstanding	34.0%	32.0%	
Percentage of customers very satisfied or satisfied with the Planning Service	90.0%	91.4%	
Percentage of major planning applications determined within 13 weeks or a timetable agreed with the applicant	85.0%	100.0%	
Percentage of minor planning applications processed within 8 weeks or a timetable agreed with the applicant	85.0%	93.2%	
Percentage of other planning applications determined within 8 weeks or a timetable agreed with the applicant	85.0%	82.7%	
Leisure Centre Membership income	£941,540	£856,939	
Leisure Facility Usage Levels (cumulative)	850,000	1,016,582	
Total annual household dry recycling income	£109,000	£136,895	
Start our Customer First Programme to improve our customer service	Started	Started	
Give customers the ability to access at least 50 transactions online 24/7	Completed	50+	
Level of satisfaction with Customer Service – the % of customers that are satisfied or above with the service. Measure combined taken from 139 respondents across access channels to the question “Overall, rate your customer experience today”	90% satisfied	96%	
Rate of abandonment – the % of customer phone calls that hang up before they can be answered.	<10%**	6.86%	

Call wait time service level – the % of customer calls that are answered within a given time.	70% in 30 seconds*	66.64% in 30 seconds	
	90% in 60 seconds*	71.91% in 60 seconds	
Average queue time – the length of time on average that a visitor has to wait before they are seen.	8.28 minutes	6.15 minutes	

* New targets set from Q2 by Head of Customer Services. Note that while the target for call wait time level has not been achieved in the quarter, the outturns have improved significantly when compared to the end of year figures for 2017/18 when the comparable rates were 28.05% in 30 seconds and 43.66% in 60 seconds.





** Disregard calls that have abandoned before they have connected to the main call answering queue.

* **Measures following ICT audit recommendations -**

- Number of ICT security incidents detected 37**
- Number of ICT security incidents defended 37**
- Number of ICT security incidents breaches 0**

2 PERFORMANCE DASHBOARD – HOMES AND COMMUNITIES

Progress against CDP milestones			Progress against CDP Performance Indicators		
3  Green	1  Amber	0  Red	8  Green	1  Amber	0  Red


Action	Update	Status
Develop a Health and Wellbeing Strategy - the wellbeing of people in North West Leicestershire is improved.	The Strategy has been adopted corporately and officers have commenced work on its implementation, including engaging partners to support its delivery.	
Refurbish the CCTV system – Modernise Coalville CCTV to tackle anti-social behaviour.	The CCTV move has been delayed due to the need for further discussions with the Belvoir Centre management. This is being resolved as quickly as possible. It is anticipated that a written agreement will be reached in early 19/20.	
To devise and publish and implement a statement of licensing policy to reduce crime and improve public safety.	Implement new statement of licensing policy and staff are briefed on the revised policy. Policy published and introduced on 26 March 2019.	
Develop new Homelessness Review and Strategy as part of our new duties under the Homelessness Reduction Act to make sure people threatened with homelessness in the district receive the support they need.	The Homelessness Strategy and Rough Sleeping Strategy was approved by Cabinet in March 2019.	





Performance Indicators	Q4 Target	Q4 Actual	Status
Percentage rent arrears of current tenants	2.00%	1.99%	😊
Percentage of rent loss	1.1%	0.63%	😊
Percentage of tenants satisfied with the allocation and lettings process	95%	95%	😊
Average re-let times (days)	25 days	21 days	😊
Number of properties empty and unavailable	0.75% (32 properties)	1.00% (43 properties)	😞
Percentage of customers satisfied with the repairs service (% of completed jobs)	98%	96.3%	😊
Percentage of all repairs completed within target	87%	97%	😊
Average length of time taken to repair empty homes to achieve the lettable standard	25 days	21 days	😊
Number of new affordable homes delivered (Annual target 100)	100	117	😊

2 PERFORMANCE DASHBOARD – BUILDING CONFIDENCE IN COALVILLE

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




Action	Update	Status
<p>To deliver programmes that enhance the district's unique town centres and make the town attractive to residents and developers.</p>	<p>Work to redesign Marlborough Square had been paused to ensure the project provides value for money. The designs have now been reviewed and alterations are being considered. Business Focus have maintained contact with the Leicester and Leicestershire Enterprise Partnership (LLEP). The LLEP are part project funders and they have permitted an extension to the original timescales to draw the funding down.</p> <p>Initially it was the intention that consultants would be commissioned to prepare the Coalville Masterplan. It was decided that the Business Focus Team would take ownership of the masterplan project and instead of commissioning the work will undertake the majority of the preparation work internally.</p> <p>Initial work reviewed all previous masterplans for Coalville and their proposals as well as a desk based review of all other strategies, economic intelligence and policies that will influence the Masterplan. Work on the Masterplan was then put on hold to create the capacity to bid for the Governments Future High Street Fund (application was submitted in March 2019).</p> <p>The Business Focus team are now planning to commission work that will assess the viability and deliverability of key sites and properties within the town. Work will start in June 2019.</p>	
<p>Establish and maintain an events programme in our public spaces, including the redesigned Marlborough Square.</p>	<p>Work has continued on events programmes in other public spaces while planning work is being undertaken on the redesigned Marlborough Square.</p>	



<p>To deliver programmes that support SME businesses and entrepreneurial activity in our towns.</p>	<p>Business Focus continue to provide a supporting role to the town centre networks across the District including the groups representing Kegworth, Castle Donington and Ashby de la Zouch.</p> <p>The Business Focus Team are still providing chairmanship and secretariat for Ibstock town centre network until alternative arrangements can be made.</p> <p>The Business Focus team continue to act as conduit for engaging with town centre business on events, businesses support and on regeneration initiatives such as Marlborough Square and the Coalville Market relocation.</p>	
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Performance Indicators	Q4 Target	Q4 Actual	Status
Impact of Coalville shop fronts - Number of businesses engaged (Annual target 40) - Number of grant awards (Annual target 8)	10 2	0 0	 
Active promotion of at least seven tourism and culture events (annual target 7)	1	4	
Face to face business and environmental health advice to businesses each year (annual target 20)	20	20	

2 PERFORMANCE DASHBOARD – BUSINESS AND JOBS

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




Action	Update	Status
Develop a tourism strategy that promotes, encourages and enhances the visitor experience.	Work on the Tourism Strategy will conclude in 2019/20 (end of Q2 anticipated), the presentation of a draft strategy to PDG and Cabinet has been postponed to ensure closer working with the National Forest Company and alignment with their Tourism Growth Plan. Work continues on the Accommodation Demand Study for the district, with the draft report presented in February 2019 and a presentation by the consultants scheduled for 29 April 2019.	
Increase numbers of people attending events in our district year on year.	Promotion of events on in NWLDC – work on this is ongoing with many of the events promoted.	
To facilitate and deliver programmes that support businesses to grow.	<p>In Quarter 4, Business Focus Officers, alongside Environmental Health Officers, completed the final of the 20 joint business visits planned in 2018/19.</p> <p>The joint visits are to food and regulatory businesses base in North West Leicestershire. The business received face to face dedicated support from experienced officers to advise on regulatory compliance, raising standards, business growth and business support.</p> <p>Business Focus have completed the preparation in readiness to launch Enterprising Phase 3 business grant programme in May 2019.</p> <p>Enterprising 3 will offer start up grants to retail businesses with our towns and local centres as well as grants between £1,000 and £25,000 to growing small and mediums sized businesses across the District who will create new local jobs. Enterprising Phase 3 will launch in May 2019.</p> <p>Business Focus continue to monitor the outputs achieved by Enterprising Phase 1 grant recipients. Enterprising Phase 1 has closed to new grant applications and</p>	




