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Meeting	CABINET
Time/Day/Date	5.00 pm on Tuesday, 10 December 2019
Location	Council Chamber, Council Offices, Coalville
Officer to contact	Democratic Services (01530 454512)

AGENDA

Item	Pages
1. APOLOGIES FOR ABSENCE	
2. DECLARATION OF INTERESTS	
Under the Code of Conduct members are reminded that in declaring disclosable interests you should make clear the nature of that interest and whether it is pecuniary or non-pecuniary.	
3. PUBLIC QUESTION AND ANSWER SESSION	
4. MINUTES	
Minutes of the meeting held on 12 November 2019	3 - 8
5. GENERAL FUND AND SPECIAL EXPENSES REVENUE BUDGET PROPOSALS FOR 2020/21	
Report of the Head of Finance Presented by the Corporate Portfolio Holder	9 - 36
6. 2020/21 HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS	
Report of the Head of Finance Presented by the Corporate Portfolio Holder	37 - 50
7. 2020/21-2024/25 DRAFT CAPITAL PROGRAMMES	
Report of the Head of Finance Presented by the Corporate Portfolio Holder	51 - 64

8.	2020-2025 MEDIUM TERM FINANCIAL PLAN	
	Report of the Head of Finance Presented by the Corporate Portfolio Holder	65 - 92
9.	2019 AIR QUALITY ANNUAL STATUS	
	Report of the Strategic Director of Place Presented by the Community Services Portfolio Holder	93 - 168
10.	MINUTES OF THE COALVILLE SPECIAL EXPENSES WORKING PARTY	
	Report of the Strategic Director of Place Presented by the Community Services Portfolio Holder	169 - 176
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.	NEWMARKET - AWARD OF CONTRACT	
	Report of the Strategic Director of Place Presented by the Community Services Portfolio Holder	177 - 182

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
TUESDAY, 12 NOVEMBER 2019

Present: Councillor R Blunt (Chairman)

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

In Attendance: Councillors J Legrys and S Sheahan

Officers: Mr J Arnold, Mrs T Bingham, Mrs B Smith, Miss E Warhurst, Mrs C Hammond and
Mr C Lambert

Before the start of the meeting Members observed a minutes silence in memory of
Councillor David Stevenson who had passed away the previous week.

48. APOLOGIES FOR ABSENCE

There were no apologies for absence.

49. DECLARATION OF INTERESTS

There were no interests declared.

50. PUBLIC QUESTION AND ANSWER SESSION

There were no questions received.

51. MINUTES

Consideration was given to the minutes of the meetings held on 24 September 2019 and
29 October 2019.

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

RESOLVED THAT:

The minutes of the meetings held on 24 September 2019 and 29 October 2019 be
approved and signed by the Chairman as a correct record.

Reason for decision: To comply with the Constitution

52. CORPORATE ASSET MANAGEMENT STRATEGY

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

He advised Members that the Strategy would provide a service and financial planning
framework for the next five years and that it was a key part in the process to take the
Property Service function to a higher level of performance following the decision to keep it
in house. He highlighted the key priorities for the service and that it was hoped that the
service would have a key role to play in delivering an income by looking at the Council's
assets, which included acquiring new ones and disposing of poorly performing ones, and,
once developed, selling the facilities Management Service to others. He advised that a
summary of the land and property assets was included in appendix 1. He congratulated
officers on a very good piece of work.

Councillor A Woodman stated that he was pleased to see reference to energy efficiency within the report and that there were opportunities for charging points in car parks.

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

RESOLVED THAT:

The Corporate Asset Management Strategy 2019 – 2024, attached as appendix 1 to the report be approved.

Reason for decision: To adopt the Strategy as a framework within which we will manage our corporate property assets and associated services for the next 5 years.

53. INVESTMENT INTO COMMUNITY LEISURE

The Community Services Portfolio Holder presented the report to Members.

He reminded Members that Cabinet had agreed the process for the use of the VAT reclaim at the February Cabinet meeting. He advised that applications had been received from all three sites and that Measham and Ibstock's proposals were at a stage where officers proposed that the funds be released to develop the projects. He informed Members that Castle Donington would be treated differently as the project required further development and, as such, would be managed by Council officers and a future report would be brought back to Cabinet.

In response to questions from Members, the Chief Executive advised that the three sites were not managed by Everyone's Active and that an update on the recruitment of the Community Leisure Development Officer would be provided outside the meeting.

Members were pleased to see that leisure facilities were being provided in other areas of the district rather than just the two main towns which provided a win win situation for the District.

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

RESOLVED THAT:

1. The proposed investment into Measham Leisure Centre and Ibstock Community College Leisure Complex be supported.
2. The proposal for the development at Castle Donington College be supported and that a further report will be received to approve investment once project proposals have been developed by noted.

Reason for decision: To allow investment into community leisure projects to progress.

54. HRA PROPERTY ACQUISITION

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

He advised that there was now another opportunity to purchase more new homes for the Council's portfolio. He advised that the funds were available therefore not requiring borrowing and proposed giving authority to the Head of Housing and Property to

authorise bids for residential property and land at auction without the requirement to keep reporting back to Cabinet

In response to a question from Councillor R Blunt, Councillor R D Bayliss advised that he was not aware of any long time planning to continue purchasing properties, however in principal it was an ideal way to obtain more Council homes in small villages.

Councillor T Gillard was pleased to support the report and felt that the Corporate Portfolio Holder should be included when agreeing the amounts for any bids at auction.

Councillor R Blunt stated that it was a very good report and that it helped to put money back into the local housing building trade and provided the Council with more social housing for a good price.

It was moved by Councillor R D Bayliss, seconded by Councillor T Gillard and

RESOLVED THAT:

1. The purchase of four new homes from Chevin Homes at Newbold Coleorton as detailed in the confidential appendix to the report be approved.
2. The purchase of three new homes from Monument Seven Limited at Osgathorpe as detailed in the confidential appendix to the report be approved.
3. Authority be delegated to the Head of Housing and Property in consultation with the Portfolio Holder and Section 151 Officer to authorise bids for residential property and land at auction in accordance with the parameters set out in the report and the approved acquisition policy.

Reason for decision: To acquire additional properties to increase the housing options for home seekers on the housing register.

55. MARKET RIGHTS

The Community Services Portfolio Holder presented the report to Members.

He advised Members that the provision of a new market was key to sustaining the community and that the design for Newmarket was to be finalised and contractors employed to carry out the work. He reminded Members that the current market operated three days a week and that it was proposed that Newmarket and Marlborough Square Outdoor Market would operate seven days a week. He informed Members that this would be agreed through a "Newmarket rights" agreement and that it would ensure that the Council would have control over any other market that wished to operate and would ensure that that they would not be in direct competition with Newmarket.

Councillor R Blunt stated the report showed that the Council was serious about providing the new market and that it was a big challenge that was going well. He felt it was important to support the existing traders.

Councillor T Gillard advised that the Business Focus Team was doing all it could to support the current market traders to relocate or find new premises. He supported the proposal to open seven days a week.

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

RESOLVED THAT:

Coalville Newmarket under section 50 of the Food Act 1984 as more particularly described in the report be established.

Reason for decision: Cabinet to note that the Council has established its rights for a market in Coalville in accordance with the Food Act 1984 between the hours of 8am and 10pm, Monday to Sunday.

56. BREEDON HILL - ACCESS ISSUES AND PEDESTRIANISATION

The Community Services Portfolio Holder presented the report to Members.

He advised that the church was a visible monument in the District and the Parish Council, District Council and local residents believe that it must be protected as far as possible. He stated that report proposed that the road leading to the church be pedestrianised but it would keep its highway status and that a controlled lockable gate be installed, allowing access during the day and then locked at night. He highlighted that the option put forward was the best possible outcome but the Department of Transport would require a traffic survey before supporting the application, and that it would be a permanent solution.

Councillor R Blunt felt that the solution before them was the best way forward to protect the church with a balance to suit all.

Councillor N Rushton requested that following the election the Council wrote to the newly elected MP to seek their support in highlighting the need to the Department of Transport.

Councillor R Ashman thanked all the Portfolio Holder and officers for the work on the issues so far and in trying to find the best solution.

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

RESOLVED THAT:

1. The proposal to improve the amenity of the Breedon Hill area including the removal of vehicle rights of way as described in the report be approved.
2. An application to the department for transport to make a pedestrianisation order to implement the proposal to improve the amenity of the Breedon Hill area be approved.
3. The installation of a lockable gate and related signage to enforce the pedestrianisation zone once the order is granted in close partnership with local stakeholders be approved.

Reason for decision: To secure consent to the required statutory application.

The Meeting closed at 5.27pm

The meeting commenced at 5.00 pm

The Chairman closed the meeting at 5.27 pm

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 10 DECEMBER 2019



Title of Report	GENERAL FUND AND SPECIAL EXPENSES REVENUE BUDGET PROPOSALS FOR 2020/21	
Presented by	Councillor Nicholas Rushton Corporate Portfolio Holder	
Background Papers	<u>Corporate Scrutiny Committee Draft Minutes – 7 November 2019</u>	Public Report: Yes
		Key Decision: Yes
Financial Implications	The Net Revenue Expenditure for 2020/21 is estimated at £14.9m and the Total Funding available is £15.8m. The predicted surplus of £847k is assumed will be added to the Self-Sufficiency Reserve. The reserve would increase from an estimated £4.5m at 31/03/20 to £5.3m at 31/03/21.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	None	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	None	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	For Cabinet to approve 2020/21 General Fund and Special Expenses revenue budget proposals for consultation.	
Reason for Decision	Required to complete 2020/21 budget process.	
Recommendations	CABINET IS RECOMMENDED TO : <ol style="list-style-type: none"> 1. AGREE THE 2020/21 GENERAL FUND AND SPECIAL EXPENSES BUDGET PROPOSALS FOR STATUTORY CONSULTATION; AND 2. THAT THE ASSURANCE STATEMENT BY THE S151 OFFICER BE NOTED. 	

1.0 INTRODUCTION

1.1 This report seeks Cabinet approval to consult on the draft General Fund and Special Expenses budget proposals for 2020/21, with the outcome of this consultation exercise being fed back into the subsequent reports to Cabinet and Council to seek approval for the final budget in February 2020.

1.2 Draft proposals for consultation have been prepared based on budget holders' own projections in respect of expenditure budgets and locally generated income forecasts.

1.3 All proposals relate to the Council Delivery Plan and the 5 key priorities:

- Supporting Coalville to be a more vibrant, family friendly town;
- Our communities are safe, healthy and connected;
- Local people live in high quality, affordable homes;
- Supporting businesses and helping people into local jobs;
- Developing a clean and green district.

The overriding principle in setting the 2020/21 budget was for the budgeted position for 2020/21 to be in line with predictions set out for that year within the Medium Term Financial Plan.

1.4 The Councils General Fund financial position is broadly made up of two elements:

- a) Net revenue expenditure - this includes all expenditure incurred net of income generated through fees and charges and other income (including additional grants authorities apply for, which are not part of central government funding) and financing costs, broadly made up of investment income, interest charged in respect of loans and the minimum revenue provision charge made in respect of unsupported borrowing to fund capital expenditure; and
- b) Funding - The main sources of funding available to finance revenue expenditure which include locally retained Business Rates, Council Tax, New Homes Bonus and Revenue Support Grant.

1.5 The report presents changes as per above.

1.6 The approved 2020/21 budget will undergo regular monitoring and scrutiny during the financial year through quarterly performance monitoring and finance clinics, so that when they arise any variances can be identified at an early stage and remedial action taken to deal with them where necessary.

1.7 There was a new step in the annual budget setting process for 2020/21 with a report taken to the Corporate Scrutiny Committee on the 7 November to seek feedback on the early budget proposals. A number of additional budgetary proposals arising from the meeting have since been included in the draft budget presented to Cabinet.

Emerging Issues – Climate Change and Accommodation

1.8 In June 2019, the Council resolved to declare a climate emergency and committed to achieving carbon neutrality from its own operations by 2030. Council also requested that officers develop an environment strategy necessary to achieve this aspiration together with an assessment of the cost and technology implications of doing so to enable the Cabinet and Council to take an informed decision whilst recognising that this will potentially require the reallocation of resources by the Council.

1.9 Work continues to progress in this area, with the development of a Zero Carbon Roadmap with the assistance of Etude, an environmental consultant engaged to map out how the Council can achieve carbon neutrality by 2030.

1.10 The Zero Carbon Roadmap currently remains under development and is due to be shared with members in a workshop in early December before being presented to Cabinet in January 2020 for adoption. At this stage, budgetary implications for the 2020 year and beyond are currently being worked up and require further assessment before they can be incorporated into plans. A proposal in respect of a new reserve to cover the impact to the General Fund

of this work is proposed and can be found in section 4.8.1 of this report.

- 1.11 Currently, a strategic review of the condition of our accommodation is underway and we anticipate presenting the feedback and recommendation of this initial work in the coming months. The outcome of this will determine our future accommodation strategy and likely budget requirements for future years and in particular our capital plans.
- 1.12 Known costs of maintaining the existing council offices to an acceptable modern standard have been included in the revised capital programme for 2021/22 and beyond. Additional revenue provision (as a cost pressure) has also been included for the purposes of maintaining the existing building. Appropriate delegations are in place for the Head of Finance to approve expenditure relating to any urgent health and safety related works to such buildings should the need arise.

The Spending Review and impact to our General Fund Medium Term Financial Plan

- 1.13 The council's latest version of the medium term financial plan (July 2019) predicted deficits over the five year medium term financial plan (from 2019/20 – 2023/24) on the General Fund totalling £5.7m, with the first deficit arising in the 2021/22 year.

This first and subsequent deficits were forecast as a result of the implementation of the three ongoing local government funding reviews that were originally planned to be implemented from April 2020: The Local Government Spending Review; Business Rates Reform; and the Fair Funding Review. This is because our medium term financial plan had assumed that from April 2020 we would have a new business rates baseline and therefore retain less business rates income and receive less New Homes Bonus because we would only be rewarded for historic growth through legacy payments and not for new housing growth achieved in 2019.

- 1.14 On 4 September 2019, the Chancellor of the Exchequer made a Spending Review announcement. This confirmed that 2020/21 is proposed to be a roll-forward one year settlement, based on the former four year multi-year settlement that covered 2016/17 – 2019/20. This confirms that the implementation of the outcomes of the Fair Funding review and Business Rates Retention Reform will not be implemented in 2020 and instead are both deferred until 2021 and that a multi-year Spending Review will be carried out in 2020.
- 1.15 A Technical Consultation paper on the Local Government Finance Settlement for 2020/21 was released in early October and the Council submitted a response ahead of the 31 October deadline. The consultation followed on from the Spending Review announcement and has sought feedback on detailed range of proposals for 2020/21 including:
 - A commitment to fund New Homes Bonus in 2020/21, with a new round of allocations for growth achieved to October 2019 as well as continued legacy payment for historic growth. The Government have confirmed their intention to look at the New Homes Bonus scheme and explore the most effective way to incentivise housing growth in the future.
 - An elimination of negative Revenue Support Grant (which was due to affect NWLDC in 2020/21), meaning that the Council will not need to adjust its retained business rates to compensate for a negative RSG payment.

- An uprating of the Settlement Funding Assessment, which affects Baseline Funding Level, meaning that we get to retain business rates under the same conditions as at present, with an allowance for inflation.
 - Authorities will be able to increase the Band D council tax by 2.0%. It is assumed from this that the £5 maximum will also be available for district councils. This 2.0% threshold is lower than the last two financial years (where it was 2.99%).
- 1.16 The revised medium term financial plan has now been developed and is included on the Cabinet agenda for this meeting. The projected deficit over the 5 years is £6.3m, however journey to self-sufficiency savings of £5.1m are now built into plans reducing this deficit over the period to £1.2m.
- 1.17 Scenarios developed since the last MTFP update are included to give members a broader understanding of issues that could affect the council's financial position. This includes a scenario to show the impact to the deficit if savings are not achieved, which would be around £6.3m.

Journey to Self-Sufficiency Programme

- 1.18 The council launched the Journey to Self-Sufficiency Programme in 2018 to promote self-sufficiency and the safeguarding of the council's General Fund financial position against anticipated future central government funding changes whilst also maximising the use of government grant and local income.
- 1.19 The programme to date has delivered, or is in the process of delivering a range of outcomes associated with the council becoming more self-sufficient including the implementation of the Commercial Strategy and associated actions, the redesign and approval of a new Corporate Charging Policy and the drafting of a new Asset Management Strategy due for Cabinet approval in December 2019.
- 1.20 Since the last update to Cabinet, the Corporate Leadership Team have commenced a review of the programme in light of the need to establish savings targets to meet the future deficits predicted by the medium term financial plan. £570k of savings are included in the 2020/21 draft general fund budget with a further £4.5m over the remaining life of the medium term financial plan, taking the total savings to £5.1m.
- 1.21 The revised approach will be based around themes and opportunities to generate income and reduce expenditure. Resultant savings targets will be set for service areas over the forthcoming five year period and these targets will be monitored via the biannual review of the council's medium term financial plans.
- 1.22 A full update is provided as part of the medium term financial plan update on the same agenda as this report.

2.0 GENERAL FUND 2019/20 – PROJECTED OUTTURN

- 2.1 The second quarter Performance Report is due to be considered by Cabinet at its meeting in January and presents outturn projections for the current year. The forecast position on the General Fund for 2019/20 is a surplus for the year of £232k, compared to a budgeted surplus of £161k. There has been adverse variances of £1.1m, of which £282k relates to a reduction in income, £776k in additional costs compared to the budget and a number of de minimis variances of £12k. This is offset against favourable variances of £820k, of which additional income of £164k and reduction in costs of £656k.

2.2 Explanations of the significant variances (over £50k) are detailed below:

- a) Across the general fund there is forecast salary savings of £371k compared to budget. The savings are due to a number of vacant posts across the organisation;
- b) Refuse and Recycling agency costs are forecast to be overspent by £104k (net of salary savings). This is due to additional temporary workers required than originally budgeted mainly as a result of levels of sickness absences;
- c) There is additional early retirement capital costs of £50k due to ill-health retirement of an employee;
- d) Increased recycling income of £57k; and
- e) A reduction in rent allowances of £59k.

2.3 The net variances of £250k have been financed by £321k of additional business rates. £150k of the additional business rates relate to additional Section 31 grants received and £170k as a result of accounting differences, compared to the budgeted level stated in the council's NNDR1 return.

2.4 In line with the decisions made by Council at its meeting on 26 February 2019, the budgeted surplus of £232k and any additional surpluses achieved will be transferred to the self-sufficiency reserve.

2.5 The forecast outturn position presented as part of Appendix D is based on the forecast outturn at period 7.

3.0 **CONSULTATION WITH CORPORATE SCRUTINY**

3.1 There was a new step in the annual budget setting process for 2020/21, with a report taken to the Corporate Scrutiny Committee on 7 November to seek feedback on the early budget proposals. The new step was designed to enhance member scrutiny of the proposed budget changes for the forthcoming year, and also provide members with an opportunity to feed suggestions into the process.

3.2 A link to the draft minutes to the meeting is provided in the background papers on page one of the report. Appendix A details suggestions for the 2020/21 budget process from the members of the committee and the impact of the budget.

4.0 **2020/21 NET REVENUE EXPENDITURE PROPOSALS**

4.1 For 2020/21, there has been an increase in net revenue expenditure of £214k. The main reasons for this increase are a combination of factors made up of a number of service developments, budgetary cost pressures (increased expenditure or reduced income) and savings (increased income or reduced expenditure).

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

4.2.1 Savings – Savings put forward include the reduced leisure centre management fee payable in 2020/21, compared to 2019/20, the removal of the remaining budget provision for the running of the leisure centres and the reduction in corporate support costs, again associated with the outsourcing of leisure. One year budget provision in relation to LLEP match funding and the expenditure of the associated monies received as a result of the one year business rates pilot have also been recorded as savings. In total, the budget holders put forward proposals

with a combined value of £1.9m saving.

- 4.2.2 De-minimums budget movements across the General Fund which totalled additional costs of £57k.
 - 4.2.3 Staffing increases - which include the cost of the pay award, pension increases and incremental salary progression for 2020/21. The additional cost in 2020/21 of staffing is £646k. A breakdown of the staffing increases is included within Appendix B.
 - 4.2.4 Cost Pressure - Proposed additional budget provision to cover unavoidable cost pressures. The total of these is £888k and more detail is included in paragraphs 4.6 to 4.7 below.
 - 4.2.5 Service Development - Proposed additional budget provision to cover enhancement of the service. The total value of service development proposals is £1.1m. Details of these proposals are covered in paragraphs 4.8 to 4.9 below.
 - 4.2.6 Journey to Self-Sufficiency - Reduction in Net Revenue Expenditure – The anticipated reduction in net revenue expenditure for 2020/21 as a result of the Journey to Self Sufficiency programme. The target for 2020/21 is £570k and further work is being undertaken to achieve the full target.
- 4.3 A full breakdown of proposals as outlined above can be found in Appendix B.

Savings

- 4.4 For information, the following paragraphs explain savings that will be built into the 2020/21 budget. Below are the savings reported to Corporate Scrutiny:
- 4.4.1 We are still reviewing the investment income for 2020/21, included within the budget is a de minimis increase of £2k. Interest rates and how much cash we have to invest affect how much investment income we receive. We are still finalising the council's capital programme, so the amount of cash we have to invest going forward is yet to be confirmed. Other external factors, such as the UK exiting the European Union, could affect interest rates and work continues to assess a reasonable forecast for 2020. In addition, an alternative treasury strategy that makes use of external borrowing to fund capital plans in order to increase investment returns on cash surpluses, is currently being reviewed by the Section 151 Officer with the council's treasury advisors Arlingclose. It is anticipated that there will be an increase in investment income in 2020 as a result and this will be reported as part of the Final budget.
 - 4.4.2 We will reduce the LLEP Match Funding by £450k. This was a one-off budget requirement in 2019/20.
 - 4.4.3 We will align spend and grant permissions resulting in a reduction the budget for Disabled Facilities Grant of £18k
 - 4.4.4 We will offer a new payroll service to other councils that will bring us net income of £18k. To generate more income we are taking on the payroll service for a number of other councils.
 - 4.4.5 We will save a further £369k in costs associated with the leisure service. The budget for 2019/20 was adjusted to reflect that the leisure centres would be outsourced from May 2019 and that a management fee would instead be paid to Everyone Active. The saving of £369k reflects a reduction of £222k in the

management fee payable for 2020/21, £307k compared to the budgeted provision in 2019/20 of £529k and the removal of the £146k remaining budgetary provision required in 2019/20 that was retained to fund the council running the centres during April of this year.

- 4.4.6 We will make savings within the Planning Service of £124k. These savings include:
- £12k saving on advertising due to a successful tendering exercise in 2018/19, the cost of advertising has reduced. Through our Journey to Self-Sufficiency programme we will align and pool budgets across service areas of a similar nature into a consolidated budget.
 - £5k saving in technical planning support.
 - £30k saving in relation to external legal advice as there is predicted to be less of a need for legal and technical support in 2020/21.
 - £95k reduction in the budget for the delivery of the Local Plan. The current estimate of cost of the Local Plan over the next 2-3 years is in the region of £725k, of this £503k relates to 2019/20 and 2020/21. There is currently an existing Ear Marked Reserve of £395k plus the current year budget. Therefore, only £125k is required in 2020/21.
 - £5k additional income in relation to the discharge of conditions for planning. This is an additional savings identified since the Corporate Scrutiny meeting.
 - £23,100 (reduced from £40k compared to that reports to Corporate Scrutiny) of the savings will be used to employ a GIS and systems support officer for community services. The post will provide Geographic Information Systems (GIS) and back office systems support to ensure we hold accurate records. The post will be split between several teams including land charges, environmental protection and planning. Part of the post will be funded by the land charges reserve.
- 4.4.7 We will realign the budget for the Council Tax Summons income in line with expectations, saving £12k.
- 4.4.8 We are entering into a new contract with our Housing department to clean empty homes, which is due to generate net income of £10k. The savings have reduced from those reported to Corporate Scrutiny.
- 4.4.9 We will reduce our agency spend down by 20%. The council has committed to reduce the agency spend from £1m in 2019/20 to £800k in 2020/21. Budget holders have identified £64k savings across agency and consultancy budgets. We will continue to assess the impact of this to the General Fund and the HRA over the coming weeks.
- 4.4.10 We will reduce the Financial Sustainability and Infrastructure budget by £550k. This was a one-off budget item in 2019/20 funded by the additional money received from the Business Rates pilot that will not be received in 2020/21.
- 4.4.11 We will realise a further £139k savings in corporate support costs in response to outsourcing our leisure centres. We budgeted and realised £134k of savings in corporate costs in 2019/20 and have realised a further £150k this year following a further savings exercise. We will realise a £139k in 2020/21, taking the total amount of annual savings from 2020 to £273k.
- 4.4.12 We will explore ways to increase our income from recycling materials. We currently budget for £492k of income from the sale of recyclable materials collected from households. We expect this to increase next year, as the number of households in our district is increasing, and we are forecasting to exceed our budget this year by £60k, but it is too early to assess how much we can increase the budget by as prices we can vary and could be affected by the UK exiting the European Union and changing behaviour of residents in respect of buying packaged products.

- 4.5 The following paragraphs detail the additional savings identified since the report that went to the Corporate Scrutiny meeting on the 7 November 2019:
- 4.5.1 The council agreed to contribute towards the cost of the Ashby Town Centre Manager for a period of two years. 2019/20 is the final year of the agreement and therefore there will be a budget saving of £12k in 2020/21.
- 4.5.2 We plan to generate an additional income from:
- a) £5k of income from Cultural Services event;
 - b) £16k of income in relation to rents from the new market;
 - c) £6k from taxi licence income; and
 - d) £6k from investment properties rentals.
- 4.5.3 We plan to make net savings in Housing Benefits of £7k. There will be savings of £59k for rent allowances offset against additional costs of £40k for Bed and Breakfast and £12k for rent rebates.
- 4.5.4 The grant payable to parish councils in relation to the Localisation of Council Tax will reduce again this year by £25k. This will be the final year on the grant to parish council and from 2021/22 will be nil. The grant continues to be payable to Special Expenses at a cost of £63k
- 4.5.5 Additional recharges to the Housing Revenue Account and Special Expenses will generate a saving to the general fund of £104k.

Cost Pressures

- 4.6 For information, the following paragraphs explain areas where we will need to increase budgetary provision in order to absorb cost pressures. Below are the cost pressures reported to Corporate Scrutiny:
- 4.6.1 We need to increase the Member Services Special Responsibilities budget by £13k to cover the costs of more members currently being entitled to receive a Special Responsibility allowance.
- 4.6.2 We need to increase the Council's insurance by £34k.
- 4.6.3 We will enhance the security of payments taken over the internet by spending £5k upgrading our software to comply with EU Payment Services Directive.
- 4.6.4 £14k is needed to fund software licences for the InPhase performance management system.
- 4.6.5 We will increase the Corporate IT Licence budget by £25k to ensure we continue to meet Microsoft Licencing requirements.
- 4.6.6 We will reduce our planning fee income by £100k as a result of anticipated lower levels of planning applications.
- 4.6.7 We will increase our repairs budget by £224k (£47k reported to Scrutiny) to cover the forecast costs in maintaining the Council Offices whilst we look at new strategic accommodation options with members.
- 4.6.8 We will increase the Discretionary Discount (Hardship Relief) budget by £30k to fund demand for this scheme for 2020/21 whilst we review the Local Tax Retention Scheme.

- 4.6.9 We will create a Discretionary Housing Payments (DHP) budget of £24k to fund demand that is in excess of the government grant received
- 4.6.10 We will decrease the budget for the DWP Admin Grant funding as a result of the government reducing this grant by £22k.
- 4.6.11 We will increase our budget for washing down waste service vehicles by £10k to allow cleaning of the inside of the vehicles. This will prevent foul-smelling substances building up, which could result in more breakdowns or spill onto roads if left untreated.
- 4.6.12 We will create a new £11k budget to pay for the removal of fly tipped asbestos. This new provision will allow us to pay a specialist contractor to remove any rubbish containing asbestos that is fly tipped within our district, as we are not equipped to deal with this ourselves.
- 4.6.13 The council will see an increase in its net financing costs for 2020/21 as a result of an increase in value of its Capital Programme for 2020/21 (total programme of £12.7m) compared to 2019/20 (forecast programme of £7.2 million). The major reason for the increase is due to the assumed expenditure of £9.8m on the new leisure facility, compared to £3.5m in 2019/20. Any capital items funded by 'unsupported borrowing' will incur a minimum revenue provision (MRP) charge where funds are to be set aside from revenue in line with statutory provisions. The increase in net financing costs for the 2020/21 year is £174k.
- 4.7 The following paragraphs detail the additional cost pressures identified since the report that went to the Corporate Scrutiny meeting on the 7 November 2019:
- 4.7.1 There are additional unavoidable costs and reduction in income for Environmental Protection. Currently a review of the Council's car parks is underway and it is planned for these additional costs to be mitigated through proposals arising from this review:
- a) Additional NDR of £55k in relation to council's car parks and £10k for the New Market;
 - b) Reduction in car parking income of £33k. There is currently a car parking service review being undertaken which will provide mitigation for the reduction in income;
 - c) Reduction in PCN income, net of the levy, of £6k;
 - d) Increase in the fee payable to Blaby in relation to the Lightbulb project of £7k;
- 4.7.2 Planning policy received a one-off grant in 2019/20 of £30k, which will no longer be received.
- 4.7.3 There will be an increase in repairs on the council's investment properties of £45k.
- 4.7.4 There are additional unavoidable costs and reduction in income for Waste Services:
- a) Additional fuel costs of £8k;
 - b) Repairs in relation to non-insurance damage of £5k;
 - c) Additional bins due to housing growth and recycle more project of £10k; and
 - d) Loss of trade waste income from internal clients of £6k
 - e) Reduction of external contractor payments of £15k.

Service Developments

4.8 Below are the service developments reported to Corporate Scrutiny:

- 4.8.1 **We intend to set aside £1 million Climate Change Reserve to cover additional costs to the General Fund of becoming carbon neutral.** As detailed in 1.10-1.14 above, officers are currently assessing the impact of an environment strategy necessary to achieve the Council's aspiration of being carbon neutral by 2030, together with an assessment of the cost and technology implications of doing so. Utilising the one year impact of the deferred local government funding changes and associated retained business rates and additional new homes bonus payments, this proposals seeks to create a one-off Climate Change reserve to cover the additional costs in replacing assets with more energy efficient and carbon neutral solutions and associated work to be able to do this.
- 4.8.2 **We will spend £50k kick-starting a project to develop Hermitage Recreation Ground, the existing leisure centre site and links to the new leisure centre.** This will cover feasibility, outline design and business planning. A community event was held at Hermitage Leisure Centre on the 4 November to gauge public views on the future use of these sites.
- 4.8.3 **We will invest £20k to support the Council's priority to develop our tourism offer.** This investment will allow us to exploit the opportunities set out in the NWL Tourism Strategy and NWL Tourism Blueprint, which Community Scrutiny reviewed in November 2019. The total budget for 2020-21 will be £46k as a result.
- 4.8.4 **We will increase our free tree scheme with an additional £13k.** Our Council Delivery Plan states we will expand our free tree scheme. This will bring our total budget up to £19k, which will fund 35k free trees across the district. The National Forest will part-fund the trees, and the trees will absorb carbon and increase the National Forest.

4.9 Since the Corporate Scrutiny meeting, there has been four additional service development requests:

- 4.9.1 **We plan to provide a grant to the Timber Festival of £10k.** The Council agreed to provide assistance with establishing the Timber Festival for the first three years. The first two years have been funded from reserves. The reserve has now been depleted, so a budget is required for 2020/21 to fund the final year of the contribution.
- 4.9.2 **We plan to spend £10k on letting agents.** From 2020/21, the council will start to use a letting agent to reduce the number of vacant units for its investments properties and ensure letting income is maximised. This is a shift in how the councils manages its assets.
- 4.9.3 **We plan to increase the tree maintenance budget by £15k.** This is an estimated fund for ongoing maintenance for additional trees planted within Coalville, although detailed business cases will make allowance for ongoing maintenance liabilities for the council.
- 4.9.4 **We plan to set aside £10k to help part fund bids for funding from Bardon Quarry.** Previous successful bids have included the Green Flag award at Coalville Park, improvements at Leicester Road Cemetery and improvements at Coalville Forest Adventure Park. Officers also have two further bids going to their November panel for Coalville in Bloom 2020 and Cropston Drive Recreation Ground changing pavilion.

5.0 FEES AND CHARGES

- 5.1 The council provides a wide range of services to local residents, businesses and visitors and generates local income as a result. Local income generation, when done in the right way, presents the council with an opportunity to maximise its financial position and an opportunity to reduce its reliance on government grant. In addition, charging for services can also present opportunities to achieve the council's corporate priorities. In September 2019, Cabinet approved a revised Corporate Charging policy, which will maximise the opportunities detailed above.
- 5.2 Appendix C provides a comparison of 2019/20 and 2020/21 Fees and Charges for those fees that have changed. There are currently ongoing reviews in relation to Car Parking and Public Conveniences. The fees will be reviewed as part of the services reviews and reported to Cabinet in February 2020 if there are any changes. The hourly rates for Building Control and Land Charges are in the process of being calculated and will be reported to Cabinet in February 2020.

6.0 2020/21 FUNDING

- 6.1 It is important to note that the draft budgeted position for 2020/21 and assumptions around funding for this and future years is currently based on the content of the Technical Consultation of the Local Government Finance Settlement (LGFS). With the General Election now scheduled for 12 December, Councils have been advised that it is not possible to hold the provisional settlement in early December, as is ordinarily the plan. Councils have been assured that the Ministry of Housing, Communities and Local Government (MHCLG) anticipates that the provisional settlement will be a priority for Ministers to consider after the General Election.
- 6.2 We expect to receive nil Revenue Support Grant in 2020/21 as per the above technical consultation.
- 6.3 For 2020/21 there is an estimated increase in total funding of £899k, subject to the local government finance settlement and further work required in respect of council tax and business rates estimates.
- 6.4 Forecast Business Rates income for 2020/21 has been estimated based on the period 7 performance of Business Rates plus assumptions around the anticipated level of growth in the district in 2020/21 based on an assessment of commercial developments underway. The Council will submit its final projections of Business Rates for 2020/21 to the Government by the end of January 2020 and this information will be used to determine the final budget position for 2020/21 which will be presented in the final budget in February 2020. The increase in retained Business Rates for next year is an increase of £495k compared to the 2019/20 budget. The 2019/20 budget however did include additional rates arising from the participating in the business rates pilot and so the increase in 2020/21 represents a significant amount of growth following the loss of these pilot monies in Leicestershire next year. This significant growth in business rates due to be collected in 2020/21 is largely as a result of the significant developments in and around the North of the District and in particular Kegworth.
- 6.5 The Council is not planning to increase the District's share of the Council Tax in 2020/21. This will be the eleventh year without an increase. The net income foregone by not increasing council tax for 2020/21 from its 2019/21 level is £109k. The cumulative loss of income as a result of this policy from 2010/11 to 2020/21 will be £10.5 million and the cumulative average saving to residents of £344 over the eleven years. The draft budgeted level of Council tax income has been assessed on the likely level of council tax base, level of further anticipated

housing growth in 2020/21 and a non-collection rate of 2%. This has resulted in an increase of £127k, from £5.3m for the 2019/20 year to £5.5m for the 2020/21 year. The Council Tax Base for 2020/21 is due to be approved by members at its Cabinet meeting in January. Therefore, as is the case with Business Rates, the final Council Tax budget will be confirmed in the final budget presented to Council in February 2020.

- 6.6 The Council Tax Collection Fund is monitored throughout the year and the forecast income will be available from the fund towards next year's budget. The budget for 2020/21 has reduced by £24k from £90k to £66k. This step-change in anticipated Collection Fund surplus is as a result of the council more accurately predicting its housing growth in year which has reduced the effect of a surplus received a year in arrears. As above, this position will be finalised as part of the final budget.
- 6.7 The level of New Homes Bonus for next year is determined by the Council Tax Base report (CTB1) which was completed and returned to Central Government in October. In the Government's September 2018 consultation on the Draft Local Government Finance Settlement, it was stated that 2019/20 represented the final year of New Homes Bonus funding agreed through the 2015 Spending Review. The Government stated that they would explore how to incentivise housing growth most effectively going forward and would consult on any proposed changes.
- 6.8 Given the announcements made as part of the Spending Review, the budget has been updated to take into account that the Council will receive a new round of allocations for growth achieved to October 2019 as well as continued legacy payment for historic growth. Based on this and the increase in the council's council tax base between October 2018 and October 2019 it is anticipated that the council will receive an additional £302k in New Homes Bonus funding in 2020/21 compared to 2019/20.

