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SUMMONS TO ATTEND A MEETING OF THE
NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

Time/Date 6.30 pm on THURSDAY, 24 FEBRUARY 2022
Location Council Chamber, Council Offices, Coalville
Officer to contact Democratic Services (01530 454512)



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Chief Executive

AGENDA

Item **Pages**

PRAYERS

1. APOLOGIES FOR ABSENCE

2. DECLARATION OF INTERESTS

Members are reminded that any declaration of interest should be made having regard to the code of conduct. In particular, members must make clear the nature of the interest and whether it is 'pecuniary' or 'non pecuniary'.

3. CHAIRMAN'S ANNOUNCEMENTS

4. LEADER'S AND PORTFOLIO HOLDERS' ANNOUNCEMENTS

Members are reminded that under paragraph 11.1 of part 4 of the Constitution, questions can be asked of the Leader and Cabinet Members without notice about any matter contained in any address. Questions shall be limited to five minutes in total for each announcement.

5. QUESTION AND ANSWER SESSION

To receive questions from members of the public under procedure rule no.10. The procedure rule provides that members of the public may ask members of the Cabinet any question on any matter in relation to which the Council has powers or duties which affect the District, provided that three clear days' notice in writing has been given to the Head of Legal and Commercial Services.

Item	Pages
6. QUESTIONS FROM COUNCILLORS	
To receive members' questions under procedure rule no.11. The procedure rule provides that any member may ask the Chairman of a board or group any question on any matter in relation to which the Council has powers or duties which affect the District, provided that three clear days' notice in writing has been given to the Head of Legal and Commercial Services.	
7. MOTIONS	
To consider any motions on notice under procedure rule no. 12.	
8. PETITIONS	
To receive petitions in accordance with the Council's Petition Scheme.	
9. MINUTES	
To confirm the minutes of the meeting of the Council held on 16 November 2021.	3 - 12
10. BUDGET AND COUNCIL TAX 2022/23	
Report of the Section 151 Officer	13 - 88
11. PRUDENTIAL INDICATORS AND TREASURY STRATEGIES 2022-23	
Report of the Section 151 Officer	89 - 126
12. MEMBER CODE OF CONDUCT	
Report of the Monitoring Officer	127 - 166
13. LICENSING CUMULATIVE IMPACT POLICY	
Report of the Strategic Director (Place)	167 - 182
14. PAY POLICY STATEMENT	
Report of the Chief Executive	183 - 192
15. GENDER PAY GAP REPORT	
Report of the Chief Executive	193 - 198
16. NOTIFICATION OF URGENT DECISIONS	
Report of the Chief Executive	199 - 202
17. CHIEF EXECUTIVE APPOINTMENT - INTERIM AND PERMANENT APPOINTMENTS	
Report of the Chief Executive	203 - 206

MINUTES of a meeting of the COUNCIL held in the Council Chamber, Council Offices, Coalville on TUESDAY, 16 NOVEMBER 2021

Present: Councillor V Richichi (Chairman)

Councillors R Boam, E G C Allman, R Ashman, R D Bayliss, C C Benfield, D Bigby, A S Black, R Blunt, A J Bridgen, J Bridges, R Canny, J Clarke, D Everitt, T Eynon, M French, J Geary, L A Gillard, S Gillard, T Gillard, D Harrison, B Harrison-Rushton, M D Hay, G Houlton, J Houlton, R Johnson, J Legrys, K Merrie MBE, R L Morris, A C Saffell, C A Sewell, S Sheahan, J G Simmons, J Windram, A C Woodman and M B Wyatt

Officers: Mrs B Smith, Mr J Arnold, Mr A Barton, Mr D Bates, Miss E Warhurst, Mrs M Long and Mrs C Hammond

45. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors N Rushton and N Smith.

It was noted that Councillor Smith was undergoing tests in hospital and the Chairman asked that a card expressing the Council's good wishes be sent to Councillor Smith on his behalf.

46. DECLARATION OF INTERESTS

There were no interests declared.

47. INTRODUCTION TO THE POLICE AND CRIME COMMISSIONER

Rupert Matthews, Leicestershire Police and Crime Commissioner was welcomed to the meeting.

The Chairman thanked those members who had submitted questions to the Commissioner in advance of the meeting and advised that these had been set out in the additional papers.

The Commissioner explained that his role was to hold the Chief Constable to account and to ensure that, when making decisions, the views of the public were taken into account. He then went on to respond to each of the questions and highlighted issues around the pressures faced by the police and the contents of the Police and Crime Plan, particularly around resources related to speeding issues and measures to increase police visibility. He advised that he had requested a report from the Chief Constable on recruitment and retention which would include a breakdown of ethnicity, age, gender and disability status. He advised that he would make a copy of this report available in due course. He also advised that he would provide a copy of a report he had requested on the statistics relating to the number of reported cases of spiked drink related crimes.

The Commissioner spoke about the procurement policy and how he would try to influence this with a view to ensuring that best value for money is being achieved and that the goods ordered were sustainable, an example being vehicles using green energy. He reported on a new initiative which he was introducing when dealing with any office which receives funds from the Office of the Police and Crime Commissioner, whether it be through contract, commission or grant.

The Commissioner also reported on the role of the Police and Crime Panel and how it scrutinises the role of the PCC. There is the ability at this meeting for questions to be asked by members of the public and if any councillor has any specific questions or concerns about how he is running his office, then they are welcome to raise this at a future meeting of the Panel.

The Chairman handed over to Councillor A Woodman as Chair of the Community Safety Partnership which works closely with the Office of the Police and Crime Commissioner in delivering the priorities within North West Leicestershire. He advised that he had met with the Commissioner on a number of occasions and he had helped to support the district in terms of its Safer Streets funding for increased CCTV in Castle Donington; a Peoples' Zone, which is due to be confirmed at the next meeting of the Community Safety Partnership; the Rural Crime event held in Packington; and he will also be attending the next meeting of the Community Safety Partnership, which is the first time a PCC had undertaken to do this.

Councillor Woodman thanked the Commissioner for the work he had done for the district to date and for taking time out to attend tonight's meeting to answer Members' questions.

48. CHAIRMAN'S ANNOUNCEMENTS

The Chairman invited Councillor R Boam, Deputy Chairman to provide an update on the events he had attended since the last meeting. Councillor Boam advised that he had enjoyed a visit to the Castle Donington Wakes and he had laid a wreath at the Memorial for the Famous Fifty.

The Chairman gave an emotional and impassioned speech on the story behind the Unknown Soldier in remembrance of all the service men and women who never returned. He advised that he felt honoured to have supported the Royal British Legion at the recent Remembrance events in their valiant attempt to guarantee the memories of those who fought and died in the War.

49. LEADER'S AND PORTFOLIO HOLDERS' ANNOUNCEMENTS

The Leader of the Council, Councillor R Blunt, announced that Newmarket had been successfully launched in early September to great reviews. Trading days are currently Tuesday, Thursday, Friday and Saturday. He advised that responses from traders had been positive and that both permanent and pop-up food vendors occupied the catering units. As well as the food offer, Newmarket provided customers with a diverse range of products for sale including sweets, dried groceries, shoes, clothing, beauty products, jewellery and craft stalls. He added that enrolment days would be held by Stephenson College in November and a range of activities would be taking place over Christmas with a Santa's grotto, activities for children, craft workshops and late night shopping with live music. A programme of activities would be taking place in the period after Christmas.

The Leader was pleased to announce the progress being made to deliver Marlborough Square. He reported that work was being undertaken by Severn Trent Water who had recently completed repair work for a collapsed sewer which was needed before work could be commenced. In the knowledge that these underground works have now been completed, officers have moved forward to put the contract out to contractors. To speed up the process, a two stage tender approach is being used. Stage One prices were returned on 5 November and were currently being analysed with the intention of selecting a preferred contractor, who would then be asked to submit their final full price for the works. It was anticipated that Cabinet would receive a report from officers in early February to confirm the contractor's appointment. If all went according to plan, the council should see this key project delivered during 2022.

The Leader turned to the less positive news that the Central Government had missed the opportunity to invest in the future of Coalville through the Levelling Up Fund and no grant support was included in the spending review announcement for the Coalville Lyceum bid. He added that it was a collaborative submission with the Belvoir Shopping Centre and Stephenson College and was undertaken on the basis of "nothing ventured, nothing gained" and believed it was the strongest possible proposal for a community building

which would have accommodated a new cinema for the town. However, this enabled the Council to turn its attention back to its original plans for a cinema. Officers had already identified alternative ways in which the project could be brought forward and he hoped to be in a position to update Members in due course.

As his final announcement, the Leader was pleased to advise that the accommodation programme continued to move at pace. It was anticipated that Stenson House would be renovated by September next year, the back-office staff would be moved to Whitwick Business centre in July and the new Customer Service Centre would be opened in May. He advised that he was aware that owners of the Belvoir Centre had recently terminated a lease with a tenant who was on a rolling one-month tenancy in the part of the centre which would be occupied by the Council. However, it was a commercial decision for the owners of the shopping centre, and the units the Council would be occupying were the only ones suitable and available.

The operators of the centre would continue to work with the business affected to look at future options, and the Business Focus Team was available to assist.

The Chairman invited comments.

In response to questions from Councillor M Wyatt regarding the collapsed underground sewer, the closure of Buddy's Bar and the failed levelling up bid, the Leader advised that the Council had no power over Severn Trent and had no control over when it undertook repairs; nor did it have any business involving itself in a landlord and tenant arrangement. The tenant knowingly undertook a short-term lease and the owners of the Belvoir Centre had made a commercial decision on which the Council had no business to intervene. Finally, when a grant was made available it was tempting to apply but it had become apparent that Coalville did not appear to be on the Government's radar when allocating funding so he would be less inclined to apply for grant funding in the future.