	<p>all grant recipients are currently being monitored as per the terms and conditions within the grant offers.</p> <p>In Q4 monitoring visits were completed with:</p> <ul style="list-style-type: none"> • Chestnut Farm, Moira • Ashtree Farm, Snarestone • JMBMC, Coalville • County Drains, Coalville • Trunet Group, Ashby • Green Science, Packington • Lightwear, Coalville • Sew Essential, Moira <p>There are 7 outstanding grant awards that still require one further monitoring visit in 2019/20.</p>	
To deliver regulatory services in a way that supports business growth.	Support visits have been made to six businesses by the safety team during Q4. Ten visits have been made by the Business Focus team. A total of 20 businesses have received support visits from both Business Focus and Environmental Health.	
Develop an options appraisal for the future development of the Moira Furnace site.	<p>The District Council working in partnership with the National Forest Company (NFC) as part of their legacy work on the Black to Green (Heritage Lottery Funded initiative) was being progressed with a bid to the Heritage Lottery Fund 'Resilient Heritage Fund' the application was submitted on 18 January 2019. Unfortunately the application was unsuccessful. The Moira Furnace Options Appraisal work remains a priority for the District Council as does master planning work in the Heart of the National Forest for the National Forest Company.</p> <p>Discussions are planned with the National Forest Company to consider a 'plan B' and opportunities for joint working in 2019/20 to progress priorities.</p>	




Performance Indicators	Q4 Target	Q4 Actual	Status
Number of business enquiries received and supported (Establish baseline and method of reporting)	40	67	
Level of inward investment in NWL (Establish baseline and method of reporting) - Number of businesses (Annual target 12)	3	9	
Impact of Enterprising Town Centres - Number of businesses engaged (80)	20	0	
- Number of businesses supported (60)	15	0	

2 PERFORMANCE DASHBOARD – GREEN FOOTPRINTS

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

Action	Update	Status
Work with Highways England on their network in our district to reduce fly tipping.	Partnership work has taken place with Highways England, including continued attendance at the All Party Parliamentary Group (litter) to discuss litter and fly tipping solutions and regular communication with Highways England. A fly tipping education event took place at Donington Services on 15 August 2018 with media and social media coverage. Enforcement Officers have conducted observations at fly tipping hotspot areas, including Netherseal Lane which was cleared prior to intensive enforcement work and bring sites have been successfully targeted with a reduction in abuse. This work has been recognised nationally with a short listing at Local Government Awards "Environmental Services" category. Further work is to take place 2019/20 which includes Estates Green Day (Greenhill) and a variety of cross section fly tipping prevention initiatives arranged for Q1. 2019/20.	
Carry out a feasibility study for introducing electric vehicle charging points in Council owned Car Parks.	The feasibility study has been completed. A pilot scheme of 2 electric charging points will be provided as a start in the North Street Car Park extension in Ashby in 2019/20.	
Be a key stakeholder in the All Party Parliamentary Group litter strategy for North West Leicestershire – through engagement with haulage companies and snack wagons to raise awareness of roadside litter and aim to reduce it.	Officers attended the All Party Parliamentary Group (litter) to contribute to the group that supports the Litter Strategy for England, overseen by; Department for Environment Food & Rural Affairs, Ministry of Housing, Communities & Local Government, Department for Transport. North West Leicestershire's roadside litter campaign which was composed of multi lingual signage, stickers and leaflets raising awareness of litter issues by road users, was well received and the branding was popular with fast food industry including McDonalds and snack wagons around the district. Partnership working with Bardon Aggregates culminated in the clearance of a badly littered layby where the new signage has helped reduce the litter issue to a minimum. The successful roadside litter campaign resulted in shortlisting by Keep Britain Tidy "Litter Initiative of the Year Award" and	

	further initiatives are to take place in 2019/20 with a number of other haulage firms within the district.	
Replace solid fuel heating systems in council owned homes with Air Source Heat Pumps (ASHP).	As per the commentary provided in Q3 the total number of installations in the program had also been decreased to 305 to take in to account properties disposed of under the Right to Buy. The forecast number of completions in 2018/19 was also revised to reflect the agreement with the installation contractor to complete 6 units per week. This produced a revised forecast of 255 installations in 2018/19 of which 248 had been fully completed by the end of March. The remaining 57 are due to completed by the end of Q2 of 2019/2020.	
Work to enhance our partnership with the National Forest and celebrate our 10th anniversary of the Free Tree Scheme.	This task has now been completed. No further updates.	
Develop a recycling strategy that encourages more households to recycle using the kerbside collection service.	The Recycle More strategy has now been formally adopted by Cabinet with this going live 25 April 2019.	

Performance Indicators	Q4 Target	Q4 Actual	Status
Percentage of household waste recycled	47.00	47.09	
Kgs of household waste sent to landfill per household (Annual target 510)*	510	430	
Number of homes where Air Source Heat Pumps (ASHPs) installed (Annual target 305) (previous annual target 312 has been reduced under the Right to Buy Scheme)	72	58	

A household waste figure, which does not result in an increase in waste to landfill, is considered good performance. NWLDC's waste to landfill is the highest in Leicestershire and is attributed in part to high number of households still on solid fuel heating owing to the free coal subsidy in the

district (higher weight in ash waste). However, NWLDC recycles more waste per household than Melton BC, Charnwood, and Oadby & Wigston. NWLDC collects the second highest tonnage of total household waste behind Harborough DC.

3 FINANCE UPDATE

This section sets out the projected financial position of the Council for the quarter ending 31 March 2019. The Council set its General Fund Revenue Budget at £13,502,753 and the Housing Revenue Account budgeted surplus of £2,946,140 on 27 February 2018.

The outturn figures below are provisional and subject to change as we finalise the year end process.

General Fund – Summary of Net Expenditure	ORIGINAL BUDGET NET £ 000	FORECAST OUTTURN NET £ 000	FORECAST VARIANCE NET £ 000
AMOUNT TO BE MET FROM GOVERNMENT GRANT AND COUNCIL TAX (Budget Requirement).	13,503	14,027	524

Special Expenses – Summary of Net Expenditure	ORIGINAL BUDGET NET £ 000	FORECAST OUTTURN NET £ 000	FORECAST VARIANCE NET £ 000
AMOUNT TO BE MET FROM GOVERNMENT GRANT AND COUNCIL TAX (Budget Requirement).	513	532	19

HRA SUMMARY	ORIGINAL BUDGET NET £ 000	FORECAST OUTTURN NET £ 000	FORECAST VARIANCE NET £ 000
Net cost of service (Total rent income less total expenditure)	(2,946)	(4,888)	(1,942)

Capital Expenditure	General Fund £ 000	Special Expenses £	HRA £ 000	Total
Approved Budget for the Year	3,137	50	10,085	13,272
C/F from 2017/18	2,071	0	1,730	3,801
Approved projects in year	1,656	1	0	1,657
Slippage Identified in Year	(2562)	0	0	(2562)
Acceleration Identified in Year	154			154
Total budget for 2018/19	4,456	51	11,815	16,322
Provisional outturn for 2018/19	4,048	51	7,622	11,721
Variance	(408)	0	(4,193)	(4601)

Comments on General Fund Variances

- Significant Adverse Variances
 - Non-distributed retirement benefits +£98k
 - Revenue Contribution to Capital +78k
 - Leisure Centres +£246k

- Significant Favourable Variances
 - Salary savings (-£430k)
 - Planning Income -£130k
 - Investment Income -£124k
 - Net Financing Costs -£56k
 - Rent allowances & rebates -£240k
 - Recycling Income -£56k
 - Phase 1 and 2 Restructure Savings -£148

 - Business rates – additional income -£480k
 - Appeals – Planning -£60k

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Comments on Special Expenses Variances

- None

Comments on HRA Variances

- £1.9m net increase in the contribution to HRA balance as a result of:
 - Salary, national insurance and pension savings of £656k, which are netted off by £433k spent on agency staff and employee advertising.
 - Savings on depreciation of £535k.
 - Surplus from the In-house Repairs Team of £385k being posted.
 - Reduced forecast expenditure on painting of £276k
 - Savings from releasing £231k of unused earmarked reserves.
 - Forecast underspend on gas and electricity of £129k.
 - Unbudgeted costs of £126k for ill health retirement.
 - Increased dwelling rent of £113k.