7.0 **2020/21 DRAFT BUDGET POSITION**

- 7.1 Given the proposals in respect of net revenue expenditure and funding forecasts as detailed above, the predicted surplus and contribution to General Fund reserves for 2020/21 is £847k. Assuming the forecast surplus is added to the Self-Sufficiency Reserve, the reserve would increase from an estimated £4.5 million at 31 March 2020 to £5.3m at 31 March 2021.
- 7.2 The draft Budget Summary for 2020/21 can be found in Appendix D.

8.0 **SPECIAL EXPENSES**

- 8.1 The forecast outturn for 2019/20 Special Expenses forecast outturn remains at £561k net expenditure, compared to the budget of £536k. The net cost of Special Expenses are funded through Council Tax and Localisation of Council Tax Support Grant. Any over-spend is funded from Special Expenses reserves. The forecast position is a deficit of £22k that will be funded through reserves, compared to the budgeted surplus of £4k (that was planned to be contributed to reserves).
- 8.2 In line with the precept freeze for the Council's share of Council Tax, the precepts for special expenses have been frozen since 2010.
- 8.3 The impact of this freeze has resulted in a number of the Special Expense accounts now being in a small deficit position at the end of the 2019/20 year. Further deficits would arise for 2020/21 if the precepts were not raised as a result of plans to maintain and improve assets managed by the Special

Expense accounts.

- 8.4 In addition, the general fund currently provides a grant to the parishes and special expenses areas in relation to the localisation of council tax support. For 2020/21 this equates to £88,696. The grant to parishes has been phased out over a four year period and the last payments will be in 2020/21.
- 8.5 The council tax in relation to Special Expenses have been recalculated to phase out the Localisation of Council Tax Support Grant over 4 years commencing in 2021/22 and to provide sufficient funding to cover current deficits and future planned maintenance. The increases in the council tax for Special Expense areas are detailed below:

Table 1: Band D Special Expenses Council Tax

	19/20	Increase	20/21
Coalville	£63.53	£3.09	£66.62
Whitwick	£7.50	£0.35	£7.85
Hugglescote	£18.00	£0.82	£18.82
Coleorton	£5.31	£1.49	£6.80
Lockington & Hemington	£7.10	£2.00	£9.10
Measham	£1.08	£0.11	£1.19
Oakthorpe & Donisthorpe	£4.22	£0.25	£4.47
Osgathorpe	£1.78	£0.00	£1.78
Ravenstone with Snibston	£0.41	£0.13	£0.54
Stretton-en-le-Field	£57.05	£3.76	£60.81
Appleby Magna	£3.50	£0.73	£4.23

- 8.6 In previous years the Special Expenses budget requirement has not been considered until after such time that the Council Tax Base is approved by Cabinet in January. To enable consultation, a draft budget requirement has been produced based on an indicative Council Tax Base and is available at Appendix E. The Coalville Special Expenses Working Group will be consulted on the 17 December 2019 in relation to the increase in Council Tax. It should be noted that these will likely change once the council tax base has been set and a final position will be shared in February 2020.

9.0 MEDIUM TERM FINANCIAL PLAN

- 9.1 The Council's Medium Term Financial Strategy 2019/20 – 2023/24 was approved by Cabinet in February 2019. At that time, the projected deficit on the General Fund arising over the 5 year period was £5.2m. Following the review in July 2019, this deficit increased to £5.7m.
- 9.2 Given the expenditure proposals and assumptions around funding presented as part of this report and the inclusion of £5.1m journey to self-sufficiency savings over the period, the forecast deficit between 2020/21- 2024/25 is now £1.2 million. As detailed in paragraph 5.1 above, the Self-Sufficiency reserve is forecast to stand at £5.3 million as at March 2021.
- 9.3 Full details of the full assumptions used to determine this forecast can be found in the Medium Term Financial Strategy report on the same agenda as this report.

10.0 CONSULTATION

- 10.1 The Council will undertake a consultation on the proposed budget provision, its proposed Council Tax freeze for 2020/21 and proposed special expense precept increase for 2020/21. Consultation is required with the business community, through the North West Leicestershire Chamber of Commerce, in

compliance with the Non-Domestic Ratepayers (Consultation) Regulations 1992. There will also be consultations with Staff, Unions and Town and Parish Councils.

- 10.2 Between 18 December 2019 and 4 February 2020 consultation will take place, including draft budget changes being made publicly available via the Council's website for wider public consultation. The draft budget will also be presented to Corporate Scrutiny Committee on 8 January 2020 for final comments before the final budget is presented to Cabinet and Council in February 2020 for approval.

11.0 **ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES**

- 11.1 The Local Government Act 2003 requires the Council's Chief Financial Officer (Section 151 Officer) to comment on the robustness of the estimates and also on the adequacy of the proposed reserves. Members must have regard to these comments when making a decision on the budget proposals for the forthcoming year.
- 11.2 The Section 151 Officer considers that the estimates which form the draft General Fund budget are robust and prudent, and the proposals are deliverable for 2020/21.
- 11.3 The Section 151 Officer also considers that the overall level of General Fund reserves is adequate for 2020/21.
- 11.4 The Section 151 Officer notes the business, housing and population growth in the district and the need for the future increased expenditure arising from future growth to be funded.
- 11.5 By 2021, all local authorities will have faced a reduction to core funding from the Government and the Section 151 Officer is closely monitoring the progress of the Fair Funding Review, the government's departmental multi-year Spending Review and the redesign of the national Business Rate Retention System. The council's current projections within the Medium Term Financial Plan (MTFP) make prudent and robust assumptions around the likely level of future funding in light of these government-led reviews.
- 11.6 The updated MTFP presents a total deficit between 2020/21 and 2024/25 of £1.2m, largely as a result of £5.1m targets set in relation to the Journey to Self-Sufficiency Programme being absorbed into plans. There therefore remains a risk that these savings are not delivered and the deficit increases.
- 11.7 By March 2021, the council's Self-Sufficiency reserve is forecast to stand at £5.3m, subject to funding future commercial initiatives presented to Cabinet for approval.
- 11.8 The MTFP will be reviewed in July 2020 and reported to Cabinet, by which time we will have further clarity surrounding the likely funding position from 2021 and will be able to present further recommendations to safeguard the council's future financial position on an ongoing basis.

Policies and other considerations, as appropriate	
Council Priorities:	The budget assists the Council to achieve all its priorities.
Policy Considerations:	None

Safeguarding:	None
Equalities/Diversity:	The requirement for equalities impact screening and assessments is being assessed during the consultations and details if required will be provided as part of the management responses.
Customer Impact:	Fees and charges outlined in Appendix.
Economic and Social Impact:	None
Environment and Climate Change:	None at this time. At the time of writing this report, officers continue to consider the cost and resource implications of how the Council can achieve carbon neutrality by 2030. Any additional costs of incorporating lower carbon measures on the General Fund will be funded via the Climate Change Reserve.
Consultation/Community Engagement:	Between 18 December 2019 and 4 February 2020 consultation will take place, including draft budget changes being made publicly available via the Council's website for wider public consultation.
Risks:	The budget will be monitored throughout the year to ensure savings are achieved and services delivered as planned.
Officer Contact	Tracy Bingham, Head of Finance 01530 454707 tracy.bingham@nwleicestershire.gov.uk

CORPORATE SCRUTINY – BUDGET PROPOSALS

Proposal or amendment for consideration	Comment from Officers	Cost	Incorporated into budget
Ability to inter ashes within the Coalville cemeteries as part of income generation and to deal with the fact that Coalville residents are unable to do this.	Officers are currently undertaking a Burial Service review and this is looking at all aspects of the service and will include commercial opportunities including memorials at all of our directly managed cemeteries including London Road in Coalville.	TBC	Will be incorporated into the budget once the burial review has been completed.
Assessing the maintenance revenue we may need to include on trees planted as part of public realm and town centre improvements linking to the forest town	There has been a joint expression of interest between the council, South Derbyshire DC, and the National Forest submitted to the Urban Tree Challenge Fund to plant more trees in the Coalville area . The emerging Coalville High Streets Fund Application has the planting of trees as a significant part of the bid. This is an estimated fund for ongoing maintenance although detailed business cases will make allowance for ongoing maintenance liabilities for the council.	15,000	Yes
Ensuring we can maximise the opportunities of external funding from Bardon quarry potentially with a small match funding budget	This budget allowance would help part fund bids for funding from Bardon Quarry. Previous successful bids have included the Green Flag award at Coalville Park, improvements at Leicester Road Cemetery and improvements at Coalville Forest Adventure Park. Officers also have two further bids going to their November panel for Coalville in Bloom 2020 and Cropston Drive Recreation Ground changing pavilion.	£10,000	Yes

Budget Proposals

Savings Proposals (including additional income)

Proposal Title	Amount	One-off / Ongoing
Reported to Scrutiny (7 November):		
Business Focus – LLEP Match Funding	-£450,000	Ongoing
Environmental Protection - Reduction in the council's contribution to Disabled Facilities Grants	-£18,440	Ongoing
HR and Payroll - Delivery of Payroll Service to other local authorities	-£18,045	Ongoing
Leisure – saving as a result of the outsourcing	-£368,850	Ongoing
Planning & Infrastructure Savings	-£123,900	Ongoing
Revenues & Benefits – additional summons income	-£11,850	Ongoing
Waste Services - Delivery of the empty homes contract for Housing	-£9,667	Ongoing
Agency & Consultancy Savings	-64,410	Ongoing
Financial Sustainability and Infrastructure Budget	-£550,000	Ongoing
Savings as a result of Leisure Outsourcing (Corporate Overheads)	-£138,730	Ongoing
Savings identified post Scrutiny Meeting		
Business Focus – Town Centre Manager	-£12,000	Ongoing
Cultural Service – Events Income	-£5,000	Ongoing
Environmental Protection - Additional income in relation to New Market	-£16,000	Ongoing
Licensing - Additional taxi licence income	-£6,000	Ongoing
Property – Additional Rental Income	-£5,610	Ongoing
Revenues & Benefits – rent allowances/bed & breakfast/rent rebates	-7,490	Ongoing
Reduction in localisation of council tax scheme	-£25,193	Ongoing
Increase in net recharges from General Fund	-£104,550	Ongoing
Total	-£1,935,735	

Proposals to cover cost pressures

Proposal Title	Amount	One-off / Ongoing
Reported to Scrutiny (7 November):		
Democratic Services – increase in Special Responsibility Allowance	£13,000	Ongoing
Finance – increase in insurance costs	£34,480	Ongoing
Finance – Software upgrade	£5,240	One-off
HR – InPhase Software Licences	£14,136	Ongoing
ICT – Corporate ICT Licences	£24,620	Ongoing
Planning – reduction in planning fee income	£100,000	Ongoing
Property Services – increase maintenance for the Council Offices	£224,000	One-off
Revenues & Benefits – Discretionary Hardship Relief	£30,430	Ongoing
Revenues & Benefits – Discretionary Housing Payment	£23,720	Ongoing
Revenues & Benefits – DWP Admin Grant	£22,430	Ongoing
Waste Services – cleaning of refuse vehicles	£10,000	Ongoing
Waste Services – asbestos clearing	£11,000	Ongoing
Minimum Revenue Provision	£174,465	Ongoing
Cost Pressures identified post Scrutiny Meeting		
Environmental Protection – increase in NDR and reduction in income for the council's car parks	£87,770	Ongoing
Environmental Protection – Off-street Enforcement	£6,020	Ongoing
Environmental Protection – increase in NDR for the NewMarket	£9,460	Ongoing
Environmental Protection – increased contribution to Blaby in relation to the Lightbulb Project	£7,560	Ongoing
Planning Policy – Grant	£29,650	Ongoing
Property Services – Repairs to investment properties	£45,140	One-off
Waste Services – fuel, repairs and new/replacement bins	£8,490	Ongoing
Waste Services – reduced of trade waste income for internal contracts	£6,590	Ongoing
Total	£888,201	

Service Development Proposals

Proposal Title	Amount	One-off / Ongoing
Service Development proposal reported to Scrutiny (7 November):		
Creation of a Climate Change Reserve	£1,000,000	One-off
Leisure Services – Hermitage Recreation Ground Feasibility	£50,000	One-off
Cultural Services – Tourism Strategy	£20,000	3 years
Safer & Stronger – Expand the free scheme	£13,030	Ongoing
Service Development Proposals identified post Scrutiny Meeting		
Cultural Services – Timber Festival	£10,000	One-off
Property Services – Letting Agent	£9,530	Ongoing
Community Services – Tree Maintenance	£15,000	Ongoing
Community Services – Part Funding for Bardon Quarry Grants	£10,000	Ongoing
Total	£1,127,560	

Other changes affecting the Net Cost of Services

Proposal Title	Amount	
Staffing increases as a result of incremental payments	174,410	
Staffing increases as a result of the Pay Award (budgeted at 2%)	296,800	
Staffing increases as result of pension changes	97,770	
Other Staffing increases (overtime, vacancy, change of hours)	77,420	
Total Staffing Increases		£646,400
De minimis budgetary changes (changes below £5k)		£57,166

Funding Changes

Proposal Title	Amount	Movement	One-off / Ongoing
Reduction in forecast Collection Fund Surplus	£23,589	Funding reduction	Ongoing
Council Tax Growth as a result of growth in homes	-£126,547	Increased funding	Ongoing
New Homes Bonus growth as a result of growth in homes in District	-£301,923	Increased funding	Ongoing
Additional Business Rates funding as a result of increase in rates and anticipated business growth	-£494,529	Increased funding	Ongoing
TOTAL	-£899,411		

APPENDIX C

COMPARISON OF 2019/20 AND 2020/21 FEES AND CHARGES								
	2019/20		2020/21				Basis for Change	Charging Policy
Chargeable Service	Actual 2019/20	Notes	Estimates 2020/21	Increase/ (Decrease)	Percentage Change	Notes		
Appleby Magna Caravan Site Rent	£16,527	Rent: £33.05pw	£8,495	£219	2.60%	£33.91 per week from April 2020 an increase of 86p per week from 5 remaining residents	Proposed to increase costs by September RPI for 20/21	Business Development
Lifelines for private customers	£130,951	£4.08pw basic, £6.15pw enhanced 3.3% increase also proposed for all sensor elements	£134,356	£3,405	2.60%	£4.19pw Basic; £6.31pw Enhanced. 2.6% increase will also apply to all sensors	Proposed to increase charges by September RPI for 20/21.	Service development
Environmental Health – Licensing	£263,710	Fee varies between £3 and £64,000	£270,950	£7,240	Between 0% - 8.33%	Fee varies between £3 and £64,000	Increase in expenditure/ demand	Subsidised / Full Cost Recovery
Environmental Health – Health & Safety	£29,500	Fee varies between £4 and £140	£29,310	(£190)	Between 0% and 33%	Fee varies between £4 and £145	Increase in expenditure/ demand	Full Cost Recovery
Environmental Health – Border Post Inspection	£14,300	Fee varies between £20 and £184	£13,350	(£950)	Between 0% and 25%	Fee varies between £25 and £188	Demand	Full Cost Recovery
Environmental Health – Pest Control	£32,280	Fee varies between £10 and £200	£25,900	(£6,380)	Between -9% and 25%	Fee varies between £10 and £200	Demand/ change in delivery model	Subsidised / Full Cost Recovery

	2019/20		2020/21				Basis for Change	Charging Policy
Chargeable Service	Actual 2019/20	Notes	Estimates 2020/21	Increase/ (Decrease)	Percentage Change	Notes		
Leisure – Football Pitches	£11,390	Match prices: £27/£48 Team: £266/£480	£9,570	(1,820)	2.60%	Match prices: £28/£49 Team: £273/£492	Annual increase/demand	Subsidised
Leisure – Bowls Club	£980	£982	-	(£980)	2.65%	£1,008	Demand	Subsidised
Waste – Bulky Collections	£40,000	£24	£42,660	£2,660	4.17%	£25	To enable a breakeven position	Full Cost Recovery
Waste – Trade Refuse	£463,290	240l - £7.25 360l - £8.65 770l - £14.40 1100l - £15.55	£475,840	12,550	Between 3.45% - 4.17%	240l - £7.50 360l - £9.00 770l - £15.00 1100l - £16.15	To cover inflation increases	Full Cost Recovery
Waste – Trade Sacks	£7,010	£2.46 per sack (min 50 sacks)	£7,700	£690	9.76%	£2.70 per sack (min 50 sacks)	To cover inflation increases	Full Cost Recovery
Waste – Trade Recycling	£41,640	360l - £3.15 1100l – £5.25	£50,860	£9,220	4.76%	240l - £3.30 360l - £3.30 1100l - £5.50	To cover inflation increases	Full Cost Recovery
Waste – Taxi MOTs	£22,160	£40	£23,160	£1,000	2.5%	£41	To cover increase in costs	Profit Generating
Environmental Protection – Burial Fees	£61,890	Fees range from £65 - £1,305	£66,150	£4,170	5%	Fees range from £68 - £1,370	To cover increase in costs	Full Cost Recovery

	2019/20		2020/21				Basis for Change	Charging Policy
Chargeable Service	Actual 2019/20	Notes	Estimates 2020/21	Increase/ (Decrease)	Percentage Change	Notes		
Environmental Protection – New Market	£99,000	Stalls range from £18.40 - £66.60 per day	£115,000	£16,000	n/a due to new fee structure for the NewMarket	New fees for the New Market £17.50 - £40 per stall per day	Opening of the NewMarket	Profit Generating

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL SUMMARY BUDGET 2020/21

2019/20 Budget £	2019/20 Forecast Outturn @P7 £	Service	2020/21 Budget £	2021/2022 Indicative £	2022/23 Indicative £	2023/24 Indicative £	2024/25 Indicative £
285,630	244,440	Chief Executive	266,160	273,260	280,480	287,880	295,180
659,160	644,000	Human Resources	631,390	641,060	655,260	669,280	683,900
1,339,580	1,275,540	Legal & Support Services	1,339,620	1,366,370	1,403,500	1,432,640	1,467,180
2,284,370	2,163,980	Total Chief Executive's Department	2,237,170	2,280,690	2,339,240	2,389,800	2,446,260
399,470	397,123	Strategic Director of Place	358,960	368,550	378,750	389,200	399,530
5,984,670	6,259,270	Community Services	6,197,360	6,293,150	6,229,710	6,154,990	6,227,160
391,160	383,320	Planning & Infrastructure	381,590	554,220	444,710	410,360	526,540
1,299,470	1,265,820	Economic Development	880,790	930,180	832,270	826,750	843,620
7,850	7,850	Joint Strategic Planning	11,500	11,740	11,980	12,220	12,470
8,082,620	8,313,382	Total Director of Services	7,830,200	8,157,840	7,897,420	7,793,520	8,009,320
533,310	534,780	Strategic Housing	530,600	552,380	567,140	581,720	596,660
170,770	224,830	Property Services	477,730	248,690	243,340	258,310	273,620
2,461,840	2,339,310	Customer Services	2,604,520	2,723,020	2,812,010	2,901,840	2,988,850
922,790	967,150	Finance	955,020	926,110	949,660	973,720	997,300
4,088,710	4,066,070	Total Director of Housing & Customer Services	4,567,870	4,450,200	4,572,150	4,715,590	4,856,430
9,840	2,490	Non Distributed - Revenue Expenditure on Surplus Assets	15,740	16,000	16,280	16,560	16,840
77,510	123,820	Non Distributed - Retirement Benefits	77,760	79,340	80,950	82,590	84,270
35,520	34,330	Corporate & Democratic Core	39,440	38,070	41,130	39,630	42,550
(21,610)	0	Savings in corporate overheads as a result of leisure outsourcing less HRA element	0	0	0	0	0
0	0	Targeted savings in relation to J2SS	(570,000)	(895,000)	(1,120,000)	(1,245,000)	(1,270,000)
0	0	Climate Change Reserve	1,000,000				
14,556,960	14,704,072	NET COST OF SERVICES	15,198,180	14,127,140	13,827,170	13,792,690	14,185,670
(1,320,350)	(1,313,400)	Net Recharges from General Fund	(1,424,900)	(1,432,990)	(1,464,240)	(1,494,700)	(1,525,680)
13,236,610	13,390,672	NET COST OF SERVICES AFTER RECHARGES	13,773,280	12,694,150	12,362,930	12,297,990	12,659,990
		CORPORATE ITEMS AND FINANCING					
		Corporate Income and Expenditure					
1,092,590	1,092,590	Net Financing Costs	1,267,055	2,027,145	2,441,750	2,517,063	2,707,669
(188,450)	(236,841)	Investment Income	(190,800)	(131,877)	(124,383)	(117,482)	(109,902)
113,889	113,889	Localisation of Council Tax Support Grant - Parish & Special Expenses	88,696	63,503	63,503	63,503	63,503
470,000	517,000	Revenue Contribution to Capital (Marlborough Square)	0	0	0	0	0
14,724,639	14,877,310	NET REVENUE EXPENDITURE	14,938,231	14,652,921	14,743,801	14,761,075	15,321,260
161,090	326,783	Contribution to/(from) Balances/Reserves	846,909	11,567	(816,423)	(814,995)	(453,334)
14,885,729	15,204,093	MET FROM GOVT GRANT & COUNCIL TAX (Budget Requirement)	15,785,140	14,664,488	13,927,378	13,946,080	14,867,927

2019/20 Budget £	2019/20 Forecast Outturn @P7 £	Service	2020/21 Budget £	2021/2022 Indicative £	2022/23 Indicative £	2023/24 Indicative £	2024/25 Indicative £
3,068,124	3,068,124	Financed By					
89,872	89,872	New Homes Bonus	3,370,047	1,887,419	891,117	0	0
5,340,657	5,340,657	Transfer from Collection Fund	66,283				
6,387,076	6,705,440	Council Tax	5,467,204	5,570,281	5,665,429	5,760,577	5,855,725
0		National Non-Domestic Rates Baseline	6,881,605	4,613,385	5,397,212	8,185,503	9,012,202
		Damping		2,593,403	1,973,619		
14,885,729	15,204,093	TOTAL FUNDING AVAILABLE	15,785,140	14,664,488	13,927,378	13,946,080	14,867,927

SPECIAL EXPENSES DRAFT BUDGET SUMMARY

SPECIAL EXPENSES	2019/20		2020/21	2021/22	2022/23	2023/24	2024/25
	Budget	Forecast Outturn @ P7	Budget	Indicative	Indicative	Indicative	Indicative
	£	£	£	£	£	£	£
COALVILLE							
Parks, Recreation Grounds & Open Spaces	284,710	299,651	296,030	301,940	308,280	314,750	321,050
Broomley's Cemetery & Closed Churchyard	20,630	26,691	25,110	25,610	26,150	26,700	27,230
One Off Grants	2,000	2,000	2,000	2,000	2,000	2,000	2,000
CV Public Conveniences & Vehicle Activated Signs	3,510	3,200	3,620	3,690	3,770	3,850	3,920
Coalville Events	61,370	65,860	71,770	72,210	72,680	73,140	73,600
PPM	0	0	35,620	18,980	57,670	53,500	2,000
	372,220	397,402	434,150	424,430	470,550	473,940	429,800
WHITWICK							
Cemetery & Closed Churchyard	14,370	15,294	14,680	26,360	11,580	13,310	12,030
Cademan Wood car park	660	655	990	1,010	1,030	1,050	1,070
	15,030	15,949	15,670	27,370	12,610	14,360	13,100
HUGGLESCOTE							
Cemetery & Closed Churchyard	21,460	18,831	29,860	29,260	24,660	20,080	22,480
	21,460	18,831	29,860	29,260	24,660	20,080	22,480
PLAY AREAS/CLOSED CHURCHYARDS							
GROUND MAINTENANCE:							
OSGATHORPE	380	375	390	400	410	420	430
COLEORTON	3,490	3,488	16,120	3,820	6,900	3,980	4,060
RAVENSTONE	380	375	390	900	3,410	420	930
MEASHAM	1,990	1,988	2,050	2,090	5,130	2,170	2,210
LOCKINGTON-CUM-HEMINGTON	1,960	1,955	2,020	2,060	2,100	10,140	2,180
OAKTHORPE & DONISTHORPE	4,050	4,052	4,330	4,410	4,500	4,590	4,680
STRETTON	1,420	1,423	1,470	1,500	1,530	8,560	1,590
APPLEBY MAGNA	1,710	1,712	1,760	11,800	1,840	1,880	1,920
OTHER SPECIAL EXPENSES	15,380	15,368	28,530	26,980	25,820	32,160	18,000
SPECIAL EXPENSES (NET COST OF SERVICE)	424,090	447,550	508,210	508,040	533,640	540,540	483,380
Service Management recharges/Admin Buildings	111,540	111,540	118,480	120,880	123,400	125,930	128,440
NET COST OF SERVICES AFTER RECHARGES	535,630	559,090	626,690	628,920	657,040	666,470	611,820
Contribution to/(from) Balances/Reserves	4,074	(19,386)	(11,471)	(21,049)	(33,321)	(6,152)	75,260
MET FROM GOVT GRANT & COUNCIL TAX (Budget Requirement)	539,704	539,704	615,219	607,871	623,719	660,318	687,080
FUNDED BY:							
Precept	476,201	476,201	511,710	550,187	591,967	637,442	687,080
Localisation of Council Tax Support Grant	63,503	63,503	63,503	47,627	31,752	15,876	0
Asset Protection/External Contributions	0	0	40,006	10,057	0	7,000	0
	539,704	539,704	615,219	607,871	623,719	660,318	687,080

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 10 DECEMBER 2019



Title of Report	DRAFT HOUSING REVENUE ACCOUNT (HRA) BUDGET FOR 2020/21	
Presented by	Councillor Nicholas Rushton Corporate Portfolio Holder	
Background Papers	<u>Corporate Scrutiny Committee Draft Minutes – 7 November 2019</u>	Public Report: Yes
		Key Decision: Yes
Financial Implications	This report sets out the budget for the Housing Revenue Account in 2020/21, and plans to deliver a surplus of £2.5m over the course of the year.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	None	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	None	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To seek approval of the draft 2020/21 Housing Revenue Account (HRA) Budget proposals for consultation.	
Reason for Decision	To enable the Council to set a balanced Housing Revenue Account Budget for 2020/21.	
Recommendations	<p>THAT CABINET:</p> <p>A. NOTE THE ASSURANCE STATEMENT BY THE S151 OFFICER; AND</p> <p>B. APPROVE THE DRAFT HRA BUDGET PROPOSAL, INCLUDING THE 2.7% RENT INCREASE, AS DETAILED IN THIS REPORT AND ASSOCIATED APPENDICES FOR CONSULTATION</p>	

1.0 INTRODUCTION

- 1.1 This report seeks Cabinet approval to consult on the draft Housing Revenue Account (HRA) budget proposals for 2020/21, with the outcome of this consultation exercise being fed back into the subsequent reports to Cabinet and Council to seek approval for the final budget.
- 1.2 The formal consultation process adheres to the same consultation timetable as the General

Fund and will commence on 18 December 2019 and end on 4 February 2020 in readiness for Cabinet and Full Council approval of final proposals on 4 and 25 February 2020 respectively. In addition to the standard consultation with tenants, this year's consultation process has been enhanced and will now also include features of the draft budget being made publicly available via the Council's website for consultation.

2.0 2019/20 BUDGET POSITION

2.1 We budgeted for a surplus in 2019/20 of £1.4m. By the end of October 2019, we were forecasting a surplus of £1.7m, an increase in surplus of £296k over budget. The main causes of this surplus are:

- Reduced expenditure on a painting programme of £100k.
- Savings of £90k on utility costs, such as council tax, gas and electricity.
- Lower than anticipated responsive repair costs, saving £50k.
- Net staff savings of £84k.

2.2 As a result the balance on the Housing Revenue Account at 31 March 2020 is forecast to be £16.0m. This balance includes £13.0m for to repayment our loans that fall due in 2022, and a £1.0m working balance for the HRA. The remaining £2.0m are reserves available to use flexibly, following Cabinet's decision last year to stop automatically using surpluses for debt repayment. This could be used for additional capital improvement works, new housing stock, service improvements or the repayment of debt. We will initially place this in the debt repayment reserve and dip into it when we need to fund new projects.

3.0 2020/21 BUDGET OVERVIEW

3.1 The 2020/21 HRA budget is based upon the 2019/20 budget, with adjustments to reflect the known and anticipated changes for 2020/21. The proposed 2020/21 budget is set out in Appendix A, and budgets for a net surplus of £2.5m. Appendix B lists all changes to revenue budgets over £5k, which includes £201k of service developments or cost increases and £819k of savings or increases in income.

3.2 The HRA also provides funding for the Housing Capital Programme, which is covered in section 5 of the accompanying Capital Report. This happens in two ways: firstly through the transfer for depreciation to the major repairs reserve, which is used to fund our Home Improvement Programme; the second is a revenue contribution to capital outlay (RCCO), which can be used to fund any part of the capital programme. The major repairs allowance is stable at £3.1m, but the RCCO varies based on need. For 2020/21 we have budgeted for a £1.3m RCCO in order to fund the wider capital programme.

4.0 2020/21 INCOME BUDGETS

Rents

4.1 The Ministry for Housing, Communities and Local Government (the Ministry) sets how much we can change our rents by each year. For the past four years we have been directed to cut rents by 1% per year, which has seen our rental income reduce by £500k between 2015/16 and 2019/20. For 2020-21, the Ministry is allowing rents to be increase by 1% more than inflation, which means an increase of 2.7% for next year.

4.2 In this year's budget we are proposing to increase our rents by this full amount. This will help the Council to recover some of the lost income as a result of four years of 1% cuts to rents, which contributed to our rental income falling from £17.5m in 2015/16 to £17.1m in

2018/19.

- 4.3 This will increase the average rent on our social rent properties by £2.16 per week, to £82.36. This is still below the average figure in 2015/16, which was £83.18. Rents for our affordable properties, which are set at the lower of the Local Housing Allowance rate or 80% of market value for the property, will rise on average by £2.74 to £109.37 per week. This is a slightly lower increase in percentage terms of 2.6%, which is caused by the Local Housing Allowance only increasing by inflation, which affects some properties.
- 4.4 As a result of these changes we expect rental income to increase by £317k.
- 4.5 Around a quarter of our tenants will have this increase covered by housing benefit or universal credit. Another quarter have part of their rent covered by one of these benefits, so in practice they will not be affected by the full 2.7% increase. The remaining 47% of tenants are not in receipt of benefits to pay their rent, so will be expected to pay the full 2.7% increase.

Fees and Charges

- 4.6 In addition to our rents we set a number of fees and charges for additional services we provide tenants. This can range from service charges for items such as communal heating, communal lighting, maintenance of communal areas and the older persons service charge, to additional services such as garage rental. In September 2019 Cabinet approved a new corporate charging policy, which states that we should look to make a profit for the fees and charges where we are able to do so.
- 4.7 Appendix C and D sets out the planned changes to housing fees and charges this year, as a result of the charging policy and changes to our expected costs. The largest changes are:
- Reducing electricity and gas charges by 10%, as a result of falling expenditure in these areas.
 - Increasing rents for shops by 14%, as in previous years to reflect the fact they have been significantly under market rates for a number of years.
 - Increasing the service charges for servicing fire extinguisher servicing by 18.3%, as our costs are significantly above what we have been charging. Whilst the percentage increase is large, the actual income increase is small – rising rise from £718 to £850 across all our properties.
- 4.8 Our fees and charges will fall by an average of 0.96% in 2020/21, reducing our expected income by £8k. This includes our service charges, which are one particular type of fee and charge, and are designed to recover costs rather than generate a profit. They are due to go up by an average of 0.44%, resulting in £2.5k additional income.

5.0 2020/21 EXPENDITURE BUDGETS

- 5.1 We have increased our repairs and maintenance budget by £148k to £5.5m, with the main changes being:
- An additional £25k on our repairs budgets to reflect cost inflation and historic under-provision within the budget.

- Increasing the budget for minor aids and adaptations by £13.5k to £70k to reflect demand.
- An additional £58k to fund a programme of asbestos surveys on our properties, bringing the total budget up to £70k.

5.2 Our In-house Repairs Team have a trading account for the work they complete repairing and improving our homes. We have changed how we account for this work in this year's budget, which affect a number of individual budgets but results in no overall change to the budget position. We have also budgeted for the costs of delivering the Home Improvement Programme in the trading account. This means for 2020-21 we expect the net surplus (after overheads) to be £329k. We have also included £10k to commission a value for money review of the In-house Repairs Team's delivery of the Home Improvement Programme.

5.3 The cost of managing our properties is expected to fall by £30k to £2.6m. The main cause of these decreases is the reduction on utility costs, with the budget for gas and electricity costs falling by £38.5k and the council tax budget falling by £50k, following the demolition of two former sheltered housing schemes; Woulds Court and Queensway House. We also anticipate a saving of £19k on our cleaning contract.

5.4 Across all our HRA budget lines we expect routine salary costs of existing staff to decrease by £165k. This is because the temporary team delivering the new housing IT system will revert back to their original roles, reducing the staff numbers within the Housing Revenue Account.

HRA staff changes	Amount (£'000)		One-off / Ongoing
Staffing increases as a result of incremental payments	48		
Staffing increases as a result of the Pay Award (budgeted at 2%)	60		
Staffing increases as result of pension changes	21		
Other Staffing increases (overtime, vacancy, change of hours)	(293)		
Total Staffing Increases (excluding New Posts)		(164)	Ongoing

5.5 The 2020/21 budget includes provision for three new posts, which are not included in the table above. The total cost of these three posts are expected to be £93k and will provide:

- **An additional staff member on a 12 month contract to support delivery of the Home Improvement Programme.**
- **An officer to help manage the new housing IT system and ensure we get the most out of the new functionality it offers.**
- **A new support officer to increase our capacity to support our elderly and vulnerable tenants, as well as completing important compliance requirements.**

5.6 Other savings that affect all areas are £46k from reducing running costs from the new IT system, £9k saving on a contribution to a homelessness grant that is no longer in place and

£8k in one-off savings as a result of our control centre having a new IT system with a one year warranty, which reduces our maintenance cost for next year.

Capital Programme

- 5.7 Our transfer to the Major Repairs Reserve is stable at £3.1m, but the Revenue Contribution to Capital Outlay (RCCO) varies based on need. For 2020/21 we have budgeted for a £1.3m RCCO in order to fund the wider capital programme.
- 5.8 The RCCO funds a new £250k pilot project to regenerate one of our existing estates in order to improve the aesthetics and promote the council's wider corporate priorities. Full details of this and our other HRA capital expenditure plans can be found in the Draft Capital Programmes report on the same agenda as this paper.

Financing Costs

- 5.9 We have budgeted £3.4m to pay for our debt. Of this, £2.2m will pay our interest costs and £1.2m is repayment of two annuity loans.

Journey to Self Sufficiency Programme

- 5.10 The revised approach and ethos of the Council's Journey to Self-Sufficiency Programme is to enhance the cost-effectiveness of the council's activities in spite of, rather than because of, a negative financial outlook where one exists. This new approach builds on the 'One Team, One Council' approach to make the most of resources and reinvestment opportunities and being the best Council we can possibly be across all services.

To ensure that our tenants also benefit from wider corporate work that is looking to reduce our costs or increase our income, our Housing service has targeted to deliver savings or additional income that increases our net operating surplus by £225k in 2020/21. These savings will remain within the HRA and targeted savings have also been included in the medium term financial plan for future years.

Surpluses for the year

- 5.11 The net result of these changes is that we are budgeting for a £2.5m surplus on the Housing Revenue Account in 2020-21. We intend to put the surplus into the debt repayment reserve and draw on it if required for future projects, such as New Supply. Section 4 of the accompanying medium term financial plan report provides more detail on our use of surpluses.
- 5.12 However, there is currently no allowance within this budget for work to reduce our carbon emissions following Council's declaration of a climate emergency in May 2019. This is because officers are still working to understand how we can respond most effectively. We consider the HRA budgets to have sufficient flexibility to absorb additional costs during the year to start the work when completed.

6.0 HRA MEDIUM TERM FINANCIAL PLAN

- 6.1 The HRA Business Plan is supported by a 30-year financial model that estimates what will happen to the HRA's financial position. It is used to support strategic decision making, such as how to manage our debt and how much to invest in our capital programme. The model is based on a number of assumptions, which have all been subjected to detailed review over

the past year to ensure that they remain prudent and in line with best practice, more detail on these changes can be found in section 4 of the accompanying Medium Term Financial Strategy Report.