In response to a question from Councillor J Legrys, the Leader advised that due diligence would be applied when undertaking the tender and subsequent contract processes to avoid a repeat of some of the issues experienced with the Newmarket project.

Councillor R Bayliss, Housing Portfolio Holder, updated Members on the Council's recent success in completing the delivery of the Green Homes Grant Phase 1B funded improvement work. He advised that through accessing Government funding of over £263,000, with additional funding from itself the Council had been able to carry out a range of energy efficiency improvements to 56 of the poorest performing homes in terms of their energy efficiency.

All 56 properties had now been elevated from their previous Energy Performance Certificate rating of D, E and F, to either A, B or C. Not only would this reduce the carbon footprint of tenants' homes, it would also significantly help tenants heat and light their homes more cost effectively, and supported the Council's target of becoming Zero Carbon by 2030.

Councillor Bayliss advised that feedback from tenants had been very positive, with 100% overall tenant satisfaction from a survey of those having had the work completed; and the successful completion of this pilot project had allowed the Council to gain much knowledge about the technologies involved, the grant funding process, and the challenges of that type of work being undertaken in tenants' homes. The learning would be taken forward to help inform subsequent energy efficiency programmes.

The important initial step would be followed up by further grant funding bids in 2022 under the Social Housing Decarbonisation Fund initiative, as the Council looked to move all its tenants' homes to an Energy Performance Certificate rating of C or above by 2030. That would require significant funding from the Council as well as any grants it could access, as over 2,700 homes require investment, alongside the need to maintaining the Decent

Homes standard of improvement, as well as continue to build and acquire new affordable homes.

The Chairman invited comments.

In response to a question from Councillor Bigby about the reality of meeting the requirement to improve 300 homes a year over the next 9 years, Councillor Bayliss advised that in order to meet the requirement, additional funding would be needed and in that respect there was some reliance on the availability and timing of Government grants being made available. In the meantime, initial plans were under development and Councillor Bayliss advised that he would be pleased to share these with Members once they had been finalised.

In response to a question from Councillor Legrys, Councillor Bayliss advised that in terms of the works that had been undertaken, 31 properties had air source heat pumps, two had external wall insulation, all 56 had solar photo voltaic with batteries, 13 had LED lighting and 12 had additional loft insulation. The works were included within the bid and similar works would be included in any future bids.

50. QUESTION AND ANSWER SESSION

There were no questions received.

51. QUESTIONS FROM COUNCILLORS

A number of questions were received.

The first question was from Councillor J Legrys and was addressed to Councillor A Woodman which read

“I have been contacted by residents who are concerned about foul water being discharged by Severn Trent Water during storms into their local watercourse. Can the Portfolio Holder please inform me

1. of the location of each discharge foul water point throughout North West Leicestershire
2. of the water quality results in our watercourses, as measured by this Council’s Environmental Health Team, particularly during storms
3. if the regular discharge of untreated foul water is affecting the Environmental Protection Orders for the Mease Catchment Zone
4. of the measures being put in place, as part of the Local Plan Review, to stop fouled storm water entering watercourses”

A written response was provided by Councillor A Woodman which read

I fully understand residents’ concerns about the watercourses in the district and potential foul water discharges but the council has no role in such matters. Any discharge into a watercourse or pollution of a watercourse is the responsibility of the Environment Agency to investigate. Residents need to report a pollution incident directly to the Environment Agency by calling 0800 80 70 60. I can confirm that the issue of stopping foul storm water entering watercourses from new development will be addressed as far as possible by the inclusion of policy as part of the Local Plan review.”

Councillor Legrys was invited to ask a supplementary question and he asked if he could have a response to the part of his question which asked for the location of each discharge foul water point throughout North West Leicestershire.

Councillor Woodman advised that it is a duty on the water companies but he will speak to officers to see if there is any further information that they can ascertain from Severn Trent Water.

The second question was from Councillor T Eynon and was addressed to Councillor K Merrie which read

“Can the Portfolio Holder inform me why it has taken over a year to force the private landowner and third-party operator to apply for Planning Permission for equipment erected without authorisation?”

A written response was provided by Councillor K Merrie which read

“The Councils Planning Officers were made aware that ticket machines and cameras had been erected in the Belvoir Centre car park at the end of June this year. Officers determined that planning permission was required to retain the ticket machines and cameras and the owner of the site was asked to submit a retrospective planning application to regularise the development straight away. The applicants planning consultant required time to prepare all the necessary information to support the retrospective application which was submitted in the middle of October. The application has been subject to consultation with the public and all comments received will be carefully considered before any decision is made.”

Councillor Eynon was invited to ask a supplementary question and she asked if the application would be considered by the Planning Committee, and, if so, does Councillor Merrie believe this may help to appease the public on this matter?

Councillor Merrie advised that once the planning application is received, he would discuss it with the Head of Planning and the Chairman of the Planning Committee and keep Members appraised.

The third question was from Councillor A Black and was addressed to Councillor A Woodman and read

“Part of my election pledge was to tackle the growing concerns over pollution levels within my ward of Bardon. Can the Portfolio Holder please give an update on the progress of installing equipment and monitoring air pollution in key areas within the district, in particular along Bardon Road. Also, can he make available any measurements and data collected from said monitors so the findings can be reviewed by the relevant Scrutiny Committee. This is particularly in focus now as residential and commercial developments continue at an exponential rate and we need to be showing the public that their council is taking responsible actions to prioritise the health of the residents”

A written response was provided by Councillor A Woodman which read

“The Environmental Protection Team has taken delivery of two zephyrs for monitoring air quality in Coalville as agreed at the Cabinet in June this year. These are currently being commissioned and one has been installed on Bardon Road on Tuesday 9 November. Officers are still finalising a suitable location for the second monitor but aim to have it installed by the end of the calendar year. Once installed they will be in situ for a full 12 months. The data from this year of monitoring will then be analysed and a single report compiled. This report will be presented to a Scrutiny meeting for comments in advance of Cabinet’s consideration thereafter”

Councillor Black asked a supplementary question in which she asked to be kept updated on the location of the siting of the second monitor.

Councillor Woodman confirmed that he would.

The final question came from Councillor D Bigby and was addressed to Councillor K Merrie and read

“In a supplementary Portfolio holder question on Ashby’s derelict Royal Hotel on 17th November 2020, I asked, “Given the failure to date of the owners to progress their plans to refurbish the Royal Hotel and their apparent reluctance to even carry out the bare minimum works needed to avoid an Urgent Works Notice, is it not time that this council considers starting the process of moving towards a CPO?”

Cllr Ashman’s reply included the statement, “At the current time and in view of the approach being taken, officers are not of the view that the need for permanent repair has accumulated to the point where there is potential for serious harm. If the situation persists once the planning application has been determined or during regular monitoring of the building’s condition, the Council still have the ability to pursue a repairs notice and potentially a CPO if this was the appropriate route to follow at that time”.

Twelve months later - there has still been no update to the outstanding 2019 planning application, members have not received any of the promised monthly inspection reports since the one dated 28th July, and English Heritage have found it necessary to place the Royal Hotel on its At Risk Register, describing its condition as “poor”, only one category above the worst “very bad”, with the comment “Slow decay; no solution agreed”.

Could the portfolio holder please provide an update on the planning department’s progress on negotiations with the owners of the Royal Hotel, the date and outcome of the latest condition survey (previously promised monthly), and comment on whether he believes that the Compulsory Purchase Order route may now be appropriate?”

A written response was provided by Councillor K Merrie which read

“I can confirm that progress is being made on the continuing discussions and negotiations with the owners of the hotel and we are close to receiving a revised package of information relating to the proposed enabling development works connected with the planning application. The package of information will also include amended designs for the proposed buildings either side of the hotel and will be subject to formal re-consultation in the near future.

I’m sure members may appreciate that that the issues around enabling development are both complex and time consuming and officers continue to spend a considerable amount of time in progressing matters.

The last condition report was sent to the Ashby members on 31 August and not 28 July as Councillor Bigby has suggested in his question and I’m aware that officers have now re-sent Councillor Bigby a copy of this report. The hotel was visited again on 4 November and this was delayed slightly as the owner could not attend the originally agreed date in October. An updated condition report following the visit on 4 November will be circulated to members in due course.

Offices have advised that there is currently no need for a further urgent works notice to be served, and while the planning application continues to progress, the Compulsory Purchase Notice route is not appropriate at this stage, but would not be ruled out if necessary as the previous Portfolio Holder advised last year”.

Councillor Bigby was invited to ask a supplementary question and he asked whether the Council would now impose a strict timetable for action with a sanction on the owners of the hotel for a Compulsory Purchase Order if the timetable were not met.

Councillor Merrie advised that he would not like to give a strict timetable as it was in the hands of Planning but it was on his radar and he would keep Members updated.

52. MOTIONS

Council considered and debated a number of motions.

The first motion was received from Councillor M Wyatt and read:

“Over a number of years more and more local residents, businesses and the local community have indicated they support the formation of a Town council for the Coalville special area which is unparished. Local democracy and local accountability should be fully supported and implemented when such a request is made.