Comments on Capital Budget

- Additional Approved Schemes:
 - Car Park – Ashby Health Cultural Quarter -£87k
 - HPLC Ashby – Wall Improvements and Statute +£100k
 - Disabled Facilities Grant -£50k
 - Fleet Programme (net overspend agreed) +£10k
 - Marlborough Square +£1.23m
 - Castle Donington College – AWP resurfacing +£1k
 - Finance System Review (increase in schemed) +£50k
 - Finance System Review (virement to revenue) - £400k
 - User Screen Replacement virement to revenue) - £25k
 - HPLC – Car Park Resurfacing -£13k
 - Memorial Clock Tower +£40k
 - New Market Provision +£600k
 - Linden Way Depot – Welfare Facilities +£46k
 - Linden Way Depot – Workshop Extension -£46k
 - Council Offices – Fire Alarm and COTAG door entry system +£78k
 - Coalville Market -£11k
 - WIFI Schemes +£63K
 - Land Purchase +£75k

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- Planned Slippage in 2018/19 carried forward to 2019/20
 - Finance System Review -£100k
 - Disabled Facilities Grants - £25k
 - District Car Parks – LED Lighting £25k
 - Linden Way depot – Welfare Facilities - £95k
 - Moira Furnace – Masonry & Drainage -£170k
 - Council Offices – Fire Alarm and COTAG -£105k
 - Council Offices – Lift Works -£30k
 - Memorial Clock Tower - £13k
 - Wellbeing Centre at HPLC -£399k
 - HPLC – Wall improvements and statute -£30k
 - Marlborough Square - £1.226m
 - New Market Provision -£280k
 - WIFI Scheme - £62k

- Acceleration brought forward from 201920 to 2018/19
 - Refuse Vehicles +£154k

- Variance (underspends/items not longer required)

- HPLC
 - Car Park – resurfacing –£2k
 - Linden Way Car Park Workshop Extension -£44k
 - Linden Way Car Park Extension -£200k
 - IDOX Platform -£30k
 - Access Road High Street Measham - £25k
 - Belvoir Shopping Centre – Main Service road maintenance -£10k
 - North Street Car Park improvements -£40k
 - HPLC – Replace learner pool boiler -£10k
 - HLC – replace hot water system - £18k
 - HLC – replace gym air con -£14k
 - Swannington Depot -£15k
- The HRA capital outturn is forecast to be £4.2m under budget, with movements being:
 - Re-profiling of £2.1m new build expenditure into future years.
 - Re-profiling of £2.0m home improvement and non-decency programme into future years.
 - Re-profiling of £0.4m for the new housing IT systems into 2019-20
 - The £0.3m budgeted contingency funding not being required.
 - Additional £1.0m expenditure due to the air source heat pump programme being accelerated.

4 MANAGEMENT OF ABSENCE

Quarter 1	Chief Exec	Community Services	Customer Services	Economic Regeneration	Finance	Housing & Property	HR&OD	Legal & Commercial Services	Planning & Infrastructure	All Directorates
Sickness days lost	0 long 0 short	538.28 long 114.85 short	164.07 long 39.3 short	0 long 16 short	0 long 10.14 short	25.31 long 58.52 short	0 long 4 short	57.5 long 32.41 short	0 long 19.25 short	786.17 long 294.37 short
Total days lost in quarter	0	653.13	203.37	16	10.14	83.83	4	89.91	19.25	1079.63
Number of FTE's	12.65	212.25	48.09	11.29	10.00	85.76	6.19	42.57	22.71	451.51
Ave no of days lost per FTE	0	3.08	4.23	1.42	1.01	0.98	0.65	2.11	0.85	2.39

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Quarter 2	Chief Exec	Community Services	Customer Services	Economic Regeneration	Finance	Housing & Property	HR&OD	Legal & Commercial Services	Planning & Infrastructure	All Directorates
Sickness days lost	0 long 0 short	501.79 long 126.35 short	86.31 long 51.20 short	0 long 0 short	0 long 0 short	101.35 long 70.26 short	22 long 0 short	33 long 24 short	23 long 4.03 short	658.14 long 220.61 short
Total days lost in quarter	0	628.14	137.51	0	0	171.61	22	57	27.03	1043.29
Number of FTE's	13.99	212.34	48.09	11.29	10.00	85.76	6.19	42.56	22.71	451.59
Ave no of days lost per FTE	0	2.90	2.46	0	0	1.68	2.16	2.92	1.14	2.24

Quarter 3	Chief Exec	Community Services	Customer Services	Economic Regeneration	Finance	Housing & Property	HR&OD	Legal & Commercial Services	Planning & Infrastructure	All Directorates
Sickness days lost	0 long 8.6 short	368.34 long 165 short	60 long 58.55 short	10 long 7.75 short	10 long 25.62 short	209.72 long 106.07 short	0 long 8.8 short	40 long 10.95 short	63 long 26.08 short	761.06 long 417.42 short
Total days lost in quarter	8.6	533.34	118.55	17.75	35.62	315.79	8.8	50.95	89.08	1178.48
Number of FTE's	13.03	227.09	60.65	10.46	10.33	105.63	8.87	19.04	24.71	479.81
Ave no of days lost per FTE	0.66	2.35	1.95	1.70	3.45	2.99	0.99	2.68	3.60	2.46

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Quarter 4	Chief Exec	Community Services	Customer Services	Economic Regeneration	Finance	Housing & Property	HR&OD	Legal & Commercial Services	Planning & Infrastructure	All Directorates
Sickness days lost	0 long 0 short	504.51 long 232.77 short	55 long 57.68 short	0 long 5.55 short	0 long 10.20 short	104.49 long 134.50 short	0 long 21.23 short	63 long 29.05 short	0 long 24.33 short	727.00 long 515.31 short
Total days lost in quarter	0	737.27	112.68	5.55	10.20	238.99	21.23	92.05	24.33	1242.31
Number of FTE's	13.31	223.19	60.24	10.53	11.00	110.43	9.42	20.10	23.93	482.16
Ave no of days lost per FTE	0.00	3.30	1.87	0.53	0.93	2.16	2.25	4.58	1.02	2.58

5 CUSTOMER SERVICE CALL CENTRE STATISTICS – QUARTER 4

	Jan 18/19	Jan 19/20	+/-	Feb 18/19	Feb 19/20	+/-	Mar 18/19	Mar 19/20	+/-	Total 18/19	Total 19/20	+/-
Received*	9006	7833	-1173	7386	7586	200	11255	10093	-1162	27647	25512	-2135
Answered	6577	6873	296	5721	6885	1164	7990	8935	945	20288	22693	2405
Answered in 30 secs	2697	4934	2237	2393	5450	3057	2666	6618	3952	7756	17002	9246
Answered in 60 secs	3039	5357	2318	2723	5798	3075	3095	7190	4095	8857	18345	9488
Abandoned**	2182	671	-1511	1523	409	-1114	3021	670	-2351	6726	1750	-4976
Rejected***	247	0	-247	0	0	0	232	0	-232	479	0	-479

There are 30 dual way phone lines council wide

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

We have seen a clear reduction in the number of phone calls relating to benefits over the year, resulting in an overall reduction of 29%. We are assuming this change in demand is associated with the introduction of Universal Credit to the district.

In addition, this has helped us to improve our call response rate to other service enquiries as well as the mid-year adjustment to focus on the experience for customers regarding waiting times, hence the call handling time being replaced.