6.2 The revisions made have led to a significant improvement in the 30 year financial outlook for the HRA. We now anticipate being able to repay the loans taken out in 2012 as part of the HRA self-financing agreement, which are detailed in Appendix E.

6.3 The model is, however, very sensitive to small changes in assumptions and Finance will continue to be reviewed every 6 months to ensure they remain realistic.

7.0 CONSULTATION PROCESS

7.1 In a change to previous years, Corporate Scrutiny Committee has already reviewed the planned changes to budgets at a meeting on 7 November 2019. The Committee discussed the proposed rent increase, with concern being raised as to whether they were affordable for tenants. The average rent paid by tenants will remain below the average rents in 2014/15, which was before four years of 1% rent decreases, so we have made no changes to this budget as a result. We will seek tenant's views on the rent increases through the budget consultation period and report back to Cabinet in February. A link to the draft minutes to the meeting is provided in the background papers section on page one of this report.

7.2 There was also discussion about creating a company to protect some of our properties from right to buy. This will be a key focus of the new Strategic Director of Housing, Customer Service and Finance in the New Year.

7.3 We are now looking for Cabinet's approval to consult more widely on contents of this report and its appendices. In doing so we will consult with:

- Tenants, through the Performance and Finance Working Group (the Council's Resident Involvement technical finance working group) and by writing to all tenants involved within resident involvement.
- Tenants and Leaseholders Consultation Forum (the Council's main consultative body of tenants)
- Wider public consultation, using the Council's website and twitter accounts.

We will also return to the Corporate Scrutiny Committee on 8 January 2020 to allow the committee scrutinise the latest budget position.

7.4 A copy of the consultation timetable can be found in Appendix F.

8.0 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

8.1 The Local Government Act 2003 requires the Council's Chief Financial Officer (Section 151 Officer) to comment on the robustness of the estimates and also on the adequacy of the proposed reserves. Members must have regard to these comments when making a decision on the budget proposals for the forthcoming year.

8.2 Taking into account identified risks, the Section 151 Officer considers that the estimates which form the Housing Revenue Account Budget for 2020/21 are robust and prudent, and the proposals are deliverable.

- 8.3 The Section 151 Officer also considers that the overall level of Housing Revenue Account reserves are adequate.

Policies and other considerations, as appropriate	
Council Priorities:	The HRA budget mainly assists the "local people live in high quality, affordable homes" priority. There are also links to the value for money priority.
Policy Considerations:	This budget sets out our rent policy for 2020/21, in line with the proposed national rent increase formula.
Safeguarding:	No issues
Equalities/Diversity:	No issues
Customer Impact:	<p>The majority of our tenants will be impacted by the increase in rents set out within this report.</p> <p>The budget also ensures that our Housing service is sufficiently resourced to be a good landlord.</p>
Economic and Social Impact:	No issues
Environment and Climate Change:	<p>These budgets do not reflect the climate emergency declared by the Council in May 2019. This is because officers are still building up an understanding of how we can respond most effectively.</p> <p>We consider the HRA budgets to have sufficient flexibility to absorb additional costs during the year to start this work when completed.</p>
Consultation/Community Engagement:	<ul style="list-style-type: none"> • Corporate Leadership Team (CLT). • Housing and Property Services Portfolio Holder • Corporate Scrutiny Committee.
Risks:	The Council sets a HRA budget, which is regularly monitored throughout the year to ensure services are delivered within budget. Risks are managed through the corporate risk management process.
Officer Contact	<p>Tracy Bingham Head of Finance and Section 151 Officer 01530 454 707 tracy.bingham@nwleicestershire.gov.uk</p>

APPENDIX A

HOUSING REVENUE ACCOUNT SUMMARY	2019/2020		2020/2021
	Budget £	Forecast (p7) £	Estimate £
1. TOTAL REPAIRS & MAINTENANCE	5,365,350	5,174,040	5,513,550
SUPERVISION & MANAGEMENT			
2. General	2,134,230	2,024,930	2,080,140
3. Special / Supporting People	559,550	548,640	583,620
4.	2,693,780	2,573,570	2,663,760
5. PROVISION -DOUBTFUL DEBTS	100,000	100,000	100,000
6. CAPITAL FINANCING:-			
7. Depreciation - MRA & other	3,139,190	3,139,190	3,139,190
8. Debt Management Expenses	2,750	2,750	2,750
9. TOTAL CAPITAL FINANCE COSTS	3,141,940	3,141,940	3,141,940
10. IN-HOUSE REPAIRS TEAM NET (SURPLUS)/DEFICIT	See note 1	See note 1	(328,800)
11. DEPARTMENTAL ADMINISTRATION	0		108,010
12. TOTAL EXPENDITURE	11,301,070	10,989,550	11,090,450
13. RENT INCOME			
14. Dwellings	17,009,750	17,013,120	17,326,390
15. Service Charges	553,070	515,930	556,770
16. Garages & Sites	65,920	62,000	65,920
17. Other	20,120	19,060	23,120
18. TOTAL INCOME	17,648,860	17,610,110	17,972,200
19. NET COST/(SURPLUS) OF SERVICES	-6,347,790	-6,620,560	-6,881,750
20. J2SS Cost Savings/Income increases	0		-225,000
21. CAPITAL FINANCING - HISTORICAL DEBT	125,000	125,000	125,000
22. CAPITAL FINANCING - SELF FINANCING DEBT	3,257,170	3,257,170	3,257,170
23. INVESTMENT INCOME	-108,550	-124,550	-109,900
24. PREMATURE LOAN REDEMPTION PREMIUMS	7,060	0	0
25. TOTAL DEBT FINANCING COSTS	3,280,680	3,257,620	3,272,270
26. NET OPERATING EXPENDITURE/(SURPLUS)	-3,067,110	-3,362,940	-3,834,480
27. REVENUE CONTRIBUTION TO CAPITAL	1,700,000	1,700,000	1,334,000
28. DEPRECIATION CREDIT	(50,730)	(50,730)	0
28.	1,649,270	1,649,270	1,334,000
29. NET (SURPLUS) / DEFICIT	-1,417,840	-1,713,670	-2,500,480
HRA BALANCES			
30. Balance Brought Forward	-1,272,099	-1,272,099	-1,272,099
31. (Surplus)/Deficit for Year	-1,417,840	-1,713,670	-2,500,480
32. Transfer to Loan Repayment Reserve	1,417,840	1,713,670	2,500,480
33. HRA General Balance as at year end	-1,272,099	-1,272,099	-1,272,099
34. Loan Repayment Reserve balance	-13,000,000	-14,713,670	-17,214,150

Note 1: This is the first year we have presented the In-house repairs team surplus in this way, so there is no comparable figure for 2019/20

HRA Budget Proposals over £5,000

APPENDIX B

* Denotes a proposal that has not gone to Corporate Scrutiny Committee

Reason for changing the budget	Proposal	One-off recurring	Council priority	Investment/ (Saving) Amount
Cost Pressures	Inflationary increase to our responsive repairs budget	Recurring	High Quality Affordable Homes	£25,000
	An additional post to support delivery of the Home Improvement Programme for 12 months.	One-off	High Quality Affordable Homes	£29,000
	Increasing aids and adaptation revenue budget to match demand.	Recurring	High Quality Affordable Homes	£13,500
	Additional investment in asbestos surveys across our stock.	Recurring	High Quality Affordable Homes	£58,000
Increase/ Decrease in Income	Increase in rental income	Recurring	High Quality Affordable Homes	-£317,000
	*Net increase in income from the In-House Repairs team trading account.	Recurring	Value for money	£-331,700
Service Development	Commission a Value for Money Review of the IRT delivery of the HIP program during Q2 of 2020/21	One-off	Value for money	£10,000
	Additional staff member to meet increased compliance requirements and increased contact with support customers	Recurring	Safe, Healthy & Connected Communities	£31,000
	Contractual savings from the new Housing IT system.	Recurring	High Quality Affordable Homes	-£46,200
	Additional post to manage the new Housing IT system.	Recurring	High Quality Affordable Homes	£35,000
Budget Saving	Our electricity costs are expected to fall.	Recurring	Value for money	-£20,000
	Our gas costs are expected to fall.	Recurring	Value for money	-£18,500
	Reduction in our council tax liability as a result of long-term empty homes being demolished.	Recurring	Value for money	-£50,000
	* Savings on cleaning costs	Recurring	Value for money	-£19,000
	* Reduction in HRA contribution to homelessness grants	Recurring	Value for money	-£9,000
	* Maintenance savings resulting from a new system being under warranty.	One-Off	Value for money	-£8,000

APPENDIX C

COMPARISON OF 2019/20 AND 2020/21 HOUSING CHARGES APPENDIX C								
	2019/20		2020/21				Basis for Change	Charging Policy
Chargeable Service	Actual 2019/20	Notes	Estimates 2020/21	Increase/ (Decrease)	Percentage Change	Notes		
Service Charges	£566,081	See Appendix D	£568,559	£2,478	0.44%	See Appendix D	Based on assessment of all chargeable services	Full Cost Recovery
Central Heating	£84,550	0 Bed: £6.97pw 1 Bed: £8.41pw 2 Bed: £9.65pw 3 Bed: £11.09pw	£76,095	-£8,455	-10.00%	0 Bed: 6.27pw 1 Bed: £7.57pw 2 Bed: £8.68pw 3 Bed: £9.99pw	Based on revised estimate of usage and forecast energy prices for 2020/21.	Full Cost Recovery
Garage & Garage Site Rent	£72,761	Garage: £6.91 per week Garage Site: £4.43 per week	£66,654	-£6,107	2.60%	Garage: £7.09 per week Garage Site: £4.54 per week	Charges increasing by September 2019 RPI, but number of occupied garages decreasing.	Profit generating
Shop Leases	£21,186	Varies by location	£24,152	£2,966	14.00%	Varies by location	Average 14% increase for 10 years based on Nov 2014 Cabinet Report	Profit generating
Tenants Contents Insurance	£51,961	Premiums from £0.28 to £6.23 per week	£51,961	£0	0.00%	Premiums from £0.28 to £6.23 per week	No increases this year.	Profit generating
Lifelines (East Midlands Housing Association)	£41,829	Various depending on scheme but average increase from £2.99 to £3.09 per week	£42,917	£1,088	2.60%	Various depending on scheme but average increase from £3.07 to £3.18 per week	September 2019 RPI increase in line with other years	Service development
Total Services	£838,368		£830,338	-£8,030	-0.96%			

Housing Service Charges

APPENDIX D

COMPARISON OF 2019/20 AND 2020/21 SERVICE CHARGES

	2019/20	2020/21			Comments
Chargeable Service		Estimates 2020/21	Increase/ (Decrease)	Percentage Change	Basis of Increase/(Decrease)
Cleaning of shared/common parts	£64,470	£65,759	£1,289	2.00%	Contractual inflationary increase.
New Cleaning Contract Blocks	£29,686	£30,280	£594	2.00%	Contractual inflationary increase.
Repairs to shared/common parts	£4,755	£4,755	£0	0.00%	Continuation of freeze of these costs since 2018/19.
Grounds maintenance of shared/common parts	£106,782	£109,985	£3,203	3.00%	Assumed inflationary increase.
Utility costs of shared/common parts (Electricity)	£77,420	£69,678	-£7,742	-10.00%	Decrease as a result of planned budgetary savings.
Door entry systems	£1,584	£1,565	-£19	-1.19%	Based on falling actual costs.
Repairs and replacement of items in laundry room	£22,343	£22,790	£447	2.00%	Contractual inflationary increase.
Repair and replacement of items in common room/kitchen	£599	£623	£24	4.00%	Based on analysis of actual costs.
Support Officer checks in Schemes including fire alarms	£6,258	£6,383	£125	2.00%	Proposal to extend checks to include legionella testing and emergency lighting checks weekly.
Servicing of fire extinguishers	£718	£850	£132	18.30%	Based on average of past 6 years actual charges
Maintenance of Control Centre link equipment	£34,028	£34,709	£681	2.00%	Contractual inflationary increase.
Older Persons Service Charge	£157,450	£161,544	£4,094	2.60%	2.8% RPI increase based on August RPI figure weekly charge to increase from £3.09 to £3.17 per week
Administration fee	£53,300	£52,950	-£350	0%	15% of chargeable services
Total Services	£559,393	£561,871	£2,478	0.44%	

NWLDC Housing Revenue Account Loan Schedule

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

PAYMENT PROFILE - PRINCIPAL AND INTEREST

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

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

HRA Consultation and Budget Timetable

Date	Group	Information
28 October 2019	Tenants and Leaseholder Consultation Forum	Presented the high level budget considerations and the impact they may have on the Medium Term Financial Plan.
7 November 2019	Corporate Scrutiny Group	Reviewed detailed service developments within the budget.
10 December 2019	Cabinet	Approval of draft budget for wider consultation
12 December 2019	Tenant's Performance and Finance Working Group	Consideration of the draft budget and Medium Term Financial Plan
Mid - December	Public	Publication of draft Budget and invitation for comments on the Council's website
January	Public	Social media campaign to promote responses
27 January 2020	Tenants and Leaseholder Consultation Forum	Formal consideration of the draft budget and Medium Term Financial Plan
4 February 2020	Cabinet	Approval of Budget to go to Council.
25 February 2020	Council	Approval of Budget

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 10 DECEMBER 2019



Title of Report	2020/21 - 2024/25 DRAFT CAPITAL PROGRAMMES	
Presented by	Councillor Nicholas Rushton Corporate Portfolio Holder	
Background Papers	<u>Corporate Scrutiny Committee Draft Minutes – 7 November 2019</u>	Public Report: Yes
		Key Decision: Yes
Financial Implications	<p>The Draft General Fund Capital Programme for 2020/21 is £12.7m. The majority of the new investment is the redevelopment of Appleby Magna Caravan Park and the bridge works for the new Coalville Leisure Centre.</p> <p>The Draft Housing Revenue Account Capital Programme for 2020/21 is £12.7m. The two main schemes are the Home Improvement Programme and the New Supply programme.</p>	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	None	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	None	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	<p>To advise Members of the likely Capital Outturn and the relevant financing for 2019/20 for the General Fund and the Housing Revenue Account.</p> <p>To seek approval to the Draft General Fund and HRA Capital Programmes for 2020/21 and to note indications for future years and associated funding for consultation.</p>	
Reason for Decision	To enable projects to be included in the Programmes for consultation.	
Recommendations	<p>1) THAT THE ESTIMATED GENERAL FUND AND HRA CAPITAL OUTTURN FOR 2019/20 AND PLANNED FINANCING BE NOTED AT APPENDICES A AND B</p> <p>2) THAT CABINET APPROVES FOR CONSULTATION THE DRAFT CAPITAL PROGRAMMES IN 2020/21 DETAILED IN:</p> <ul style="list-style-type: none"> • APPENDIX A – GENERAL FUND CAPITALS SCHEMES • APPENDIX B – HRA CAPITAL SCHEMES <p>AND IN 2021/22, THESE SCHEMES ONLY:</p>	

	<ul style="list-style-type: none"> • £755,000 FOR THE VEHICLE REPLACEMENTS AS DETAILED IN PARAGRAPHS 3.8 <p>3) THAT CABINET NOTES THE PROPOSED PROCUREMENT ROUTES IN RESPECT OF VEHICLES, EQUIPMENT AND PLANT AND DELEGATES THE AUTHORITY TO AWARD THESE CONTRACTS AND ANY ASSOCIATED AGREEMENTS FURTHERANCE OF THE PROJECT TO THE STRATEGIC DIRECTOR OF PLACE IN CONSULTATION WITH THE PORTFOLIO HOLDER, SUBJECT TO FINAL APPROVAL OF THE CAPITAL PROGRAMMES IN FEBRUARY 2020.</p>
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1.0 INTRODUCTION

- 1.1 By Regulation, all local authorities are required to have regard to the Prudential Code when setting their Capital Programmes. The core objectives of the Code are to ensure that Capital schemes are 'Affordable, Prudent and Sustainable'. This is reviewed in conjunction with both the Capital Strategy and the Treasury Management Strategy Statement (TMSS) which contains indicators that evidence compliance with the Code. These strategies will be presented to members with the budget in February 2020.
- 1.2 As part of the process of effectively assessing property items for inclusion in the capital programme, the Council has collated a Planned Preventative Maintenance (PPM) Schedule that prioritises works based on a matrix scoring system. Items of a capital nature that are essential have been included in the capital programme in 2020/21.
- 1.3 Appendix A shows the General Fund estimated outturn for 2019/20 and the proposed Capital Programme for 2020/21 to 2024/25.
- 1.4 There are no Special Expenses estimated for 2020/21.
- 1.5 Appendix B shows the H.R.A. estimated outturn for 2020/21 and the proposed Capital Programme for 2021/22 to 2024/25.

2.0 GENERAL FUND - ESTIMATED OUTTURN 2019/20

- 2.1 The projected outturn for 2019/20 on General Fund schemes total £5.4m. This is a decrease in the year of £7.3m, against the original budget of £12.7m.
- 2.2 This managed decrease is caused by the following:

	£	£
Original Budget 2019/20		12,708,590
Approved Schemes carried forward from 2018/19 and 2019/20 approved virements		
Finance System Review	100,000	
District Car Park - LED Lighting Replacement	25,000	
Linden Way Depot – Welfare Facilities	95,250	
Moirra Furnace – Masonry, Drainage, Upgrades, Bridge works	170,000	
Council Offices – Fire Alarm and COTAG Door System	104,750	
Council Offices – Lift Works	30,000	

Memorial Clock Tower	13,012	
Marlborough Square	1,743,286	
New Market Provision	291,790	
Wi-Fi Scheme (IT)	66,029	
Disabled Facility Grants	74,114	
Refuse Vehicles and Refuse Kerbsider (reduced carry forward)	(153,960)	
LAN Switches (transferred to revenue)	(15,500)	
Whitwick Business Centre - Replace Lighting with LED	(369)	
Council Offices – Lift work (underspend)	(100,000)	
Total (increase to 2019/20 budget)		2,443,402
Less Planned Slippage in 2019/20 carried forward to 2020/21		
New Leisure Centre Coalville - £7.3m to be carried forward to future years. Construction work is scheduled to commence on site from July 2020. Bridge and access works will start from February 2020. The overall project completion is now programmed for March 2022 (from August 2021). Additional funding to cover the cost of installation of the bridge required to access the site from the A511 has been included at £400k. The revised projected expenditure cash flow is:- Year 1 2019/20 £1,699,088 Year 2 2020/21 £13,356,000 Year 3 2021/22 £8,516,912	(7,296,912)	
Moira Furnace - Masonry, Drainage, Upgrades, Bridge works	(195,000)	
Council Offices – Replace obsolete parts to consumer units	(75,000)	
Council Offices – Replacement LED Lighting Stenson/Main build	(35,000)	
Council Offices – Insulate roof space to building	(30,000)	
Council Offices – Main Building upgrades of walkways, glazing	(250,000)	
Marlborough Square	(1,673,000)	
Finance System Review	(100,000)	
Appleby Magna Caravan Site	(100,000)	
Total (decrease to 2019/20 budget)		(9,754,912)
Indicative Outturn 2019/2020		5,397,080

- 2.3 The total planned financing of the General Fund expenditure totalling £5.4m for 2019/20 is broken down in the table below:-

	£
Disabled Facilities Grant	670,314
S106 Contributions	831,000
Revenue Contributions to Capital	28,440
Capital Receipts	34,037
Other Reserves	574,486
Grants	33,012
Unsupported Borrowing – Internal	3,225,791
Total	5,397,080

- 2.4 There were sufficient funds identified prior to this capital spend being committed.
- 2.5 The ‘Schemes Carried Forward’ shown in paragraph 2.2 above, represents expenditure which was originally expected and budgeted for in 2018/19 but slipped into 2019/20. The budgeted financing has also been carried forward.

3.0 GENERAL FUND CAPITAL PROGRAMME 2020/21 TO 2024/25

3.1 The General Fund capital programme for 2020/21 to 2024/25 is detailed in Appendix A. This programme provides for a continuation of the current Disabled Facilities Grants Scheme and the Vehicle Replacement Programme.

3.2 Schemes shown as slippage from 2019/20 and carried forward to 2020/21 are detailed in the table in paragraph 2.2 above.

3.3 New schemes for 2020/21 (detailed in the table below) are included in the capital programme for approval. The total funding requirement for the new schemes is £1.3m. The majority of the new investment is the redevelopment of Appleby Magna Caravan Park and the new Leisure Centre Coalville bridge work.

3.4 New Schemes for consideration 2020/21

3.5 Property assets have been condition surveyed during 2019/20, and a new Planned Preventative Maintenance (PPM) programme has been developed as a result. With the following schemes being identified in 2020/21 through to 2025:-

New Schemes identified for Property Services 2020/2021	£
Renew the garage roof at the Coalville Park. The works will include a complete replacement of the garage roof by removal of all asbestos sheeting	50,000
The Courtyard to renew the metal rain water goods, front door (unit 16) and renewal of all existing rain water goods include downpipe	25,000
Upgrade the CCTV link between the Whitwick Business Centre and the Council Offices	10,000
Resurfacing and relining of the car park at Market Street Industrial units	12,000
Ashby Town Halls Mews on installing parking bollards, resurfacing and relining	15,000
Car Park - High Street, Ibstock - Remove and Renew Gullies	35,000
Market Hall – demolish and make good	75,000
Coalville - Cemetery - provision of an inclusive toilet	25,000
UPS/Generator related (reconfiguring electric distribution)	60,000
Total 2020/21	307,000
New Schemes identified for Property Services (future years)	
Clock Tower - Upgrade of Lighting Scheme (phase 2)	30,000
Cropston Drive - External and Internal Renovation of Changing Rooms	20,000
Council Offices refurbishment	3,740,000
Total (future years)	3,790,000

New Schemes for IT 2020/21	£
The council has approximately 125 old 19" monitors which are over 6 years old. These screens are at the end of their useful life. They do not support higher resolutions which are required by modern day applications.	18,000
An upgrade to the next generation Sophos firewall to provide improved security and defence for the organisation. These firewalls provide more advanced cyber and threat protection and is able to detect and mitigate threats out in the wild, without knowing about them. A further £70k has been provided in 2023/24.	12,000
Replacement laptops. A five year programme to replace old laptops that are slow, out of support and more than five years old. This will provide higher performance laptops for staff, which are supported and able to run modern day applications. Over the 5 year programme, the laptop replacement programme will require a further investment of £165k.	25,000
WAN and DC Renewal (Wide Area network and Data Centre)	60,000

Total 2020/21	115,000
Further New IT Schemes (future years)	
The Council is currently undertaking procurement for a new telephony system in the current financial year 2019/20 (£130k), to cover the next 5 years. After 5 years the council we would need to look at either renewing the support and maintenance again or look at procuring a new telephony system. The Council has provided funds in 2024/25 for a new system.	140,000
Professional Services for Windows 2008 is being completed in the current financial year 2019/20 (£45k). In 2024/2025 the council we need to upgrade from Windows Server 2012 to Windows 2016. The Council has provided funds in 2024/25.	45,000
Total (future years)	185,000

Other Schemes 2020/21	£
The Council plans to invest £15k in new technology for driver identification. The purchase of driver identification key fobs for all drivers in waste so that the council can remotely identify who is driving the vehicle and to be able to download tachograph card information to comply with legislation.	15,000
Recycling Trolleys. The Council intends to enable a second pilot in relation to the recycling containers used to look at an alternative option.	10,000
The Council plans to invest a further £435k in Appleby Magna Caravan Park, in addition to the £175k already included within the capital programme for 2020/21. This includes planning to redesign the site to allow space to be freed up to enable redevelopment.	435,000
The Council is requesting a further £400k to support the total cost for the design and build of the bridge at the new Leisure Centre Coalville.	400,000
Total 2020/21	860,000

3.6 Fleet Replacement Programme

- 3.7 Fleet replacement is a rolling programme. Each year a number of vehicles come to the end of their useful economic life when each of the vehicles are reviewed based on the age, condition, mileage or potential risk of major repairs (due to being out of warranty). A decision is made to replace the vehicle or to extend its life for a further period. These decisions are made in the previous year in order to allow a suitable lead-in period from order to delivery in April, particularly for large items such as refuse vehicles. Many of these vehicles are built to order and these orders have to be placed before October for delivery the following April. Therefore, although they are actually required in April a commitment has to be made in the previous year.

Due to service requirements, approval will be sought at Council in February to amend the previously reported 2020/21 fleet budget from £1.1m to £1m, a net reduction of £143k.

- 3.8 The total fleet budget for 2020/21 is now as follows:

Vehicles / Plant & Equipment	Original Budget £	Revised Budget £
Refuse/Recycling Vehicles	660,000	660,000
Market Vehicles	24,000	15,000
Vans - Small	16,000	0
Vans - Medium - Housing	180,000	192,000
Vans – Box Lorry	130,000	0
Sweepers	130,000	130,000
Mowing	10,000	10,000
TOTAL	1,150,000	1,007,000

- 3.9 In order to progress with the 2021/22 purchases, approval is sought for the following

vehicles:

Vehicles / Plant & Equipment	Budget £
1x Refuse / Recycling Vehicles	220,000
3 x Market Vehicles / Cars	45,000
2 x Vans Small	30,000
2 x Vans Medium - Housing	32,000
2 x Vans – Pickup	100,000
Sweepers	130,000
2 x Digger/Misc Plant	130,000
3 x Mowing	68,000
Total	755,000

3.10 Disabled Facilities Grants

3.11 The Disabled Facilities Grant is a capital grant paid to local authorities that can meet, or contribute towards the costs of adapting a person's home. This can help eligible people to stay in their homes for longer and live safer, healthier and more independent lives. It is proposed to continue with the Disabled Facilities Grant function that has been delegated to the lead authority (Blaby District Council) under the Lightbulb Project Scheme. As this is a rolling programme, the scheme has been updated to include 2024/25 and amounts revised based on the forecast grant to be received.

3.12 The General Fund Capital Programme (2020/21) will be funded by:

Funding Stream	£
Disabled Facilities Grants	670,310
S106 Contributions	0
Revenue Contribution	517,000
Reserves	816,000
Grants	340,000
Capital Receipt	3,000,000
Unsupported Borrowing - Internal	13,535,000
Total (including carry forward from 19/20)	18,878,310

4.0 SPECIAL EXPENSES – ESTIMATED OUTTURN AND INDIVIDUAL SCHEMES

4.1 There was no special expenses capital schemes for 2019/20.

4.2 There are no new schemes identified to commence in 2020/21.

5.0 HRA CAPITAL PROGRAMME – 2020/21 - 2024/25 INDIVIDUAL SCHEMES

5.1 The HRA Capital programme (Appendix B) covers in detail the capital schemes for the period 2020/21 to 2024/25 and how they are funded. The total expected spend over 5 years is £57.4m, with a £10.8m budget for 2020/21.

5.2 Planned spend in 2020/21 and onwards consists mainly of:

5.2.1 New Supply Programme

Our new supply programme provides provision for building and purchasing properties to rent out at affordable rent levels. This year we have produced an indicative five year budget totalling £25.4m. For 2020/21 that comprises a total budget of £4.5m, which will complete 8 properties already being built on Cropston

Drive, Coalville, and start another 40 properties on sites in Whitwick, Measham and Moira. This programme is dependent on confirming viability on these sites and gaining planning permission.

Our primary funding source for this will be retained right to buy receipts. We only have 3 years in which to spend these receipts or we have to return them to central government, with a punitive interest charge of the Bank of England base rate plus 4%. Other sources include commuted sums and revenue contribution to capital outlays, and funding is based on the requirements of each site.

5.2.2 Home Improvement Programme (HIP)

The Council brought all of its homes up to the Decent Homes standard in 2014/15 and now need to continue a programme of work to ensure that our homes remain at this quality standard. In 2020/21 we are budgeting spending £3.9m on home improvements, which includes replacing kitchens, bathrooms, heating systems and roofs in some of our properties.

The Home Improvement Programme for the remaining 4 year period will see an investment of £16.3m in improving tenants' homes, bring the total 5 year figure up to £20.1m.

5.2.3 New Regeneration Pilot

Officers have worked with the administration to set aside £250k to regenerate one of our estates. We will seek the communities input, and aim to improve the aesthetics of the estate and promote the council's wider corporate priorities, such as creating safe, healthy and connected communities. We are still looking into the most appropriate area to pilot this project, with a view to completing more regeneration work in the future if the pilot is successful.

5.2.4 Other Schemes / Miscellaneous

There are various other schemes with a total budgeted expenditure of £2.4m. This comprises our more routine capital expenditure, such as work on properties when they become empty (£350k), major aids and adaptations on properties (£300k), work to improve fire safety (£125k) and capitalised salaries (£604k).

There are also other one-off expenditure programmes, such as estate improvement works, totalling £470k. This includes £200k for off street car parking.

5.3 These changes bring the total capital programme up to £57.4m over five years, and £10.8m in 2020/21.

6.0 CAPITAL RESOURCES

General Fund

6.1 The resources estimated to be needed to finance the General Fund programme 2020/21 to 2024/25 totals £36,774,962 and is as follows:

	£
2020/21	18,878,310
2021/22	11,613,222
2022/23	2,019,310
2023/24	2,036,310
2024/25	2,207,810
Total	36,754,962

- 6.2 Details of the planned funding of the programmes are included in Appendix A.
- 6.3 Funding is in place in 2020/21 for the Disabled Facilities Grants Scheme £670k.
- 6.4 Funding from reserves has been identified of £816k, a grant of £340k and £517k revenue contribution in relation to the Marlborough Square project.
- 6.5 A capital receipt of £3m has been identified for the Leisure Centre Project.
- 6.6 The remaining schemes for 2020/21 (£13.5m) can be funded by either unsupported borrowing or leasing depending on value for money and for which, provision has been made in the 2020/21 Revenue Budget.

Housing Revenue Account

- 6.7 Appendix B provides detail on how the five year **Housing Revenue Account capital programme** will be funded. In 2020/21, the funding streams are:

	£
Use of Major Repairs Reserve	3,869,611
Right to Buy 'One for One' receipts	1,127,054
Other right to buy receipts	1,137,878
Proceeds for asset disposals	1,068,950
Section 106 Affordable Housing commuted sums	255,018
RCCO	1,085,499
Other usable capital balances	2,292,493
Total Resources used in 2020/21	10,836,503
Retained for future years	6,491,348

7.0 PROCUREMENT ROUTES

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

submit bids, should they be of interest.

8.0 CONSULTATION

- 8.1 In a change to previous years, Corporate Scrutiny Committee has already reviewed the planned changes to capital budgets at a meeting on 7 November 2019. The Committee recommended accelerating delivery of our off street parking programme. As a result we now plan to deliver the four year programme in three years, as shown below.

	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	Total £
Off Street Parking - Presented to Scrutiny	150,000	150,000	150,000	150,000	-	600,000
Change as a result of Scrutiny	50,000	50,000	50,000	- 150,000	-	-
New Off Street Parking provision	200,000	200,000	200,000	-	-	600,000

- 8.2 The Committee also suggested that we look at ensuring any Homes that we build are carbon neutral. We are looking at this proposal and the associated costs. However, Central Government only gives us three years in which to spend, therefore we need to spend some of our right to buy funding in 2020/21 or return it to Central Government with interest. We therefore plan to continue with our existing programme whilst we investigate carbon neutral homes.
- 8.3 Between 18 December 2019 and 4 February 2020 consultation will take place, including draft budget changes being made publicly available via the Council's website for wider public consultation. We will also consult with tenants on the Housing Revenue Account Capital Programme. The draft budget will also be presented to Corporate Scrutiny Committee on 8 January 2020 for final comments before the final budget is presented to Cabinet and Council in February 2020 for approval.