We,

1. Instruct officers to commence preparation/initial work on a Community Governance Review (CGR)
2. Ask that a report, including the terms of reference of a proposed review, be submitted to Council in February to enable an informed decision to be made, and if agreed, to establish a CGR Cross Party Working Group to oversee the CGR;
3. Request that, following the CGR, a report comes to Council to decide whether or not to establish a Town Council which will consist of the unparished area of the Broom Leys ward, Bardon ward, the unparished area of the Castle Rock ward, Coalville East ward, Coalville West ward, Greenhill ward, the unparished area of the Snibston North ward and Snibston South ward.
4. The electoral ward of Thringstone to become a separate parished area with its own Parish Council.”

The motion was seconded by Councillor J Geary.

A discussion ensued on the advantages and disadvantages of having another tier of Government. There were comments both in support of and against the motion. It was reported that a petition had been commenced with a view to ensuring that the Council undertook a Community Governance Review and this was welcomed; as it was considered by some that if the proposal was supported by the electorate then they were more minded to support it.

A recorded vote was requested, the outcome of which is set out below.

There being 14 For, 21 Against and 1 Abstention, the motion was **LOST**.

The second motion was received from Councillor S Sheahan and read:

“This Council

- Recognises the continuing impact of the cost of living crisis on the residents of our district.
- Through data gathering, case studies and liaison with partner agencies, undertakes to highlight the difficulties many of the least well-off are facing due to increases in food and fuel prices, benefit cuts and planned tax rises. (Inflation is forecast to average 4% next year, fuel prices are expected to increase by a further 30% in April on the back of a substantial rise in October, National Insurance will go up by 1.5 percentage points in April and the 50% of Universal Credit claimants who are unemployed or cannot work will not benefit from the reduction in the taper.)
- Pledges to carry out a review of its own services eg fees and charges, support for debt and benefits advice, to mitigate the impact wherever possible.

- Commits to lobby Government to do more to help those in the greatest need.”

The motion was seconded by Councillor M Hay.

A lively debate ensued with some Members providing statistical data to support the motion together with some quotes from the press, however others felt quite strongly that the Council was already delivering the steps set out in the motion and gave examples of where this was happening.

The motion was put to the vote and was subsequently **LOST**.

The third and final motion was received from Councillor J Legrys and read:

“Privately Operated Car Parks in Coalville Town Centre –

The Coalville Town Centre Car Parks, located off Bridge Road/High Street and the North Service yard off High Street, are now privately owned. The owner has employed a third-party operator, Parking Eye, to enforce parking charges. The operator’s payment options are collected via camera-operated technology. Residents and shoppers are being inappropriately fined and their complaints are not being given a satisfactory response.

There are concerns that there is confusion about the public rights of vehicular access through this now private land, that signage and instructions for payment options are unclear and that the operator is not conforming to the British Parking Association Code of Practice. This is leading to a downturn in footfall as many shoppers and visitors now find it more convenient to shop in towns where the signage and parking charges are more straightforward and understood. It is important for those with a stake in the town centre to work together to promote Coalville Town Centre, as a place for shopping, leisure, local heritage and the National Forest.

This Council, through the Portfolio Holder, will undertake to work with the car park owners and operator to address the concerns and keep Coalville ward members informed of progress.”

The motion was seconded by Councillor R Blunt.

The motion received support from across the Chamber and concerns were expressed about the conduct of the car park operator and the confusion of the current signage.

The motion was put to the vote, and it was unanimously **AGREED**.

Motion to Create a Town Council submitted by Councillor Wyatt (Motion)	
Councillor Virge Richichi	Against
Councillor Russell Boam	Against
Councillor Elliott Allman	Against
Councillor Robert Ashman	Against
Councillor Roger Bayliss	Against
Councillor Carl Benfield	For
Councillor Dave Bigby	For
Councillor Angela Black	For
Councillor Richard Blunt	Against
Councillor Alexander Bridgen	Against
Councillor John Bridges	Against
Councillor Rachel Canny	Abstain

Councillor John Clarke	Against
Councillor David Everitt	For
Councillor Dr Terri Eynon	For
Councillor Marie French	For
Councillor John Geary	For
Councillor Louise Gillard	Against
Councillor Stuart Gillard	Against
Councillor Tony Gillard	Against
Councillor Dan Harrison	Against
Councillor Bertie Harrison-Rushton	Against
Councillor Michael Hay	For
Councillor Gill Hout	Against
Councillor Jim Hout	Against
Councillor Russell Johnson	For
Councillor John Legrys	For
Councillor Keith Merrie MBE	Against
Councillor Ray Morris	Against
Councillor Tony Saffell	Against
Councillor Carol Sewell	For
Councillor Sean Sheahan	For
Councillor Jenny Simmons	Against
Councillor Jake Windram	For
Councillor Andrew Woodman	Against
Councillor Michael Wyatt	For
Rejected	

53. PETITIONS

No petitions were received.

54. MINUTES

Consideration was given to the minutes of the meeting held on 7 September 2021. It was moved by Councillor V Richichi, seconded by Councillor R Boam and subsequently

RESOLVED:- That, subject to an amendment in relation to Minute 44 - disposal of land (recorded vote) to show that Cllr Geary voted against; the minutes of the meeting held on 7 September 22 June 2021 be approved as a correct record.

55. CAPITAL PROGRAMME UPDATE

Councillor R Blunt presented the report to Members.

It was moved by Councillor R Blunt, seconded by Councillor J Hout and subsequently

RESOLVED THAT:- The changes to the General Fund Capital Programme, as detailed in the report, be approved.

56. SPECIAL EXPENSES POLICY

Councillor R Blunt presented the report to Members. It was noted that a supporting briefing note had been included in the additional papers to explain the rationale behind the Policy.

Councillor D Everitt sought assurances that Thringstone would be included in the Policy.

It was moved by Councillor R Blunt, seconded by Councillor E Allman and subsequently

RESOLVED THAT:- The Special Expenses Policy, as set out in Appendix B to the report, be approved.

57. GAMBLING STATEMENT OF LICENSING POLICY

Councillor A Woodman presented the report to Members.

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

RESOLVED THAT:-

1. The proposed Statement of Licensing Policy, as attached at Appendix 1 to the report, be approved
2. The continuation of the delegation to the Head of Community Services, in consultation with the Portfolio Holder for the updating of the Local Area profile, be approved.

At the close of the meeting, the Chairman gave a festive message given that this is the last Council meeting before Christmas

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 8.52 pm

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
 COUNCIL – THURSDAY, 24 FEBRUARY 2022



Title of Report	BUDGET AND COUNCIL TAX 2022/23	
Presented by	Councillor Nicholas Rushton Corporate Portfolio Holder	
Background Papers	<p>Draft Budgets 2022/23 - Corporate Scrutiny Minutes – 8 December 2021</p> <p>Coalville Special Expenses Minutes 2022/23 - Coalville Special Expenses Working Party – 14 December 2021</p> <p>Council Tax Base 2022/23 – Cabinet – 11 January 2022</p> <p>Draft Budget and Council Tax 2022/23 – Cabinet – 1 February 2022</p> <p>2022-2027 Medium Term Financial Plans – Cabinet – 1 February 2022</p>	Public Report: Yes
Financial Implications	<p>This report sets out the General Fund, Housing Revenue Account, Special Expenses Revenue and Capital Programme for 2022/23, which are needed for the Council to continue to deliver its services to residents, tenants and businesses.</p> <p>It also seeks approval for a wide range of fees and charges for 2022/23, including Council Tax, rents and other charges. These are set out in the recommendations section and accompanying appendices.</p> <p>Signed off by the Section 151 Officer: Yes</p>	
Legal Implications	<p>None.</p> <p>Signed off by the Monitoring Officer: Yes</p>	
Staffing and Corporate Implications	<p>The report and its appendices set out plans to create new posts and remove vacant posts from the establishment.</p> <p>Signed off by the Head of Paid Service: Yes</p>	
Purpose of Report	To allow the Council to approve the 2022/23 budgets and the appropriate Council Tax setting resolution.	

<p>Recommendations</p>	<p>COUNCIL IS RECOMMENDED:</p> <ol style="list-style-type: none"> 1. TO NOTE THE S151 OFFICER'S COMMENTS ON THE ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES (SET OUT IN PARAGRAPH 1.3), AS REQUIRED BY SECTION 25 OF THE LOCAL GOVERNMENT ACT 2003. 2. TO NOTE THE MEDIUM-TERM FINANCIAL PLAN APPROVED BY CABINET ON 1 FEBRUARY 2022 AS DETAILED IN PARAGRAPH 1.2 AND THE ASSOCIATED BACKGROUND PAPER. 3. TO APPROVE THE GENERAL FUND REVENUE BUDGET FOR 2022/23 AS SUMMARISED IN SECTION 2 OF THIS REPORT. THIS INCLUDES: <ol style="list-style-type: none"> a. FREEZING THE DISTRICT COUNCIL'S SHARE OF COUNCIL TAX IN 2022/23 b. CHANGES TO THE FEES AND CHARGES AS DETAILED IN APPENDIX 1B, EFFECTIVE FROM 1 APRIL 2022 4. TO APPROVE THE HOUSING REVENUE ACCOUNT BUDGET FOR 2022/23 AS SUMMARISED IN SECTION 3 OF THIS REPORT. THIS INCLUDES: <ol style="list-style-type: none"> a. INCREASING RENTS BY UP TO 4.1% b. CHANGES TO FEES AND CHARGES AND SERVICES CHARGES, AS DETAILED IN APPENDICES 2B AND 2C 5. TO APPROVE THE PROPOSED GENERAL FUND AND HOUSING REVENUE ACCOUNT CAPITAL PROGRAMMES FOR 2022/23 AND PLANNED FINANCING, AS SET OUT IN SECTION 4 OF THIS REPORT. 6. TO APPROVE THE FLEET REPLACEMENT PROGRAMME FOR 2023/24, TO ALLOW VEHICLES TO BE ORDERED IN ADVANCE. 7. TO APPROVE THE REMAINING ELEMENTS OF THE GENERAL FUND AND HRA CAPITAL PROGRAMMES 2023/24 – 2026/27 FOR INDICATIVE PURPOSES ONLY. 8. TO APPROVE THE SPECIAL EXPENSES REVENUE BUDGET FOR 2022/23 AS SUMMARISED IN SECTION 5. THIS INCLUDES: <ol style="list-style-type: none"> a. SETTING THE SPECIAL EXPENSE BAND D COUNCIL TAX AT THE LEVELS DETAILED
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IN TABLE FIVE OF THIS REPORT.