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APPENDIX A

INTERVENTIONS USED TO ACHIEVE PERFORMANCE TARGETS

Reference No.		Description	Building confidence in Coalville – shop front grants (businesses engaged)														
Lead Officer		Barrie Walford	Date Plan Completed	02.05.19													
Performance Out-turn		2018/19					2019/20					2020/21					
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	
Overall Measure	Target	10	10	10	10												
	Actual	8	0	0	0												
Explanation of Current Performance	101	<p>Zero companies against a target of 10 have been engaged in Q4 in relation to shop front grants. This is because the scheme has not been actively promoted to enable a review of processes to take place.</p> <p>The lead project officer in consultation with the Business Focus Manger, the Head of Economic Development and the Director of Place agreed to pause the delivery of the Coalville Shopfronts programme to allow for a mid-point review to be completed.</p> <p>The review highlighted a number of recommendations to improve the efficiency in managing, administering and delivering the scheme.</p> <p>Project officers prepared a paper to strategy group to present the mid-point review and seek approval to amend the scheme.</p> <p>The Coalville frontages scheme will be reopened to applications in June 2019.</p>															
Interventions in the last 3 months and evaluation of impact		Scheme halted to enable review.															

INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS

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

APPENDIX B

INTERVENTIONS USED TO ACHIEVE PERFORMANCE TARGETS

Reference No.		Description	Building confidence in Coalville – shop front grants (number of grant awards)														
Lead Officer		Barrie Walford	Date Plan Completed	02.05.19													
Performance Out-turn		2018/19					2019/20					2020/21					
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	
Overall Measure	Target	2	2	2	2												
	Actual	0	1	2	0												
Explanation of Current Performance	103	<p>No grants have been awarded in Q4. This is because the scheme has not been actively promoted to enable a review of processes to take place.</p> <p>The lead project officer in consultation with the Business Focus Manger, the Head of Economic Development and the Director of Place agreed to pause the delivery of the Coalville Shopfronts programme to allow for a mid-point review to be completed.</p> <p>The review highlighted a number of recommendations to improve the efficiency in managing, administering and delivering the scheme.</p> <p>Project officers prepared a paper to strategy group to present the mid-point review and seek approval to amend the scheme.</p> <p>The Coalville frontages scheme will be reopened to applications in June 2019.</p>															
Interventions in the last 3 months and evaluation of impact		Scheme halted to enable review.															

INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS

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

APPENDIX 1

Corporate Risk Register													
Ref No.	Risk Description	Consequence	Cause	Inherent Risk			Responsibility of	Responsible to	Control Measures	Residual Risk			Movement of Risk
				Impact	Likelihood	Rating				Impact	Likelihood	Rating	
1	SOCIAL/ POLITICAL/ LEGAL Death / serious harm to a vulnerable person receiving a council service	A serious case review arising from death/serious harm to a vulnerable person. Reputational damage to council. Loss of confidence in ability of council to deliver services.	Lack of response to a safeguarding report. Service failure.	4	4	16	Community Safety Manager	Head of Communities	The organisation has the following structures in place; An identified Corporate Lead (Head of Service) with a Portfolio Holder lead An identified Team responsible for Safeguarding (Safer & Stronger) with responsibility embedded into Team Leader role and an officer (Child & Adults at risk Officer) An agreed Safeguarding Policy refreshed as required with delegation to Director of Housing and Customer Services for updates An identified group of Designated Safeguarding Officers (DSO's) in most service areas A programme of regular DSO meetings which consider training, best practice and case issues An annual training programme to ensure new DSO's are well informed and trained A quarterly senior management review of all cases to check progress/close cases A quarterly briefing with the Chief Executive, a 6 monthly report to CLT and an annual report to Cabinet Annual report reviews previous year and endorses an action plan for the year ahead.	4	2	8	Stable
2	FINANCIAL/ COMMERCIAL/ REPUTATIONAL Mismanagement of council	Central Government intervention/special measures. Adverse publicity. Possible litigation. Withdrawal of services.	Mis-interpreting of or not responding appropriately to a change in fiscal policy.	4	4	16	Head of Finance	Strategic Director of Housing and Customer	Monthly management reviews monitor actual spend against budgets and forecast to the end of the year.	4	1	4	Stable

	finances		Poor budget planning / management. Internal financial systems and regulations not being properly applied.					Services	Monthly reporting and challenging at CLT, and reported to Cabinet quarterly Sound policies and procedures are in place. Financial planning processes have been documented and are reviewed regularly. Internal and External audit of systems and accounts. Membership of CIPFA and engagement of Arling Close gives access to specialist advice, analysis and expertise.				
3	REPUTAIONAL/ LEGAL COMMERCIAL Insufficient resources due to unplanned / unforeseen absences / vacancies	Council unable to perform its statutory duties. Use of external resources at significantly higher cost.	Failure to horizon scan and interpret future needs in Inability to recruit to vacancies / retain staff.	4	2	8	Head of HR and OD	Chief Executive	Advance planning will mitigate this risk; Ability to divert resources from other services, bringing in additional resources from other sources (e.g. Agencies, Consultants, Voluntary/ Community sector etc.) would be activated. Market conditions are tested through recruitment processes. The Council can offer a package of additional benefits to enhance the recruitment offer. The Council has developed innovative partnering relationships with other sectors including the private sector to make posts uniquely attractive. Best Employee Experience is a programme to attract and develop the right skills, and promoting existing staff talent through secondments and tailored development programmes. Apprenticeships allow the Council to 'grow our own'.	3	2	6	Stable
4	LEGAL / FINANCIAL Contracts are not properly procured and managed	Council liable to incur additional costs, contract overrun, litigation and potential health & safety issues as well as service disruptions.	Failure to monitor contractors appropriately. Legal and procurement teams not consulted when contractors are engaged.	3	4	12	Finance Team Manager. All Team Managers.	All Heads of Service	Corporate procurement officer and legal team to support where necessary on contract management. Policies and procedures are in place. Reserve contractor in place where appropriate.	3	2	6	Stable

			Loss of key staff or supplier. Procurement procedures are not followed.						A Senior Procurement Officer oversees a procurement planning process. Training programme in place for staff.				
5	LEGAL / TECHNOLOGICAL Loss or unlawful use of personal data constituting breach of data protection legislation	Monetary penalties from ICO, adverse publicity, private litigation and personal criminal liability of officers.	Systems not in place to protect sensitive data. Staff are not properly trained in managing information, and do not follow internal procedures.	3	3	9	Legal Services Team Manager	Head of Legal & Support Services	Policies and procedures are in place although not yet rolled out and fully embedded. Corporate Governance training is undertaken annually and includes information governance as appropriate to reflect changes in legislation. The Council has a dedicated SIRO. Corporate Governance Groups are in place to scrutinise impacts/issues arising.	3	2	6	Stable
6	LEGAL / REPUTATIONAL / COMMERCIAL Failure to respond to an emergency in an appropriate manner	General public at risk of harm or unable to access relevant services (e.g. emergency accommodation or rest centre). Adverse publicity. "Business as usual" not possible without appropriate business continuity plan in place. Breakdown in relationship with other responders.	Lack of planning, training and exercising of Emergency plans Inadequate Corporate Business Continuity Management. Lack of procedural understanding	4	3	12	Head of Human Resources and Organisation Development	Chief Executive	Business continuity plans have been documented, policies and procedures are in place. The LRF partnership arrangement with all Leicestershire and Rutland authorities provide resilience during civil emergency situations. Business Continuity exercises show the readiness of the Council to deal with emergencies. System of ICO / FLM duty rotas is in place.	4	1	4	Stable
7	LEGAL/ TECHNOLOGICAL/ COMMERCIAL Infiltration of ICT systems	"Business as usual" would not be possible. Cost of repelling cyber threat and enhancing security features.	Systems not in place or kept current to deflect any foreseeable cyber attack. Limited staff awareness of possible threats.	4	4	16	ICT Manager	Head of Customer Services	Fully resilient environment in place with no single points of failure for core systems, other critical systems use cold standby equipment. New business services are run in remote fully resilient data centres and existing systems are being progressively migrated to these cloud computing centres.	3	2	6	Increasing