Policies and other considerations, as appropriate	
Council Priorities:	The projects in the Capital Programmes help the Council to achieve all its priorities.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	Council tenants will be impacted by council home improvements. Residents will benefit from improved leisure facilities within the district and other improved assets.
Economic and Social Impact:	None
Environment and Climate Change:	None at this time. At the time of writing this report, officers continue to consider the cost and resource implications of how the Council can achieve carbon neutrality by 2030. Any additional costs of incorporating lower carbon measures on the General Fund will be funded via the Climate Change Reserve or through additional revenue contribution to capital outlay on the HRA.
Consultation/Community Engagement:	Between 18 December 2019 and 4 February 2020 consultation will take place, including draft budget changes being made publicly available via the Council's website for wider public consultation.
Risks:	The Capital Programmes are monitored at project level to ensure they are delivered on time and within budget.
Officer Contact	Tracy Bingham 01530 454701 tracy.bingham@nwleicestershire.gov.uk

DRAFT GENERAL FUND CAPITAL PROGRAMME 2020/21 TO 2024/25

PROJECT	2019/20					2020/21	2021/22	2022/23	2023/24	2024/25	Funding					
	Original Budget	In year virements and 2018/19 carry forward	Carry Forward to 2020/21	Actual @ Period 7	Forecast Outturn to end of year		Indicative	Indicative	Indicative	Indicative	Grant & S106	DF Grants	Capital Receipts	Other Reserve	Revenue	Leasing or Borrowing
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Finance System / Review	-	100,000	- 100,000	-	-	-	-	-	-	-						100,000
Server and storage additional capacity	-	-	-	-	-	-	-	70,000	-	-						70,000
User Screen Bulk Replacement	-	-	-	-	-	18,000	-	-	-	-						18,000
WI-FI Replacement	-	-	-	-	-	-	-	50,000	-	-						50,000
Website Intranet and Internet	-	-	-	-	-	-	-	-	50,000	-						50,000
LAN Switches replacement	15,500	15,500	-	-	-	-	-	-	50,000	-						50,000
WAN and DC Renewal	-	-	-	-	-	60,000	-	-	-	-						60,000
Wi-Fi Management Portal	25,000	-	-	6,000	25,000	-	-	-	-	-				25,000		-
Firewall Security Replacement	-	-	-	-	-	12,000	-	-	70,000	-						82,000
Desktop Equipment Upgrade	-	-	-	-	-	-	-	120,000	-	-						120,000
Laptop Replacements	-	-	-	-	-	25,000	45,000	35,000	25,000	35,000						165,000
Telephony Unified Communication	130,000	-	-	-	130,000	-	-	-	-	140,000						270,000
Professional Services for Windows Migration	45,000	-	-	42,286	45,000	-	-	-	-	45,000						90,000
Wi-Fi Scheme	-	66,029	-	66,029	66,029	-	-	-	-	-	20,000			46,029		-
Disabled Facility Grants	649,640	74,114	-	335,157	723,754	670,310	670,310	670,310	670,310	670,310		4,021,864		25,000	28,440	-
Refuse Vehicles & Refuse Kerbsider	375,000	153,960	-	204,188	221,040	660,000	220,000	360,000	360,000	180,000			34,037			1,967,003
Market Vehicles/Cars	-	-	-	-	-	15,000	45,000	-	15,000	-						75,000
Vans - Small	16,000	-	-	15,482	16,000	-	30,000	13,000	15,000	-						74,000
Vans - Medium	180,000	-	-	-	180,000	192,000	32,000	35,000	47,000	90,000						576,000
Vans - Pickup	-	-	-	-	-	-	100,000	75,000	25,000	63,500						263,500
Vans - Box Lorry	65,000	-	-	-	65,000	-	-	-	-	50,000						115,000
Sweeper	-	-	-	-	-	130,000	130,000	-	-	-						260,000
Digger/Misc Plant	-	-	-	-	-	-	130,000	-	-	-						130,000
Mowing	65,000	-	-	54,006	65,000	10,000	68,000	-	-	70,000						213,000
Driver ID Fobs and Tachograph download	-	-	-	-	-	15,000	-	-	-	-						15,000
Phase 2 Recycling Trolley's	-	-	-	-	-	10,000	-	-	-	-						10,000
GM Depot Coalville Park - Concreting Grounds	40,000	-	-	-	40,000	-	-	-	-	-						40,000
District Car Parks - LED Lighting Replacement	-	25,000	-	-	25,000	-	-	-	-	-						25,000
Coalville Market Upgrade (Phase2)	-	-	-	-	-	-	-	-	-	-						-
Leisure Project - Hood Park Leisure Centre Ashby	1,199,000	-	-	443,193	1,199,000	-	-	-	-	-	561,000			30,000		608,000
Leisure Project - New Leisure Centre Coalville	8,996,000	-	7,296,912	588,971	1,699,088	9,678,000	4,898,000	-	-	-	270,000		3,000,000			20,302,000
Memorial Clock Tower	-	13,012	-	6,850	13,012	-	30,000	-	-	-	13,012					30,000
Linden Way Depot - Welfare Facilities	-	95,250	-	3,166	95,250	-	-	-	-	-						95,250
Moira Furnace - Masonry & Drainage/Upgrades to Furnace and Bridge & further remedial works	125,000	170,000	- 195,000	5,733	100,000	-	-	-	-	-						295,000
Council Office - Replacement fire alarm & Cotag system	-	104,750		102,268	104,750	-	-	-	-	-				74,750		30,000
Council Offices - Replace obsolete parts to consumer units following M&E survey	75,000	-	- 75,000	-	-	-	-	-	-	-						75,000
Council Offices - Replacement LED Lighting throughout (Stenson House & Main Building)	35,000	-	- 35,000	-	-	-	-	-	-	-						35,000
Council Offices - Insulate roof space to building	30,000	-	- 30,000	-	-	-	-	-	-	-						30,000
Council Offices - Install solar power	-	-	-	-	-	40,000	-	-	-	-						40,000
Council Offices - Main Building - Upgrade of all walkways, double glazing and insulated panels	250,000	-	- 250,000	-	-	-	-	-	-	-						250,000
Council Offices - Main Building - Replacement windows generally	-	-		-	-	250,000	-	-	-	-						250,000
Council Offices - (Stenson House) Replacement windows Light wells and External works	35,450	-	-	18,855	35,450	-	-	-	-	-						35,450
Council Offices - (Stenson House) External works to roadway outside registry office	50,000	-	-	1,250	50,000	-	-	-	-	-						50,000
Council Offices Refurbishment/Boiler heating/Lighting	-	-	-	-	-	-	1,576,000	591,000	709,000	864,000						3,740,000
Council Offices - Lift Works	100,000	- 70,000	-	23,832	30,000	-	-	-	-	-						30,000
Whitwick Business Centre - Installation of Solar Power						40,000	-									40,000
Whitwick Business Centre - Replace Lighting with LED	12,000	- 369	-	11,631	11,631	-	-	-	-	-				11,631		
Car Park - High Street, Ibstock - Remove and Renew Gullies	-	-	-	-	-	35,000										35,000

PROJECT	2019/20					2020/21	2021/22	2022/23	2023/24	2024/25	Funding					
	Original Budget	In year virements and 2018/19 carry forward	Carry Forward to 2020/21	Actual @ Period 7	Forecast Outturn to end of year		Indicative	Indicative	Indicative	Indicative	Grant & S106	DF Grants	Capital Receipts	Other Reserve	Revenue	Leasing or Borrowing
Cropston Drive - External and Internal Renovation of Changing Rooms	-	-	-	-	-	-	20,000									20,000
UPS/Generator related (reconfiguring electric distribution)	-	-	-	-	-	60,000										60,000
Market Hall - demolish and make good	-	-	-	-	-	75,000										75,000
Coalville - Cemetery - provision of an inclusive toilet	-	-	-	-	-	25,000										25,000
New Garage Roof at Coalville Park	-	-	-	-	-	50,000	-	-	-	-						50,000
The Courtyard - renew rainwater goods/door	-	-	-	-	-	25,000	-	-	-	-						25,000
Whitwick Business Centre - Upgrade CCTV	-	-	-	-	-	10,000	-	-	-	-						10,000
Market Street Car Park - Resurfacing	-	-	-	-	-	12,000	-	-	-	-						12,000
Ashby Town Hall Mews - installing bollard, resurfacing & relining	-	-	-	-	-	15,000	-	-	-	-						15,000
Marlborough Square	-	1,743,286	- 1,673,000	17,249	70,286	-	-	-	-	-	340,000			886,286	517,000	
New Market Provision	-	291,790	-	70,776	291,790	-	-	-	-	-				291,790		
Salt Bay Cover -	20,000	-	-	13,960	20,000	-	-	-	-	-						20,000
Appleby Magna Caravan Site - redevelopment	175,000	-	- 100,000	50,822	75,000	610,000	-	-	-	-						785,000
TOTAL GENERAL FUND	12,708,590	2,443,402	- 9,754,912	2,081,704	5,397,080	12,742,310	7,994,310	2,019,310	2,036,310	2,207,810	1,204,012	4,021,864	3,034,037	1,390,486	545,440	31,956,203

2020/21 - 2024/25 HOUSING CAPITAL PROGRAMME

	Current Year Expenditure		Five Year Capital Programme Expenditure						Restricted Funding				Unrestricted funding
	2019/20 Forecast	Carry forward to 2020/21	2020/21	2021/22 Indicative	2022/23 Indicative	2023/24 Indicative	2024/25 Indicative	5 Year Total	Major Repairs Reserve	Right to Buy 1-for-1 Receipts	S106 Commuted Sums	Asset Disposals	
2019 - 2024 Home Improvement Programme: Home Improvement Programme	3,063,000	-	3,869,611	3,947,004	4,025,945	4,106,464	4,188,593	20,137,617	17,453,004	-	-	-	2,684,613
2019 - 2024 Home Improvement Programme Total	3,063,000		3,869,611	3,947,004	4,025,945	4,106,464	4,188,593	20,137,617	17,453,004	-	-	-	2,684,613
New Supply:													
New Build - use of RTB one for one reserve	273,600	-							-	-	-	-	-
New Build - NWLDC contribution to RTB one for one	638,400	-							-	-	-	-	-
New Build - NWLDC additional provision	337,000	-							-	-	-	-	-
Gifted units									-	-	-	-	-
Acquisition of sites	348,000	1,352,000							-	-	-	-	-
Phase 2 - Police Station			27,168					27,168	-	-	27,168	-	-
Phase 3 - Cropston Drive			202,166	15,750				217,916	-	65,375	-	152,541	-
Phase 4 - Various sites			2,849,431	1,384,419	57,150			4,291,000	-	1,010,100	277,200	1,356,414	1,647,286
Phase 5 - Various sites			1,464,750	253,313	24,300			1,742,363	-	522,709	-	-	1,219,654
Phase 6 - Various sites			-	4,526,078	62,573			4,588,650	-	1,376,595	-	43,801	3,168,254
Phase 7 - TBC					4,661,860	64,450		4,726,310	-	1,417,893	-	361,309	2,947,108
Phase 8 - TBC						4,801,716	66,383	4,868,099	-	1,460,430	-	401,353	3,006,316
Phase 9 - TBC							4,945,767	4,945,767	-	1,483,730	-	353,532	3,108,505
New Supply Total	1,597,000	1,352,000	4,543,515	6,179,559	4,805,882	4,866,165	5,012,150	25,407,272	-	7,336,831	304,368	2,668,950	15,097,123
Estate Improvements:													
Mobility Scooter Stores	109,000	-	-	-	-	-	-	-	-	-	-	-	-
Off Street Parking	300,000	-	200,000	200,000	200,000	-	-	600,000	-	-	-	-	600,000
Footpaths & Unadopted Roads	30,000	-	100,000	100,000	100,000	100,000	100,000	500,000	-	-	-	-	500,000
Garage Demolition & Replacement	140,000	-	60,000	60,000	60,000	60,000	-	240,000	-	-	-	-	240,000
Handrail Replacement	41,000	-	-	-	-	-	-	-	-	-	-	-	-
Place-shaping pilot			250,000					250,000	-	-	-	-	250,000
Estates Projects - Other	-	-	110,000	370,000	370,000	370,000	370,000	1,590,000	-	-	-	-	1,590,000
Estate Improvements Total	620,000	-	720,000	730,000	730,000	530,000	470,000	3,180,000	-	-	-	-	3,180,000
Compliance:													
Fire Risk Assessment Remedial Works	400,000	422,000	125,000	100,000	87,000	87,000	87,000	486,000	-	-	-	-	486,000
Compliance Total	400,000	422,000	125,000	100,000	87,000	87,000	87,000	486,000	-	-	-	-	486,000
Major Aids & Adaptations	299,000	-	300,000	300,000	300,000	300,000	300,000	1,500,000	-	-	-	-	1,500,000
Renewable/Replacement Energy Installations Programme	600,000	-	-	-	-	-	-	-	-	-	-	-	-
Carbon Neutral Retrofit Pilot				-	-	-	-	-	-	-	-	-	-
Supported Housing Improvements:													
Speech Module	100,000	-	150,000	-	-	-	-	150,000	-	-	-	-	150,000
Sheltered Housing Improvements	-	-	50,000	500,000	500,000	500,000	-	1,550,000	-	-	-	-	1,550,000
Supported Housing Improvements Total	100,000	-	200,000	500,000	500,000	500,000	-	1,700,000	-	-	-	-	1,700,000
Active Asset Management:													
Property Demolition	200,000	-	100,000	-	-	-	-	100,000	-	-	-	-	100,000
Capital Works - Voids	309,000	-	350,000	350,000	398,000	350,000	350,000	1,798,000	-	-	-	-	1,798,000
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Active Asset Management Total	509,000	-	450,000	350,000	398,000	350,000	350,000	1,898,000	-	-	-	-	1,898,000
Other Capital Spend:													
New Housing Systems	748,000	-	24,217	-	-	-	-	24,217	-	-	-	-	24,217
PNC8 Software Upgrade - Central Control	45,000	-	-	-	-	-	-	-	-	-	-	-	-
Other Capital Spend Total	793,000	-	24,217	-	-	-	-	24,217	-	-	-	-	24,217
Capital Salaries	438,000	-	604,160	604,160	604,160	604,160	604,160	3,020,800	-	-	-	-	3,020,800
Total Programme Costs	8,419,000	1,774,000	10,836,503	12,710,723	11,450,987	11,343,789	11,011,904	57,353,906	17,453,004	7,336,831	304,368	2,668,950	29,590,753

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CABINET – TUESDAY, 10 DECEMBER 2019



Title of Report	2020 – 2025 MEDIUM TERM FINANCIAL PLANS	
Presented by	Councillor Nicholas Rushton Corporate Portfolio Holder	
Background Papers	<u>Medium Term Financial Strategy – Council 26 February 2019</u>	Public Report: Yes
	<u>Review of Medium Term Financial Plan – 16 July 2019</u>	Key Decision: No
Financial Implications	<p>A review and revision of the assumptions used in the General Fund and Housing Revenue Account Medium Term Financial Plans upon drafting of the 2020/21 draft budget has resulted in a revised forecast financial position between 2020/21 – 2024/25.</p> <p>The forecast deficit on the General Fund over this period is now £1.2m and the HRA forecast surplus for the period is a £4.7m. Both Medium Term Financial Plans now include targeted savings as part of the Journey to Self-Sufficiency (of £5.1m for the general fund and £2.6m for the HRA).</p> <p>Matters concerning the likelihood of projections are considered throughout the report.</p>	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	None	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	The report provides an update in respect of the Journey to Self-Sufficiency Programme.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To present members with the impact of modified assumptions within the council's Medium Term Financial Plans and provide an update in respect of the new approach to the Journey to Self Sufficiency Programme.	
Reason for Decision	To keep members up to date in respect of the council's five-year financial projections.	

Recommendations	THAT CABINET NOTE: 1. THE REVISED MEDIUM TERM FINANCIAL PLANS 2. THE PROGRESS OF THE JOURNEY TO SELF SUFFICIENCY PROGRAMME
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1.0 BACKGROUND

- 1.1 In February 2018, Cabinet approved the council's Medium Term Financial Strategy 2018 – 2023. The strategy introduced a new five year rolling assessment of the financial resources required to deliver the Council's strategic priorities and essential services and a new, self-sufficient approach to managing and safeguarding the council's ongoing financial position in light of future central government funding changes.
- 1.2 A review of the strategy's financial projections for the Council was last undertaken in July 2019 where the assumptions of both plans were reviewed in light of the financial outturn of the council for 2018/19, the Government's Spring Statement and known developments arising from the ongoing local government funding reviews (namely, the Fair Funding Review, the government's departmental Spending Review and Business Rates Retention Reform). The revised forecast deficit for the General Fund over the 2019-20 – 2023/24 period was £5.7m.
- 1.3 This report details two revised Medium Term Financial Plans – the General Fund Medium Term Financial Plan (MTFP) and a separate Housing Revenue Account MTFP to reflect the ring-fencing requirements around the Housing Service. Projections within each of these plans are based on the forecast outturn for the 2019/20 financial year, the draft budgeted position for 2020/21, national rent policy, the Spending Review (announced by the Secretary of State on 4 September 2019) and other assumptions around the Fair Funding Review and Business Rates Reform.
- 1.4 It is important to note that the draft budgeted position for 2020/21 and assumptions around funding for this and future years is currently based on the content of the Technical Consultation of the Local Government Finance Settlement (LGFS). With the General Election now scheduled for 12 December, Councils have been advised that it is not possible to hold the provisional settlement in early December, as is ordinarily the plan. Councils have been assured that the Ministry of Housing, Communities and Local Government (MHCLG) anticipates that the provisional settlement will be a priority for Ministers to consider after the General Election.

2.0 JOURNEY TO SELF-SUFFICIENCY PROGRAMME

- 2.1 The Journey to Self-Sufficiency Programme has, to date, delivered a range of outcomes associated with the council becoming more self-sufficient including the implementation of the Commercial Strategy, the redesign and approval of a new Corporate Charging Policy and the drafting of a new Asset Management Strategy. An update in respect of the programme's achievements was last reported to Cabinet in July 2019 and a further update on progress will be presented alongside the final budget in February.
- 2.2 Following a review undertaken by the Corporate Leadership Team the programme has been updated to reflect a wider council-wide approach, incorporating the Housing Revenue Account (HRA) as well as the General Fund so that the Council can manage its self-sufficient HRA even more effectively as well as create a General Fund position in the future to become self-sufficient and manage forecast deficits.

- 2.3 The ethos of the programme is to enhance the cost-effectiveness of the council's activities in spite of, rather than because of, a negative financial outlook (where one exists). The approach is therefore around the Council building on its 'One Team, One Council' value to make the most of resources and reinvestment opportunities and being the best it can possibly be.
- 2.4 It is, however, also recognised that there could be circumstances in the future which lead to the need for more profound measures for delivering savings. The new approach therefore looks at the level of threat posed to the ongoing financial sustainability of the council's General Fund and HRA funded services, allowing for more stringent levels of action and curtailment of services if required in the future, where necessary.
- 2.5 This approach also allows for a more comprehensive assessment of such circumstances and the various factors that affect our financial position. Non-delivery against targeted savings and/or significant adverse changes in projected financial position would trigger the need for this programme to focus its efforts towards activities identified in line with the next threat level. The Head of Finance will be responsible for reviewing savings targets and progress against as part of the bi-annual review of the MTFP, and the level of threat posed to the organisation will be assessed and determined by the Head of Finance in line with their statutory Section 151 duties to deliver an ongoing balanced budget.
- 2.6 The revised programme takes a thematic approach, with leads identified for six differently themed work streams. The work streams (listed below) will identify and exploit opportunities to generate income and reduce expenditure in order to deliver cumulative, year-on-year savings with financially effective and long-lasting changes that secure financial stability and sustainability and protect council services.
- 2.7 Thematic savings targets for both the General Fund and HRA have been established and are built into the proposed 2020/21 draft budgets and medium term financial plans, as set out below. Currently, the project scope for each of these work streams remains under development and a further update around the specifics of each theme will be shared with members in the New Year.
- 2.8 It is recognised that there will be a specific need for there to be work to underpin each of the themes to manage the impact of improvements to the way we work and on staff.

Table 1, Journey to Self Sufficiency Programme Work Streams and Savings Targets

Work Stream	General Fund			Housing Revenue Account		
	2020/21	2021/22 – 2024/25	Total MTFP	2020/21	2021/22 – 2024/25	Total MTFP
	£'000	£'000	£'000	£'000	£'000	£'000
Commercial	170	680	850	25	525	550
Contract Management	100	800	900	25	200	225
Use of Assets	200	1,600	1,800	100	400	500
Transformational	25	550	575	25	400	425
Finance	50	650	700	50	650	700
Shared Services	25	250	275	0	250	250
Total	570	4,530	5,100	225	2,425	2,650

- 2.9 To ensure accountability for the delivery of savings, specific service level targets will be developed over the coming months to ensure there is effective accountability for these

targets at service-level across the organisation.

- 2.10 The Corporate Portfolio Holder will continue to act as Cabinet sponsor for the programme and updates will be provided on a monthly basis at the portfolio holder briefing session.

3.0 GENERAL FUND MEDIUM TERM FINANCIAL PLAN

2019/20 Forecast Outturn

- 3.1 The forecast position at quarter two on the General Fund for 2019/20 is a surplus for the year of £232k, compared to a budgeted surplus of £161k. There has been adverse variances of £1.1m, of which £282k relates to a reduction in income, £776k in additional costs compared to the budget and a number of de-minimus variances of £12k. This is offset against favourable variances of £820k, of which additional income of £164k and reduction in costs of £656k.
- 3.2 In line with the decisions made by Council at its meeting on 26 February 2019, the budgeted surplus of £321k and any additional surpluses achieved will be transferred to the self-sufficiency reserve.

Medium Term Financial Plan - Projections as at July 2019

- 3.3 The projected deficit arising between 2019/20 – 2023/24, as last reported to members in July 2019 totalled £5.7m. To summarise this position, the following table details the projected financial position over the period:

Table 2, Medium Term Financial Plan Projections as at July 2019

	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Surplus/(Deficit)	325	365	-1,258	-2,103	-2,985	-5,656

- 3.4 The first and subsequent deficits were forecast as a result of the implementation of the three ongoing local government funding reviews that were originally planned to be implemented from April 2020. Our medium term financial plan had assumed that from April 2020 we would have a new business rates baseline and therefore retain less business rates income and receive less New Homes Bonus because we would only be rewarded for historic growth through legacy payments and not for new housing growth achieved in 2019.

Review of Assumptions

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

Budget Announcement and the Draft Local Government Finance Settlement

- 3.6 On 4 September 2019, the Chancellor of the Exchequer made a Spending Review announcement which confirmed that the 2020/21 financial year is proposed to be a roll-forward one year settlement, based on the former four year multi-year settlement that covered 2016/17 – 2019/20. This announcement confirmed the Government's intention to introduce 75 per cent business rates retention and the Fair Funding Review in April 2021,

allowing time for the remaining decisions over the design of the reforms to be made by the Government including consultation with councils.

3.7 A Technical Consultation paper on the Local Government Finance Settlement for 2020/21 was released in early October and the Council submitted a response ahead of the 31 October deadline. The consultation followed on from the Spending Review announcement and has sought feedback on detailed range of proposals for 2020/21 including:

- A commitment to fund New Homes Bonus in 2020/21, with a new round of allocations for growth achieved to October 2019 as well as continued legacy payment for historic growth. The Government have confirmed their intention to look at the New Homes Bonus scheme and explore the most effective way to incentivise housing growth in the future.
- An elimination of negative Revenue Support Grant (which was due to affect NWLDC in 2020/21), meaning that the Council will not need to adjust its retained business rates to compensate for a negative RSG payment.
- An uprating of the Settlement Funding Assessment, which affects Baseline Funding Level, meaning that we get to retain business rates under the same conditions as at present, with an allowance for inflation.
- Authorities will be able to increase the Band D council tax by 2.0%. It is assumed from this that the £5 maximum will also be available for district councils, but this is yet to confirmed. This 2.0% threshold is lower than the last two financial years (where it was 2.99%).

3.8 The July 2019 version of the 2019/20 – 2023/24 General Fund medium term financial plan has been reviewed in light of the Spending Review and the consultation paper. The impact is that the plan shows a revised deficit position of £1.3m over this period compared to £5.7m, with an additional £1.5m anticipated to be retained in New Homes Bonus and retained Business Rates in in 2020/21. This report now details the impact of the deferral over the forthcoming five year period from 2020/21 – 2024/25.

As detailed in paragraph 1.4 above, the Council awaits the provisional LGFS to confirm funding levels in respect of Business Rates and New Homes Bonus, which will now be delivered after the General Election.

Draft Budget

3.9 The assumptions around future expenditure included in the MTFP are based on the draft General Fund Revenue budget and inflated for future years. Details in respect of the budgetary proposals for 2020/21 can be found on the Draft General Fund Budget report on the same agenda as this paper.

3.10 The predicted surplus and contribution to General Fund reserves for 2020/21 is £847k. Assuming the forecast surplus is added to the Self-Sufficiency Reserve, the reserve would increase from an estimated £4.5m at 31 March 2020 to £5.3m at 31 March 2021.

Journey to Self-Sufficiency Programme Savings Targets

- 3.11 As detailed in Section 2 above, the targeted savings of the Journey to Self-Sufficiency Programme have been included in the Draft General Fund revenue budget for 2020/21 and beyond.
- 3.12 These savings, totalling £5.1m over the life of the MTFP have therefore been assumed to occur and impacting the predicted deficit significantly.
- 3.13 However, it should be noted that these savings are targeted and there therefore remains a risk that savings are not delivered in full.
- 3.14 To illustrate this, an additional scenario has been modelled to demonstrate the impact of the savings not being achieved– please see paragraph 3.41 and 3.42 below and Appendix G.

Business Rates

- 3.15 The ongoing Business Rate Retention Reform continues to consider the proposed changes to the Business Rates system. The reform will implement the move from the 50% Business Rate Retention Scheme to that of 75% system in 2020/21 alongside the reset of the business rates baseline. The reform was due to be implemented in April 2020, however, as part of the Spending Review announcement, the Government clarified its intention to introduce in April 2021.
- 3.16 This Business Rates baseline represents the anticipated level of business rates within a locality and 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.
- 3.17 Currently, the business rates retention systems design working group are considering how to reset this baseline – one option is that the baseline is reset at the 2018/19 level of rates, meaning that we would continue to benefit from any growth in business rates from the 2019/20 year going forward. We have assumed that the baseline would be reset under this methodology in our MTFP.
- 3.18 However, if an alternative approach was taken, where the baseline is reset at the predicted 2021/22 level of rates, this would mean that recent business rates growth would be absorbed into the system and the Council wouldn't benefit directly. This 'alternative method' is currently being considered by the business rates retention systems design working group and an additional scenario has been modelled to show the potential effect of this approach to the resetting of the baseline if no future growth post 2021 were to be retained by the Council – please see paragraph 3.44 and 3.45 below and Appendix G.
- 3.19 Work has been undertaken to assess the likely growth in business rates to the Council in consultation with the Revenues and Benefits and Business Focus teams. Assessing growth is a continuous exercise due to the fluidity of business growth and decline and approval of commercial planning applications. Additional growth in the district has been identified for 2020/21 and as a result, been factored into the MTFP. The increase in retained Business Rates for next year is an increase of £495k compared to the 2019/20 budget. The 2019/20 budget however did include additional rates arising from the participating in the business rates pilot and so the increase in 2020/21 represents a significant amount of growth following the loss of these pilot monies in Leicestershire next year. This significant growth in business rates due to be collected in 2020/21 is largely as

a result of the significant developments in and around the North of the District and in particular Kegworth.

- 3.20 The district has a number of key sectors that may could impacted by Brexit through the movement of goods or people: Logistics, Aviation, Hospitality, Manufacturing and Aggregates. Equally the District is also home to a number of foreign owned businesses and European Headquarters for global firms whose future is less certain in light of the EU exit. Through ongoing engagement with businesses via the Council's Economic Development team, there hasn't been any defined thought or movement from businesses to Brexit. Officers have been unable to quantify the risk Brexit may pose to the Council's Business Rate income.
- 3.21 However, to illustrate the impact of a recession-type scenario, including the impact to Business Rates, work has been undertaken to assess the potential impact of an economic downturn to rates retained based on no growth and a further 2% decline in businesses operating as a result of more businesses qualifying for reliefs or businesses folding (alongside the perceived impact to council tax and council expenditure). An additional scenario to demonstrate the impact of this is included in the appendices – please see paragraph 3.41 and 3.42 below and Appendix G.

New Homes Bonus

- 3.22 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.
- 3.23 Given the announcements made as part of the Spending Review, the MTFP has been updated to take into account that the Council will receive a new round of allocations for growth achieved to October 2019 as well as continued legacy payment for historic growth.
- 3.24 Since the Government have confirmed their intention to look at the New Homes Bonus scheme and explore the most effective way to incentivise housing growth in the future, the Council continues to assume that the scheme will cease and that legacy payments only will be received in 2021/22 and 2022/23.
- 3.25 Other scenarios for New Homes Bonus include the scheme remaining as is or the scheme being abolished from 2021. An assessment of these scenarios can be found in Appendix G.

Council Tax

- 3.26 The Council froze its share of council tax in 2019/20, representing the tenth year of this policy being in place. The cumulative loss of income as a result of this policy from 2010/11 to 2019/20 stands at £8.5m and the cumulative average saving to residents of £286.
- 3.27 The assumption for 2020/21 is that the Council's precept will not rise, taking the cumulative loss of income (based on a 2% increase for 2020/21) to £10.5m and the cumulative average saving to residents to £344 over the eleven years. The net income foregone by not increasing council tax for 2020/21 from its 2019/20 level is £109k and this is based on the national referendum limit of 2% as it is yet to be confirmed whether the government will allow the council to continue to raise precepts by £5 if it is a higher value than the 2% referendum limit.

- 3.28 In the plan presented to members in July 2019, it was assumed that the council tax freeze policy would remain in place for the foreseeable future and this assumption has not changed.
- 3.29 The impact of assuming a council tax precept freeze to 2024/25 is £1.7m of foregone council tax income based on the 2% national referendum limit.
- 3.30 To provide members with the impact to both residents and the Council over the life of the MTFP, the table below illustrates the impact to residents and the Council of the 2% national referendum limit and the £5 precept increase (pending government confirmation). The table also shows the impact of an illustrative 1% increase over the plan.

Table 3, Impact to Residents and the Council of council tax increases

Increase Basis	Impact to Residents 2020/21 - 2024/25 £	Impact to Council 2020/21 - 2024/25 £'m
Maximum £5 Increase - National referendum limit if higher than a 2% increase (pending Government confirmation)	75.00	2.65
2% Increase - National referendum limit	48.86	1.73
1% Increase - For illustrative purposes	24.11	0.85

- 3.31 Given the likely significant funding challenges, volatility and uncertainty faced by the Council from 2021, it is the recommendation of the Section 151 Officer that all current assumptions around funding should be reviewed in July 2020 by Cabinet as part of the mid-year review of the Medium Term Financial Strategy, when further clarity will be available surrounding future local government funding.
- 3.32 Growth projections in respect of the Council Tax Base for next year have been varied favourably to reflect growth achieved in the current financial year and growth projections from the planning team for 2020 and beyond. The revised projection for future years is 650 homes for 2021/22 and 600 homes per year thereafter.
- 3.33 A scenario to model the impact of an economic downturn to council tax funding has been assessed - please see paragraph 3.41 and 3.42 below and Appendix G.

Transitory Measures

- 3.34 Transitory funding (often referred to as 'damping') is likely to occur when a council suffers a loss of total resources above a certain level upon implementation of a new funding regime around business rates and fair funding.
- 3.35 We currently remain unclear as to what level may be used to introduce transitory funding and the Government is yet to consult on this. Based on advice received from our funding advisors Pixel, an assumption of -5% has been used in the Medium Term Financial Plan.
- 3.36 Due to changes in the implementation date for changes to the local government funding system, assumed transitory funding within the refreshed MTFP has been reduced slightly over the 5 year term due to increased assumed business rates income.

- 3.37 It is unlikely that the council will be compensated for any loss below the -5% that occurs as a result of its historic policy to freeze council tax. Transition funding has therefore been incorporated into the MTFP (Appendix C) and the scenario analyses (Appendix G) at the level that could be received if the council's council tax precept had been increased from 2020 - 2024.

Achieving Carbon Neutrality

- 3.38 As part of Draft General Fund Budget for 2020/21, a £1m climate change reserve has been set-aside to assist the organisation in managing the implementation of early climate change measures on the General Fund.
- 3.39 The impact of the council commitment to achieve carbon neutrality from its own operations by 2030 has at this stage not been fully costed and incorporated into medium term financial plans.
- 3.40 Work continues to progress in this area, with the development of a Zero Carbon Roadmap which is due to be shared with members in a workshop in early December before being presented to Cabinet in January 2020 for adoption.

Assessment of Assumptions and Sensitivity Analysis

- 3.41 As detailed throughout the report, where it is appropriate to do so, additional analysis has been undertaken to test how sensitive the MTFP is to changes in assumptions and therefore circumstances concerning future funding and economic conditions.
- 3.42 Included in Appendix G is a summary table of 5 scenarios and the impact to MTFP projections set out against the Base version of the plan.

Medium Term Financial Plan – Revised Projections

- 3.43 The projected deficit arising between 2020/21 and 2024/25 has now been assessed to be £1.2m over the five year period and can be found in the table below.
- 3.44 It is important to note that this position assumes the Council will meet savings targets of £5.1m over this period. Should these savings not be achieved the deficit projected over the term of the MTFP would increase. Please see Appendix G for details of the projected deficit of £6.3m that would arise if the targeted savings were not met.

Table 4, Medium Term Financial Plan Projections as at November 2019

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	TOTAL £'000
Surplus/(Deficit)	277	-884	-1,937	-2,060	-1,723	-6,326
Journey to Self-Sufficiency Savings	570	895	1,120	1,245	1,270	5,100
Surplus/(Deficit)	847	11	-817	-814	-453	-1,226

- 3.45 As detailed above, the anticipated balance of the Self- Sufficiency reserve as at March 2021 is £4.5m and it is intended that this reserve is to cover the investment cost for initiatives that will earn the council a revenue return to achieve the projections laid out in

Table 1. However, the reserve can also be utilised to balance deficit years where necessary.

3.46 The revised medium term financial plan can be found in Appendix C.

4.0 REVIEW OF HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL PLAN

2019/20 Forecast Outturn

4.1 The forecast outturn position for the Housing Revenue Account for 2019/20 is a surplus of £1.7m, £296k higher than the approved budgeted surplus of £1.4m. The main causes of this surplus are:

- Reduced expenditure on a painting programme of £100k.
- Savings of £90k on utility costs, such as council tax, gas and electricity.
- Lower than anticipated responsive repair costs, saving £50k.
- Net staff cost savings of £84k.

2020/21 Draft Budget

4.2 The draft budget for 2020/21 is estimated to produce an operating surplus of £2.5m after making a contribution to the capital programme of £1.3m. We will utilise this operating surplus to the debt repayment reserve, and draw on it if required for future projects.

HRA Medium Term Financial Plan - July 2019 Projections

4.3 The projected financial position, presented in July 2019, showed that the HRA was able to fully fund its capital programme and meet loan commitments falling due over the five year period from 2019/20 to 2023/24, with surpluses of £14.3m over 5 years.

Table 5, HRA Medium Term Finance Plan – July 2019 Projections

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

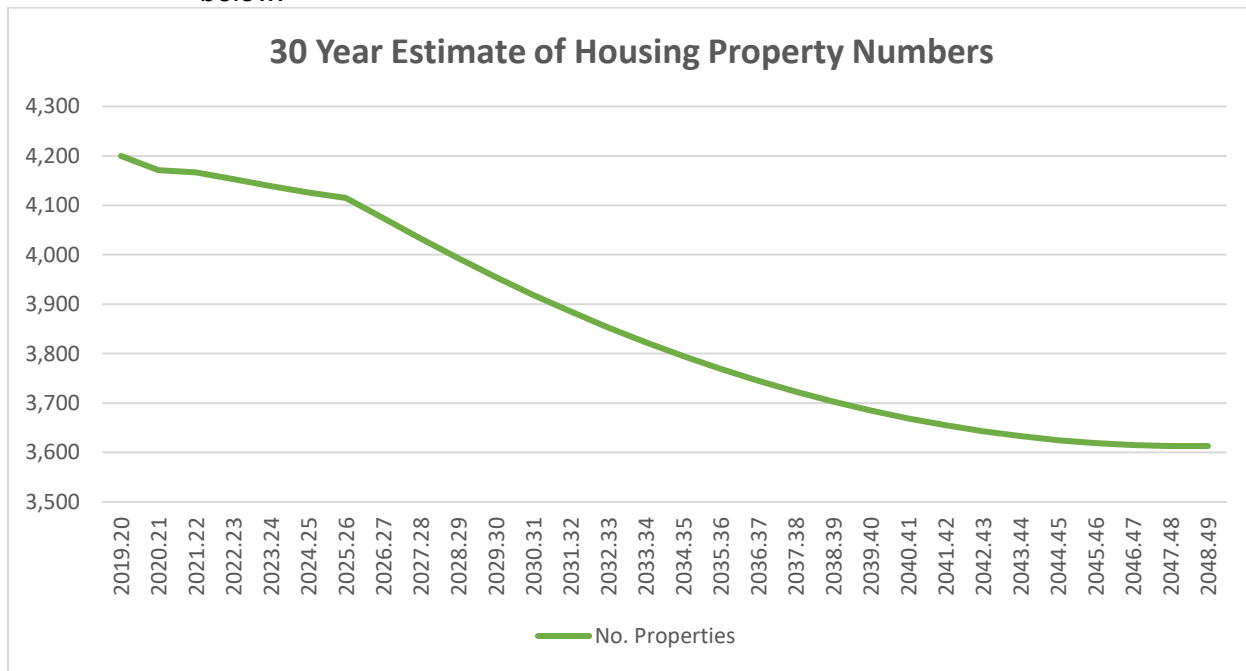
4.4 The July 2019 update suggested that, over the life of the MTFP, a shortfall of £26.4m was anticipated from 2041/42, as a result of a need to finance a large capital programme. This had fallen from the position forecast a year ago as a result of changes to assumptions, and demonstrates the high degree of uncertainty in forecasting a 30 year period.

Review of Assumptions

4.5 Since July 2019 we have taken further opportunity to review the assumptions underlying the model to ensure our forecasting remains consistent with best practice. Full details of the changes are included in Appendix F, but the key changes are:

4.5.1 Adjustment of costs to reflect changes in property numbers. As a result of our existing right to buy sale assumptions (which have not changed) we expect our property numbers to fall by 14.0% over the 30 year period, as shown by the graph

below.



To reflect this, we have introduced a new assumption that our management, repairs and non-new build capital programmes down will fall over the 30 years programme to reflect the falling numbers. We have assumed that a 1% reduction in property numbers leads to a 0.25% reduction in management and stock improvement costs, to reflect that falling property numbers does not necessarily lead to a proportionate fall in costs in capital costs.

This change assumption only applied to years 6-30 of the model, and reduces our costs over the 30 year period by £37.5m in addition to the changes noted below.

4.5.2 Reducing our income inflation assumption. In the last update we had assumed that the income from years 1-5 will increase by 1% more than inflation, as measured by the consumer price index, following the latest guidance from central government. From years 6 to 30 we had assumed that we would increase rents by 0.5% above inflation. To be more prudent we have now revised down the years 6 to 30 increases to just inflation, at a cost to the business plan of £37.2m.

4.6 We have also made a number of changes to our expectations over the 30 year period:

4.6.1 Introduction of a 5 year New Supply Programme. For the first time we have developed a 5 year new supply programme within our capital programme, for the purpose of building and acquiring new properties. We have budgeted the five year programme to cost £25.4m, up from an original planned expenditure of £1.6m. This is expected to produce an additional 168 houses over the 5 year period. The sustainability of the New Supply Programme is dependent on external funding, so does not currently include a provision for New Supply after 2024/25, but this assumption will be regularly reviewed.

4.6.2 Reducing the size of the long-term capital programme. The model has assumptions around the size of the Housing Capital Programme each year for 30 years. The July 2019 model had assumed that the non-new build elements of the capital programme would be £251.6m from years 6 to 30, an average of £10.1m per year. This is now considered to be an overassessment of need, and revised

figures have brought that down to £196.2m from years 6 to 30, or an average of £7.8m per year – saving the HRA business plan £55.4m.

4.6.3 Updates to 2019/20 forecast expenditure. We have updated our forecast expenditure for 2019/20, which has improved our financial position by £4.4m. This is due to £4.1m forecast underspend on the capital programme and additional surpluses of £0.3m on the revenue account.

4.6.4 Changes within the 2020/21 budget. The 2020/21 budget, before funding the capital programme, is £0.6m better than in July 2019, which is largely due to increases in the In-House Repairs Team's expected surplus now they are also completing the Home Improvement Programme for the Council, plus new savings targets as part of the Journey to Self Sufficiency programme. As budgets in years 3-30 are based on the 2020/21 budget this improves the 30 year budget position by £20.5m.

4.7 We have not yet included any cost assumptions for making the council carbon neutral by 2030, as we believe it to be premature to do so whilst we are still developing our roadmap to zero carbon. We will, however, look to introduce an assumption for this for our next update.