9. TO APPROVE THE FOLLOWING AMOUNTS FOR THE YEAR 2022/23 IN ACCORDANCE WITH REGULATION 31B OF THE LOCAL GOVERNMENT FINANCE ACT 1992 AS AMENDED:

(1) 35,581 BEING THE AMOUNT CALCULATED BY THE COUNCIL, IN ACCORDANCE WITH REGULATION 3 OF THE LOCAL AUTHORITIES (CALCULATION OF COUNCIL TAX BASE (ENGLAND) REGULATIONS 2012, AS ITS COUNCIL TAX BASE FOR THE YEAR.

(2) THE AMOUNTS SPECIFIED IN APPENDIX 6 TABLE A OF THIS REPORT BEING THE AMOUNTS CALCULATED BY THE COUNCIL, IN ACCORDANCE WITH SECTION 34 OF THE LOCAL GOVERNMENT FINANCE ACT 1992, AS THE AMOUNT OF ITS COUNCIL TAX BASE FOR THE YEAR FOR DWELLINGS IN THOSE PARTS OF ITS AREA TO WHICH ONE OR MORE SPECIAL ITEMS RELATE.

10. TO APPROVE THAT THE FOLLOWING AMOUNTS BE NOW CALCULATED BY THE COUNCIL FOR THE YEAR 2022/23 IN ACCORDANCE WITH SECTIONS 31A AND 31B OF THE LOCAL GOVERNMENT FINANCE ACT 1992 AS AMENDED:

(1) DISTRICT/PARISH GROSS EXPENDITURE
£60,111,517 BEING THE AGGREGATE OF THE AMOUNTS WHICH THE COUNCIL ESTIMATES FOR THE ITEM SET OUT IN SECTION 31A (2) OF THE ACT.

(2) INCOME
£51,365,280 BEING THE AMOUNT BY AGGREGATE OF THE AMOUNTS WHICH THE COUNCIL ESTIMATES FOR THE ITEMS SET OUT IN SECTION 31A (3) OF THE ACT.

(3) DISTRICT/PARISH GROSS EXPENDITURE
£8,746,237 BEING THE AMOUNT BY WHICH THE AGGREGATE AT 10(1) ABOVE EXCEEDS THE AGGREGATE AT 10(2) ABOVE, CALCULATED BY THE COUNCIL IN ACCORDANCE WITH SECTION 31A(4) OF THE ACT AS ITS COUNCIL TAX REQUIREMENT FOR THE YEAR.

(4) BASIC AMOUNT OF TAX (INCLUDING AVERAGE PARISH PRECEPTS)
£245.81 BEING THE AMOUNT OF 10(2) ABOVE, DIVIDED BY THE AMOUNT STATED AS THE

COUNCIL TAX BASE IN PARTS OF THE COUNCIL'S AREA, CALCULATED BY THE COUNCIL IN ACCORDANCE WITH SECTION 31B OF THE ACT AS THE BASIC AMOUNT OF ITS COUNCIL TAX FOR THE YEAR.

(5) PARISH PRECEPTS/SPECIAL EXPENSES

£3,103,803 BEING THE AGGREGATE AMOUNT OF ALL SPECIAL ITEMS REFERRED TO IN SECTION 35(1) OF THE ACT.

(6) BASIC AMOUNT OF TAX (BASIC COUNCIL TAX – DISTRICT)

£158.58 BEING THE AMOUNT AT 10(4) ABOVE LESS THE RESULT GIVEN BY DIVIDING THE AMOUNT AT 10(5) ABOVE BY THE AMOUNT AS STATED AS THE COUNCIL TAX BASE FOR THE WHOLE OF THE COUNCIL AREA, CALCULATED BY THE COUNCIL IN ACCORDANCE WITH SECTION 34(2) OF THE ACT, AS THE BASIC AMOUNT OF ITS COUNCIL TAX FOR DWELLINGS IN THOSE PARTS OF ITS AREA TO WHICH NO SPECIAL ITEMS RELATES.

(7) BASIC AMOUNT OF TAX (PARISHED AREAS)

THE AMOUNTS LISTED IN COLUMN 5 OF TABLE B APPENDIX 6 TO THIS REPORT, BEING THE AMOUNTS GIVEN BY ADDING TO THE AMOUNT AT 10(6) ABOVE, THE AMOUNTS OF THE SPECIAL ITEM OR ITEMS RELATING TO DWELLINGS IN THOSE PARTS OF THE COUNCIL'S AREA MENTIONED, DIVIDED IN EACH CASE BY THE AMOUNT STATED AS THE COUNCIL TAX BASE IN PARTS OF THE COUNCIL AREA, CALCULATED BY THE COUNCIL IN ACCORDANCE WITH SECTION 34(3) OF THE ACT AS THE BASIC AMOUNTS OF ITS COUNCIL TAX FOR THE YEAR FOR DWELLINGS IN THOSE PARTS OF ITS AREAS TO WHICH ONE OR MORE SPECIAL ITEMS RELATE.

(8) DISTRICT/PARISH COUNCIL TAX RATES

THE AMOUNTS SET OUT IN TABLE C APPENDIX 6 TO THIS REPORT BEING THE AMOUNTS GIVEN BY MULTIPLYING THE AMOUNTS AT 10(6) AND 10(7) ABOVE BY THE NUMBER WHICH, THE PROPORTION SET OUT IN SECTION 5(1) OF THE ACT, IS APPLICABLE TO DWELLINGS LISTED IN A PARTICULAR VALUATION BAND D, CALCULATED BY THE COUNCIL IN ACCORDANCE WITH SECTION 36(1) OF THE ACT AS THE AMOUNTS TO BE

	<p style="text-align: center;">TAKEN INTO ACCOUNT FOR THE YEAR IN RESPECT OF CATEGORIES OF DWELLING LISTED IN DIFFERENT VALUATION BANDS.</p> <p>11. <u>MAJOR PRECEPTING AUTHORITIES</u> THAT IT BE NOTED THAT THE AMOUNTS SET OUT IN TABLE D APPENDIX 6 TO THE REPORT ARE THE AMOUNTS NOTIFIED BY LEICESTERSHIRE COUNTY COUNCIL, LEICESTERSHIRE POLICE AND CRIME COMMISSIONER AND THE COMBINED FIRE AUTHORITY IN ACCORDANCE WITH SECTION 40 OF THE LOCAL GOVERNMENT FINANCE ACT 1992 HEREBY SETS THE AMOUNTS OF COUNCIL TAX FOR THE COUNCIL'S AREA FOR THE YEAR 2022/23 FOR EACH OF THE CATEGORIES OF DWELLINGS AS SHOWN IN TABLE E APPENDIX 6.</p> <p>12. <u>COUNCIL TAX BASE – ALL BANDS</u> THAT, HAVING CALCULATED THE AGGREGATE IN EACH CASE OF THE AMOUNTS AT 10(8) (TABLE C APPENDIX 6) AND 11 (TABLE D APPENDIX 6) ABOVE, THE COUNCIL IN ACCORDANCE WITH SECTION 30(2) OF THE LOCAL GOVERNMENT FINANCE ACT 1992 HEREBY SETS THE AMOUNT OF COUNCIL TAX FOR THE COUNCIL'S AREA FOR THE YEAR 2022/23 FOR EACH OF THE CATEGORIES OF DWELLINGS AS SHOWN IN TABLE E APPENDIX 6.</p> <p>13. <u>REFERENDUMS RELATING TO COUNCIL TAX INCREASES</u> TO NOTE THAT THE RELEVANT BASIC AMOUNT OF COUNCIL TAX FOR 2022/23 IS NOT EXCESSIVE.</p>
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1.0 BACKGROUND

1.1 This report presents Members with the Council's proposed budgets for 2022/23 and sets out how the council tax will be set. The report is structured as follows:

- The 2022/23 General Fund budget (Section 2)
- The 2022/23 Housing Revenue Account budget (Section 3)
- The Council's five-year Capital Programme, covering both the General Fund and Housing Revenue Account Capital Programmes (Section 4)
- The 2022/23 Special Expenses budget (Section 5)
- Feedback from the statutory consultation (Section 6)
- Detail on setting the council tax, which is required by legislation to be considered by Council (Section 7)

1.2 In developing the budget, officers and members have been aware of the Council's Medium Term Financial Plans. These plans set out the uncertainty facing the Council's budgets in the medium term, particularly with regards to the General Fund's funding position due to planned reviews of Local Authority financing by Government. As a result, structural deficits are expected to occur in the medium term. Further detail can be found in the Medium Term Financial Plan, which is listed as a background paper to this report.