									Improved business recovery arrangements have been implemented to minimise recovery time. Accreditation to Cyber Essentials Plus and the Public Services Network.				
8	COMMERCIAL / POLITICAL / FINANCIAL Projects are poorly managed	Failure of proposed projects could result in failure to achieve overall objectives. Inefficient use / waste of resources.	Failure to implement project management techniques. Poor corporate oversight of projects. Inadequate controls on expenditure and poor budget monitoring. Inadequate monitoring of external contracts. Inadequate or poorly performing Project Management Office function.	3	4	12	Head of Human Resources and Organisation Development	Chief Executive	Properly convened project teams with PID and project plan in place, including project risk registers. Progress on corporate projects scrutinised by CLT. Implementation of contract management framework for outsourced services. Scrutiny of quarterly monitoring reports on capital expenditure. Use of external resources to be used to support the Coalville and Leisure projects.	3	3	9	Stable
9	LEGAL / POLITICAL / REPUTATIONAL Council makes ultra vires (beyond the council's powers and functions) decisions	Potential litigation against the Council, resulting in increased costs / compensation. Reputational damage.	Staff / Members proceeding outwith established governance arrangements. Failure to consult with Legal / Monitoring Officer. Lack of understanding of the implications of dealing with a particular matter.	4	3	12	Legal Services Team Manager	Head of Legal & Support Services	Policies & procedures in place, governance processes are documented and in operation, ongoing assessments and reviews are performed. Completion of the Annual Governance statement.	4	1	4	Stable
10	FINANCIAL / LEGAL / REPUTATIONAL Council is subject to fraud, corruption or theft	Financial, reputational and political damage to Council.	Lack of checks and balances within financial regulations. Poor budget / contract management. Poor monitoring of / adherence to financial systems	4	3	12	Head of Finance. All Team Managers & Heads of Service.	Directors	A policy framework that includes Anti-Fraud and Corruption Policy, Confidential Reporting (Whistleblowing) Policy and Anti-Money Laundering Policy. The Internal Audit annual planning process takes into account high risk areas, which considers fraud risks. Fraud risks are considered as part of specific audits with testing designed to detect fraud where possible. The Council is also subject to External Audit. Internal control and governance arrangements such as segregation of duties, schemes of delegation, bank reconciliations of fund movements, and verification processes.	3	2	6	Stable

									Information on how to report fraud is on the website including relevant links. Participation in National Fraud Initiative (mandatory) and Leicestershire Fraud Intelligence Hub (voluntary). Leicestershire Revenues and Benefits Partnership have two trained officers working solely on Council Tax Reduction Scheme Fraud and act as Single Point of Contact for DWP referrals.				
11	FINANCIAL / COMMERCIAL / ECONOMIC The Council is subject to a reduction in income	Services are unable to be delivered. Potential staff redundancies. Funding of external groups is withdrawn. Potential breach of statutory duties.	Reduction in government grant. Changes to the local authority financial settlement. Economic downturn / recession. Commercial opportunities not progressed. Changing rent policies.	3	4	12	Head of Finance. All Heads of Service.	Directors. Chief Executive.	Medium Term Financial Strategy in place, including Self Sufficiency initiative. Economic Development Team promotes business offer. Participation in Business Rates Pilots. Accessing external funding where appropriate. Income collection procedures in Revs & Bens Service and Housing.	3	3	9	Increasing
12	POLITICAL / ORGANISATIONAL The Council is affected by Local Government Reorganisation	a) Change to Local Government structure in Leicestershire/East Midlands, including potential merger of district councils/county council could lead to: - Change in location for service delivery/staff - Reduction of control over local matters - Change in financial situation - Staff redundancies - Alternative political structure and governance arrangements - Changes in services to be provided and organisation culture - Deterioration in staff morale and negative effect on staff recruitment and retention - Ineffective engagement with staff, Members and residents in considering, and responding to, proposals. - Diversion of senior staff resources to respond to proposals.	Political direction to consolidate local government tiers to potentially seek greater efficiency and co-ordination	4	3	12	Chief Executive and Head of Legal and Support Services.	Chief Executive	Active engagement with political leaders and Chief Executives across the County so NWL's needs are taken into account in the proposals. Open and transparent communication of NWL position to all stakeholders. Senior management and politicians stay close to project and monitor progress. Internal and external communication plans in place, including for key decision points. External resources to be utilised in assessing any proposals.	3	2	6	Decreasing

13	POLITICAL / ORGANISATIONAL The Council is affected by the UK's departure from the EU, including a potential 'no deal' Brexit	The UK's departure from the EU, including an inability to agree the terms of the exit by 31 October 2019 could lead to: - increase in checks on goods by Environmental Officers at East Midlands Airport meaning increase in resources / costs. - uncertainty and subsequent regime around tariffs, access to markets, migrant labour and transport of goods in / out of EU could impact on businesses in district / region leading to decline in business rates and employment levels. - potential need for increased storage facilities at entry / exit points and associated increases in freight traffic, putting pressure on local infrastructure - potential withdrawal of access to EU wide IT systems (e.g. relating to imported foodstuffs) -diversion of staff resources into contingency planning.	UK departure from EU, including inability of the EU and UK govt to agree terms by 31 October 2019 of the UK's exit.	4	3	12	Chief Executive and Head of Economic Regeneration	Director of Place / Chief Executive	Engage with National Local Authority steering groups for border control at strategic & operational levels. Implement communication strategy for local businesses so technical notices are shared, with appropriate signposting. Work with LLEP and Chamber of Commerce to provide business advice and support to address changes to legislation & certification. Monitor political developments on EU withdrawal closely. Establish contingency plans after scenario based assessment of resources required for increase in checks and controls, & access to alternative IT systems. Conduct localised assessment of potential impact around East Midlands Airport. Participate in Multi-agency Leicestershire Resilience Forum framework with risk assessment	3	3	9	Stable
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Assessing the likelihood of a risk:

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

Assessing the impact of a risk:

1 Low	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
2 Medium	Loss of a service for up to one week with limited impact on the general public 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 newspaper report Potential for a complaint litigation possible Breaches of regulations / standards

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

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Extract of the MINUTES of a meeting of the CORPORATE SCRUTINY COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 12 JUNE 2019

Present: Councillor R Boam (Chairman)

Councillors J Hoult, E G C Allman, V Richichi, S Sheahan, D E J Tebbutt, M B Wyatt and D Bigby (Substitute for Councillor R Johnson)

Officers: Mr G Jones, Mr M Murphy and Mrs R Wallace

5. 2018/19 QUARTER 4 PERFORMANCE REPORT

The Strategic Director of Housing and Customer Services presented the report to Members.

Councillor M B Wyatt asked if the Council was doing anything to ensure all development sites for new council housing were carbon neutral, as he believed we should be setting a precedent. The Strategic Director of Housing and Customer Services stated that it was not currently a corporate aim but it was something to take on board for the future.

In response to a further question from Councillor M B Wyatt, the Strategic Director of Housing and Customer Services stated that housing repairs were measured for 'right first time' and he would include the information in future reports.

Regarding the performance of the call centre, Councillor S Sheahan was pleased that improvements in call waiting times had improved. However, it stated within the report that the volume of calls had reduced due to the redirection of Universal Credit Calls and asked if this was the reason for the better performance. The Strategic Director of Housing and Customer Services confirmed that Housing Benefit queries had reduced and Universal Credit calls were now taken by the Department of Work and Pensions and this was contributing to the reduced volume of calls. However, there was also the fact that more services were now available online.

Councillor S Sheahan was pleased to see that the two Syrian families had settled in well and asked if any more families would be arriving in the district. It was confirmed that there would be a further two families by November 2019.

In relation to the relaunch of 'my account' self-service system, Councillor D Bigby shared his experience of using it, as it was not simple. He wanted to change his bank details for his direct debit payments and it was unclear how it could be done.