HRA Medium Term Financial Plan – Revised Projections

4.8 The net result of these changes is an improvement to the HRA 30 plan of £56.8m. This favourable change means we now anticipate being able to repay the self-financing loans taken out in 2012 in full when they fall due, subject to members wishing to utilise these surpluses for service improvements. Members will however, retain the flexibility to re-finance these loans should they wish to do so.

4.9 The changes made to the model illustrate 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, which are shown in the table below and a detailed breakdown is provided in Appendix F.

Table 6, HRA Medium Term Finance Plan – December 2020 Projections

HRA	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	TOTAL £'000
Total Income	18,301	18,860	19,447	20,056	20,580	97,245
Total Expenditure	-11,419	-11,599	-11,804	-12,005	-12,266	-59,093
Contribution to the Capital Programme (RCCO)	-1,334	-4,508	-5,086	-4,951	-4,711	-20,590
Financing Expenditure	-3,272	-3,233	-3,015	-3,014	-2,992	-15,526
Surplus	2,275	-481	-458	86	613	2,035
J2SS Adjustments	225	325	575	625	900	2,650
Surplus	2,500	-156	117	711	1,513	4,686

4.10 The HRA continues to generate healthy surpluses over the five year period, totalling £4.7m. However, this is lower than in previous forecast, as a result of higher contributions being made to the capital programme as a result of the New Supply programme being budgeted over 5 years and the resulting need for revenue contribution to capital to fund it.

- 4.11 As noted in section 2, the HRA is now included in the Journey to Self Sufficiency Programme. Whilst the HRA is already self-sufficient, the ethos of this programme applies equally to the HRA to ensure that we continually seek to improve the value for money we offer to our tenants. This is particularly important now we are adjusting our longer term predictions to reflect the reduction in property numbers (as outlined in paragraph 4.5.1), as we need to ensure our budgets reflect our reducing property numbers. The J2SS line in the table above sets out the HRA's saving or income targets for the five years.

Use of surpluses

- 4.12 Through last year's budget process, Council agreed to allow us to use the HRA's surpluses more flexibly. Due to the ring-fenced nature of the account there are limited ways we can use surpluses, which are summarised as follows:
- **Repayment of debt.** We can repay the debt we took out in 2012 when we adopted a self-financing model.
 - **Investing in capital projects.** We can use surpluses to fund capital projects, such as the building or purchasing of new homes and improvements to our existing homes and estates.
 - **Improving our day to day service.** We can either invest in the service we offer or reduce the rents we charge.
- 4.13 In practice, we do all of these each year through our normal budgets. However, the more favourable 30 year financial outlook creates an opportunity to review what we hope to achieve using the HRA's resources. We will explore this further in the coming year with an informal workshop with Cabinet.
- 4.14 In the meantime, we propose paying additional surpluses into the debt repayment reserve when the funding is available, as this is the amount we would need to set aside each year to repay out debt. As this funding will be set aside for a number of years, we propose using the additional flexibility granted to dip into the reserve to provide funding in the future, if required.

Policies and other considerations, as appropriate	
Council Priorities:	The medium term financial plans seeks to understand the amount of resources the Council will have to deliver its priorities in the future.
Policy Considerations:	Not applicable.
Safeguarding:	Not applicable.
Equalities/Diversity:	Not applicable.
Customer Impact:	Not applicable.
Economic and Social Impact:	Not applicable.
Environment and Climate Change:	The full impact of the climate emergency, declared by Council in May 2019, is not yet known. The plans therefore do not reflect the potential effort required to make the Council carbon neutral by 2030.
Consultation/Community Engagement:	Not applicable.
Risks:	There are a number of risks associated with the medium term financial plan as clearly future events

	cannot be accurately predicted and as a result the economic outlook can change quickly. In addition, a great deal of uncertainty remains in the local government sector around core funding. A risk and sensitivity analysis is included within this report.
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GENERAL FUND MEDIUM TERM FINANCIAL PLAN – JULY 2019

	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) Assumed Base Budget (5% increase year on year)	14,772				
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
Other Grants	0	0	0	0	0
Damping	0	2,112	1,281	873	345
Total Funding	15,096	14,048	13,499	12,942	12,374

GENERAL FUND REVENUE PROJECTIONS KEY ASSUMPTIONS

		Assumptions of Medium Term Financial Plan – January 2019	Revised Assumptions and additional information of the Medium Term Financial Plan – June 2019	Assumptions of Medium Term Financial Plan – November 2019
Base Budget	1	As per 2019/20 draft budget.	As per 2019/20 final budget.	As per the 2020/21 draft budget
Indicative Base Budget	2.	Stabilisation of planning fees from 2018/19 at £1.2 million per annum	No change	Planning fees reduced to £1.1m for 2020/21 and then increased in line with inflation.
	3.	Stable car parking charges and income	No change	Car Parking charges remain stable, income has reduced. Car Parking is subject to a service review.
	4.	Local Council Tax Reduction / Support Scheme grant to town and parish councils reducing by £25k (approximately 25%) each year over four years, and maintain Special Expenses at their current levels	No change	No change. From 2021/22 the support grant to parishes will be nil.
	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	No change, redesign of the council's pay structure has been implemented	Pay award in line with inflation estimates.
	6.	Pensions and national insurance costs inflated at anticipated levels to 2024.	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.	No change, expanded to 2025
	7.	Adjustment to align with the governments forecasts for CPI as announced as part of the Spring	No change, as confirmed via the Spring Statement	No change

		Assumptions of Medium Term Financial Plan – January 2019	Revised Assumptions and additional information of the Medium Term Financial Plan – June 2019	Assumptions of Medium Term Financial Plan – November 2019
81		Statement: 2019/20 – 1.8% 2020/21 – 2022/23 – 2%		
	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	No change. Anticipate change in line with 2020/21 budget and resultant investment income.	No change
	9.	Apprenticeship levy of 0.5%	No change	No change
	10	That the council saves £100k in corporate overheads in 2019/20 and £200k from 2020/21 and saves £25k in year 1 based on the net position of the new leisure outsourcing arrangement. Additional interest and minimum revenue provision (repayment of internal debt) is also factored in from 2020/21.	No change. The 2019/20 base budget has been aligned with the management fees payable to and from the contractor. Management fee payable: <ul style="list-style-type: none"> • 2019/20: £529k • 2020/21: £280k • 2021/22: £208k Management fee receivable: <ul style="list-style-type: none"> • 2022/23: -£59k • 2023/34: -£321k 	No change
Revenue Support Grant	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: <ul style="list-style-type: none"> • 2019/20: nil • 2020/21: -£210k • 2021/22: -£270k • 2022/23: -£320k 	No change, subject to the outcome of the Fair Funding review.	Elimination of the RSG for 2020/21.

		Assumptions of Medium Term Financial Plan – January 2019	Revised Assumptions and additional information of the Medium Term Financial Plan – June 2019	Assumptions of Medium Term Financial Plan – November 2019
Business Rates	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%.	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.	Full Business Rates Baseline reset in 2020/21 at the 2019/20 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.
	13	75% Business Rate Retention system implemented in 2020/21	No change. Business Rates are aligned with the 75% retention business rates pilot	No change
	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.	No Change	No change
New Homes Bonus	15	That New Homes Bonus funding is removed from 2020/21 but that legacy payments continue and reduce to NIL by 2023/24.	No change, pending outcome of Fair Funding Review.	No change, pending outcome of Fair Funding Review
Council Tax	16	Council tax assumed at 0% precept increase	No change, on the basis of the Conservative Party Manifesto commitment.	No change
	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.	Council tax base increases are 562 properties per year.	Council tax base increases are 650 for 2020/21 and 600 properties per year.

		Assumptions of Medium Term Financial Plan – January 2019	Revised Assumptions and additional information of the Medium Term Financial Plan – June 2019	Assumptions of Medium Term Financial Plan – November 2019
		<p>NB – A report was presented to Cabinet in December which amended the current discounts offered on second homes and empty homes.</p> <p>This will marginally increase the council tax base and therefore the income collected. These assumptions have now been built into the calculations.</p>		
Council Tax Surplus	18	£90k surplus for 2019/20, assumed at £32k 2020/21 and to NIL from 2021/22.	No change.	Assumed at £66k for 2020/21 in line with draft budget
Other	19	Self Sufficiency Reserve of £2.76 million.	Self Sufficiency now stands at £4.2 million.	Self Sufficiency now stands at £4.2 million.
	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	No change	No change
	21	The General Fund Capital Programme is fully funded.	No change. Resultant increases in finance costs reflected in base budget	No change
	22	Transitory measures based on assumption that the council will not suffer a loss of total resources of more than 5% in any one year.	No change	No change
	23	Minimum Revenue Provision policy revised in line with Statutory Guidance – impact to 2019/20 negligible, but increase in MRP for future years.	<p>No change.</p> <p>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</p>	No change

		Assumptions of Medium Term Financial Plan – January 2019	Revised Assumptions and additional information of the Medium Term Financial Plan – June 2019	Assumptions of Medium Term Financial Plan – November 2019
			Management Strategy presented to Cabinet in February 19	
Transition Funding	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.	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.	No change

GENERAL FUND MEDIUM TERM FINANCIAL PLAN – REVISED PROJECTIONS

	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
	£000	£000	£000	£000	£000
Base Budget					
Indicative Base Budget (based on services assessment)	14,508	15,548	15,864	16,006	16,591
Assumed Base Budget (5% increase year on year)					
Transfer to Climate Change Reserve	1,000				
Journey to Self-Sufficiency Programme Target Savings	(570)	(895)	(1,120)	(1,245)	(1,270)
Total Budget before Savings/Surplus	14,938	14,653	14,744	14,761	15,321
Transfer to reserves: (Savings Required)/Surplus to Self-Sufficiency Reserve	847	11	(817)	(815)	(453)
Total Final Expenditure Budget	15,785	14,664	13,927	13,946	14,868
Funding					
Revenue Support Grant					
Business Rates	6,882	4,613	5,397	8,186	9,012
New Homes Bonus	3,370	1,887	891	0	0
Council Tax	5,467	5,570	5,665	5,761	5,856
Council Tax Surplus	66	0	0	0	0
Other grants					
Damping		2,593	1,974	0	0
Total Funding	15,785	14,664	13,927	13,946	14,868

* Subject to rounding

HRA BUSINESS PLAN MODEL PROJECTIONS – JUNE **2019**

Year Financial Year	1 2019.20	2 2020.21	3 2021.22	4 2022.23	5 2023.24
HRA 30 YEAR SUMMARY					
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 (incl RRT)	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	6,478,913	6,652,171	6,793,051	6,982,668
Interest payable	-2,253,980	-2,226,562	-2,197,892	-1,861,824	-1,834,544
Interest income	108,550	116,171	131,982	81,377	115,311
Net income/expenditure before appropriations	4,195,300	4,368,522	4,586,261	5,012,604	5,263,435
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	-1,069,341	-104,240	-412,778	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	2,145,505	3,302,275	3,393,412	4,029,742

HOUSING REVENUE ACCOUNT PROJECTIONS
KEY ASSUMPTIONS

	MTFS 2019 – 2024 Original Assumptions (February 2019)	MTFS 2019 – 2024 Revised Assumptions (June 2019)	MTFS 2020 – 2025 Assumptions (November 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. 	<ol style="list-style-type: none"> 1. As per Government rent policy of CPI + 1% for five years and then just CPI for the remaining 5 years. CPI assumed at 2%. 2. No change 3. No change 4. 32 new homes added to the housing stock during 2020/21 with a target to start work on 30 properties per year thereafter for the 5 years of the programme.
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. 	<ol style="list-style-type: none"> 5. No change

	MTFS 2019 – 2024 Original Assumptions (February 2019)	MTFS 2019 – 2024 Revised Assumptions (June 2019)	MTFS 2020 – 2025 Assumptions (November 2019)
Other	<p>6. Surplus balances on the HRA to be transferred to the loan redemption reserve to repay the first £13 million of maturity loans.</p> <p>7. HRA Capital Programme is full funded</p> <p>8. The 30 year capital programme cost projects for the HRA was £186 million.</p>	<p>6. We now have £13 million so surpluses will be retained in working balances unless needed for other reasons.</p> <p>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.</p> <p>8. This figure has increased to £188.0 million in today's prices. It rises to £287.1 million when inflation is added.</p>	<p>6. Due to increased surpluses, £2.0 million proposed to be transferred to the debt repayment reserve for the loans falling due in 2037, with surpluses above that being retained in balances pending strategic review.</p> <p>7. Revenue Contribution to Capital Outlay of £1.0 million in 2020/21 to continue to fund the Capital Programme.</p> <p>8. The 30 year capital programme cost projections for the HRA have been revised down to £229.0 million when inflation and additional New Build properties have been considered.</p> <p>9. New assumption: From year 6's onwards, we are revise down our management, repairs and capital costs to reflect the reducing number of properties we own, but a rate of 0.25% for every 1% fall in property numbers.</p>

HRA BUSINESS PLAN MODEL PROJECTIONS – REVISED
November 2019

Year	1	2	3	4	5
Financial Year	2020.21	2021.22	2022.23	2023.24	2024.25

HRA 30 YEAR SUMMARY

Dwelling rents	17,326,390	17,865,420	18,433,259	19,022,166	19,525,518
Non-dwelling rents	65,920	67,238	68,583	69,955	71,354
Service charge income	556,770	567,905	579,264	590,849	602,666
Other income and contributions	351,920	358,958	366,138	373,460	380,930
Total income	18,301k	18,859,523	19,447,243	20,056,430	20,580,467

Repairs & maintenance	5,513,550	5,572,974	5,685,510	5,792,928	5,902,884
Management (incl RRT)	2,663,760	2,740,677	2,821,153	2,901,230	2,983,451
Bad debts	100,000	104,266	108,934	113,511	117,670
Depreciation	3,139,190	3,178,525	3,185,399	3,195,080	3,258,982
Debt management	2,750	2,750	2,750	2,750	2,750
Total costs	11,419,250	11,599,192	11,803,746	12,005,499	12,265,737

Net income from services	6,881,750	7,260,330	7,643,497	8,050,931	8,314,730
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Interest payable	-2,228,494	-2,197,892	-1,861,824	-1,834,544	-1,806,639
Interest income	109,900	144,981	53,073	54,248	76,698

Net income/expenditure before appropriations	4,763,156	5,207,420	5,834,746	6,270,634	6,584,789
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Set aside for debt repayment	-1,153,676	-14,179,746	-1,206,414	-1,233,694	-1,261,599
Revenue contributions to capital	-1,334,000	-4,508,406	-5,085,867	-4,950,864	-4,710,566
Allocation to/from other reserves	0	13,000,000	0	0	0
Other appropriations	225,000	325,000	575,000	625,000	900,000
Net HRA Surplus/Deficit	2,500,480	-155,732	117,464	711,076	1,512,625

GENERAL FUND MEDIUM TERM FINANCIAL PLAN 2020 – 2025
SCENARIO ANALYSIS

The table below is intended to illustrate an isolated change in a number of different assumptions to give readers an indication of the breadth of financial outcomes.

Isolated changes are highlighted in *red italic*.

Table G1 – Summary of Scenario Analysis

	Most Likely Position	Savings targets not achieved	Alternative Model - Business Rates Baseline Reset	Economic Downturn	New Homes Bonus Scheme Continues	New Homes Bonus Scheme Abolished
	Base MTFP £'000	Scenario 1 £'000	Scenario 2 £'000	Scenario 3 £'000	Scenario 4 £'000	Scenario 5 £'000
What the Scenario is modelling?	Most likely assumptions, given known information at November 2019 and impact of Journey to Self-Sufficiency savings being met in full.	The impact of Journey to Self-Sufficiency savings targets not being met.	The potential impact of the 'Alternative Model' methodology for resetting the business rates baseline in 2021 - the effect of which would be that the Council no longer benefit from new business rate growth.	The potential impact to business rates, council tax and expenditure of economic downturn commencing in 2020/21.	The impact of the New Homes Bonus scheme continuing in the future on the same basis as it currently operates.	The impact of the New Homes Bonus scheme being abolished from 2021.
NHB	0.4% Baseline; Legacy payments from 2020	as per Base	as per Base	as per Base	<i>NHB scheme continues as is</i>	<i>NHB scheme abolished in 2021</i>

	Most Likely Position	Savings targets not achieved	Alternative Model - Business Rates Baseline Reset	Economic Downturn	New Homes Bonus Scheme Continues	New Homes Bonus Scheme Abolished
	Base MTFP £'000	Scenario 1 £'000	Scenario 2 £'000	Scenario 3 £'000	Scenario 4 £'000	Scenario 5 £'000
Business Rates	Full reset in 2020 based on 19/20 rates level	as per Base	<i>Alternative Model methodology for resetting of baseline - no growth post 2021</i>	<i>No growth over life of MTFP and a 2% reduction as a result of businesses folding</i>	as per Base	as per Base
Council Tax	0% precept to 2024, growth 650 homes 21/22, 600 p.a. thereafter	as per Base	as per Base	<i>2% reduction in council tax receipts as more people become eligible for reprieve</i>	as per Base	as per Base
Journey to Self-Sufficiency Savings	Savings achieved as per targets (total of £5.1m over period and equating to £1.27m per year by 2025)	Nil savings achieved over period of MTFP	as per Base	as per Base	as per Base	as per Base
Transition	Transitional funding in place when total resources falls below -5% (assessed as if Council Tax had increased historically year on year)					
Expenditure	As per budgetary forecasts	<i>J2SS Savings not achieved</i>	as per Base	<i>1% increase in expenditure to reflect increased demand on services and reduced planning fee income</i>	as per Base	as per Base
Surplus / - Deficit Position £'000	-£1,226	-£6,326	-£10,445	-£12,560	£40,724	-£1,576

Table G2 - In Year Surplus/ (Deficit)

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Surplus/(Deficit)	847	11	-817	-815	-453	-1,226
Scenario 1	277	-884	-1,937	-2,060	- 1,723	-6,326
Scenario 2	813	11	-957	-4,952	-5,361	-10,445
Scenario 3	-661	-1,516	-2,463	-3,338	-4,581	-12,560
Scenario 4	813	2,740	6,901	13,246	17,025	40,724
Scenario 5	813	32	-1,152	-815	-453	-1,576

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 10 DECEMBER 2019



Title of Report	AIR QUALITY ANNUAL STATUS	
Presented by	Councillor Andrew Woodman Community Services Portfolio Holder	
Background Papers	Community Scrutiny recommendations of meeting held on 20 November 2019 (See Appendix 4) Previous Air quality assessments are available on the councils website	Public Report: Yes
		Key Decision: Yes
Financial Implications	None	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	None	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	None	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To seek the following: 1. Approval of the annual status report for submission to the Department for Environment, Food and Rural Affairs (DEFRA) 2. The amendment of the Coalville Air Quality Management Area (AQMA) 3. The revocation of the M1 Air Quality Management Area (AQMA) 4. Note Community Scrutiny Committee recommendations	
Reason for Decision	Compliance with Part VI of the Environmental Protection Act 1995	
Recommendations	THAT CABINET: 1. APPROVES THE ANNUAL STATUS REPORT FOR SUBMISSION TO DEFRA 2. AGREES TO AMEND THE COALVILLE AIR QUALITY MANAGEMENT AREA 3. APPROVES THE REVOCATION OF THE M1 AIR QUALITY MANAGEMENT AREA	

	4. NOTE COMMUNITY SCRUTINY RECOMMENDATIONS AND AGREE TO A REVIEW AND FURTHER REPORT TO CABINET ON THE NEED FOR ADDITIONAL CAPACITY FOR AIR QUALITY FUNCTIONS IN THE DISTRICT
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1.0 BACKGROUND

- 1.1 Air quality has a big effect on human health, the natural and manmade environment and the climate.
- 1.2 All councils have a statutory responsibility to assess the present and future air quality of their area in relation to the requirements of the National Air Quality Strategy and identify the main sources of the pollutants affecting air quality.
- 1.3 The council on an annual basis publishes the Annual Status Report (ASR) on Air Quality in the District. The data within the ASR is from the previous year's monitoring. Therefore the data in this report relates to data obtained during 2018.
- 1.4 The council's Air Quality and Contaminated Land Officer also works closely with Public Health colleagues through the Air Quality Forum and Joint Strategic Needs Assessment (JSNA) Steering Group. This work also inputs into the council's Health and Well Being Strategy.
- 1.5 Following the recent Scrutiny Committee a further report will be brought back to Cabinet on the air quality functions in the district. This will include information in relation to the scrutiny request regarding further monitoring and air quality actions.
- 1.6 Air pollution is a complex mix of particles and gases; both natural and human in origin.
 - Particulate matter (PM) and nitrogen dioxide (NO₂) are major components of urban air pollution.
 - Nitrogen dioxide (NO₂) is one of a group of gases called nitrogen oxides (NO_x). Diesel light duty vehicles (cars and vans) are the largest source of nitrogen dioxide emissions
 - Much of the PM in urban pollution hotspots, particularly those close to roads, can come from traffic sources
 - Activities such as transport, industrial processes, farming, energy generation and domestic heating can have a detrimental effect on air quality.
- 1.7 The pollutants affecting the air quality in North West Leicestershire, are particulates and nitrogen dioxide. These have the following health implications:
 - Particulate matter (PM): Strongest evidence for effects on health is associated with fine particles (PM_{2.5}), long-term exposure increases poor health and death from heart and lung diseases, classified as "carcinogenic": can cause lung cancer.
 - Nitrogen dioxide (NO₂): A respiratory irritant, associations with reduced lung development and respiratory infections in early childhood and effects on lung function in adulthood. Some studies have also shown associations of outdoor NO₂ with adverse effects on health, including reduced life expectancy.

- 1.8 Local authorities are responsible for monitoring air quality, working with local stakeholders. Officers review and assess air quality in the district to determine whether the area is likely to achieve the targets set out by Government. If officers think a target will not be met, the council needs to declare an Air Quality Management Area (AQMA) covering the part of the district where the problem lies. Officers must then draw up an air quality action plan stating how aim to targets will be met, consulting neighboring local authorities, businesses, local people, the Highways Agency, the Environment Agency and others.
- 1.9 Monitoring is undertaken in various ways and the council is required to monitor the 1 hour mean and annual mean of NO₂. The 1 hour mean is the exceedance of the air quality standard for short periods averaged over an hour. This is because exceedances over this hourly average is more likely to affect adults and children with existing lung and heart problems.
- 1.10 The council also monitors the annual mean which is the average of the exceedances over a whole year. This is because exceedances over this annual average generally increase the risk of people developing lung and heart conditions.
- 1.11 With regard to the 1 hour mean a relevant receptor is any location where a member of the public can be reasonably expected to spend more than 1 hour on a regular basis, the annual mean applies to the facade of domestic dwellings.
- 1.12 The limits/standards are set out below:

Pollutant	Time Period	Objective / Value
Nitrogen Dioxide (NO ₂)	1-hour mean	200 µg.m ⁻³ not to be exceeded more than 18 times a year
	Annual mean	40 g.m ⁻³

- 1.13 To meet these responsibilities the council has a published Air Quality Strategy and as a result of assessing these pollutants there are currently 5 declared AQMAs for the exceedance of NO₂.
- 1.14 Three AQMA's are declared for exceeding the annual mean air quality standard for NO₂:
- Derby Road/London Road, Kegworth
 - This applies to domestic properties along Derby Road and London Road (Figure 1)
 - Bondgate, Castle Donington (Figure 2)
 - This applies to domestic properties along Bondgate
 - Copt Oak (Figure 3)
 - This applies to 4 domestic properties at Corner Farm.
- 1.15 Two AQMA's are declared for exceedances of both the annual mean and 1 hour mean air quality standard for NO₂:
- M1 at Mole Hill Farm, Kegworth (Figure 4)
 - This applies to 1 domestic property
 - Broomleys Road/Stephenson Way junction, Coalville (figure 5)
 - This applies to 4 domestic properties and pedestrians walking through the junction

- 1.16 There are 31 diffusion tubes around the district to monitor levels of Nitrogen Dioxide (NO₂). A map of these locations can be found at Figure 6.
- 1.17 The council operated an automatic monitor within Coalville AQMA to assess the hourly mean air quality for NO₂. The monitor was decommissioned in September 2018 at the end of the contract as sufficient data had been collected to show the hourly mean air quality standard had not been exceeded since 2011.
- 1.18 Currently no roads in the district have exceeded the screening criteria for PM10 in accordance with the LAQM technical guidance. For this reason the Council do not have a requirement to monitor PM10. However, if this situation were to change a monitoring regime would be implemented. The team have recently ordered a Zephyr monitor which will have the ability to monitor PM10.
- 1.19 Each year the council is required to publish an annual status report (ASR) to the Department for Environment, Food and Rural Affairs (DEFRA). The template local authorities are expected to follow for this report is provided in a government technical guidance document. The overall aim of this document is to report on progress in achieving reductions in concentrations of emissions relating to relevant pollutants below air quality objective levels. It is also where local authorities identify new or changing sources of emissions.

Core requirements of the ASR:

- To report progress on the implementation of measures in the local air quality action plan and other measures and their impact in reducing concentrations below air quality objectives;
- To provide a summary of monitoring/modelling data (either locally retrieved and/or from the national network) in order to assess the air quality situation in your area and likelihood of air quality breaches, and to provide the necessary evidence base for the impact of air quality measures;
- To report on significant new developments that might affect local air quality; and
- To present information in a public-facing executive summary for the lay reader so that the local public can more easily engage with local air quality issues and measures taken to improve it.

- 1.20 Under the Conclusion and Priorities part of the ASR, it states “there are no new areas likely to be exceeding air quality objectives”. Because the ASR is a retrospective document this conclusion is based on data and work undertaken in 2018. During this time any new areas would have been assessed in the following ways:

- 1.21 When reviewing the air quality impact assessments of new developments
- When we receive complaints regarding air quality we review the volumes of traffic present on the road to determine if the screening criteria within the LAQM technical guidance are being exceeded
 - All existing areas of the district have been previously assessed within the previous rounds of Update and Screening Assessments (USA's) carried out prior to the adoption of the ASRs.

- 1.22 No new areas requiring further assessments have been identified using this criteria during 2018.

1.23 Within the scheme of delegation officers can publish the ASR annually when there are no amendments but if there are amendments officers have to prepare a report for Cabinet approval.

1.24 The ASR can be viewed at **Appendix 1**. Please note this is a standard template issued by DEFRA and the Council have limited options to amend or add additional information.

The Environmental Protection Team are a statutory consultee for any planning applications. This means that planning applications are reviewed to determine the following:

- Will the development have a negative impact in terms of air quality
- Will the negative impact affect a relevant receptor
- If so, has the developer undertaken an Environmental Impact Assessment,
- If no, recommend an assessment is undertaken
- If yes, do we concur with the findings and are the mitigations proposals suitable
- If no, recommend suitable mitigation

1.25 This is statutory work in addition to the continual monitoring via the various monitoring methods around the district.

2.0 COALVILLE AQMA

2.1 The Coalville AQMA was declared in 2008 for exceedances of the annual mean air quality standard for Nitrogen dioxide (NO₂), it was amended in 2011 to reduce its area and again in 2012 to include exceedances of the 1 hour mean air quality standard.

2.2 The automatic monitor was located within the Coalville AQMA and was primarily to monitor exceedances of the 1 hour mean air quality standard. The AQMA was amended to include an exceedance of the 1 hour mean on the 1st April 2012 following 29 exceedances of the standard in a 4 month period of 2010.

2.3 Since 2012 the 1 hour mean has not been exceeded more than the permitted **18 times per year**. The monitoring results are presented below:

Exceedances of the 1-hour mean objective

Year	Number of Exceedances of the 1-hour mean
September 2010	29
2011	20
2012	3
2013	2
2014	7
2015	0
2016	4
2017	0
To September 2018	0

- 2.4 As the monitoring has shown 7 years of compliance with the 1-hour mean air quality standard the Coalville AQMA should be amended to remove the exceedance of this standard.
- 2.5 The AQMA will still be in place for an exceedance of the annual mean air quality standard and will continue to be monitored through diffusion tubes.

3.0 M1 AQMA

- 3.1 The M1 AQMA was declared in 2001 for the exceedance of the hourly mean air quality standard for Nitrogen Dioxide, it was amended in 2004 to reduce its area and again in 2011 to include exceedances of the 1-hour mean air quality standard.
- 3.2 The only domestic property within the AQMA (Molehill House) was demolished as part of the construction of the Kegworth Bypass.
- 3.3 As there is no longer a domestic property within the AQMA should be revoked.

4.0 ONGOING WORK

- 4.1 The council continues to monitor air quality using diffusion tubes and assesses the air quality within the district on an ongoing basis and these results are reported in the ASR.
- 4.2 The council is in the processes of drafting new air quality action plans for the Coalville, Copt Oak, Castle Donington and Kegworth AQMAs and these will be completed by June 2020.
- 4.3 Officers have developed actions that can be considered under 5 broad topics:
- Policy guidance and development control
 - Promoting travel alternatives
 - Public information
 - Transport planning and infrastructure
 - Traffic management
- 4.4 Priorities are to:
- Tackle emissions due to congestion at peak times
 - Educate and inform the public of air quality
 - Ensure air quality is a key consideration in the planning process
- 4.5 Though the council has a duty to produce the action plan the implementation of the actions may be outside of the councils control e.g. highway improvements.
- 4.6 Following completion of the Kegworth bypass is likely that air quality will improve within Kegworth. Monitoring will need to be undertaken for several years to determine if compliance with the Annual Mean air quality standard for Nitrogen Dioxide has been achieved within Kegworth. This will be completed using the currently deployed diffusion tube locations within Kegworth.

- 4.7 The construction of the Castle Donington relief road has commenced, following its completion and the provision of traffic calming measures along High Street, Castle Donington, it is likely that an improvement in air quality within the Castle Donington AQMA will occur. Monitoring will need to be undertaken for several years to determine if compliance with the Annual Mean air quality standard for Nitrogen Dioxide will be achieved. This will be completed using the currently deployed diffusion tube locations within Castle Donington.
- 4.8 The Council continue to review air quality across the district and earlier this year identified that Baron Road/A511 may exceed the screening criteria in future years. This was identified due to the likely impact of out of district development added to the in district development. To further investigate this and identify any possible exceedances the Council have procured a new air quality monitor. The feedback from this monitoring will be reported back in ASRs going forward. This is all part of the statutory air quality framework.
- 4.9 The wider air quality work which is non statutory, in particular, the joint work with Public Health will be reported on in due course when a further air quality report comes back to Cabinet

5.0 RELATED WORK

- 5.1 Although Cabinet are being asked to approved the recommendations contained within this report, it is felt helpful to provide Cabinet with an overview of other work streams that link into the local air quality regime.
- 5.2 Leicestershire County Council Public Health have recently published the Joint Strategic Needs Assessment <http://www.lsr-online.org/leicestershire-2018-2021-jsna.html> which now includes a chapter on air quality and health. The purpose of the Joint Strategic Needs Assessment (JSNA) is to:
- To improve the health and wellbeing of the local community and reduce inequalities for all ages.
 - To determine what actions the local authority, the local NHS and other partners need to take to meet health and social care needs, and to address the wider determinants that impact on health and wellbeing.
 - To provide a source of relevant reference to the Local Authority, Clinical Commissioning Groups (CCGs) and NHS England for the commissioning of any future services.

The JSNA chapter has reviewed the population health needs of the people of Leicestershire in relation to air quality. This has involved looking at the determinants of poor air quality, the health needs of the population in Leicestershire related to air quality, the policy and guidance supporting improvements in air quality, existing services and the breadth of services that are currently provided.

- 5.3 The key recommendations from the JSNA are that the Leicestershire Air Quality and Health Partnership Steering Group should agree a plan to deliver joint actions to tackle poor air quality and related health issues. All key partners and stakeholders should commit to deliver this plan over the next three years. Six objectives, and associated recommendations, are set out within the report and the group is currently working on drafting an action plan. A series of workshops have been scheduled for October 2019 and relevant Officer's will be attending. The action plan is due to be finalised by Public Health in March 2020.
- 5.4 The council is currently in the processes of drafting a carbon neutral action plan, many of the potential actions may also serve to reduce the emission of air quality pollutants however as the districts air quality problems all relate to traffic, until significant electrification of the vehicles using the roads occurs the carbon neutral agenda is unlikely to have a measurable impact on air quality.

6.0 RECOMMENDATIONS

- 6.1 To approve the annual status report for submission to DEFRA, to amend the Coalville air quality management area and revoke the M1 air quality management area. The draft orders are attached in **Appendix 2 and 3**.