1.3 The Local Government Act 2003 requires the section 151 officers to comment on the robustness of the budget estimate and on the adequacy of the proposed reserves. The Section 151 officer considers that:

- The budget estimates within this report are robust, although particular attention should be paid to the Journey to Self Sufficiency saving targets built into the General Fund and Housing Revenue Account Budgets. These pose a significant challenge for both officers and members, but will be instrumental to the Council's financial resilience in the medium term.
- The Council has an adequate level of reserves to ensure financial sustainability in the short term. However, as noted in paragraph 2.5.2, the Council's general fund is now in a position where the reserves set aside to mitigate against the risk of adverse funding changes in the future are now expected to be fully used during the 2024/25 financial year. The Journey to Self Sufficiency Programme is being developed to address financial sustainability in the medium term.

2.0 GENERAL FUND BUDGET 2022/23

2.1 Funding

2.1.1 The general fund budget funding position reflects the Local Government Finance Settlement, which was finalised by Government on Monday 7 February, and the latest council tax base calculations. The key funding changes, compared to the previous year, are:

- **Reduction in New Homes Bonus.** Government announced that the new homes bonus will continue for 2022/23, with the Council due to receive £2.218 million. This is £234,000 lower than in previous years, although much greater than previously expected following Government's decision to introduce an additional year of reward.
- **Reduction in the Lower Tier Service Grants.** This grant was introduced last year to effectively provide transitional support and ensure no authority received a reduction in spending power. This year's Settlement also aims to maintain spending power, although this has been achieved through the continuation of the New Homes Bonus for a year. As a result, the lower tiers service grant has reduced by £349,000 to £201,000.
- **New Support Service grant of £166,000.** This is a new one-off grant announced by Government through the Settlement, with a view to supporting council services.
- **Increase in Business rates.** Growth in the district is expected to result in a significant increase in business rate income, from £5.9 million currently forecast for this year to £8.6 million for 2022/23, an increase of £2.7 million. As a result

of this growth, the use of the business rates reserve is reduced to £0, with a forecast £3.0 million remaining set aside within the reserve to offset future business rate volatility.

- **Council Tax income is assumed to increase by £117,000.** This is caused by growth in the district and represents growth of 2.1% since the previous year.

The value of the district's share of council tax remains frozen. Had the council tax been increased by the maximum amount, which is £5 on a band D property including special expenses, then the Council would receive an additional £178,000 in council tax.

- 2.1.2 The net impact is an increase in anticipated funding of £1.0 million compared to the previous year's budget (see table 1 below). This is in line with previous forecasts within the medium term financial plan. However, the financial settlement is a one year settlement, meaning the uncertainty and potential adversity surrounding the general fund's funding position in the medium term remains.

Table 1: Changes to the General Fund funding position from the previous year

	2021-22 Budget £'000	2022-23 Budget £'000	Change
Council Tax	5,525	5,642	2.1%
Business rates (including use of volatility reserve)	7,611	8,626	13.3%
New Homes Bonus	2,452	2,218	-9.5%
Lower Tier Services Grant	550	201	-63.5%
Services Grant	0	166	New
Transfer from/(to) Collection Fund	(99)	153	-254.5%
Total	16,039	17,006	6.0%

2.2 Budget Proposals

- 2.2.1 Appendix 1a sets out the most significant planned changes to the general fund budgets for 2022/23. The proposals include:

- **Cost pressures totalling £1.4 million.** The most significant cost pressure relates to our current staffing costs, which are due to increase by £861,000, due to a combination of increases in national insurance and pension contributions, assumed 2% pay award in 2022/23, additional anticipated staff cost increases in the 2021/22 year and the need for market supplements on some posts.
- **Changes to income, which see income increase by £397,000.** The most significant changes include higher income from the sale of recycling materials and the introduction of fees for additional garden waste bin collections.
- **Budget savings totalling £330,000.** This is where the council has identified areas where budgets can be decreased.
- **Service Developments totalling £162,000.** Service developments are where there are planned improvements to a service which bring additional costs.

Considering the funding position, these developments have been kept to a minimum.

2.3 Fees and charges

2.3.1 The council provides a large number of services to local residents that incur a fee. Appendix 1b sets out key changes to fees and charges for 2022/23 and whether those fees are expected to generate a surplus or are subsidised by the general fund.

2.3.2 As noted above, there is a new fee for 2022/23, which will see properties with more than one garden waste bin charged £45 for each additional bin they have. This is estimated to increase the net income by £210,700 during the year. Income estimates are based on assessment of the number of people who have a garden waste bin who will elect to have a second bin with the extra charge.

2.4 General Fund Budget Summary

2.4.1 Appendix 1c shows the summary general fund budget position for 2021/22 and 2022/23. Table 2 below highlights that the net revenue expenditure has increased by £1.2 million whilst the anticipated funding has increased by £1.0 million. This means the funding received is £301,000 more than planned expenditure. However, anticipated savings made through the Journey to Self Sufficiency Programme over the coming year, totalling £895,000 will see a contribution to reserves of £1.2 million by the end of the year if they are achieved.

Table 2: Changes to the General Fund budget from the previous year

	2021/22 £'000	2022/23 £'000	Movement £'000
Total Funding	(16,039)	(17,006)	(967)
Net Revenue Expenditure	15,506	16,705	1,199
Funding (surplus)/deficit	(533)	(301)	232
Targeted J2SS savings	(570)	(895)	(325)
Contributions to/(from) reserves	1,103	1,196	93

2.4.2 The budget position shows a surplus position of about £1.2 million in 2022/23 assuming that J2SS savings are made. This surplus should be viewed in the context of the medium term which although remaining uncertain in terms of detail is likely to see significant reductions in funding income as and when business rates growth retention is reset. It is for this reason that decisions made in this year's budget process will impact upon the authority's ability to achieve medium term financial sustainability.

2.4.3 Further work is ongoing with CLT and budget holders to challenge the base budget and find additional savings and income, in order to meet the ambitious J2SS savings targets.

2.5 General Fund Reserves

2.5.1 The General Fund has both the journey to self-sufficiency reserve and business rates reserve to help manage deficits and funding volatility. The combined value of these

reserves is forecast to be £9.4 million on 31 March 2022 and will rise to £10.6 million by 31 March 2023 based on the current budget.

- 2.5.2 As noted in the medium-term financial plan, these reserves are anticipated to be used within the medium term when funding falls, predominantly as a result of an anticipated reset in business rates baseline. The revised figures, shown within appendix 1c, indicate that the general fund reserves will be fully used during 2024/25 based on our current plans. The Journey to Self Sufficiency Programme is being developed to address financial sustainability in the medium term.

3.0 HOUSING REVENUE ACCOUNT BUDGET 2022/23

3.1 Funding

- 3.1.1 As a self-financing account, the Housing Revenue Account's main source of income is the rents tenants pay for their home. The proposed increase in rents for 2022/23 is 4.1%, which is the maximum increase allowed under the current social rent policy, set by Government. It will increase rental income by £437,000 next year, to give a total rental income of £17.9 million.
- 3.1.2 The council will maintain its policy of capping rents at the level of the relevant Local Housing Allowance. This means all our properties will be covered by relevant benefit payments if the tenant is eligible for them. Officers estimate that around 59% of our current tenants receive either housing benefit or universal credits to support their rent payments.
- 3.1.3 The average weekly rent will increase from £84.45 to £87.91, an increase of £3.46 per week. Currently 34% of our socially rented properties are below the maximum charge for that property (known as the formula rent), resulting in £175,000 of lost income for 2022/23. Government's current social rent policy does not allow for supplementary increases to rents to catch-up with formula rent, meaning rents below the formula rent level can only be returned to formula rent when a property is relet.
- 3.1.4 Rents are now 4.2% higher than they were in 2015/16 in nominal terms, which was the year before the four years of 1% rent reductions. Had rents kept pace with inflation since 2015/16 they would be 7.6% higher than they currently are, and the Housing Revenue Account would benefit from an additional £1.4 million in rental income in 2022/23.

3.2 Budget Proposals

- 3.2.1 Appendix 2a summarises the proposed changes to the HRA budgets that exceed £15,000. This includes:

- **Changes in income totalling £511,600.** This is largely due to the increased rental income described in paragraph 3.1.1.
- **Cost Pressures of £951,500.** This largely relates to the increase in costs from the in-house repairs team, which is run as an internal trading account. This account is seeing its income fall as a result of a smaller home improvement programme, but it also seeing costs increase due to covid-safe working practices and increasing material prices. There are also increasing staffing costs, mirroring the cost pressure on the general fund (see paragraph 2.2.1).

- **Service developments of £321,000.** The majority of this development is to reintroduce the cyclical painting programme, which looks to ensure external areas of properties are painted where required, as part of a preventative maintenance programme. There are also three new positions proposed to support service delivery.
- **Budget savings of £317,500.** This is mainly due to the reduced interest charges following the repayment of £13 million of loans, scheduled for March 2022.

3.3 Fees and charges

3.3.1 As with the general fund, the HRA has a number of fees and charges. Some properties have service charges, on top of the rent, to pay for specific services relevant to their properties. These are listed in appendix 2b, and the key changes to note are:

- **Increase in utility costs of 20%.** This is based on well documented rising energy costs.
- **Grounds maintenance costs increase of 3%.** This charge was reduced by 14.7% in 2021/22 as the pandemic reduced the frequency of the services tenants received in 2020. These services have still not recovered to their previous level, so the service charge has not been increased back to its previous levels, with the estimated income from grounds maintenance costs increasing by £2,800 to £97,000. Had this disruption not occurred, the current income would be around £20,000 higher.

3.3.2 In addition to this, there are a number of fees and charges for additional services we provide. These are subject to inflationary uplifts, except for the central heating charges which are increasing by 20% as per the service charges. A full list of the fees and charges are provided in appendix 2c.