At this point Councillor S Sheahan left the meeting during the discussion which focussed on HS2, as he had a pecuniary interest.

Councillor D Bigby referred to a new consultation document that had been published which included details of a large railhead site close to Ashby that would last approximately seven years. He asked how the Council was planning to respond and if they would be calling for the work undertaken to establish the railhead to be done with a view to facilitate the opportunity to open passenger services in the future. The Strategic Director of Housing and Customer Services would ask the Head of Economic Regeneration to provide a response.

Councillor D Bigby felt that the target figure for affordable homes in the District should be revisited, as it was not directly related to the Section 106 requirement for affordable homes, the HEDNA or the Local Plan. The Strategic Director of Housing and Customer

Services responded that he would look at setting the target with a more scientific method. He explained that the current target was based on the knowledge of the number of houses being built by the Council and housing associations, and what the Section 106 agreements were likely to provide, as well as the number of people on the housing waiting list. He added that in comparison to 5-10 years ago, there had been a considerable increase in the number of affordable houses built in recent years, and this was evidenced by the number of households on the Housing Register reducing over the previous 18 months.

In relation to the shop front scheme as part of 'Building Confidence in Coalville', Councillor M B Wyatt asked for more information as to why the grant awards had fallen short and details of any problems that were being experienced. The Strategic Director of Housing agreed to provide the information outside of the meeting. Members requested that an item be placed on the work programme for the next meeting and the Head of Economic Regeneration be invited.

In response to a request from Councillor S Sheahan, the Strategic Director of Housing and Customer Services agreed to provide information outside of the meeting regarding the purpose of the four new earmarked reserves as part of the Self Sufficiency Reserve as detailed at paragraph 3.7 of the report. Councillor S Sheahan felt it was poor that there was not more detail and it was not clear what direction the council was moving in. Councillor D Bigby agreed.

In relation to the Wi-Fi Scheme proposed for Ashby and Coalville, Councillor D Bigby asked if the work had been finished yet and if not he suggested that an intervention plan should be implemented as it was way behind schedule. Councillor E Allman asked if people's data would be safe when using the Wi-Fi, as it was important to make it public if information was being taken by the provider. The Strategic Director of Housing and Customer Services agreed to investigate and report to Members outside of the meeting.

Councillor D Bigby asked what the additional expenditure against the budget for the leisure centres was and where the land was that had been purchased. The Strategic Director of Housing and Customer Services reported that the land purchased was off Nottingham Road in Ashby. He agreed to provide the information regarding the leisure centres outside of the meeting.

At the request from Councillor D Bigby for an explanation into the increase in non-distributed retirement benefits, the Head of Human Resources and Organisation Development stated that the increase was due to the amount of capital pension costs incurred through ill-health retirements. The previous year's payments had exceeded the threshold and the Council had to fund the difference, therefore he was trying to mitigate costs going forward by taking out an ill health retirement insurance policy to ensure any new cases were funded.

In relation to the air source heat pump programme, Councillor S Sheahan asked if there was any satisfaction surveys undertaken regarding the installation and operation. The Strategic Director of Housing and Customer Services agreed to look into it.

Councillor E Allman expressed concerns regarding the average amount of absence by employees due to illness. The Head of Human Resources and Organisation Development advised Members of the national conditions of service, which all local authorities operated, and the length of paid absence due to illness permitted. He reiterated that the absence figures were an average across the authority and reassured that there was a very detailed sickness absence policy. After further discussion, it was agreed to provide more detail in future reports regarding where the sickness absence was occurring across the authority.

At this point Councillor M B Wyatt left the meeting.

Councillor E Allman commented that there was more awareness of stress and anxiety than ever before and asked if there was an opportunity for staff to speak to a professional if needed. The Head of Human Resources and Organisation Development explained that staff had access to a 24-hour telephone service staffed by professional councillors, which could lead to a referral for a face-to-face session if required. The service also offered broader advice on subjects such as medical, financial and legal matters. In addition, there was now a number of trained mental health first aiders in the authority.

In response to a question from Councillor S Sheahan, the Strategic Director of Housing and Customer Services agreed to provide information outside of the meeting regarding any fly tipping improvements.

Councillor S Sheahan asked for the results on the feasibility study for electric charging points in car parks. The Head of Human Resources and Organisation Development responded that an electric charging point pilot was planned for one of the Ashby car parks. This would be monitored and if successful, the plan was to install more.

Councillor S Sheahan felt that the recycling targets should be more ambitious and suggested that officers make some comparisons with neighbouring authorities who were more successful.

Councillor S Sheahan asked for more information regarding the access road on High Street Measham, which was included in the underspend/items no longer required list at page 36 of the report. The Strategic Director of Housing and Customer Services agreed to provide the information outside of the meeting.

In response to a question regarding the reason for the various re-profiling in the HRA Capital Programme, the Strategic Director of Housing and Customer Services explained that there had been delays in new house building in 2018/19, therefore expenditure had been moved back to 2019/20. In response to a further question regarding delays in the capital programme to ensure the decent homes standard was maintained across the housing stock, he explained that this was due to bringing the work in house and the initial difficulties in recruiting sufficient labour.

Councillor V Richichi referred to possible fly tipping enforcement because of a litter pick in his local area, and subsequent disposal of the rubbish. The Strategic Director of Housing and Customer Services agreed to investigate the matter further.

In relation to the funds that were originally put aside to cover various Hood Park Leisure Centre repair costs, Councillor D Bigby asked if the new leisure service provider would still be undertaking the repairs. The Strategic Director of Housing and Customer Services explained that the money was put aside to cover any risks of the equipment failing and in need of urgent replacement. He was unsure as to how the new leisure services provider would proceed, and if indeed when or if any works would be required. Councillor D Bigby asked for some further information if possible.

Councillor D Bigby raised concerns regarding risks on the register that were classed as stable even though they were high risk. In particular, he was surprised that the leisure centre project was allowed to go ahead being such high risk. The Strategic Director of Housing and Customer Services reassured Members that additional control measures were added and there was a contract management framework in place to monitor performance of the larger projects such as the leisure centres. He made it clear that even though some projects had an inherent high risk there were a series of measures in place

to mitigate them, and the residual risk rating on the risk around projects reflected the Council's prudent approach.

RESOLVED THAT:

- a) The report be noted.
- b) Comments made by the committee be provided to Cabinet when considering the report.

Councillor M B Wyatt left the meeting at 7.54pm

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 8.25 pm

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**CABINET – TUESDAY, 16 JULY 2019**

Title of report	MINUTES OF THE COALVILLE SPECIAL EXPENSES WORKING PARTY
Key Decision	a) Financial No b) Community Yes
Contacts	<p>Councillor Andrew Woodman 07932 758555 andrew.woodman@nwleicestershire.gov.uk</p> <p>Strategic Director of Place 01530 454555 james.arnold@nwleicestershire.gov.uk</p> <p>Head of Economic Regeneration 01530 454752 mark.fiander@nwleicestershire.gov.uk</p> <p>Head of Community Services 01530 454832 paul.sanders@nwleicestershire.gov.uk</p>
Purpose of report	To consider the recommendations made by the Coalville Special Expenses Working Party.
Reason for decision	To progress Coalville Special Expenses projects and programmes.
Council priorities	Value for Money
Implications:	
Financial/Staff	As set out within the budget.
Health and Safety	None.
Risk Management	N/A
Equalities Impact Screening	None discernible.
Human Rights	None.
Transformational Government	None.

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	None
Background papers	Agenda and minutes of the meeting held 11 June 2019
Recommendations	TO NOTE THE RECOMMENDATIONS MADE BY THE COALVILLE SPECIAL EXPENSES WORKING PARTY AS DETAILED WITHIN THE MINUTES AND APPROVE THE RECOMMENDATIONS AS SUMMARISED AT 3.0

1.0 BACKGROUND

- 1.1 The Coalville Special Expenses Working Party meets as often as is required to meet business demands – usually quarterly. As the working party reports directly to Cabinet, all recommendations made are to be sent to the first available Cabinet meeting after the group have met for final approval.