Policies and other considerations, as appropriate	
Council Priorities:	<p>Homes and Communities Residents live in High Quality affordable homes Improve the quality of life for our residents</p> <p>Green Footprints Communities are Clean and green</p>
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment and Climate Change:	Actions to reduce CO2 emissions will help improve air quality
Consultation/Community Engagement:	None
Risks:	None
Officer Contact	<p>Strategic Director of Place 01530 454555 james.arnold@nwleicestershire.gov.uk</p> <p>Head of Community Services 01530 454832 paul.sanders@nwleicestershire.gov.uk</p>

Figure 1 **Kegworth AQMA (highlighted in blue)**

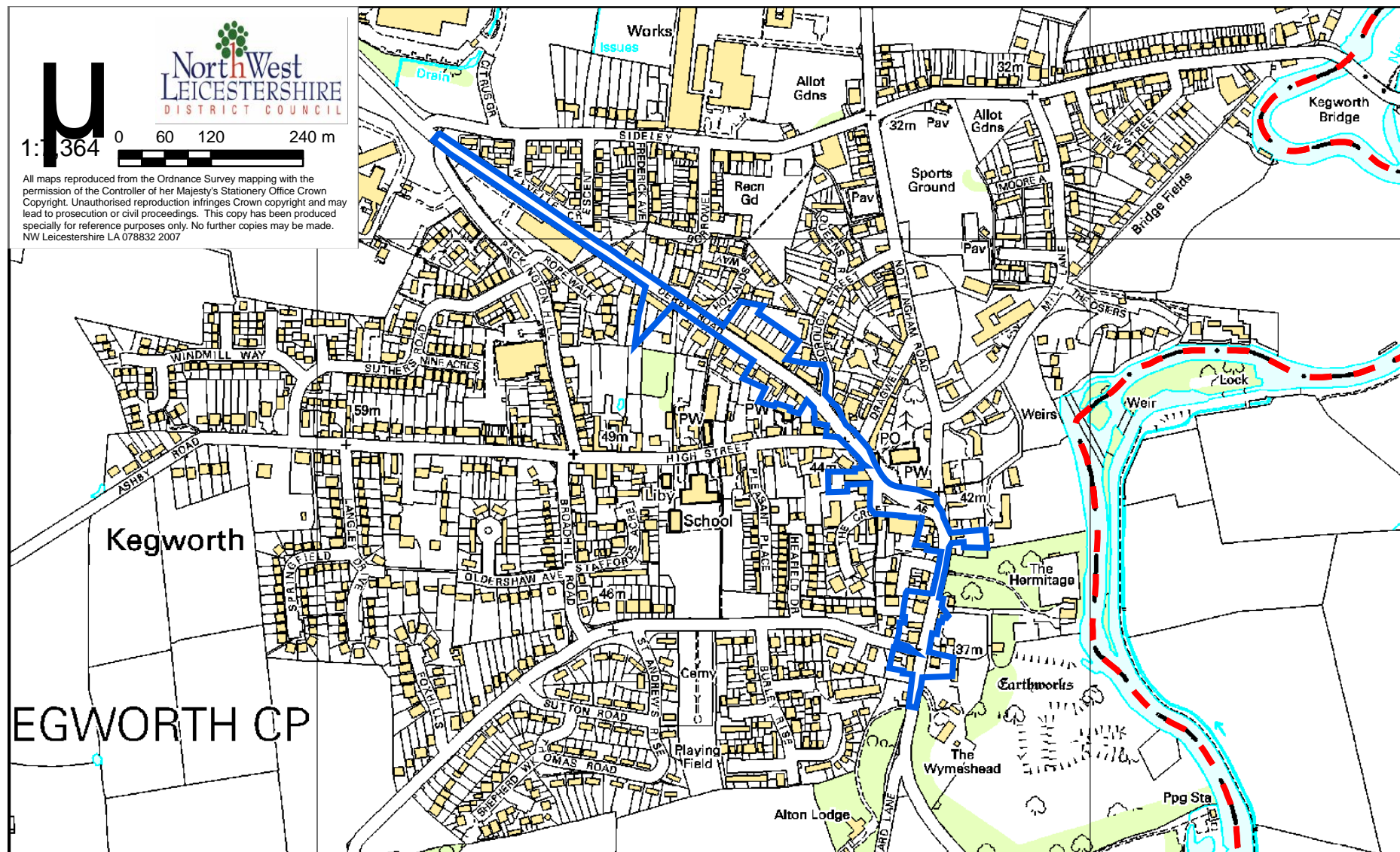


Figure 2

Castle Donington Air Quality Management Area

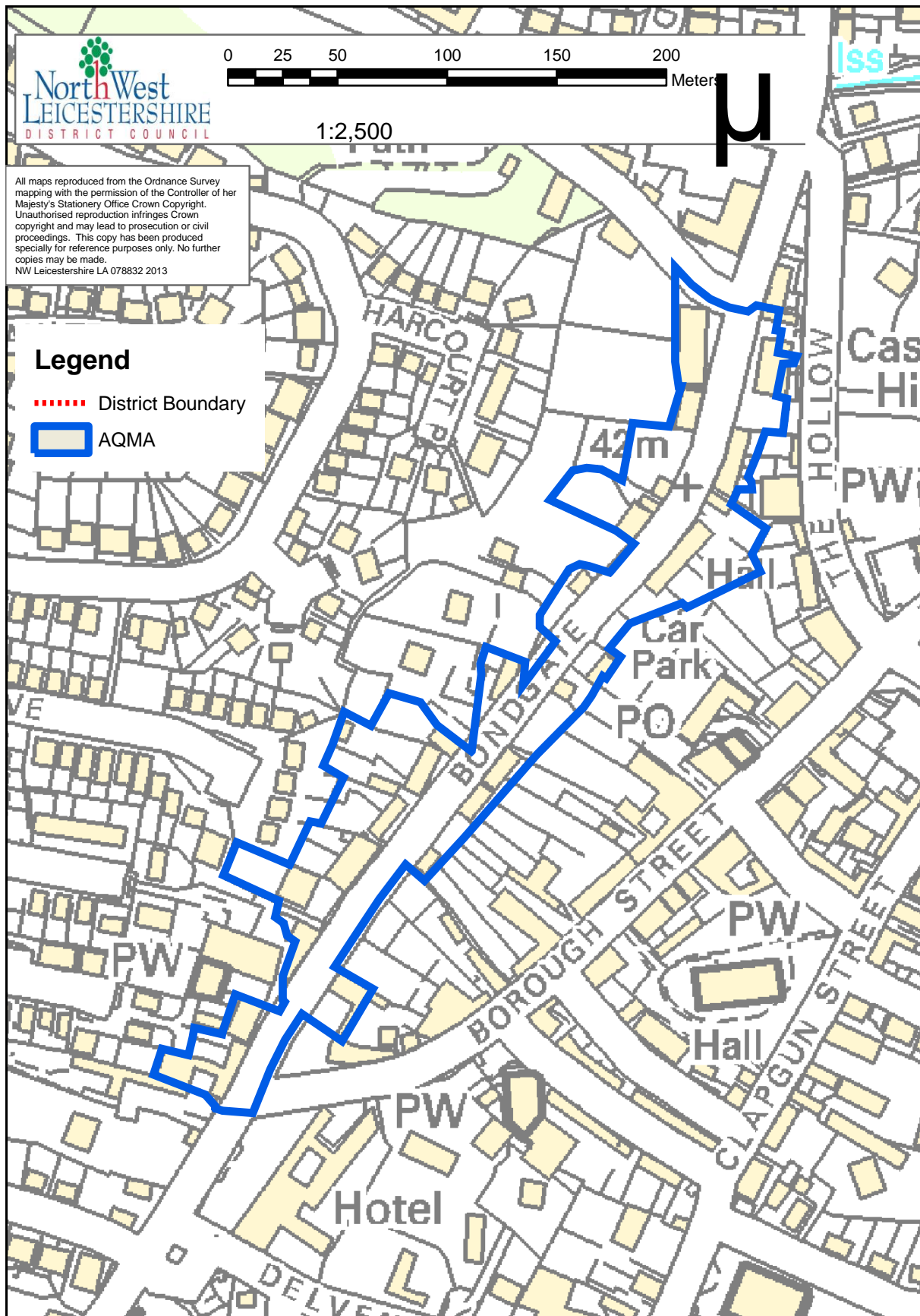


Figure 3 Copt Oak AQMA

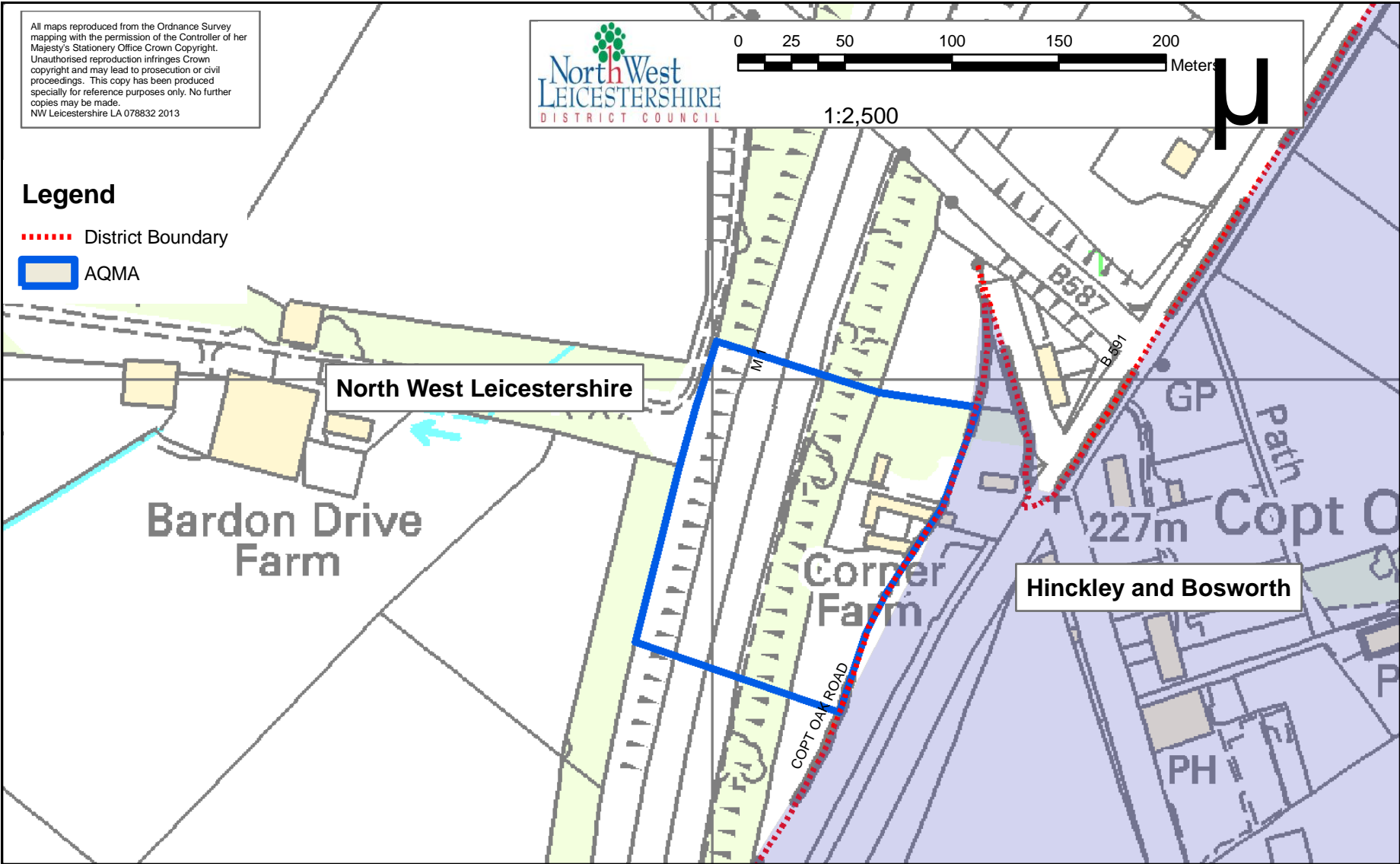


Figure 4

M1 AQMA (Outlined in Dark Blue)

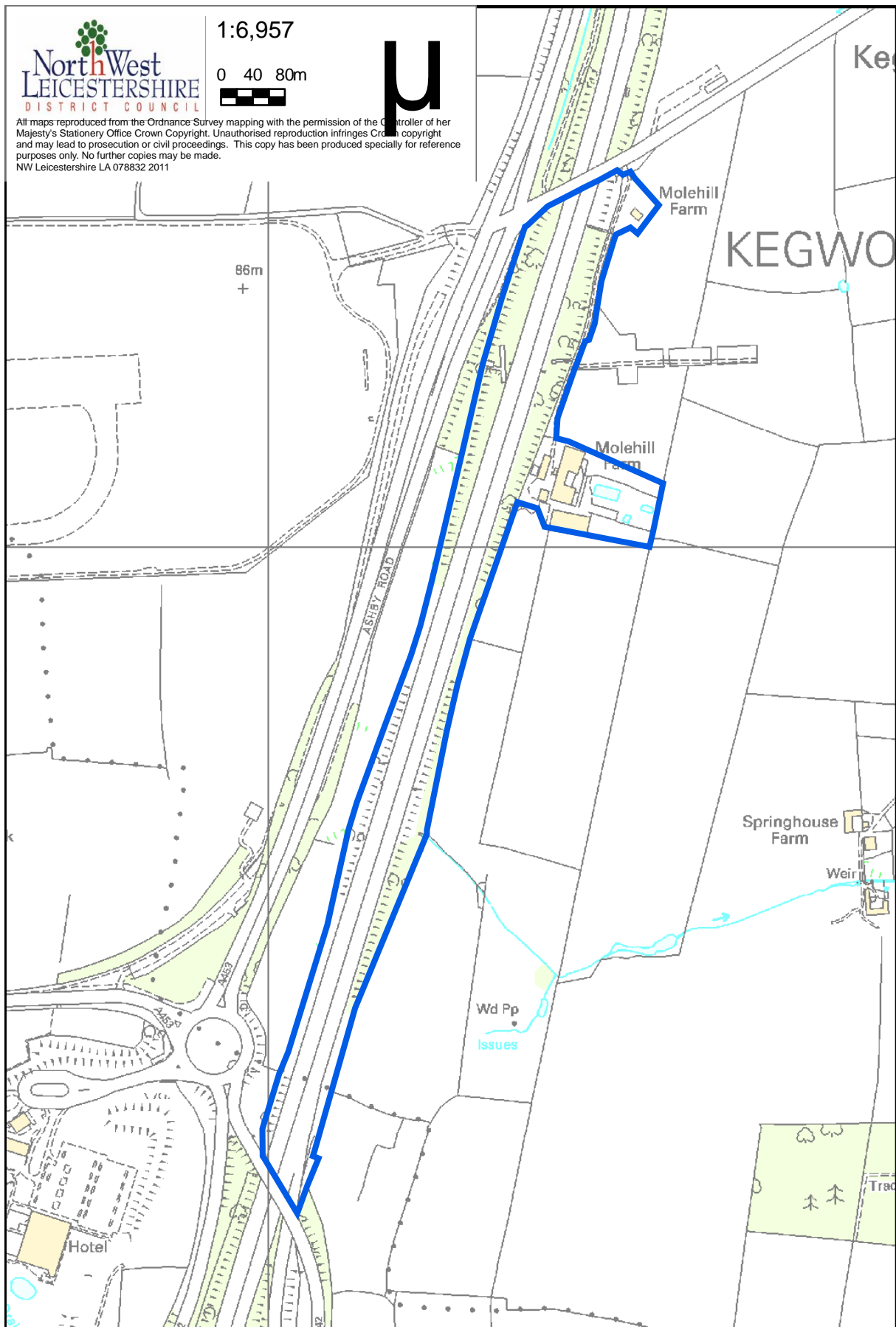
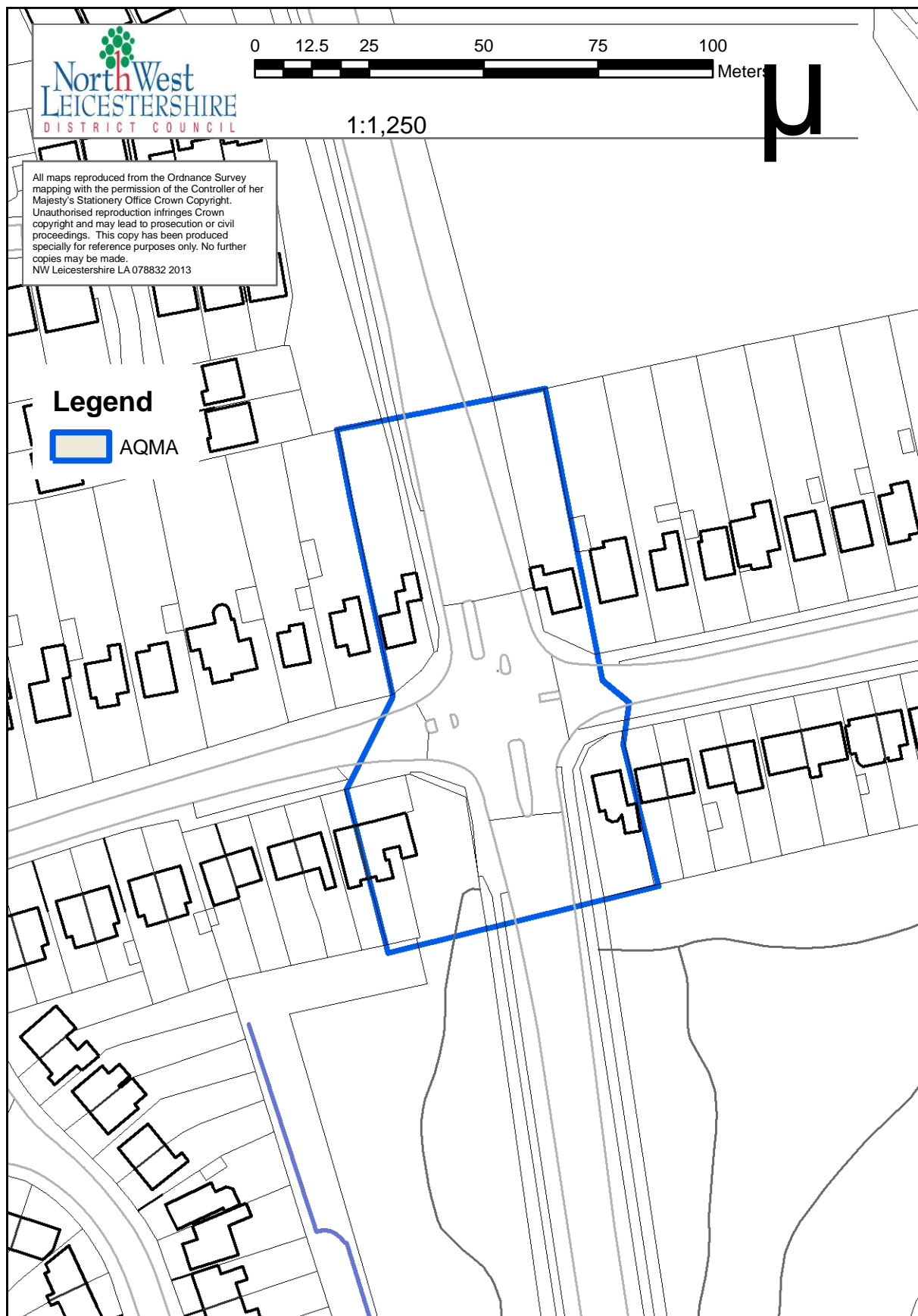


Figure 1 Coalville Air Quality Management Area (Broom Leys Junction)





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2019 Air Quality Annual Status Report (ASR)

In fulfilment of Part IV of the
Environment Act 1995
Local Air Quality Management

Date (24 December, 2019)

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Executive Summary: Air Quality in Our Area

Air Quality in North West Leicestershire District Council

Air pollution is associated with a number of adverse health impacts. It is recognised as a contributing factor in the onset of heart disease and cancer. Additionally, air pollution particularly affects the most vulnerable in society: children and older people, and those with heart and lung conditions. There is also often a strong correlation with equalities issues, because areas with poor air quality are also often the less affluent areas^{1,2}.

The annual health cost to society of the impacts of particulate matter alone in the UK is estimated to be around £16 billion³.

Six AQMAs were designated in North West Leicestershire during the first round of review and assessment for the level of nitrogen dioxide concentrations. After Further Assessments it was determined that only two of these locations required AQMA designations and the remaining four were revoked. The Update and Screening Assessment (USA) undertaken in 2006 [5] concluded that these two sites should remain AQMAs and identified three additional locations where Detailed Assessments should be undertaken to determine whether new AQMAs were required for nitrogen dioxide concentrations. The two AQMAs designated during the first round are presented in Figure F.1 and Figure F.2 in Appendix F: .

The Detailed Assessment [6] undertaken in September 2007 of the three locations identified as possible areas for AQMAs in the USA 2006 [5], the three locations were High Street/Bondgate in Castle Donington, Broom Leys Road, Coalville and Bardon Road, Coalville, found that exceedences of the nitrogen dioxide objective were occurring in Castle Donington at properties located next to the carriageway along High Street and Bondgate due to traffic emissions. Monitoring at both locations in Coalville

¹ Environmental equity, air quality, socioeconomic status and respiratory health, 2010

² Air quality and social deprivation in the UK: an environmental inequalities analysis, 2006

³ Defra. Abatement cost guidance for valuing changes in air quality, May 2013

identified nitrogen dioxide concentrations that exceeded the mean annual objective during 2005, 2006 and 2007. The Detailed Assessment concludes that AQMAs should be designated at all three locations. As a result of these reports, two additional AQMAs were designated; the first in Castle Donington, presented in Figure F.3 in Appendix F:, and the second covering Broom Leys Road and Bardon Road in Coalville, presented in Figure F.4 in Appendix F:

The Air Quality Progress Report conducted in April 2008 [7] recommended that a detailed assessment of the village of Copt Oak and the area surrounding East Midlands airport be undertaken to determine if AQMAs should be determined at these locations.

The Detailed Assessment of Copt Oak published in January 2009 [9] found that an AQMA should be declared and that the area should cross the district boundary to include an area within the borough of Hinckley and Bosworth as shown in Figure F.5. in Appendix F:.

The Detailed assessment of East Midlands airport published in March 2009 [8] concluded that the Air quality objective for NO₂ would not be exceeded within 1000m of the airport as a result of air traffic emissions.

The further assessment of Bardon Road, Coalville published in February 2009 [10] supported the original declaration of the AQMA comprising the four residential properties at Broom Leys Junction and the one hundred and seventy two residential properties on Bardon Road.

The further assessment of High Street Castle Donington published in April 2009 [11] supported the original declaration of the AQMA comprising ninety one residential properties on High Street and Bondgate, Castle Donington.

The update and screening assessment published October 2009 [11] found that a detailed assessment for SO₂ was required in some areas of the district in relation to the burning of solid fuel, to which this report relates. The report also recommended that the M1 AQMA is expanded to include

an exceedance of the 1-hour mean objective for NO₂ as the yearly mean has exceeded 60µg.m⁻³.

The Progress Report published in April 2010 [12] found no significant change in the district.

A Detailed Assessment for SO₂ was conducted in 2010 [13]. This found that solid fuel usage within off-gas areas of the district was insufficient to warrant further investigation.

A Detailed assessment of the M1 AQMA conducted in 2011 [15] found that most of the declared area could be revoked as there is either no relevant receptor or the annual mean air quality standard for NO₂ is not being exceeded.

A Detailed Assessment of the Coalville AQMA conducted in 2011 [14] found that the declared area could be reduced to the declared area of Stephenson Way as the annual mean air quality standard for NO₂ is not being exceeded along Bardon Road.

The 2011 progress report [16] found that Broomleys junction in the Coalville AQMA exceeded the 1-hour mean air quality standard for NO₂ and recommended that a detailed assessment be undertaken.

The progress report also found that the current air quality action plan is insufficient and needs to be updated.

The 2011 detailed assessment of 1-hour Mean Air Quality Standard at Broomleys junction Coalville[17] found that the 1-hour mean air quality standard was being exceeded and the AQMA should be amended.

The 2012 detailed assessment of Castle Donington[19] found that a large proportion of the AQMA was not exceeding the air quality standard and recommended the AQMA be amended.

The 2012 Further assessment of Copt Oak [20] found that a large proportion of the AQMA was not exceeding the Air Quality Standard and recommended the AQMA be amended.

The 2012 Detailed assessment of Kegworth [21] found that it was likely that most of the AQMA was exceeding the Air Quality Standard and recommended a new monitoring location was installed in the north of the AQMA.

The 2013 Further assessment of Coalville AQMA[22] found that some of its area was not exceeding the annual mean or hourly mean air quality standards for NO₂. The report recommended that a traffic survey be undertaken to further inform action planning

Actions to Improve Air Quality

- The construction of the Kegworth Bypass started May 2017 as part of the East Midlands Gateway Project <https://slp-emg.com/>
- The construction of the North and South of Park Lane Castle Donington development approved under planning permission 09/01226/OUTM which includes a relief road <https://plans.nwleics.gov.uk/public-access/applicationDetails.do?activeTab=summary&keyVal=KUG0XPLR0DD00> was started.

Conclusions and Priorities

The ASR concludes that

- there are no new areas likely to be exceeding air quality objectives
- that the Coalville exceeding the annual mean air quality standard for NO₂ but that the 1-hour mean objective has been maintained for the last 8 years.
- That the receptor for the M1 AQMA has been removed

In 2019 the council plans to

- Develop, publish and implement AQMA action plans
- Amend the declaration of the Coalville AQMA to remove the exceedence of the 1 hour-mean air quality standard

- Revoke the M1 AQMA

Local Engagement and How to get Involved

The main contributions that our community can make to improving air quality are around minimising emissions from traffic and other sources and limiting exposure at times of poor air quality. Specifically that means avoiding unnecessary car use for short journeys, utilising public transport where possible, buying and maintaining low emissions vehicles and being linked in to the national alert system for predicted episodes of poor air quality.

The public can get further information on Air Quality from the following websites

- North West Leicestershire District Council Air quality website
http://www.nwleics.gov.uk/pages/air_quality
- DEFRA's UK-AIR: Air information Resource website
<https://uk-air.defra.gov.uk/>
- DEFRA's Local Air Quality Management (LAQM) Support website
<http://laqm.defra.gov.uk/>
- Environmental Protection UK Air Pollution website
<http://www.environmental-protection.org.uk/policy-areas/air-quality/about-air-pollution/>

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1 Local Air Quality Management

This report provides an overview of air quality in North West Leicestershire District Council during 2017. It fulfils the requirements of Local Air Quality Management (LAQM) as set out in Part IV of the Environment Act (1995) and the relevant Policy and Technical Guidance documents.

The LAQM process places an obligation on all local authorities to regularly review and assess air quality in their areas, and to determine whether or not the air quality objectives are likely to be achieved. Where an exceedence is considered likely the local authority must declare an Air Quality Management Area (AQMA) and prepare an Air Quality Action Plan (AQAP) setting out the measures it intends to put in place in pursuit of the objectives. This Annual Status Report (ASR) is an annual requirement showing the strategies employed by North West Leicestershire District Council to improve air quality and any progress that has been made.

The statutory air quality objectives applicable to LAQM in England can be found in Table G.1 in Appendix G:.

2 Actions to Improve Air Quality

2.1 Air Quality Management Areas

Air Quality Management Areas (AQMAs) are declared when there is an exceedence or likely exceedence of an air quality objective. After declaration, the authority must prepare an Air Quality Action Plan (AQAP) within 12-18 months setting out measures it intends to put in place in pursuit of compliance with the objectives.

A summary of AQMAs declared by North West Leicestershire District Council can be found in Table 2.1. Further information related to declared or revoked AQMAs, including maps of AQMA boundaries are available online at https://uk-air.defra.gov.uk/aqma/local-authorities?la_id=184 .

Table 2.1 Declared Air Quality Management Areas

AQMA Name	Date of Declaration	Pollutant s and Air Quality Objective s	City / Town	One Line Description	Is air quality in the AQMA influenced by roads controlled by Highways England?	Level of Exceedance (maximum monitored/modelled concentration at a location of relevant exposure)				Action Plan (inc. date of publication)		
						At Declaration		Now				
Kegworth	26/07/2004	NO ₂ Annual Mean	Kegworth	Busy trunk road fronted by residential properties	NO				µg.m ⁻³			
M1	26/07/2004	NO ₂ Annual Mean	Kegworth	Motorway with selected close properties.	YES	51.9	µg.m ⁻³		µg.m ⁻³			
	11/07/2001	NO ₂ 1 Hour Mean	Kegworth		YES	64.7	µg.m ⁻³		µg.m ⁻³			
Castle Donington	09/01/2008	NO ₂ Annual Mean	Castle Donington	An area encompassing the High Street and Bondgate area of Castle Donington.	NO	47.98	µg.m ⁻³		µg.m ⁻³			
Coalville	09/01/2008	NO ₂ Annual Mean	Coalville	An area encompassing parts of Stephenson Way, Broom Leys Road and Bardon Road in Coalville.	NO							
	08/02/2012	NO ₂ 1 Hour Mean	Coalville		NO							
Copt oak	30/07/2009	NO ₂ Annual Mean	Copt Oak	An area of the village of Copt Oak that lies within the boundaries of NW Leicestershire District Council.	YES							

☒ North West Leicestershire District Council confirm the information on UK-Air regarding their AQMA(s) is up to date (confirm by selecting in box)

2.2 Progress and Impact of Measures to address Air Quality in North West Leicestershire District Council

North West Leicestershire District Council is working with Leicestershire County Council Highways department in drafting a new air quality action plan

The construction of the Kegworth Bypass started May 2017 as part of the East Midlands Gateway Project <https://slp-emg.com/>

The construction of the North and South of Park Lane Castle Donington development approved under planning permission 09/01226/OUTM which includes a relief road <https://plans.nwleics.gov.uk/public-access/applicationDetails.do?activeTab=summary&keyVal=KUG0XPLR0DD00> was started.

2.3 PM_{2.5} – Local Authority Approach to Reducing Emissions and/or Concentrations

As detailed in Policy Guidance LAQM.PG16 (Chapter 7), local authorities are expected to work towards reducing emissions and/or concentrations of PM_{2.5} (particulate matter with an aerodynamic diameter of 2.5µm or less). There is clear evidence that PM_{2.5} has a significant impact on human health, including premature mortality, allergic reactions, and cardiovascular diseases.

The Public Health Outcomes Framework (PHOF) (<http://www.phoutcomes.info/>) is a Department of Health data tool for England, intended to focus public health action on increasing healthy life expectancy and reducing differences in life expectancy between communities. The tool uses indicators to assess improvements. Recognising the significant impact that poor air quality can have on health, the PHOF includes an indicator relating to fine particulate matter (PM_{2.5}).

The indicator in the PHOF reports the estimates fraction of all-cause adult mortality attributable to anthropogenic particulate air pollution (measured as fine particulate matter).

Based on the latest available figures the position in North West Leicestershire district can be compared to the situation across the rest of England, East Midlands and nearby districts as shown in Appendix C. North West Leicestershire has:

- the second lowest fraction of attributable deaths to particulate air pollution in Leicestershire;
- is slightly lower than the mean for Leicestershire; and
- is slightly higher than the mean for England.

PM_{2.5} background air quality data published by DEFRA shows the district has background concentrations between 1.29µg.m⁻³ and 10.76µg.m⁻³ with a mean of 5.83 µg.m⁻³.

3 Air Quality Monitoring Data and Comparison with Air Quality Objectives and National Compliance

3.1 Summary of Monitoring Undertaken

3.1.1 Automatic Monitoring Sites

This section sets out what monitoring has taken place and how it compares with objectives.

North West Leicestershire District Council undertook automatic (continuous) monitoring at 1 sites during 2018. Monitoring ceased in September 2018.

Table A.1 in Appendix A: shows the details of the sites.

Maps showing the location of the monitoring sites are provided in Appendix E: . Further details on how the monitor is calibrated and how the data has been adjusted are included in Appendix H:

3.1.2 Non-Automatic Monitoring Sites

North West Leicestershire District Council undertook non- automatic (passive) monitoring of NO₂ at 31 sites during 2018.

Table A.2 in Appendix A: shows the details of the sites.

Maps showing the location of the monitoring sites are provided in Appendix E:

Further details on Quality Assurance/Quality Control (QA/QC) for the diffusion tubes, including bias adjustments and any other adjustments applied (e.g. “annualisation” and/or distance correction), are included in Appendix H:

3.2 Individual Pollutants

The air quality monitoring results presented in this section are, where relevant, adjusted for bias, “annualisation” and distance correction. Further details on adjustments are provided in Appendix C:

3.2.1 Nitrogen Dioxide (NO₂)

Table A.3 in Appendix A compares the ratified and adjusted monitored NO₂ annual mean concentrations for the past 5 years with the air quality objective of 40µg.m⁻³.

For diffusion tubes, the full 2018 dataset of monthly mean values is provided in Table B.1 in Appendix B.

Table A.4 in Appendix A compares the ratified continuous monitored NO₂ hourly mean concentrations for the past 5 years with the air quality objective of 200µg.m⁻³, not to be exceeded more than 18 times per year.

3.2.1.1 Coalville AQMA

The automatic monitor was removed in September. No exceedences of the 1 hour air quality standard have been recorded in the last 8 years. It is therefore likely that this air quality standard is being achieved. There was a high loss of diffusion tubes on the monitor and they were removed at the same time as the monitor. After annualisation 1 of the diffusion tubes (36N) exceeded the annual mean air quality standard and the other diffusion tube (35N) was marginally within the standard.

All other locations were lower than the air quality standard

3.2.1.2 Castle Donington AQMA

The location on the facade of 34 Bondgate (18N) exceeded the air quality standard.

The monitoring location at 18 High Street (41N) exceeded the annual mean air Quality Standard however following Façade correction the standard was not being exceeded at the façade of the nearest property.

All other locations were below the air quality objective.

3.2.1.3 Kegworth AQMA

All locations were substantially lower than the air quality standard

3.2.1.4 Copt Oak AQMA

All receptor locations were substantially lower than the air quality standard.

A location on the kerb of the M1 exceeded however there are no relevant receptors linked to this location

3.2.1.5 M1 AQMA

The receptor (MoleHill House) has been demolished during the construction of the Kegworth Bypass.

3.2.1.6 Other locations

No locations outside of AQMA's exceeded the air quality standards

4 Appendices

Appendix A: Monitoring Results

Table A.1 Details of Automatic Monitoring Sites

Site ID	Site Name	Site Type	OS Grid Ref		Pollutants Monitored	In AQMA?	Monitoring Technique	Distance to Relevant Exposure (m) (1)	Distance to kerb of nearest road (m) (2)	Inlet Height (m)
			X	Y						
1A	Coalville	Roadside	443660	314002	NO NO ₂ NO _x	Y	Chemiluminescence	5.8	2	2

0m if the monitoring site is at a location of exposure (e.g. installed on the façade of a residential property).

N/A if not applicable.

Table A.2 Details of Non-Automatic Monitoring Sites

Site ID	Site Name	Site Type	OS Grid Ref		Tube No.	Pollutants Monitored	In AQMA?	Distance to Relevant Exposure (m) (1)	Distance to kerb of nearest road (m) (2)	Tube collocated with a Continuous Analyser?	Worst Case Location	Height (m)
			X	Y								
06N	Broomleys junction (1)	Roadside	443632	314026	6	NO ₂	Y	5.8	2	N	Y	2
08N	End Cottage Copt Oak	Rural	448138	313012	8	NO ₂	Y	0	N/A	N	N	2
12N	AEROPARK Castle Donington	Other	444161	326355	12	NO ₂	N	N	N/A	N	N	2
14N	69 HIGH Street Castle Donington	Roadside	444216	326788	14	NO ₂	N	0	2.9	N	Y	2
16N	Bondgate crossroads Castle Donington	Roadside	444450	327233	16	NO ₂	N	7.53	1	N	Y	2
17N	13 Bondgate Castle Donington	Roadside	444512	327335	17	NO ₂	Y	2	2.5	N	Y	2
18N	34 Bondgate Castle Donington	Roadside	444580	327411	18	NO ₂	Y	0	2.3	N	Y	2
19N	94 Bondgate Castle Donington	Roadside	444707	327603	19	NO ₂	Y	0.8	1.4	N	Y	2
20N	Derby Road Kegworth	Roadside	448523	326885	20	NO ₂	Y	3.2	1	N	Y	2
22N	Kegworth A6 2	Roadside	448817	326621	22	NO ₂	Y	0	2.3	N	Y	2
23N	120 Whatton Road Kegworth	Suburban	448108	326305	23	NO ₂	N	N	N/A	N	Y	2
26N	Molehill House	Roadside	447457	326420	26	NO ₂	Y	0	50	N	Y	2
31N	Sinope	Roadside	440167	315264	31	NO ₂	N	7.8	3.2	N	Y	2
32N	M1 Bridge Copt Oak	Other	448082	313100	30	NO ₂	N	N	N/A	N	Y	2
35N	Monitoring station Coalville (1)	Roadside	443660	314002	7	NO ₂	Y	5.8	2	Y	Y	2
36N	Monitoring station Coalville (2)	Roadside	443660	314002	27	NO ₂	Y	5.8	2	Y	Y	2
37N	Monitoring station Castle Donington (1)	Roadside	444534	327365	24	NO ₂	Y	0	1	Y	Y	2
38N	Monitoring station Castle Donington (2)	Roadside	444534	327365	25	NO ₂	Y	0	1	Y	Y	2
39N	NEW M1 LW	Other	446935	323744	11	NO ₂	Y	N	N/A	N	N	2
40N	35 High Street Castle Donington	Roadside	444323	326975	13	NO ₂	N	3	0.9	N	Y	2
41N	18 High Street Castle Donington	Roadside	444474	327171	15	NO ₂	N	4	1	N	Y	2

Site ID	Site Name	Site Type	OS Grid Ref		Tube No.	Pollutants Monitored	In AQMA?	Distance to Relevant Exposure (m) (1)	Distance to kerb of nearest road (m) (2)	Tube collocated with a Continuous Analyser?	Worst Case Location	Height (m)
			X	Y								
43N	Direction Sign Bardon Rd/A511 RBT Coalville	Roadside	443675	313642	2	NO ₂	Y	2.4	3	N	N	2
45N	Outside corner farm Copt Oak	Roadside	448119	312920	4	NO ₂	Y	27	4.3	N	N	2
46N	PO Derby Road Kegworth	Roadside	448724	326702	21	NO ₂	Y	0	1.3	N	Y	2
47N	12 Derby Rd Kegworth	Roadside	448639	326805	28	NO ₂	Y	4.7	2.5	N	Y	2
48N	28 London Road Kegworth	Roadside	448792	326533	29	NO ₂	Y	0.8	1.5	N	Y	2
49N	Hugglescote crossroads	Roadside	442578	312871	5	NO ₂	N	4.1	2.5	N	Y	2
50N	10 Central Road Hugglescote	Roadside	442562	312823	10	NO ₂	N	5.4	1	N	Y	2
51N	40mph sign N of petrol station	roadside	448361	326997	3	NO ₂	Y	9.6	3.2	N	Y	2
52N	lamppost 65 Derby Road Kegworth	roadside	448436	326931	9	NO ₂	Y	5.9	2.5	N	Y	2
53N	20mph sign outside 10 Greenhill Road	roadside	448436	326931	24	NO ₂	N	5.9	2.5	N	y	2
54N	Parking restrictions sign adj drive 12 & 20 Park Lane Castle Donington	roadside	444331	327257	25	NO ₂	N	8.8	2.0	N	y	2
56N	lamppost adjacent 27 Broomleys road	Roadside	443649	314040	1	NO ₂	Y	1.8	1.2	N	y	2

0m if the monitoring site is at a location of exposure (e.g. installed on/adjacent to the façade of a residential property).

N/A if not applicable.