3.4 Housing Revenue Account Summary

3.4.1 Appendix 2d sets out the summary HRA budget for 2022/23. As shown in table 3, the increase in income from additional rents is offset by additional expenditure. This is balanced by a planned increase to the journey to self-sufficiency savings targets and lower revenue contributions to capital outlay, which balances the budget with a £65,000 surplus.

Table 3: Changes to the Housing Revenue Account budget from the previous year

	2021/22 £'000	2022/23 £'000	Movement £'000
Income	(18,059)	(18,521)	(462)
Operating Expenditure	14,599	15,231	632
Operating (surplus)/deficit	(3,460)	(3,290)	170
Targeted J2SS savings	(225)	(325)	(100)
Revenue contributions to capital outlay	3,650	3,550	(100)
Net (surplus)/deficit	(35)	(65)	(30)

- 3.4.2 The table above shows that significant revenue contributions to the capital programme remain in place. This is required to fund the Housing Capital Programme, and more detail is provided in section 4.2 and 4.3.

3.5 Housing Revenue Account Reserves

- 3.5.1 The Housing Revenue Account is forecast to have working balances of £6.0 million at the end of the 2021/22 financial year. In order to fund the HRA Capital Programme, £5.0 million of that working balance will be transferred to fund capital works, with £3.4 million transferred in 2022/23 and the remaining £1.6 million in 2023/24. This approach delays the anticipated borrowing requirement that is set out in paragraph 4.3.2 and minimises the costs to the HRA. A minimum working balance of £1.0 million will be retained to ensure the HRA has reserves for unexpected events.

4.0 CAPITAL PROGRAMMES 2022/23 TO 2026/27

4.1 General Fund Capital Programme

- 4.1.1 The proposed General Fund capital programme is outlined in appendix 3a. The five-year programme totals £17.1 million, which is a reduction of £1.8 million from the previous 5-year programme, which is largely a result of the earlier expected completion of the new leisure centre. Key changes include:

- **Introduction of a new £3 million regeneration programme for Coalville.** This multiyear investment will be used for regeneration projects for Coalville. These projects will be subject to the approval of full business cases for the individual projects. At its meeting on 15 February 2022, Cabinet allocated £853,000 from this programme to Marlborough Square, following higher than expected tendering costs. This new programme brings the total planned investment in Coalville up to £9.8 million over the next five years.
- **Updates to the investment in our IT and systems.** This updated programme of works brings anticipated capital spend on ICT and systems to £0.7 million over five years.
- **New projects to provide new vehicle weighbridges at our depot, as well as a project to replace CCTV across Ashby and Coalville.** These projects add £99,000 to the capital programme and will introduce the latest technology to improve service performance.
- **An additional £151,000 for electric vehicle charging points at the Whitwick Business Centre.** Following approval of the Fleet Strategy and its associated action plan, work has identified a need for 8 charges at the Whitwick business centre. This figure includes allowance for upgrading the electricity supply to allow for further expansion in the future. However, it does not have provision for additional costs if the local substation requires upgrading – further option appraisals will be undertaken if that is the case given the potential large expense.

4.2 HRA Capital Programme

- 4.2.1 The proposed HRA capital programme is outlined in appendix 3b. Over the five-year period, the total programme comes to £67.3 million, an increase of £6.0 million over the previous five-year programme.

4.2.2 Key changes include:

- **Allocating £20.5 million over five years to work towards a zero-carbon programme.** Following the completion of a pilot programme of works to reduce carbon emissions on 56 of our properties in the current financial year, this five-year programme is expected to fund works to reduce the carbon emissions from over 2,000 council homes.
- **Reducing the size of the new build and supply programme by £13.6 million.** This helps to release funding for the zero-carbon programme. The remaining £13.0 million programme, when combined with carrying forward any underspends from the current years budget, is estimated to deliver 99 new affordable rented homes over the five-year period.

The new build and supply programme includes provision to begin a regeneration project, which will see 30 existing dwellings demolished and replaced with new dwellings that better serve the needs of tenants with lower carbon emissions. This will be subject to consultation with the affected tenants.

- **Reduction in the estate improvement programme by £932,000 over the five years.** This reduction predominantly comes from the other estates project line, which is used for projects such as largescale fencing replacements, and footpaths and unadopted roads budgets. A programme of £2.2 million remains to complete estate improvement works over five years, and the off-street parking element of the programme has increased by £119,000 in 2022/23.
- **Supporting Housing Improvements works have been brought forward to 2022/23.** This has the effect of increasing the budget for 2022/23 by £630,000, although the five-year programme has reduced by £420,000.
- **Additional spend of £43,000 is planned Fire Risk Assessment Remedial Works in 2022/23.**

4.3 Funding the Capital Programmes

4.3.1 Each capital programme is funded from a variety of sources, including revenue, grants and borrowing. Table 4 below summarises the funding sources for each year of the general fund and housing revenue account capital programme.

4.3.2 The housing revenue account capital programme shows a need to borrow £9.1 million over five years from 2023/24. This is due to the introduction of the £20.5 million zero carbon capital programme, which cannot be fully funded through current reserves or revenue contributions currently. The scale of the borrowing has been minimised and will be delayed for as long as possible, to minimise borrowing costs.

4.3.3 Table 4 does not include potential external funding for the Zero Carbon work in the HRA capital programme. If additional funding is received, for instance from the Government's Social Housing Decarbonisation Fund (SHDF), the borrowing need will reduce.

Table 4: Sources of funding for the capital programmes

	2021/22 Forecast Carry Forward £'000	2022/23 Budget £'000	2023/24 Indicative £'000	2024/25 Indicative £'000	2025/26 Indicative £'000	2026/27 Indicative £'000
General Fund Capital Programme						
Capital Receipts	30	0	0	0	0	0
Government Grants	0	670	670	670	670	670
Reserves	1,649	36	2	0	0	0
Section 106 contributions	0	0	0	0	0	0
Revenue contributions	5	22	0	0	0	0
Leasing/Unsupported Borrowing	2,766	10,117	2,341	619	592	49
General Fund Total	4,450	10,845	3,013	1,289	1,262	719
	2021/22 Forecast Carry Forward £'000	2022/23 Budget £'000	2023/24 Indicative £'000	2024/25 Indicative £'000	2025/26 Indicative £'000	2026/27 Indicative £'000
Housing Revenue Account Capital Programme						
Capital Receipts	1,303	2,471	2,670	2,257	2,184	2,241
Government Grants	0	208	207	207	180	117
Reserves	1,208	8,581	5,086	3,195	3,258	3,339
Section 106 contributions	268	219	601	12	0	0
Revenue contributions	600	3,550	4,250	4,364	4,390	4,590
External Borrowing	0	0	2,700	2,200	2,200	2,000
Housing Revenue Account Total	3,379	15,029	15,514	12,235	12,212	12,287
Total Capital Programme Funding	7,829	25,723	18,527	13,524	13,474	13,006

5.0 SPECIAL EXPENSES 2022/23

5.1 The Council operates a number of special expense accounts where it provides additional services specific to some areas. Appendix 4 sets out the five-year budgets for these accounts as they currently stand and show an aggregated net cost of service for special expense areas of £787,000, which will be funded from the precepts, reserves and the Localisation of Council Tax Support Grant.

5.2 Table 5 sets out current Special Expenses council tax increases for a band D property, which is based on an assessment of expected costs that need to be funded over the five year period.

Table 5: Changes to Special Expenses Council Tax for a band D property

	21/22	Increase	22/23
Coalville	£67.72	£6.09	£73.81
Whitwick	£8.87	£0.68	£9.55
Hugglescote	£18.45	-£3.18	£15.27

Coleorton	£9.22	£1.41	£10.63
Lockington & Hemington	£11.92	£1.80	£13.72
Measham	£1.73	£0.14	£1.87
Oakthorpe & Donisthorpe	£5.13	£0.97	£6.10
Ravenstone with Snibston	£1.03	£0.26	£1.29
Stretton-en-le-Field	£67.49	£5.62	£73.11
Appleby Magna	£6.05	£1.03	£7.08

6.0 CONSULTATION

6.1 Consultation with members

6.2 The corporate scrutiny committee has already considered the proposals within this report at their meeting on 8 December 2021. Members asked a number of questions around the proposals, and more detail can be seen in the minutes for the meeting, which are included as a background paper to this report. The main suggestions coming from the discussion were:

- **Whether the £10 million of reserves, noted in paragraph 2.5.1, could be better used to invest in the district.** These reserves are the Journey to Self Sufficiency Reserve and business rates volatility reserve. Both are considered necessary to manage the risk from the fair funding review, which is expected to significantly reduce the council's funding in the medium term as outlined in section 2.1. The reserves will help to protect existing services within the district over the medium term.
- **To defer the garden waste charge for additional bins and explore other options, such as keeping the second bin free of charge.** There was some concern from members about how many residents would pay the new charge and whether it would increase fly tipping. The proposal remains in the budget, as it builds on work and learning since March 2021, when Cabinet approved introducing garden waste charges when residents requested new additional bins.

6.3 The Coalville Special Expenses Working Party discussed the planned special expenses budgets for Coalville in their meeting on 14 December 2021. Members debated the planned council tax increase, along with planned expenditure that falls to the Coalville special expense account. In response to the Working Party's comments, the need for an accessible toilet at Coalville Cemetery has been reviewed and removed from the capital programme.

6.4 Public Consultation

6.5 As part of the budget consultation, the Council launched an online survey on 12 January to seek the views of residents and businesses on the main changes within the budget. The survey was promoted via social media and set out the key changes to the budget and asked responders to state the extent to which they supported the proposed change. Residents could also provide additional comments if they wanted to.