2.0 TERMS OF REFERENCE

- 2.1 To consider budget and financial issues which either solely or predominantly affect the Coalville special expenses area and to make recommendations to Cabinet.
- 2.2 To receive reports and examine possible project options on which recommendations will be made to Cabinet

3.0 RECOMMENDATIONS FROM MEETING ON 11 JUNE 2019

3.1 2018/19 Events Update

- a) The date for Music and Picnic in the Park be set as Saturday 21 and Sunday 22 June 2020.
- b) £2,000 be allocated from Coalville special expenses to the Christmas light budget to fund additional decorations.

3.2 Capital Projects Update

Cabinet allocate £6,000 from Coalville special expenses to cover Barrat's legal costs in the removal of covenants and changes to Section 106 Agreements regarding Lillehammer Drive MUGA and open space provision.

3.3 Coalville Special Expenses Finance Update Final Outturn 2018/19

Cabinet allocate an additional £5,000 from Coalville special expenses to the events budget to allow for additional events.

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MINUTES of a meeting of the COALVILLE SPECIAL EXPENSES WORKING PARTY held in the Council Chamber, Council Offices, Coalville on TUESDAY, 11 JUNE 2019

Present: Councillor M B Wyatt (Chairman)

Councillors E G C Allman, A S Black, D Everitt, M French, J Geary, J Legrys and J Windram

In Attendance: Councillors R Johnson and S Sheahan

Officers: Mr M Fiander, Mrs W May, Mrs R Wallace and Miss E Warhurst

1. APPOINTMENT OF CHAIRMAN FOR ENSUING YEAR

Councillor M French moved that Councillor M B Wyatt be appointed as Chairman for the ensuing year. It was seconded by Councillor A Black.

RESOLVED THAT:

Councillor M B Wyatt be appointed as Chairman for the ensuing year.

2. APPOINTMENT OF DEPUTY CHAIRMAN FOR ENSUING YEAR

Councillor J Legrys moved that Councillor E Allman be appointed as Deputy Chairman for the ensuing year. It was seconded by Councillor D Everitt.

RESOLVED THAT:

Councillor E Allman be appointed as Chairman for the ensuing year.

3. APOLOGIES FOR ABSENCE

There were no apologies for absence.

4. DECLARATIONS OF INTEREST

Councillor J Geary declared a non-pecuniary interest in item 7 – Capital Projects Update as a regular supporter of Coalville Town Football Club, a founder member of Mantle Lane Arts and a Director for the Springboard Centre.

Councillor J Legrys declared a non-pecuniary interest in any reference to Hermitage FM due to his voluntary involvement with the organisation. In addition, during discussion he declared a non-pecuniary interest in item 7 – Capital Projects as a non-elected member of the Friends of Coalville Park Group.

Councillor M B Wyatt declared a non-pecuniary interest in any reference to Coalville Town Centre as a business owner.

5. MINUTES OF THE PREVIOUS MEETING

Consideration was given to the minutes of the meeting held on 3 April 2019.

It was moved by Councillor J Geary, seconded by Councillor M B Wyatt and

RESOLVED THAT:

The minutes of the meeting held on 3 April 2019 be approved and signed by the Chairman as a correct record.

6. EVENTS UPDATE

The Cultural Services Team Manager presented the report, highlighting to Members the next meeting of the Events Sub Group on Tuesday 17 September at 5pm.

Following a discussion, it was agreed to formalise the Events Sub Group and appoint the following five Members to it:

Councillor E Allman
 Councillor A Black
 Councillor D Everitt
 Councillor M French
 Councillor M B Wyatt

Coalville May Fair

Councillor J Legrys reported that he had received a written complaint, along with a number of verbal complaints regarding the noise of the event.

Councillor M B Wyatt reported that overall, the feedback regarding the event was very positive; the only concern was that due to the noise it was too much having the event over two weekends. The Cultural Services Team Manager explained that it was the operator's preference to hold the event over two weekends due to the commercial benefit.

Councillor D Everitt reported that the comments he had received were also positive and the event was enjoyed by many.

The Cultural Services Team Manager reported that the feedback from social media was positive and that the Environmental Protection Team had not received any direct complaints regarding the noise levels. However, she noted the noise concerns and would ensure the levels were monitored next year.

Christmas in Coalville

Councillor M B Wyatt presented information to Members regarding a supplier of solar powered Christmas trees for hire that could be attached to the hanging basket brackets that were currently installed around the town centre. He moved that officers look into the feasibility of hiring these additional decorations, and to allocate an additional £2,000 to the Christmas light budget to fund it. It was seconded by Councillor M French.

Following a question from Councillor J Geary, Councillor M B Wyatt stressed that the idea was to hire the decorations not to purchase. He added that if they were a success then it could be budgeted for in future years.

RESOLVED THAT:

- a) The progress update on 2019/20 events be noted.
- b) Councillors E Allman, A Black, D Everitt, M French and M B Wyatt be appointed to the Events Sub Group.
- c) Officers look into the feasibility of hiring Christmas decorations from Plantscape.

RECOMMENDED THAT:

- d) The date for Music and Picnic in the Park be set as Saturday 21 and Sunday 22 June 2020.

- e) £2,000 be allocated from Coalville special expenses to the Christmas light budget to fund additional decorations.

7. CAPITAL PROJECTS UPDATE

The Head of Economic Regeneration presented the report to Members and provided an update on the ongoing projects.

Coalville Forest Adventure Park

Councillor J Geary expressed concerns regarding the significant increase in anti-social behaviour and asked if there had been any damage to the play equipment. The Head of Economic Regeneration explained that the anti-social behaviour was mainly related to the consumption of alcohol on the park, which had resulted in broken glass, and graffiti on the equipment. Officers were working with the Safer Stronger Communities team and the police to mitigate the issues. It was confirmed that any paint on the equipment had been removed.

Melrose Road Play Hub

Councillor D Everitt asked for confirmation that the Permissive Footpath Agreement would include the steps as well as the actual footpath as there was no mention of them in the report. The Head of Economic Regeneration agreed to provide confirmation outside of the meeting, as he did not have the information to hand.

Coalville Park Green

Councillors M B Wyatt, J Geary and J Legrys expressed concerns regarding the proposals to extend the park into the adjoining field, as it would restrict what could be done in area in the future. It also provided a buffer between the park and residential area. Councillor M B Wyatt felt it would be beneficial for the Friends of Coalville Park Group to attend the Working Party to discuss the future direction of the park. Councillor J Legrys commented that as an attendee of the Friends of Coalville Park Group, there was a great deal of pressure from parents to upgrade the park and have play equipment on the field. However, he did share residents' concerns about possible anti-social behaviour and therefore the final decision would be a difficult one.

Lillehammer Drive

Councillor J Legrys thanked officers for their ongoing efforts on the project as they had worked very hard to get to the current position. He reported that at a local meeting between the school and residents, the consensus was that the school should take over the responsibility of the land, which would mean that it could be properly regulated. He accepted that there would be a cost for legal fees but he was in support of the recommendation to Cabinet. Councillor M B Wyatt reiterated his concerns regarding the possible extension into the field at the rear of this site as it was mentioned as an option for the Section 106 funding. Councillor J Geary requested a site visit for Members. It was agreed for the Leisure Services Team Manager to arrange.

London Road Closed Cemetery

Councillor M B Wyatt commented that he had visited the cemetery and was pleased with the quality of the equipment. He stressed the importance of making sure everyone within the cemetery was represented on the notice board. The Head of Economic Regeneration assured Members that the notice board design would be presented to the Working Party before it was installed.

Coalville Floral Displays 2019

In response to a request from Councillor M B Wyatt, the Head of Economic regeneration agreed to provide an exact figure of costs for the project with a breakdown for Members. Councillor J Geary liked what had been done at Memorial Square but he felt there was less floral displays in the Town Centre than previous years.