Table A.3 Annual Mean NO₂ Monitoring Results

Site ID	Site Name	Monitoring Type	Valid Data Capture for Monitoring Period (%) ⁽¹⁾	Valid Data Capture 2018 (%) ⁽²⁾	NO ₂ Annual Mean Concentration (µg.m ⁻³) ⁽³⁾				
					2014	2015	2016	2017	2018
					BAF= 0.98	BAF= 0.95	BAF= 1.01	BAF= 0.97	BAF=
1A	Coalville	Automatic	84.3	84.3	46.9	45.1	50.0	43.2	36.8
06N	Broomleys junction (1)	Diffusion Tube	100.0%	100.0 %	38.06	35.32	35.53	36.16	34.05
08N	End Cottage Copt Oak	Diffusion Tube	91.7%	91.7%	26.82	23.67	25.85	24.79	23.39
12N	AEROPARK Castle Donington	Diffusion Tube	66.7%	66.7%	21.27	18.06	19.01	18.48	19.14
14N	69 HIGH Street Castle Donington	Diffusion Tube	91.7%	91.7%	26.69	21.18	22.96	22.16	23.93
16N	Bondgate crossroads Castle Donington	Diffusion Tube	100.0%	100.0 %	37.22	31.64	34.19	34.39	35.86
17N	13 Bondgate Castle Donington	Diffusion Tube	100.0%	100.0 %	37.06	31.58	31.07	32.42	36.97
18N	34 Bondgate Castle Donington	Diffusion Tube	91.7%	91.7%	53.04	45.66	49.77	47.81	51.93
19N	94 Bondgate Castle Donington	Diffusion Tube	100.0%	100.0 %	32.92	25.93	32.56	28.59	30.67
20N	Derby Road Kegworth	Diffusion Tube	91.7%	91.7%	31.28	27.32	29.13	29.91	25.37
22N	Kegworth A6 2	Diffusion Tube	91.7%	91.7%	35.69	28.66	33.50	29.23	28.43
23N	120 Whatton Road Kegworth	Diffusion Tube	75.0%	75.0%	20.66	14.48	20.84	20.54	19.81
26N	Molehill House	Diffusion Tube	0.0%	0.0%	34.24	29.41	29.45	31.70	0.00
31N	Sinope	Diffusion Tube	75.0%	75.0%	31.49	20.31	30.75	27.61	22.31
32N	M1 Bridge Copt Oak	Diffusion Tube	100.0%	100.0 %	53.61	56.49	55.02	58.09	59.47
35N	Monitoring station Coalville (1)	Diffusion Tube	33.3%	33.3%	38.17	32.54	37.56	32.09	38.38

Site ID	Site Name	Monitoring Type	Valid Data Capture for Monitoring Period (%) ⁽¹⁾	Valid Data Capture 2018 (%) ⁽²⁸⁾	NO ₂ Annual Mean Concentration (µg.m ⁻³) ⁽³⁾				
					2014	2015	2016	2017	2018
					BAF= 0.98	BAF= 0.95	BAF= 1.01	BAF= 0.97	BAF=
36N	Monitoring station Coalville (2)	Diffusion Tube	33.3%	33.3%	37.52	32.12	36.46	33.48	40.74
39N	NEW M1 LW	Diffusion Tube	33.3%	33.3%	29.87	26.03	27.28	19.76	24.38
40N	35 High Street Castle Donington	Diffusion Tube	100.0%	100.0 %	27.81	22.18	23.51	34.80	25.72
41N	18 High Street Castle Donington	Diffusion Tube	100.0%	100.0 %	42.24	35.64	38.43	39.85	42.67
43N	Direction Sign Bardon Rd/A511 RBT Coalville	Diffusion Tube	91.7%	91.7%	25.83	23.77	29.09	28.72	28.76
45N	Outside corner farm Copt Oak	Diffusion Tube	100.0%	100.0 %	33.84	29.67	33.51	31.29	30.71
46N	PO Derby Road Kegworth	Diffusion Tube	91.7%	91.7%	40.60	32.09	36.72	31.95	31.59
47N	12 Derby Rd Kegworth	Diffusion Tube	91.7%	91.7%	39.29	31.48	35.73	34.44	29.58
48N	28 London Road Kegworth	Diffusion Tube	83.3%	83.3%	42.22	33.37	35.19	33.56	34.07
49N	Hugglescote crossroads	Diffusion Tube	75.0%	75.0%	33.34	32.13	34.39	33.66	36.52
50N	10 Central Road Hugglescote	Diffusion Tube	75.0%	75.0%	34.66	29.29	35.06	36.97	33.06
51N	40mph sign N of petrol station Kegworth	Diffusion Tube	91.7%	91.7%	36.10	30.60	30.67	32.66	26.46
52N	lamppost 65 Derby Road Kegworth	Diffusion Tube	91.7%	91.7%	37.31	30.58	32.16	32.12	28.85
53N	20mph sign outside 10 Greenhill Road	Diffusion Tube	91.7%	91.7%	26.94	18.75	21.87	22.48	21.89
54N	Parking restrictions sign adj drive 12 & 20 Park Lane Castle Donington	Diffusion Tube	75.0%	75.0%	34.82	22.70	22.82	23.69	27.39
56N	lamppost adjacent 27 Broomleys road	Diffusion Tube	83.3%	83.3%		36.75	35.88	35.74	

Notes: Exceedances of the NO₂ annual mean objective of 40µg.m⁻³ are shown in **bold**.

NO₂ annual means exceeding 60µg/m³, indicating a potential exceedance of the NO₂ 1-hour mean objective are shown in **bold and underlined**.
data capture for the monitoring period, in cases where monitoring was only carried out for part of the year.

- (1) data capture for the full calendar year (e.g. if monitoring was carried out for 6 months, the maximum data capture for the full calendar year is 50%).
- (2) Means for diffusion tubes have been corrected for bias. means in green cells have been "annualised" as per Technical Guidance LAQM.TG16 if valid data capture for the full calendar year is less than 75%. See Appendix C for details.

Table A.4 1-Hour Mean NO₂ Monitoring Results

Site ID		Site Type	Monitoring Type	Valid Data Capture for Monitoring Period (%) (1)	Valid Data Capture 2018 (%) (2)	NO ₂ 1-Hour Means > 200µg.m ⁻³ (3)								2018
						2010	2011	2012	2013	2014	2015	2016	2017	
1	Coalville	Roadside		84.3	84.3	29 (270.4 4)	20	3	2	7	0	4	0	0 (128.7)

Notes: Exceedances of the NO₂ 1-hour mean objective (200µg.m⁻³ not to be exceeded more than 18 times/year) are shown in **bold**.

- (1) data capture for the monitoring period, in cases where monitoring was only carried out for part of the year.
- (2) data capture for the full calendar year (e.g. if monitoring was carried out for 6 months, the maximum data capture for the full calendar year is 50%).
- (3) If the period of valid data is less than 85%, the 99.8th percentile of 1-hour means is provided in brackets.
- (4) Boxes shade green indicate the result has been annualised inline with Box 7.9 – Example: Annualising Continuous Monitoring Data of LAQM.TG(16)

Appendix B: Full Monthly Diffusion Tube Results for 2018**Table B.1 NO₂ Monthly Diffusion Tube Results - 2018**

Site ID		NO ₂ Mean Concentrations (µg.m ⁻³)														
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Mean		
														Raw Data	Bias Adjusted (1)	Distance Corrected to Nearest Exposure (2)
06N	Broomleys junction (1)	42.1	36.0	36.0	33.1	32.2	29.6	38.8	41.5	39.5	38.8	35.7	40.8	37.01	34.05	26.94105902
08N	End Cottage Copt Oak	29.7	29.5	28.6	23.4	21.9	18.7	24.5	26.3	24.9	25.4	26.7		25.42	23.39	
12N	AEROPARK Castle Donington	19.3	25.4		19.8		12.4			17.6	19.8	26.1	26.1	20.80	19.14	
14N	69 HIGH Street Castle Donington	28.3	29.2	31.3	27.6	26.1	22.3	29.8	21.7	20.7		19.7	29.4	26.01	23.93	
16N	Bondgate crossroads Castle Donington	35.1	38.1	35.6	39.0	39.3	43.2	41.0	36.2	35.8	48.2	39.3	37.1	38.98	35.86	26.3
17N	13 Bondgate Castle Donington	40.2	39.8	46.5	43.4	35.1	39.7	44.5	37.2	37.5	40.1	37.3	41.0	40.19	36.97	33.6
18N	34 Bondgate Castle Donington	57.7	79.3	59.6	55.1	57.7		64.9	44.3	44.5	54.4	53.2	50.1	56.45	51.93	
19N	94 Bondgate Castle Donington	33.3	39.7	34.3	32.4	29.3	31.3	35.2	28.6	28.0	35.6	36.9	35.6	33.34	30.67	29.0
20N	Derby Road Kegworth		36.7	29.8	25.1	19.3	20.7	23.5	25.9	27.4	31.5	27.7	35.8	27.57	25.37	24.6
22N	Kegworth A6 2	33.7	33.4	28.1	32.1	28.7	28.1	29.8	28.4	29.3	32.5		35.9	30.90	28.43	
23N	120 Whatton Road Kegworth			22.4	18.5	14.5		18.1	21.7	23.8	27.2	20.2	27.4	21.53	19.81	
26N	Molehill House															
31N	Sinope				22.9	21.5	19.4	25.4	22.0	25.4	27.2	25.9	28.5	24.25	22.31	18.1

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Site ID		NO ₂ Mean Concentrations (µg.m ⁻³)														
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Mean		
														Raw Data	Bias Adjusted (1)	Distance Corrected to Nearest Exposure (2)
32N	M1 Bridge Copt Oak	70.2	58.8	59.0	68.1	56.8	63.3	69.9	69.1	67.6	62.9	58.5	71.5	64.64	59.47	
35N	Monitoring station Coalville (1)		43.1	40.1			48.4		35.3					41.71	38.38	29.9
36N	Monitoring station Coalville (2)		44.8	42.6			51.5		38.3					44.29	40.74	31.5
39N	NEW M1 LW									28.9	28.2	23.7	25.2	26.50	24.38	
40N	35 High Street Castle Donington	21.9	32.5	26.6	28.9	28.5	26.7	29.3	22.5	23.7	29.6	33.7	31.5	27.96	25.72	22.3
41N	18 High Street Castle Donington	43.0	46.7	49.1	42.2	25.3	55.1	56.1	48.2	48.6	50.1	43.9	48.3	46.38	42.67	33.3
43N	Direction Sign Bardon Rd/A511 RBT Coalville	28.4	34.0	33.8	25.3	30.6	27.7	32.4	27.0		34.1	36.4	34.3	31.26	28.76	26.2
45N	Outside corner farm Copt Oak	36.0	33.4	30.3	32.1	32.0	31.0	35.3	35.4	29.8	37.3	31.0	36.8	33.38	30.71	24.0
46N	PO Derby Road Kegworth	32.2		37.3	36.6	35.9	40.6	35.7	30.3	27.2	37.9	30.6	33.3	34.34	31.59	
47N	12 Derby Rd Kegworth	34.3	39.6	35.7	34.2	30.0	23.3	29.9	30.3	30.6	35.7	30.1		32.15	29.58	26.2
48N	28 London Road Kegworth	39.2	51.9	32.4	40.3	30.4	29.0	33.9	38.3	37.2			37.8	37.04	34.07	32.2
49N	Hugglescote crossroads		37.9		40.5	39.4	37.8	44.7	36.7		40.1	41.5	38.8	39.69	36.52	30.2
50N	10 Central Road Hugglescote		34.9		40.8	36.5	37.3	38.2	25.5		38.0	33.0	39.2	35.94	33.06	24.6
51N	40mph sign N of petrol station Kegworth		32.8	31.3	31.4	23.1	21.7	27.0	26.4	29.7	31.5	28.6	32.8	28.76	26.46	25.2
52N	lamppost 65 Derby Road Kegworth	38.2	36.7	32.1	32.5	25.5	25.4	28.0	32.6	31.6	33.0	29.2		31.35	28.85	27.1

Site ID		NO ₂ Mean Concentrations (µg.m ⁻³)														
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Mean		
														Raw Data	Bias Adjusted (1)	Distance Corrected to Nearest Exposure (2)
53N	20mph sign outside 10 Greenhill Road	26.2	30.4	27.5	24.0	22.0	22.8	19.0	16.6	20.2	26.5	26.5		23.79	21.89	22.2
54N	Parking restrictions sign adj drive 12 & 20 Park Lane Castle Donington	24.8		29.1	31.4	51.5	26.0		23.3	24.5	27.9	29.5		29.77	27.39	22.0
56N	lamppost adjacent 27 Broomleys road	38.7	39.8	39.0	37.7		33.1		37.8	37.5	41.5	40.9	51.6	39.76	36.58	

Appendix C: Details of Annualisation and Façade Correction

This appendix includes the data that has been gathered and used to formulate the ASR report which can be seen by following the link below.

[Details of Annualisation and Facade Correction](#)

Table C.1 Diffusion Tube Annualisation and façade correction

Site Code	location	Grid Reference		Our Tube No.	Pollutant monitored	In AQMA ?	Is monitoring collocated with a Continuous Analyser (Y/N)	Relevant Exposure? (Y/N with distance (m) to relevant exposure)	Distance to kerb of nearest road (N/A if not applicable)	Worst-case Location ?	Measurement Period (ug.m ⁻³)												MEAN	BIAS =	0.92	length of monitoring period (months)	annualisation (see Box 3.2 pg 3-4 of TG(09) where annual data coverage for a site is <75% site has been excluded)						façade correction - fall-off in nitrogen dioxide concentrations with distance from road See Box 2.3 pg 2-6 of LAQM.TG(09)				
		X	Y								period mean	Ratio (annual mean / period mean)		annualised bias adjusted mean (Bias adjusted mean x R _a)		background concentration grid reference		relevant background concentration	receptor correction for roadside tubes (Bias adjusted mean)																		
												jan-AUG	SEPT-DEC	jan-AUG	SEPT-DEC	jan-mar	apr-dec			X	Y																
											1	2	3	4	5	6	7	8	9	10	11	12		Bias Adjusted Mean	No of results												
06N	Broomleys junction (1)	443632	314026	6	NO ₂	Y	n	5.8	2	Y	42	36	36	33	32	30	39	41	39	39	36	41	37.01	34.05	12	12	36.18	38.69	1.023	0.957			443500	313500	11.75	26.94	
08N	End Cottage Copt Oak	448138	313012	8	NO ₂	N	n	0	N/A	N	30	29	29	23	22	19	25	26	25	25	27		25.42	23.39	11	12	25.33	25.67	1.004	0.990			447500	312500	18.84		
12N	Aeropark	444161	326355	12	NO ₂	N	n	N	N/A	N	19	25		20		12			18	20	26	26	20.80	19.14	8	12							443500	325500	13.69		
14N	69 High St CD	444216	326788	14	NO ₂	N	n	0	2.9	Y	28	29	31	28	26	22	30	22	21		20	29	26.01	23.93	11	12	27.03	23.27	0.962	1.118			443500	326500	13.80		
16N	crossroads CD	444450	327233	16	NO ₂	Y	n	7.53	1	Y	35	38	36	39	39	43	41	36	36	48	39	37	38.98	35.86	12	12	38.42	40.10	1.015	0.972			443500	326500	13.80	26.33	
17N	13 Bondgate CD	444512	327335	17	NO ₂	Y	n	2	2.5	Y	40	40	46	43	35	40	45	37	37	40	37	41	40.19	36.97	12	12	40.80	38.97	0.985	1.031			443500	326500	13.80	33.61	
18N	34 Bondgate CD	444580	327411	18	NO ₂	Y	n	0	2.3	Y	58	79	60	55	58		65	44	45	54	53	50	56.45	51.93	11	12	59.80	50.57	0.944	1.116			444500	326500	15.31		
19N	94 Bondgate CD	444707	327603	19	NO ₂	Y	n	0.8	1.4	Y	33	40	34	32	29	31	35	29	28	36	37	36	33.34	30.67	12	12	33.00	34.03	1.010	0.980			444500	327500	13.58	29.00	
20N	Derby Rd Kegworth (Benny's Hill)	448523	326885	20	NO ₂	Y	n	3.2	1	Y		37	30	25	19	21	24	26	27	31	28	36	27.57	25.37	11	12	25.85	30.58	1.067	0.902			447500	326500	22.88	24.65	
22N	Keg A6 2	448817	326621	22	NO ₂	Y	n	0	2.3	Y	34	33	28	32	29	28	30	28	29	32		36	30.90	28.43	11	12	30.28	32.56	1.021	0.949			448500	326500	16.85		
23N	120 Whatton road Kegworth	448108	326305	23	NO ₂	N	n	N	N/A	Y			22	19	15		18	22	24	27	20	27	21.53	19.81	9	12	19.04	24.65	1.131	0.874			447500	325500	20.75		
26N	Molehill House	447457	326420	26	NO ₂	Y	n	0	50	Y															0	12							446500	325500	19.42		
31N	Sinope	440167	315264	31	NO ₂	N	n	7.8	3.2	Y				23	22	19	25	22	25	27	26	29	24.25	22.31	9	12	22.25	26.76	1.090	0.906			439500	314500	9.26	18.07	
32N	M1 Bridge Copt Oak	448082	313100	30	NO ₂	N	n	N	N/A	Y	70	59	59	68	57	63	70	69	68	63	58	72	64.64	59.47	12	12	64.40	65.12	1.004	0.993			447500	312500	18.84		
35N	monitoring station Coalville (1)	443660	314002	7	NO ₂	Y	y	5.8	2	Y		43	40			48		35					41.71	38.38	4	12					39.0		443500	313500	11.75	29.89	
36N	monitoring station Coalville (2)	443660	314002	27	NO ₂	Y	y	5.8	2	Y		45	43			51		38					44.29	40.74	4	12					41.4		443500	313500	11.75	31.50	
39N	LW new M1	446935	323744	11	NO ₂	N	n	N	N/A	N										29	28	24	25	26.50	24.38	4	12						23.9	446500	323500	16.26	
40N	35 High Street castle Donington	444323	326975	13	NO ₂	N	n	3	0.9	Y	22	33	27	29	28	27	29	23	24	30	34	32	27.96	25.72	12	12	27.13	29.60	1.030	0.944			443500	326500	13.80	22.27	
41N	18 High Street castle Donington	444474	327171	15	NO ₂	N	n	4	1	Y	43	47	49	42	25	55	56	48	49	50	44	48	46.38	42.67	12	12	45.72	47.71	1.014	0.972			443500	326500	13.80	33.31	
43N	Direction Sign Bardon Rd/A511	443675	313642	2	NO ₂	Y	n	2.4	3	N	28	34	34	25	31	28	32	27		34	36	34	31.26	28.76	11	12	29.89	34.91	1.046	0.895			443500	313500	11.75	26.17	

Site Code	location	Grid Reference		Our Tube No.	Pollutant monitored	In AQMA ?	Is monitoring collocated with a Continuous Analyser (Y/N)	Relevant Exposure? (Y/N with distance (m) to relevant exposure)	Distance to kerb of nearest road (N/A if not applicable)	Worst-case Location ?	Measurement Period (ug.m ⁻³)												MEAN	BIAS =	0.92	length of monitoring period (months)	annualisation (see Box 3.2 pg 3-4 of TG(09) where annual data coverage for a site is <75% site has been excluded)						façade correction - fall-off in nitrogen dioxide concentrations with distance from road See Box 2.3 pg 2-6 of LAQM.TG(09)				
		X	Y								period mean	Ratio (annual mean / period mean)		annualised bias adjusted mean (Bias adjusted mean x R _a)		background concentration grid reference		relevant background concentration	receptor correction for roadside tubes (Bias adjusted mean)																		
												jan-AUG	SEPT-DEC	jan-AUG	SEPT-DEC	jan-mar	apr-dec			X	Y																
	RBT																																				
45N	outside corner farm Copt oak	448119	312920	4	NO ₂	Y	n	27	4.3	N	36	33	30	32	32	31	35	35	30	37	31	37	33.38	30.71	12	12	33.20	33.73	1.005	0.990			447500	312500	18.84	23.98	
46N	Kegworth PO Derby Road	448724	326702	21	NO ₂	Y	n	0	1.3	Y	32		37	37	36	41	36	30	27	38	31	33	34.34	31.59	11	12	35.52	32.27	0.967	1.064			448500	326500	16.85	N/A	
47N	12 Derby Rd Kegworth	448639	326805	28	NO ₂	Y	n	4.7	2.5	Y	34	40	36	34	30	23	30	30	31	36	30		32.15	29.58	11	12	32.16	32.13	1.000	1.001			448500	326500	16.85	26.25	
48N	28 London road Kegworth	448792	326533	29	NO ₂	Y	n	0.8	1.5	Y	39	52	32	40	30	29	34	38	37			38	37.04	34.07	10	12	36.93	37.48	1.003	0.988			448500	325500	14.00	32.19	
49N	10 Central Road Hugglescote	442578	312871	5	NO ₂	N	n	4.1	2.5	y		38		40	39	38	45	37		40	41	39	39.69	36.52	9	12	39.47	40.13	1.006	0.989			442500	312500	10.32	30.23	
50N	Hugglescote Cross Roads	442562	312823	10	NO ₂	N	n	5.4	1	y		35		41	37	37	38	25		38	33	39	35.94	33.06	9	12	35.54	36.73	1.011	0.978			442500	312500	10.32	24.55	
51N	40mph sign N of petrol station	448361	326997	3	NO ₂	Y	n	9.6	3.2	y		33	31	31	23	22	27	26	30	32	29	33	28.76	26.46	11	12	27.67	30.68	1.040	0.938			447500	326500	22.88	25.15	
52N	lamppost 65 Derby Road	448436	326931	9	NO ₂	Y	n	5.9	2.5	y	38	37	32	33	26	25	28	33	32	33	29		31.35	28.85	11	12	31.39	31.27	0.999	1.003			447500	326500	22.88	27.06	
53N	20mph sign outside 10 Greenhill Road	448436	326931	24	NO ₂	N	N	5.9	2.5	y	26	30	28	24	22	23	19	17	20	27	26		23.79	21.89	11	12	23.56	24.39			447500	326500	22.88	22.18			
54N	parking restrictions sign adj drive 12 & 20 park lane	444331	327257	25	NO ₂	N	N	8.8	2.0	y	25		29	31	51	26		23	24	28	29		29.77	27.39	9	12	31.01	27.28			443500	326500	13.80	22.02			
56N	lamppost adjacent 27 Broomleys road	443649	314040	1	NO ₃	N	N			y	39	40	39	38		33		38	37	41	41	52	39.76	36.58	10	12	37.70	42.86			443500	313500	11.75	N/A			
																													average annualisation ratio		1.017	0.980					

Table C2 Automatic Monitor Annualisation

	Period	Leicester A594 Roadside	Leicester University	Nottingham Centre	Nottingham Western Boulevard	Stephenson's Way Coalville
period mean	19/02/2018 16:00 to 24/09/2018 00:00	31.894	20.017	24.256	30.277	41.83
annual mean		35.784	23.245	27.513	34.133	
ratio		0.891	0.861	0.882	0.887	
annualised value						36.82
mean ratio					0.880	

Raw data obtained from https://uk-air.defra.gov.uk/data/data_selector

A copy of the data is included with the attached spreadsheet Appendix C2 automatic monitor annualisation

Appendix D: Public Health Outcomes Framework

Data is taken from <https://fingertips.phe.org.uk/profile/public-health-outcomes-framework/data#page/3/gid/1000043/pat/102/par/E10000018/ati/101/are/E07000129/iid/30101/age/230/sex/4>

Appendix E: Map(s) of Monitoring Locations

Figure E.1 Map of Automatic Monitoring Sites

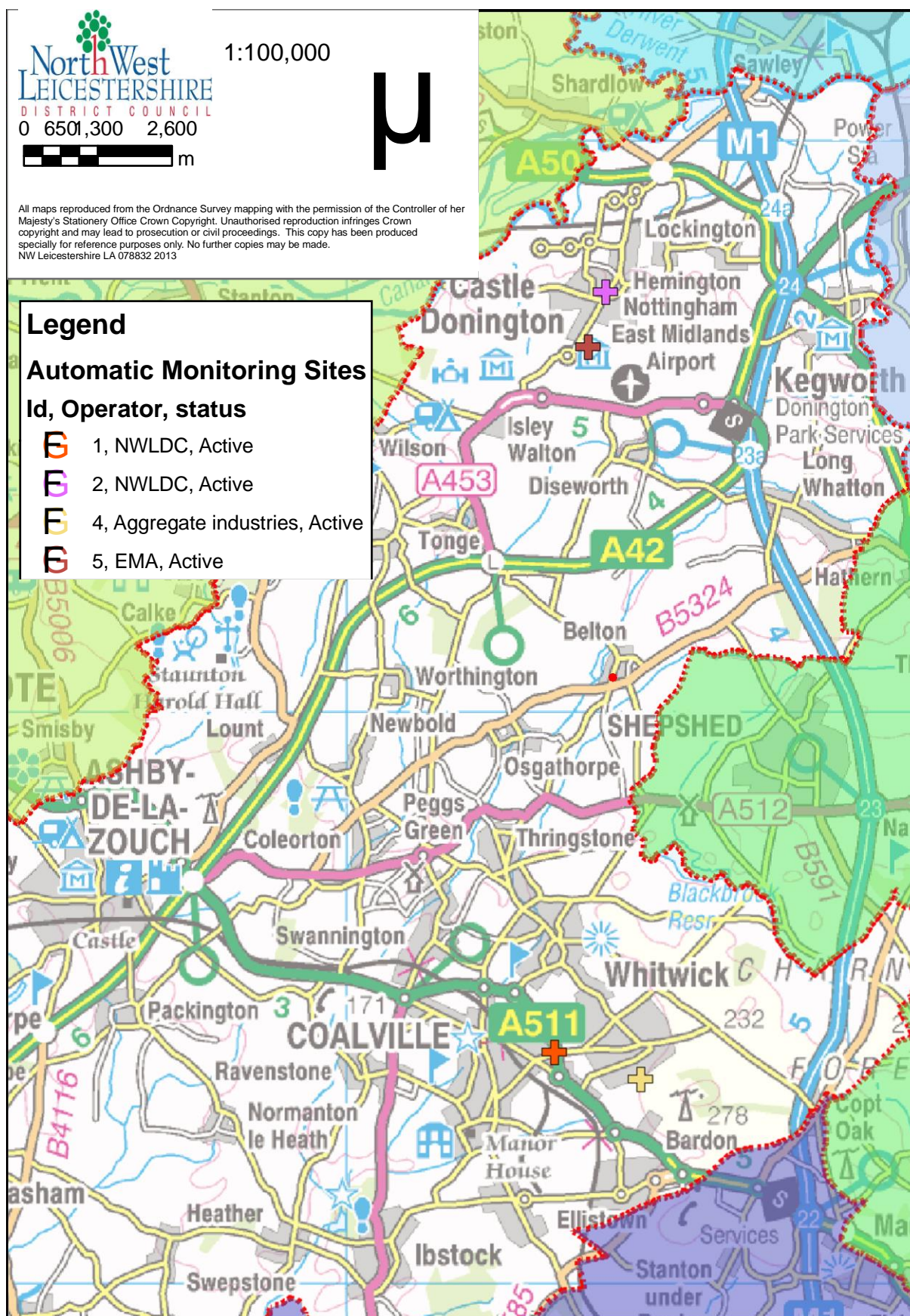
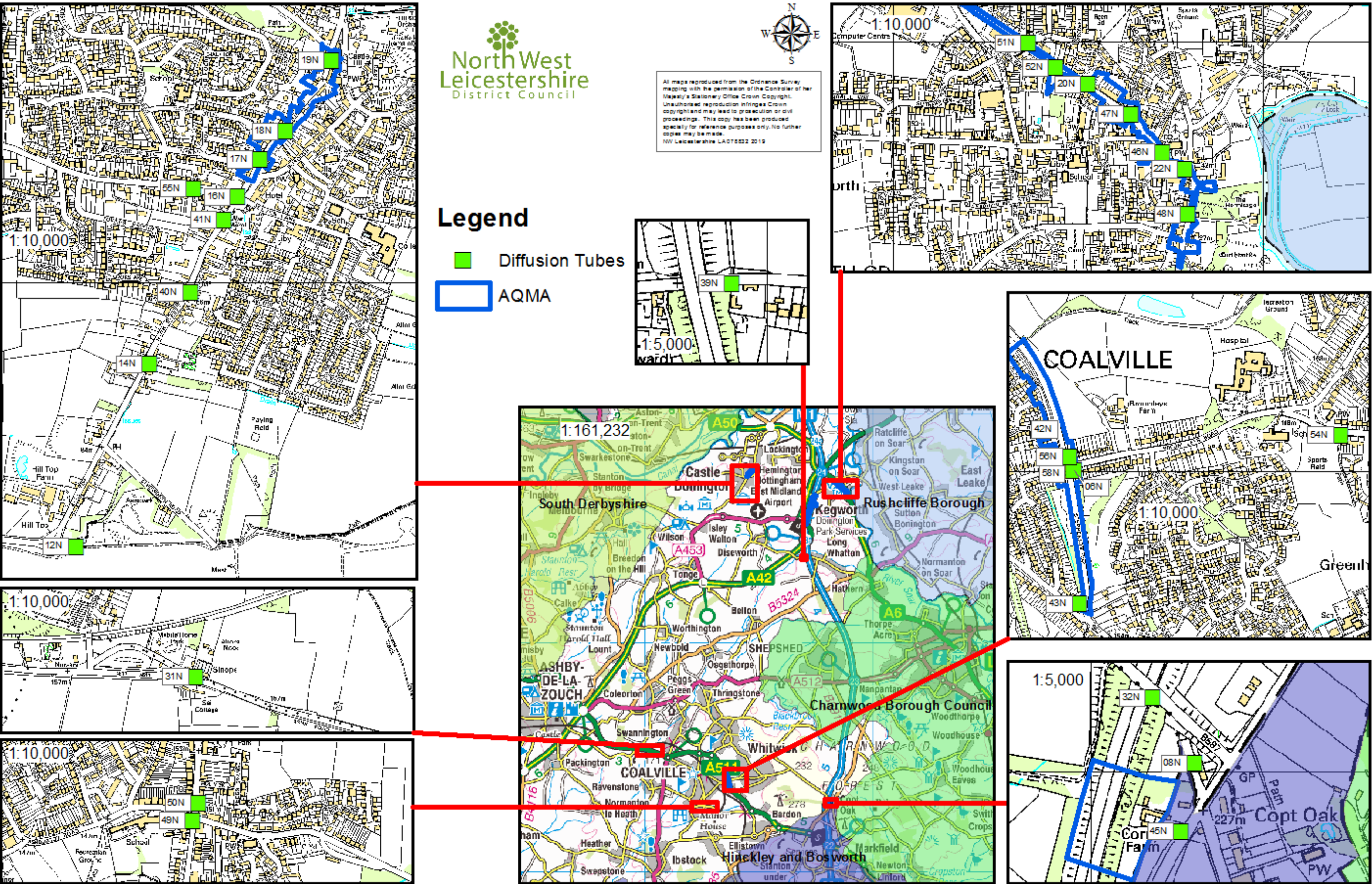


Figure E.2 Map of Non-Automatic Monitoring Sites



Appendix F: Maps of AQMA's

Figure F.1 **Kegworth AQMA (highlighted in blue).**

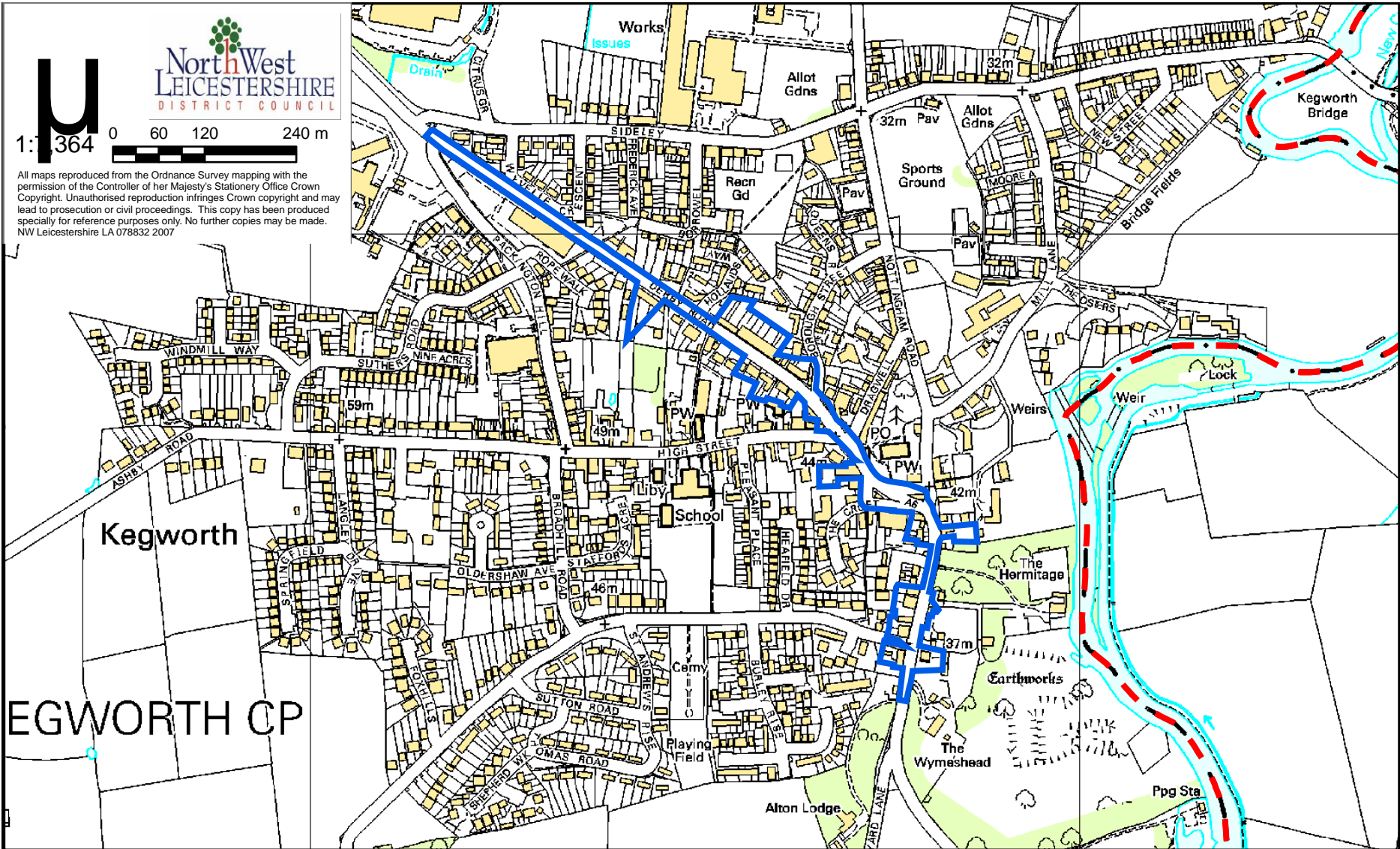


Figure F.2 M1 AQMA (Outlined in Dark Blue)

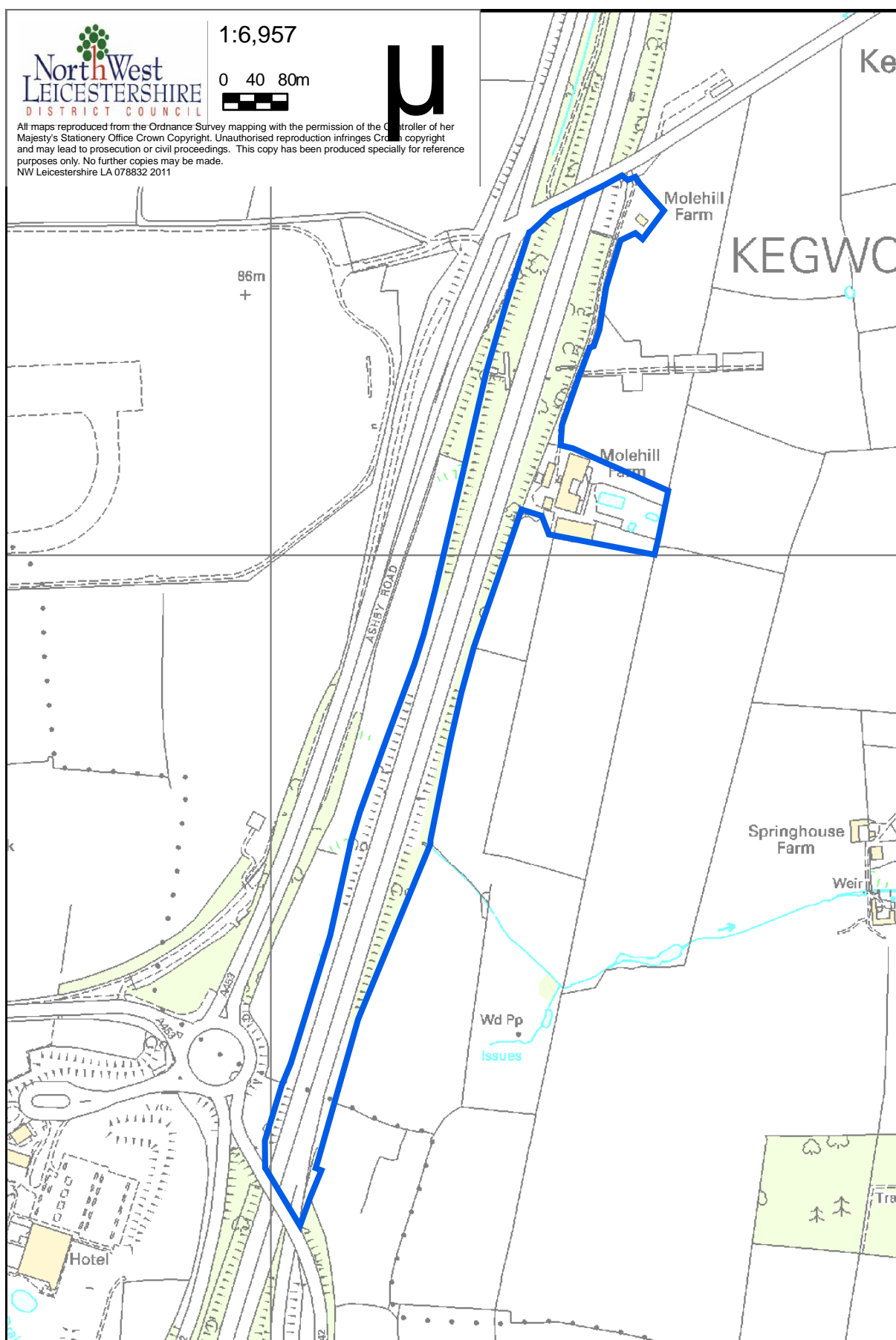




Figure F.4 Coalville Air Quality Management Area (Broom Leys Junction)