6.6 Appendix 5a provides a summary of the responses received. In total, 147 people have expressed their views on the general fund and special expenses budgets. This is a small proportion of businesses and residents within North West Leicestershire, so care should be taken when drawing inferences from the data. The key themes from the survey are:

- **There is strong support for the freezing of council tax.** Over 70% of respondents were supportive or very supportive of the move. Increasing cost of living was the most frequent comment from respondents that left a comment, with 12 mentions. Of those that were unsupportive or very unsupportive, 11 left comments to suggest council tax should increase and 4 were concerned by potential service reductions.
 - **Overall respondents were not supportive of the new garden waste charge.** Around 60% of respondents were unsupportive or very unsupportive of the charge, whilst around 30% were supportive or very supportive. Where respondents left additional comments: 30 (30%) cited concerns about fly tipping; 16 had questions about how the charge would operate in practice; 15 considered the charge unfair, either because of the amount of council tax already paid or because the County Council turns the garden waste into compost to generate an income; 18 believe garden waste recycling levels will fall; and 6 were concerned about the cost. The Council also received a letter from a member of public following a news article relating to the introduction of garden waste charges. This letter raised a series of question about how the charge would operate in practice and whether it would result in additional fly tipping.
 - **Opinions on changes to other fees and charges were mixed.** Most respondents (35%) suggested they were neutral on the changes although more were unsupportive or very unsupportive (43%) than supportive or very supportive (22%). Where respondents left comments, the most common responses were concerned about increasing car parking charges (28 respondents), burial fee increases (12 respondents) and football pitch price increases (7 respondents).
 - **Respondents were neutral on planned service developments.** The most frequent answer was to be neutral on these plans. The £65,000 funding for a feasibility study for regenerating Coalville drew the most comments, with 23 comments questioning the need and size of the expense. There were also 15 comments raising general concerns about value for money from the council.
 - **Views on the General Fund Capital Programme were balanced.** The most frequent answer was neutral, with 33% of responses, although those supportive and very supportive and those unsupportive or very unsupportive are balanced at 34% and 32% respectively. The most frequent comments were on the accommodation project, with respondents questioning the size and the need for the project.
- 6.7 As part of the budget consultation, officers also wrote to representatives of the trade unions, parish and town councils and the federation of small businesses. These groups were asked to provide written comments or to complete the online survey. Two responses were received:
- Whitwick Parish Council stated: *“Parish Councillors were disappointed that residents will be charged for a second waste bin, which members felt could lead to an increase in fly tipping. There were also concerns that this could potentially be counter productive as the black bins may be used instead to avoid payment for a second bin.”*
 - Ashby de la Zouch Town Council noted the intention to remove free parking on Saturdays over the Christmas period, and stated: *“The Committee strongly oppose this proposal as Ashby relies heavily on shoppers visiting its town and shops around the festive period. The town also has an annual Christmas fair that draws in visitors from the East Midlands and beyond. The Committee believes that footfall would be greatly reduced in December if parking is chargeable on Saturdays. The Committee*

requests that this suggestion is removed from the budget.” The committee would also like to see more car parking provided in Ashby.

6.8 Consultation with tenants

6.9 As part of developing the budget, the Performance and Finance Working Group (a small group of involved tenants specialising in reviewing the performance and finances of our housing service) reviewed the Housing Revenue Account budget proposals. Key points of discussion amongst the group were:

- The grounds maintenance service charge, as tenants had not received the full service this year. The service charge remains lower as a result of the lower service, as noted in paragraph 3.3.1.
- Tenants were positive about the £20.5 million zero carbon programme, with particular interest in having solar panels installed on properties.
- The proposed rent increase of 4.1% was discussed, although there were no strong views expressed at the time.

6.10 Involved tenants were also invited to complete the consultation on the Housing Revenue Account, which ran alongside the general fund consultation and was also advertised via social media. In total 15 responses were received, 7 of which came from tenants. The numbers are small compared to the number of tenants we have, so care should be taken when drawing inferences from this survey. Appendix 5b provides a summary of the comments, with the key themes being:

- **Support for the increase in rent.** Over half of respondents were supportive or very supportive. Of the tenants that responded, 43% were either supportive or very supportive, citing that it will help maintain housing. Two tenants were unsupportive due to affordability concerns.
- **Support for the spending plans on both the capital and revenue budgets.** All spending plans detailed in the consultation were supported by the majority of respondents with the exception of the New Supply capital programme, where 53% of respondents were unsupportive or very unsupportive. Three tenants fell into this category, with two commenting that funding should be focused on existing properties.

7.0 SETTING THE COUNCIL TAX

7.1 The wordings of the recommendations for setting the Council Tax are prescribed and are explained below.

7.2 Recommendations 9(1) and 9(2)

The amount in these recommendations are the Council Tax Base for 2022/23 year (Recommendation 9(1)) and the Council Tax Base for 2022/23 for those areas where Parish Precepts and/or Special Expenses apply (Recommendation 9(2)) both as shown in Table A Appendix 6.

7.3 Recommendations 10(1)

The amount at recommendation 10(1) is the Council's estimated gross expenditure for 2022/23 including the Special Expenses plus the Parish Precepts as notified to the District Council under the Local Government Act 1972 together with any increase in reserves. It is calculated as follows:

Table 6 – Gross Expenditure 2022/23

	£
District Gross Expenditure	56,387,295
Parish Precepts	2,528,167
Surplus Income over Expenditure	1,196,055
Total	60,111,517

7.4 Recommendations 10(2)

This is the District Council's estimated gross income for 2022/23 from fees, charges rents, specific and general Government Grants, reserves and the transfer from the Collection Fund and has been calculated as follows:

Table 7 – Estimated Gross Income 2022/23

	£
Fees and Charges, Rents, specific Government Grants	40,001,210
Lower Tier Grant	200,977
2022/23 Services Grant	165,699
Business Rates - baseline	2,403,617
Business Rates – Retained Growth & Renewables	6,222,377
Business Rates Reserve	0
New Homes Bonus	2,218,274
Transfer from Collection Fund	153,126
Total	51,365,280

7.5 Recommendations 10(3)

This is the Council's Council Tax Requirement and is the difference between gross expenditure at 10(1) above gross income at 10(2) above. It is calculated as:

Table 8 – Council Tax Requirement 2022/23

	£
Gross Expenditure	60,111,517
Less Gross Income	51,365,280
Total	8,746,237

7.6 Recommendations 10(4)

This figure represents the basic amount of Council Tax and is calculated by applying the formula in Section 31B of the Local Government Finance Act 1992:

Where:

R is the Council's Council Tax Requirement i.e. as Recommendation 10(3) above

T is the Council Tax Base

Therefore:

$$\begin{aligned} & \underline{\underline{\pounds 8,746,237(R)}} \\ & \quad 35,581 (T) \\ & = \pounds 245.81 \end{aligned}$$

7.7 Recommendations 10(5)

This is the total of all Special Expenses and the precepts of local precepting authorities i.e. Parish Councils as follows:

Table 9 – Total Special Expenses and Parish Precepts

	£
Special Expenses	575,636
Parish Precepts	2,528,167
Total	3,103,803

7.8 Recommendations 10(6)

This figure is arrived at by deducting from the amount of basic Council Tax at Recommendation 10(4) the sum of the Special Expenses plus Parish Precepts (Recommendation 10(5) divided by the District Council Tax base):

$$\begin{array}{r} \text{£ } 245.81 - \underline{\underline{\text{£}3,103,803}} \\ \quad \quad \quad \underline{\underline{\text{35,581}}} \\ \quad \quad \quad = \text{£}158.58 \end{array}$$

This represents the basic amount of Council Tax (at band D level) for those parts of the District's area where there are no Parish Precepts or Special Expenses. The Parish Precepts and/or Special Expenses, where applicable, are in addition to this.

7.9 Recommendations 10(7)

The amounts referred to here are the additional basic levels of Council Tax to meet the parish precepts and/or Special Expenses set out in Recommendation 10(5). They are calculated by dividing the parish precept and/or Special Expenses by the Council Tax base for that part of the Council's area, and adding the result to the Council Tax amount calculated in Recommendation 10(6).

7.10 Recommendations 10(8)

These amounts are calculated by applying, either to the basic amounts of Council Tax at Recommendation 10(6) (no parish precept and/or Special Expenses), or to the basic amounts of Council Tax at Recommendation 10(7) (where there are parish precepts and/or Special Expenses), the proportion listed in Section 5(1) of the Local Government Act 1992 as they relate to the proportion allocated at Band D as follows:

Table 10 – Proportion of Basic Council Tax allocated at Band D

Valuation Band	Proportion of Basic Council Tax
A	6/9
B	7/9
C	8/9
D	9/9
E	11/9
F	13/9
G	15/9
H	18/9

7.11 Recommendations 11

In issuing their precepts for the financial year 2022/23 Leicestershire County Council, Leicester Police and Crime Commissioner and the Combined Fire Authority have informed the billing authority (i.e. North West Leicestershire District Council) of the total amount payable and also the amount of Council Tax for each valuation band.

There will be an update at the District Council meeting should the County Council's information change.

7.12 Recommendations 12

This amount is calculated by adding together the amounts in recommendation 10(8) and the amounts in recommendation 11. This gives the total amount of Council Tax payable for each valuation band in each part of the Council's area. These amounts will, in some cases, be reduced by discounts including Council Tax Support which replaced Council Tax Benefits from 1 April 2013.