Coalville in Bloom 2020

Councillor M B Wyatt did not feel it was necessary to engage a consultant or actually enter the competition. His main aim was to bring more flowers into the town centre. Councillor A Black commented that it would be nice to see something at the gateways to the town. Councillor M B Wyatt agreed and reported that the Bardon Quarry had shown an interest in supporting so an application for a grant could be worthwhile.

Trees in Coalville

Discussion was had on the possibility of installing gardens on the side of buildings in the town, as it would be unique and a good way to help with the environment. The Head of Economic Regeneration agreed to look into it further.

It was moved by Councillor J Legrys, seconded by Councillor J Geary and

RESOLVED THAT:

The progress update on the 2019/20 Capital Projects be noted.

RECOMMENDED THAT:

Cabinet allocate £6,000 from Coalville special expenses to cover Barrat's legal costs in the removal of covenants and changes to Section 106 Agreements regarding Lillehammer Drive MUGA and open space provision.

8. COALVILLE SPECIAL EXPENSES FINANCE UPDATE FINAL OUTTURN 2018/19

The Head of Economic Regeneration presented the report to Members.

Councillor M B Wyatt moved that an additional £5,000 be allocated to the events budget to allow for more events in the town centre. He clarified that it was not necessarily the intention to spend the full amount but it be available if needed. It was seconded by Councillor J Geary.

In response to a question from the Cultural Services Team Manager, Councillor M B Wyatt stated that the additional funds was to cover officer time as well as the events.

Councillor J Legrys had no objections to the proposal but requested that ideas for events be discussed fully by Members before a decision was taken. He also requested that events be organised for other parts of the special expense area as well as Coalville town centre. Councillor M B Wyatt felt strongly that the focus should be on Coalville town centre as that was what had been requested by the public.

The Cultural Services Team Manager expressed concerns that the process would be slowed down considerably if reports had to be considered by Members before being actioned. Therefore, she believed it would be more beneficial for officers to have more scope to organise and deliver any additional events without waiting for approval. Councillor M B Wyatt suggested that the Event Sub Group be used as a mechanism to discuss proposals for events rather than waiting for the working party to meet. The Cultural Services Team Manager agreed.

RESOLVED THAT:

The final outturn for 2018/19 be noted.

RECOMMENDED THAT:

Cabinet allocate an additional £5,000 from Coalville special expenses to the events budget to allow for additional events.

Following the conclusion of the item, in response to a request from Councillor M B Wyatt, the Head of Legal and Commercial Services advised against adding 'Any Other Business' to future agendas as it was important not to lose focus on the working party's scope under its terms of reference. This was not the forum to raise ward issues.

Councillor M B Wyatt raised the idea of instigating a community governance review so that the special expenses area could become a parish council; he felt that a sub group could discuss the matter further. Members were in support of the proposal. The Head of Legal and Commercial Services reminded Members that the matter was not within the scope of the working group; however, she advised that a community governance review could be instigated through a motion at Council or by a petition from local residents. She suggested that members meet outside of the meeting amongst the groups to discuss whether to take the matter forward.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.46 pm

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**CABINET – TUESDAY, 16 JULY 2019**

Title of report	ELLISTOWN AND BATTLEFLAT NEIGHBOURHOOD PLAN
Key Decision	a) Financial No b) Community No
Contacts	Councillor Robert Ashman 01530 273762 robert.ashman@nwleicestershire.gov.uk Interim Head of Planning and Infrastructure 01530 454782 chris.elston@nwleicestershire.gov.uk Planning Policy Team Manager 01530 454677 ian.nelson@nwleicestershire.gov.uk
Purpose of report	To seek Cabinet's approval to make the Ellistown and Battleflat Neighbourhood Plan.
Reason for Decision	Cabinet approval of the proposed approach required.
Council Priorities	Local people live in high quality, affordable homes Support for businesses and helping people into local jobs Developing a clean and green district Our communities are safe, healthy and connected
Implications: Financial/Staff	 The Ellistown and Battleflat Neighbourhood Plan has incurred costs for an independent examination of the plan and the subsequent referendum. Grant funding from central government (£30,000 per neighbourhood plan) is payable to the authority to support this agenda. This should cover all of the Council's costs but any additional costs would need to be met from the contingency budget held by the Planning Service.
Link to relevant CAT	None

Risk Management	The Neighbourhood Plan has been through Examination by an independent Examiner who has considered whether the plan satisfies the various legal requirements. Once the Neighbourhood Plan is made it will form part of the Development Plan for North West Leicestershire. Should the document be subject to legal challenge, the District Council will be responsible for meeting such costs. Any such costs would need to be met from the contingency budget held by the Planning Service
Equalities Impact Assessment	Not applicable as the Ellistown and Battleflat Neighbourhood Plan is not the District Council's policy document.
Human Rights	No discernible impact
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	Residents of Ellistown and Battleflat
Background papers	<p>Ellistown and Battleflat Submission Neighbourhood Plan https://www.ellistown.org.uk/uploads/eb-np-submission-version.pdf</p> <p>Ellistown and Battleflat Neighbourhood Plan Examiners Report https://www.nwleics.gov.uk/pages/ellistown_neighbourhood_plan</p> <p>Neighbourhood Planning Regulations 2012 & Amendments http://www.legislation.gov.uk/all?title=neighbourhood%20plan</p>
Recommendation	THAT CABINET AGREES TO MAKE THE ELLISTOWN AND BATTLEFLAT NEIGHBOURHOOD PLAN

1.0 BACKGROUND

- 1.1 Neighbourhood planning is one of the provisions of the 2011 Localism Act allowing local communities to bring forward detailed policies and plans which can form part of the statutory planning process for an area and its residents.

- 1.2 The Ellistown and Battleflat Neighbourhood Plan Area covers the whole of the Parish and was designated in April 2014.
- 1.3 The Parish Council published a pre-submission Neighbourhood Plan (Regulation 14) for consultation between 7 August and 20 September 2017. The Draft Neighbourhood Plan was then submitted to the District Council in September 2018 and was subject to further consultation under Regulation 16 between 27 September and 8 November 2018. The Plan was subject to an Examination by an Independent Examiner whose report was published in March 2019.
- 1.4 The Examiner concluded that the Plan met the Basic Conditions as set out in Regulations and that it would not contravene either the European Convention on Human Rights or the requirements of Chapter 8 of Part 6 of the Conservation of Habitats and Species Regulations 2017. He also recommended a number of modifications to the Plan to provide greater clarity and address other issues.
- 1.5 The Neighbourhood Planning (General) Regulations 2012 require that Neighbourhood Plans are subject to a referendum. The referendum was held in accordance with the Neighbourhood Planning (Referendum) Regulations 2012 on 27 June 2019. If the majority (50% +1) of the turnout vote in favour the Local Planning Authority (North West Leicestershire District Council) must make the Neighbourhood Plan.
- 1.6 All those eligible to vote in the Ellistown and Battleflat Neighbourhood Area were asked to vote Yes or No to the following question, *“Do you want North West Leicestershire District Council to use the Neighbourhood Plan for Ellistown and Battleflat to help it decide planning applications in the Neighbourhood Area?”*
- 1.7 The referendum received a turnout of 13%, with 239 (87.2%) votes in favour and 35 (12.8%) votes against the making of the Neighbourhood Plan.
- 1.8 The 2012 Regulations require that upon the completion of the referendum the Local Planning Authority is required to publish a ‘Decision Statement’ on their website. This Decision Statement will state that the Neighbourhood Plan has been successful at referendum and will now be ‘made’, and will form a part of the Development Plan for North West Leicestershire and hence will be used to determine planning applications within the Neighbourhood Area. This will be published, subject to the decision of Cabinet, on the Council’s website and copies will be sent to those persons and organisations prescribed in Regulations.

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Likely to contain exempt information under paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Agenda Item 12.

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