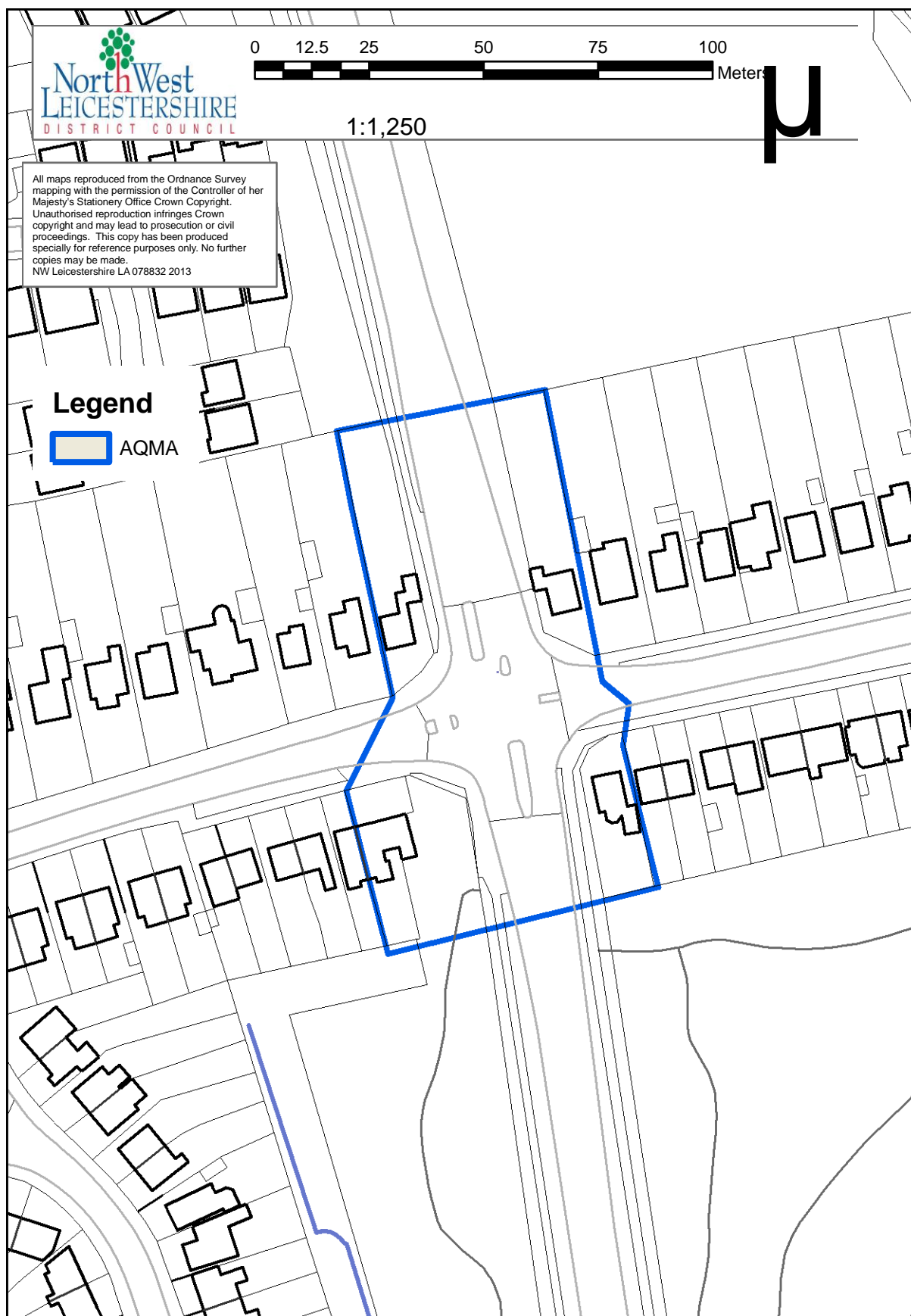
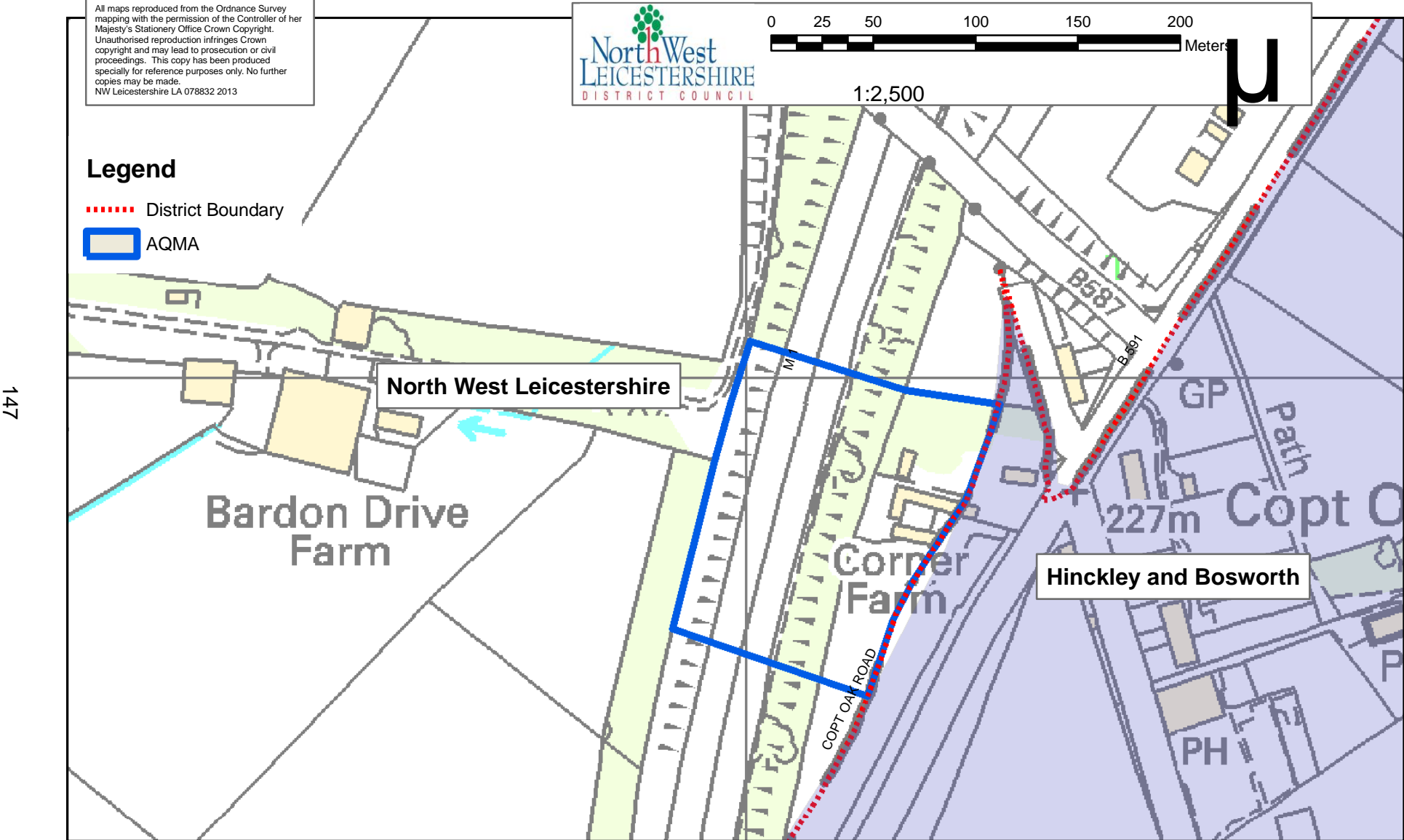


Figure F.5 Copt Oak AQMA



Appendix G: Summary of Air Quality Objectives in England

Table G.1 Summary of Air Quality Objectives in England

Pollutant	Air Quality Objective ⁴	
	Concentration	Measured as
Nitrogen Dioxide (NO ₂)	200 µg.m ⁻³ not to be exceeded more than 18 times a year	1-hour mean
	40 µg.m ⁻³	Annual mean
Particulate Matter (PM ₁₀)	50 µg.m ⁻³ , not to be exceeded more than 35 times a year	24-hour mean
	40 µg.m ⁻³	Annual mean
Sulphur Dioxide (SO ₂)	350 µg.m ⁻³ , not to be exceeded more than 24 times a year	1-hour mean
	125 µg.m ⁻³ , not to be exceeded more than 3 times a year	24-hour mean
	266 µg.m ⁻³ , not to be exceeded more than 35 times a year	15-minute mean

⁴ The units are in microgrammes of pollutant per cubic metre of air (µg/m³).

Appendix H: QA/QC Data

QA/QC of automatic monitoring

The analyser at Coalville is an API 200 chemiluminescence analyser,

Routine instrument calibrations are conducted once per month, which involve zero and span checks, a written record of the gas analyser diagnostics and a general visual inspection of all equipment is undertaken.

Data retrieval and daily data checking

Data from the monitoring station is retrieved and processed on a data logger as 15-minute mean data. The logger is interrogated via a Siemens TC35i GSM modem at 8-hourly intervals by the ENVIEW 2000 software hosted at TRL. This is used to retrieve, check and archive data.

TRLs internal QA/QC procedures require all data to be backed up on a secure server and all documentation associated with each site to be uniquely identified and securely stored to provide an audit trail.

Daily data inspections are undertaken during office hours using the facilities of the Data Management System. Initial observations of the Management System indicate whether the site has been contacted during its nominated 'poll time' overnight. If this has not been successful a manual poll of the site may be required. If this is not successful further investigation of the communications integrity will be required to establish contact with the site modem and data logger.

Three day plots of recorded data are viewed for the requested site, and these are inspected and assessed for continuity, validity, minimum and maximum values, date and time, power failures and general integrity. All anomalies are recorded on the Daily Check sheet, as required. Any anomalies or queries arising from daily inspection of data, or system operation, are brought to the attention of the Project Manager who will evaluate the situation, and initialise any necessary action. In the event that the PM is not available, contact will be made with the next available senior

person within the monitoring team. Any issues identified with equipment operation will be referred to the client for attention within 24 hours (excluding weekends).

On a weekly basis, data are examined using summary statistics and outlier analysis to establish data validity. In the event that unusual data episodes are recorded, these would be routinely examined over longer data periods to establish their impact on trends, but would also be cross referenced with data peaks and troughs recorded at other national monitoring stations. In addition, integrity and validity of data logger clock times are checked, and any significant errors recorded in the Data Management System logbook.

All site data recorded through the Data Management System is archived on TRLs Network. The data is backed up daily, and the TRL IT Department maintains these data within their long-term and secure archives. This secures all data in the event of any system failure.

Data calibration and ratification

Data is ratified as per AURN recommended procedures. The calibration and ratification process for automatic gas analysers corrects the raw dataset for any drift in the zero baseline and the upper range of the instrument. This is done using a Microsoft Excel-based calibration and ratification file which incorporates the zero and span check information from the calibration visits. The zero reading recorded during the calibration visits is used to adjust any offset of the baseline of the data. The difference between the span value obtained between one calibration visit and the next visit is used to calculate a factor. This change is assumed to occur at the same rate over the period between calibrations and as such the factor is used as a linear data scaler. This effectively results in the start of the period having no factor applied and the end of the period being scaled with the full factor with a sliding scale of the factor in-between. After applying the calibration factors, it is essential to screen the data, by visual examination, to see if they contain any unusual

measurements or outliers. Errors in the data may occur as a result of equipment failure, human error, power failures, interference or other disturbances. Data validation and ratification is an important step in the monitoring process. Ratification involves considerable knowledge of pollutant behaviour and dispersion, instrumentation characteristics, field experience and judgement.

On completion of this data correction procedure, these data were converted to hourly means and a summary of these data were provided to North West Leicestershire District Council.

Appendix I: Glossary of Terms

Please add a description of any abbreviation included in the ASR – An example is provided below.

Abbreviation	Description
AQAP	Air Quality Action Plan - A detailed description of measures, outcomes, achievement dates and implementation methods, showing how the local authority intends to achieve air quality limit values'
AQMA	Air Quality Management Area – An area where air pollutant concentrations exceed / are likely to exceed the relevant air quality objectives. AQMAs are declared for specific pollutants and objectives
ASR	Air quality Annual Status Report
Defra	Department for Environment, Food and Rural Affairs
DMRB	Design Manual for Roads and Bridges – Air quality screening tool produced by Highways England
EU	European Union
FDMS	Filter Dynamics Measurement System
LAQM	Local Air Quality Management
NO ₂	Nitrogen Dioxide
NO _x	Nitrogen Oxides
PM ₁₀	Airborne particulate matter with an aerodynamic diameter of 10µm (micrometres or microns) or less
PM _{2.5}	Airborne particulate matter with an aerodynamic diameter of 2.5µm or less
QA/QC	Quality Assurance and Quality Control
SO ₂	Sulphur Dioxide
...	...

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**ENVIRONMENT ACT 1995 PART IV
SECTION 83(2) (B)**

THE NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AIR QUALITY MANAGEMENT AREA (NITROGEN DIOXIDE)

AMENDMENT ORDER 2019 (NO.1)

By an Order dated 9th January 2008 – North West Leicestershire Council (“the Council”) made the Air Quality Management Area Order 2008 (No. 2) (“the 2008 Order”)

The Council is satisfied that as a result of its 2019 Annual Status Report dated **DATE**, it appears that in certain areas the subject of “the 2008 Order”, monitoring over the last 8 years has not found an exceedance of the 1-hour mean objective for nitrogen dioxide, the 1-hour mean air quality standard is no longer being breached.

Therefore, the Council, in exercise of the powers conferred on it by section 83(2) (b) of the Environment Act 1995, hereby makes the following order, amending the Air Quality Management Area Order 2008 (No. 2) made on 9th January 2008.

It is hereby ordered that:

- 1) The Order Known as the the Air Quality Management Area Order 2008 (No. 2) is amended as follows
 - i) The words “and the 1-hour mean air quality standard for nitrogen dioxide (NO₂)” be deleted from paragraph 2.
 - ii)
- 2) The order shall come into force on **DATE**.

Signed: _____

Date: _____

North West LEICESTERSHIRE DISTRICT COUNCIL

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Wd Pp (d/s)

Kegworth

KEGWORTH CP

Broad Hill

Molehill Farm

Molehill Farm



**ENVIRONMENT ACT 1995 PART IV
SECTION 83(2) (B)**

THE NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AIR QUALITY MANAGEMENT AREA (NITROGEN DIOXIDE)

REVOCATION ORDER 2019 (NO.1)

By an Order dated 23rd April 2001 – North West Leicestershire Council (“the Council”) made the M1 Air Quality Management Area Order 2001 (“the 2001 Order”)

By an Order dated 11th July 2011 – North West Leicestershire Council (“the Council”) made the Air Quality Management Area (nitrogen dioxide) Amendment Order 2011 (No. 1) (“the 2011 Order”)

The Council is satisfied that as a result of its 2019 Annual Status Report dated **DATE**, it appears that areas subject of “the 2001 Order”, as there is no longer a relevant receptor, the 1-hour mean air quality standard and the annual mean air quality standard for nitrogen dioxide are no longer being breached.

Therefore, the Council, in exercise of the powers conferred on it by section 83(2) (b) of the Environment Act 1995, hereby makes the following order, revoking the Air Quality Management Area (for nitrogen dioxide) Order 2001 made on 23rd day of April 2001 and the Air Quality Management Area (nitrogen dioxide) Amendment Order 2011 (No. 1) made on the 11th July 2011.

It is hereby ordered that:

- 1) The Order Known as the Air Quality Management Area (nitrogen dioxide) Amendment Order 2011 (No.1) be revoked
- 2) The Order Known as the M1 Air Quality Management Area (nitrogen dioxide) Order 2001 be revoked
- 3) The order shall come into force on **DATE**.

Signed: _____

Date: _____

North West LEICESTERSHIRE DISTRICT COUNCIL

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CG

Wd Pp (d/s)

Kegworth

KEGWORTH CP

Broad Hill

Molehill Farm

Molehill Farm

EXTRACT of the Draft MINUTES of a meeting of the COMMUNITY SCRUTINY COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 20 NOVEMBER 2019

Present: Councillor D Harrison (Chairman)

Councillors K Merrie MBE, C C Benfield, A J Bridgen, T Eynon, J Geary, B Harrison-Rushton, G Houlton and D E J Tebbutt

In Attendance: Councillors S Sheahan

Portfolio Holders: Councillors A C Woodman

Officers: Mr J Arnold, Mrs R Wallace, Mr M Fiander, Mrs W May, Mr P Sanders, Mrs M Scott and Ms C Proudfoot

21. 2019 AIR QUALITY ANNUAL STATUS

Due to the nature of the item, the Chairman reminded Members of the decision making process and that any comments made by the committee would be considered by Cabinet at its meeting in December. He then gave an overview of the format in which the item would be considered and stressed that there was to be no discussion on any related planning matter.

Mr W Moore, a local resident who had some experience in the measurement of air quality, was invited by the Chairman to address the Committee and gave a presentation.

In response to a question from Councillor T Eynon, Mr W Moore reported that the diffusion tubes that were placed around the district only measured NO_x in the air; other particulate levels were measured by the use of models. He stressed the importance and need for taking scientific measurements for all particulates. Councillor T Eynon expressed concerns that some of the data shown by Mr W Moore indicated that the air quality in some parts of the district was worse than London.

Councillor K Merrie did not believe the example given of particulate levels in an enclosed HGV garage was appropriate, as this would be covered under health and safety legislation due to it being a workplace. He would like to have seen data in relation to outdoor areas, which would be more relevant. He also raised concerns regarding the mortality figures, as the total figures were incorrect.

In response to a question from Councillor C Benfield, Mr W Moore stated that there were 30 measurement points across the district, predominantly in the north of the district with nothing at all in the South, particularly Ashby. Councillor C Benfield expressed concerns that there was a lot of focus on mortality rates and none on the impacts on general health.

Councillor J Geary was disappointed that air quality was not being measured throughout the whole district. He particularly liked the DEFRA website demonstrated by Mr W Moore where you could see the air quality hotspots and asked for the link to be shared with Members. Councillor T Eynon also asked for the link the County Council reports to be circulated.

Councillor A Bridgen commented that as Mr W Moore indicated that North West Leicestershire was the worst performing district in Leicestershire, more consultation should be had with neighbouring authorities to learn what they had in place in relation to air quality.

With the permission of the Chairman, Councillor S Sheahan who was observing the meeting addressed the Committee. He pointed out that that the Cabinet report attached for information stated that the district had the second lowest particulate related deaths in Leicestershire, however Mr W Moore's presentation indicated differently. He asked for clarification. The Chairman reported that mortality rates would be addressed in the presentation from the Leicestershire County Council representative.

Ms J Knight, Public Health Team at Leicestershire County Council gave a presentation to the Committee in relation to a recent study conducted on air quality in Leicestershire. She questioned the accuracy of the mortality data provided by Mr W Moore and drew members attention to the correct data included at slide 12 of the presentation.

In response to a question from Councillor C Benfield, Ms J Knight explained that the exceedance levels referred to in the presentation did not include PM2.5 as it was based on a model rather than actual measurements. In response to a further question, Ms Knight reported that there was some emerging evidence regarding the link between levels of PM2.5 and cognitive function but it was yet to be tested. Councillor C Benfield expressed concerns regarding levels of PM2.5 around school areas due to the link to cognitive function.

Councillor T Eynon raised concerns that the information regarding air quality levels from DEFRA was not being used by officers and that the levels of PM2.5 was not being measured when it was clear it needed to be. Ms J Knight explained that the recent assessment was the first to be undertaken and it was the first time that priorities for the County could be identified. She informed Members that there was a strong network of air quality officers and public health officers across the County who were undertaking excellent work to move things forward. She assured Members that this was only the beginning for this area of work and officers would build on the findings of the assessment. She confirmed that North West Leicestershire officers were involved in the network and were actively pushing this agenda forward.

At this point Councillor B Harrison-Rushton left the meeting.

In response to a question from Councillor K Merrie, Ms J Knight clarified that in relation to planning applications, she felt health in general needed to be a consideration not the effects of pollutant levels on health.

The Environmental Protection Team Manager and the Street Protection Team Leader gave a presentation to Members.

In response to a question from Councillor T Eynon, The Environmental Protection Team Manager explained that PM2.5 was not currently measured, as there was not a statutory duty to do so. However, monitoring gaps was one of the things being considered collectively with the Public Health Team across the County.

In response to a question from Councillor D Tebbutt, the Environmental Protection Team Manager confirmed that there were action plans in place as that formed part of the statutory duty as a monitoring authority. She added that other authorities were involved in the action plan as well as North West Leicestershire District Council.

In response to a question from Councillor A Bridgen regarding the various timeframes for means testing, and how it was decided, the Environmental Protection Team Manager reported that this was a directive from DEFRA. As it was based on technical calculations, it was agreed for an explanation to be provided to Councillor A Bridgen outside the meeting by the relevant officer.

Councillor J Geary expressed his concerns regarding the health of the public and the consequences should there be a serious incident. The Environmental Protection Team Manager assured Members that there was monitoring equipment in the district and officers were consulted on planning applications, this was to ensure that any emerging problems could be identified.

Councillor S Sheahan referred to the motion that was taken to Council on 27 June 2017 regarding the concerns of air quality and mortality rates in the district. The agreed motion was for officers to engage with Leicestershire County Council and the Director of Public Health to move forward with an Air Quality Action Plan. Councillor S Sheahan questioned what had been done since the motion had been agreed. The Environmental Health Team Manager agreed to provide a full response outside of the meeting.

The Chairman put forward the following recommendations:

Community Scrutiny Committee support the recommendation to cabinet on the air quality annual status report and recommend to cabinet that consideration is given to the need for additional capacity for Air Quality functions of the council including:

- More monitoring to take place in the district;
- More resource to support the Health and Wellbeing Strategy and wider public health issues;
- Additional resource to support the scrutiny of planning applications;
- Further support for carbon neutrality and the Council's commitment to the climate change emergency.

A lengthy discussion ensued in relation to the content of the previous report taken to cabinet, with the overall feeling that some parts were inadequate, as PM2.5 levels were not being measured. In particular, the statement made within the report that there were no new areas exceeding safe levels of particulates, as Members felt it was impossible to say this without physical measurements.

The Environmental Protection Team Manager understood Members concerns regarding the gaps in monitoring but explained that the annual status report was set out in a prescribed format, therefore it could not be changed and the only measurements that were included were those that as a monitoring authority, the council were required to measure.

After further discussion the Environmental Protection Team Manager clarified that, the data within the report was a factual statement for the previous year and therefore reiterated that it could not be changed. However, she offered to include more context within the cabinet report to ease understanding.

Councillor C Benfield requested that the final report to cabinet include a reflective summary in relation to what as an authority we would like to do, what was currently happening and what the aims were for the future, specifically the measurement of PM2.5.

The Environmental Protection Team Manager reiterated that the aim of the report was to fulfil a statutory duty; it was not to form a picture for the future. However, she did believe it would be beneficial to bring a further report to committee identifying the work that was being undertaken in this area, which would include the aspirations for the future. Ms J Knight suggested that Members read the JSNA chapter as referenced in her presentation as this would be a good starting point for discussions.

Members did not feel they could support the recommendation to Cabinet as proposed by the Chairman and therefore amended the wording to 'note the recommendation to cabinet'.

By affirmation of the meeting it was

RESOLVED THAT:

Community Scrutiny Committee note the recommendation to cabinet on the air quality annual status report and recommend to cabinet that consideration is given to the need for additional capacity for Air Quality functions of the council including:

- More monitoring to take place in the district;
- More resource to support the Health and Wellbeing Strategy and wider public health issues;
- Additional resource to support the scrutiny of planning applications;
- Further support for carbon neutrality and the Council's commitment to the climate change emergency.

Councillor B Harrison-Rushton left the meeting at 7.35pm

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 9.18 pm

Title of Report	MINUTES OF THE COALVILLE SPECIAL EXPENSES WORKING PARTY	
Presented by	Councillor Andrew Woodman Community Services Portfolio Holder	
Background Papers	Agenda and minutes of the meeting held 22 October 2019	Public Report: Yes
		Key Decision: Yes
Financial Implications	As set out within the budget reports presented to the working party.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	None	
	Signed off by the Monitoring Officer:	
Staffing and Corporate Implications	None	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To consider the recommendations made by the Coalville Special Expenses Working Party.	
Reason for Decision	To consider the recommendations made by the Coalville Special Expenses Working Party.	
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, WITH THE EXCEPTION OF 3.2.1 WHICH IS REJECTED	

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 22 OCTOBER 2019

3.1 2018/19 Events Update

3.1.1 There are no recommendations.

3.2 Capital Projects Update

3.2.1 Cabinet agree the allocation of £15,714 external funding to upgrade the equipment at the Oval Play area in Bardon as previously recommended and supported by the Working Party. This recommendation was also made in May when it was rejected by Cabinet and Members of the Working Party were requested to look to allocate the funding to improving the play equipment at a play area that had higher priority needs due to the equipment being closer to the end of its life.

3.2.2 Cabinet agree the allocation of up to £10,000 from Asset Protection budgets to cover either the insurance excess or the full cost of repairing the roof at Cropston Drive Recreation Ground changing pavilion due to health and safety issues.

Policies and other considerations, as appropriate	
Council Priorities:	Supporting Coalville to be a more vibrant, family-friendly Town
Policy Considerations:	N/A
Safeguarding:	N/A
Equalities/Diversity:	N/A
Customer Impact:	Ensuring the correct spending of the special expense budget.
Economic and Social Impact:	Progression of events and projects cannot be taken forward if not agreed.
Environment and Climate Change:	N/A
Consultation/Community Engagement:	N/A
Risks:	Progression of events and projects cannot be taken forward if not agreed.
Officer Contact	Paul Sanders 01530 454832 paul.sanders@nwleicestershire.gov.uk

MINUTES of a meeting of the COALVILLE SPECIAL EXPENSES WORKING PARTY held in the Council Chamber, Council Offices, Coalville on TUESDAY, 22 OCTOBER 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 (Observer)

Officers: Mr J Knight, Mrs W May, Mr P Sanders, Mrs C Hammond and Mr L Sebastian

9. APOLOGIES FOR ABSENCE

There were no apologies received

10. 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

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

11. MINUTES OF THE PREVIOUS MEETING

Consideration was given to the minutes of the meeting held on 11 June 2019.

The Cultural Services Team Manager noted that the dates of the proposed Music and Picnic in the Park events should read Saturday 20 June and Sunday 21 June 2020 in the recommendation for minute number 6.

It was moved by Councillor J Geary, seconded by Councillor E Allman and

RESOLVED THAT:

Subject to the minutes being amended as detailed above, the minutes of the meeting held on 11 June 2019 be approved and signed by the Chairman as a correct record.

12. EVENTS UPDATE

The Cultural Services Team Manager presented the report to Members.

In relation to the 2019/20 event programme it was noted that there was only the Christmas event left to deliver with planning well under way and that through the donkey rides at Coalville by the sea, the income target for the event had been exceeded.. It was also acknowledged that the rides had gone down really well.

The proposed 2020/21 CSEWP events highlighted along with the additional events put forward by the events sub group. Members noted that an additional £5,000 had been included in the budget to support the implementation of the suggestions for the next financial year.

She advised that the Coalville Project had approved a request of up to £10,000 for the development of events in Coalville for 2020/21 this included a Steampunk Festival and the VE Day 75 celebrations and commemorations.

Members noted the additional Christmas Lights following the approval of the additional £2,000 allocation by Cabinet and additional sponsorship from a local business that had been secured by Councillor A Black.

The Cultural Services Team Manager advised Members of a new item on the report in relation to Coalville Specials Community Grant and the applications that had been received so far. She encouraged Members to promote the grant as much as possible as officers would prefer to have too many applications.

Councillor J Legrys advised that she had received two responses in relation to the Steampunk Festival both of which were keen to be a part of the event. The Cultural Services Manager asked for the details to be passed on so that she could ensure that they were engaged with.

In response to questions from Members, the Cultural Services Team Manager advised that officers did all that they could to reach residents with regard to the advertising of events including postcards, posters, social media however there would always be someone that was missed. She also informed Members that the cost of AA road signs against a one day event would be very high and not financially viable.

Councillor M B Wyatt thanked Councillor A Black for going out and securing £2,500 in sponsorship towards the additional Christmas Lights from Winvic Mount Park and urged other Members of the Working Party to approach businesses to do the same. The Cultural Services Team Manager advised that the Council's Communication Team was in contact with Winvic to ensure that appropriate recognition would be given to them.

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

RESOLVED THAT:

- 1) The progress update on 2019/20 Events be noted
- 2) The 2020/21 proposed CSEWP event programme be noted
- 3) The progress update on the Christmas Lights be noted
- 4) The 2020/21 proposed Coalville Project Events Programme be noted
- 5) The progress update on 2019/20 Grant Scheme be noted

13. CAPITAL PROJECTS UPDATE

The Leisure Services Manager updated Members on the progress of the 2019/20 Capital Projects as detailed in the report.

Coalville Park

In response to a question from Councillor J Geary in relation to the use of funding and the ongoing maintenance costs, the Leisure Services Team Manager advised that the S106 money must be used on the park but felt that the concern was valid as the amount to deliver the project was great. Councillor J Legrys advised that he had attended the meeting of the Friends of Coalville Park group and that they had put a lot of work in to become a charitable group and they were aware of the situation. He felt that there was a lot of enthusiasm to improve that park and that it should not be squashed. Members

agreed to have a presentation from the group at the next meeting to gain a better understanding of the project and proposals.

Coalville in Bloom 2020

Councillor M B Wyatt noted that a report would be brought to the December meeting but advised that if Members wished to progress the project an application could be submitted to Bardon Aggregates, but it would require submitting in November. He advised Members that the current proposal was to work with the Coalville Community Action Group to create a pot of money to progress the idea.

Wild Flower Planting Areas

Councillors expressed concerns that wild flower planting was a lovely idea but felt that out of season the areas may look a mess. Councillor A Black felt that trees would be more suitable as they would hide new buildings and help with drainage. It was noted that proposals would come back to a future meeting.

CSE ASSETS

The Leisure Services Team Manager drew Members attention to paragraph 1.12 CSE Assets and advised that the three areas had day to day maintenance met from the revenue budget however there were no asset management plans in place to identify when major works would be required and the financial commitment needed. He reminded Councillors that as members of the Working Party they were responsible for ensuring that appropriate asset protection funds were available. It was noted that officers were developing Asset Management Plans so that Members could make informed decisions and recommendations to Cabinet. It was hoped to bring the plans to the December meeting.

The Leisure Services Manager also highlighted to the working party that at a previous meeting they had recommended to Cabinet that £15,000 of external funding be approved to upgrade the play equipment at the Oval Play Area in Bardon, however Cabinet could not support the recommendation and requested that the funding be allocated to a play area with higher priority needs. Following discussions with the Finance team and the development of the Asset Management Plan, it was suggested that Members looked at earmarking the external funding until such time that some play area equipment was in need of replacement and therefore helping to remove some financial pressure from the expenses.

Following a question from Councillor J Geary, the Head of Community Services advised Members that the toilets at Memorial Square were a Council wide asset not the responsibility of the Special Expenses.

Play Area Maintenance

Councillor M B Wyatt requested that the funding still be used to upgrade the Oval Play Area as it had been supported by all members of the group. He recommended that it went back to Cabinet for approval.

Cropston Drive Recreation Ground Changing Pavilion

Members noted the repairs that were required to the Cropston Drive Recreation Ground Changing Pavilion following persistent accessing and vandalising and as such the health and safety issues that had arisen due to the roof being beyond repair. Members were requested to allocate up to £10,000 out of the asset protection budget to cover either the full cost of the repair or the insurance excess.

In response to a question from Councillor D Everitt, the Leisure Services Team Manager advised that he was not aware of any charges having been brought in relation to the vandalism. Councillor M B Wyatt suggested that an application be put into Bardon

Aggregate for the funding required to repair the roof. The Leisure Services Manager advised that it could be done however the exact amount required was not yet known.

Scotlands Bowls Pavilion

Councillor M B Wyatt stated that he would like to progress the project and asked for an idea of the cost. The Leisure Services Team Manager advised that officers were waiting for the assessment to be completed.

Cutting of Grass Verges

Councillors requested that a report be brought to a future meeting in relation to the ongoing maintenance and funding of additional cuts of grass verges along both Ashby Road and Bardon Road. Councillor J Legrys advised that following the intervention of the Local County Councillor and discussions with Councillor E Allman, the grass verges along Ashby Road had been tidied however it would not be long before there were out of control again. Councillor M B Wyatt advised that LCC were considering alterations to Ashby Road and possibly the verges but until it was confirmed it would not be right to agree. He also advised caution as residents could end up paying both LCC and NWL to maintain the same land. The report was still requested.

Councillor M B Wyatt presented a suggestion of an Art Corridor to the Working Party. He showed examples of the corridors in other areas and advised the Members that schools could design the kites, balloons etc and felt that Needhams Walk would be the perfect location. He advised that funding would be needed to secure the poles etc but it would be unique to the area and then could be themed as the year progressed. He requested that a report be brought to the next meeting.

The Cultural Services Team Manager advised that she could not commit to having the report ready for the next meeting due to time and staffing constraints, but would bring to a future meeting.

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

RESOLVED THAT:

- 1) The progress update on the 2019/20 Capital Projects be noted
- 2) The work of the Friends of Coalville Park Group be noted and in principal support the proposal to improve the play equipment using S106 and external funding.
- 3) The Friends of Coalville Park Group be invited to the next meeting to present the improvement proposals.
- 4) The allocation of up to £10,000 from Asset Protection budgets to cover either the insurance excess of the full cost of repairing the roof at Cropston Drive Recreation Ground changing pavilion due to health and safety issues.

RECOMMENDED THAT:

- 5) Cabinet agree the allocation of £15,714 external funding to upgrade the equipment at the Oval Play area in Bardon as previously recommended and supported by the Working Party.

14. COALVILLE SPECIAL EXPENSES FINANCE UPDATE

The Head of Community Services presented the report to Members. He reminded Members that they needed to be cautious of the budget until the outcome of the asset

assessment was known. He drew attention to appendix 1 and highlighted that in the original budget it was predicted that £7,841 would be brought forward to the balance at the end of the year, however due to the reduce burial income and approved items to be funded from balances a figure of £20,324 was required. He informed Members that it would leave a balance of £61k and therefore it was recommended that no further funding be allocated until the 5 year planned maintenance programme be finalised.

Following a question from Councillor M B Wyatt, the Cultural Services Team Manager confirmed that the £2,000 was still required in addition to sponsorship.

By affirmation of the meeting it was

RESOLVED THAT:

1. The 19/20 period 5 position & forecast outturn be noted.
2. That no further funding is allocated from balances or asset protection funds until a 5 year planned maintenance programme for all of the Coalville Special Expense assets has been developed, with the exception of any health & safety issues.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.32 pm

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