7.13 Recommendations 13

The Localism Act 2011 has amended the Local Government Finance Act 1992 in such a way as to require the Council to determine whether the Council's relevant basic amount of Council Tax each year is "excessive". A referendum is now triggered in those authorities where an increase is so determined. The question of whether an authority's relevant basic amount of council tax is excessive or not must be decided in accordance with a set of principles determined for the year by the Secretary of State.

The Secretary of State has now indicated that the Authority's basic amount of Council Tax for 2022/23 would be considered excessive if it is higher of either 2% greater than its relevant basic amount of Council Tax for 2022/23 or £5.

As no increase in Council Tax is being recommended for the district share of the council tax and the Special Expenses element that only affects a proportion of the district are all less than £5 based on the basic amount of council tax, there is no question of the basic amount of Council Tax for 2022/23 being determined as excessive. Table F Appendix 6 shows the percentage increases.

Policies and other considerations, as appropriate	
Council Priorities:	The budget provides funding for the Council to deliver against all its priorities.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	We have considered the impact of these budget proposals on protected characteristics defined within the Equalities Act. No material impacts have been identified.
Customer Impact:	Customers are likely to be impacted by the changes to fees and charges and special expenses precepts set out in this report.
Economic and Social Impact:	The General Fund capital programme allocates £9.8 million to investing in Coalville Regeneration Projects over five years.
Environment and Climate Change:	The budget sees substantial new investment in reducing our carbon emissions from our council homes, totalling £20.5 million over five years.
Consultation/Community Engagement:	Public consultation was completed in January 2022, with the results detailed in this report.
Risks:	The budgets will be monitored throughout the year to ensure the Council remains within its funding envelope and planned budget savings are delivered.
Officer Contact	Dan Bates Head of Finance and Section 151 Officer Dan.bates@nwleicestershire.gov.uk

General Fund Budget Proposals Over £15,000

Service Developments

	Proposal	Additional costs	One-off/ ongoing
1	Feasibility study to support regenerating Coalville, including the future of the current waste and parks depots and hermitage leisure centre.	65,000	One-Off
2	Net increase in property service staff totalling 0.9 FTE	25,560	Reoccurring
3	Additional staffing within waste services in response to increasing demand	71,810	Reoccurring
	Total Service Developments	162,370	
	<i>Of which are:</i>		
	<i>Reoccurring</i>	<i>97,370</i>	
	<i>One-off</i>	<i>65,000</i>	

Cost Pressures

	Proposal	Additional costs	One-off/ ongoing
1	Increased staff costs from pay award and changes to NI and pension costs	746,522	Reoccurring
2	Increase in the Council's insurance costs	19,350	Reoccurring
3	Expected additional licencing costs when new finance system is adopted	15,000	One-off
4	Increase in staff costs due to the need for market supplements within the planning team	114,920	Reoccurring
5	New budgets for Customer Service Centre in Coalville	84,250	Reoccurring
6	Additional fuel costs resulting from price increases and the adoption of Hydrogenated Vegetable Oil as a low carbon alternative to diesel.	81,090	Reoccurring
7	Hiring of heavy good vehicles where required	121,850	One-off
8	Costs associated with decommissioning Hermitage Leisure Centre	130,000	One-off
9	Support and maintenance for the new IT networks resulting from the accommodation project	70,000	Reoccurring
	Total Cost Pressures	1,382,982	
	<i>Of which are:</i>		
	<i>Reoccurring</i>	<i>1,116,132</i>	
	<i>One-off</i>	<i>266,850</i>	

Change in income

	Proposal	Reduction in income	Increases in income	One-off/ongoing
1	Net additional income from purchase Marlborough Centre		-74,132	Reoccurring
2	Net reduction in income from Whitwick Business Centre, following accommodation approval	119,370		Reoccurring
3	Reduced income from various licensing streams, due to lower demand.	35,460		Reoccurring
4	Temporary reduction in Newmarket rental income, due to lower occupancy and introductory discounts for traders and delay to the outdoor market provision	33,600		One-off
5	To introduce a charge of £45 for the collection of garden waste bins for properties with more than one bin.		- 210,700	Reoccurring
6	Reduction in car parking incoming, due to reduced capacity and demand. This reduction has been partially mitigated by increased fees, averaging 5.3% (generating £9,200), and proposing to stop free parking at Christmas from 2022 (generating £4,260).	32,450		Reoccurring
7	Estimated additional income from sale of recycling materials		- 332,720	Reoccurring
	Total changes in income	220,880	-617,552	
	<i>Of which are:</i>			
	<i>Reoccurring</i>	187,280	-617,552	
	<i>One-off</i>	33,600	0	

Budget Savings

	Proposal	Budget savings	One-off/ ongoing
1	Removal of a vacant post from the democratic services team, following efficiency gains.	-27,270	Reoccurring
2	Reduction in environmental protection budgets that are no longer needed following review.	-30,860	Reoccurring
3	Removal of vacant team manager post, with their duties redistributed and an additional 0.4 FTE post to carry out anti-social behaviour reduction initiatives	-47,520	Reoccurring
4	Removal of two vacant cleaner posts, representing 0.83 FTE	-20,000	Reoccurring
5	Anticipated savings from the council offices as a result of the accommodation project	-51,000	Reoccurring
6	Removal of a vacant administration officer	-16,530	Reoccurring
7	Contractual cost reduction from the Leisure outsourcing contract	-50,290	Reoccurring
8	Reduction in forecast bad debt	-15,000	Reoccurring
9	Removal of the Head of Customer Services post and introduction of a customer services team manager position	-21,433	Reoccurring
10	Reduced budget for consultancy support for High Speed 2 related matters	-50,000	Reoccurring
	Total Budget Savings	-329,903	
	<i>Of which are:</i>		
	<i>Reoccurring</i>	-329,903	
	<i>One-off</i>	0	

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General Fund Fees and Charges

Service	Charging Policy	2021/22 Fees	2021/22 Income Budget	2022/23 Proposed Fees	2022/23 Proposed Income Budget	Percentage change in fees	Basis for change
Appleby Magna Caravan Site Rent	Service Development	£35.20 per week	£8,630	£36.19 per week	£7,299	3.1%	Inflationary increase based on the Consumer Price Index.
Lifelines for private customers	Service Development	Basic: £4.21 per week Enhanced: £6.34 per week	£129,830	Basic: £4.34 per week Enhanced: £6.54 per week	£133,855	3.1%	Inflationary increase based on the Consumer Price Index.
Environmental Health - Licensing	Subsidised/ Full Cost Recovery	Fees vary between £3 and £64,000	£268,870	Fees vary between £3 and £64,000	£254,790	Between 1% - 3%. With statutory fees not increasing	To cover increase in costs
Environmental Health – Health and Safety	Full Cost Recovery	Fees vary between £4 and £150	£27,860	Fees vary between £4 and £155	£30,210	Between 2% - 3%.	To cover increase in costs
Environmental Health – Border Post Inspection	Full Cost Recovery	Fees vary between £25 and £192	£17,480	Fees vary between £25.50 and £193	£39,890	Between 2% - 3%.	To cover increase in costs
Environmental Health – Pest Control	Subsidised / Full Cost Recovery	Fees vary between £15.50 and £200	£29,400	Fees vary between £16 and £200	£35,580	Between 1% - 3%.	To cover increase in costs
Leisure – Football Pitches	Subsidised	Match prices: £29/£50 Team prices: £278/£502	£9,610	Match prices: £30/£51 Team prices: £284/£512	£9,810	Average of 2%	Annual increase

Waste – Bulky Collections	Full Cost Recovery	£26	£43,510	£27	£48,000	3.8%	To enable a breakeven position
Waste - Trade Refuse	Full Cost Recovery	240l - £8.00 360l - £9.50 770l - £15.75 1100l - £17.00 per bin per collection	£438,140	240l - £8.50 360l - £10.00 770l - £16.50 1100l - £17.85 per bin per collection	£458,090	Between 4.76% - 6.25%	To cover inflationary increases
Waste – Trade Sacks	Full Cost Recovery	£2.80 per sack (min 50 sacks)	£6,020	£2.90 per sack (min 50 sacks)	£2,030	3.57%	To cover inflationary increases
Waste – Trade Recycling	Full Cost Recovery	240l - £3.50 360l - £3.50 1100l - £5.80 per bin per collection	£74,950	240l - £3.70 360l - £3.70 1100l - £6.20 per bin per collection	£66,340	Between 5.71% - 6.90%	To cover inflationary increases
Electrical Vehicle Charging	Profit Generating	£2 per hr Mon-Sat £3 per hr Sunday	£1,600	£2 per hr Mon-Sat £3 per hr Sunday	£2,500	0%	
Environmental Protection – Burial Fees	Full Cost Recovery	Fees range from £75 to £1,512	£76,970	Fees range from £79 to £1,587	£89,350	5%	To cover increase in costs
Environmental Protection – Car Parking Tariffs	Full Cost Recovery	Fees vary between £0.60 and £36.00	£231,600	Fees vary between £0.65 and £38.00	£188,270	Average of 5.3%	Inflationary increase based on the Consumer Price Index.
Garden waste collection	Cost Recovery	First bin: £0 All subsequent bins: £45 when requested during the year	£0	First bin: £0 Subsequent bins: £45 each per year	£243,000	0%	There is no increase in this fee, but the charge will be rolled out across all existing bins

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL GENERAL FUND SUMMARY BUDGET 2022/23

2021/22 Budget £	2021/22 Forecast Outturn @P6 £	Service	2022/23 Budget £	2023/24 Indicative £	2024/25 Indicative £	2025/26 Indicative £	2026/27 Indicative £
273,570	265,550	Chief Executive	282,310	290,150	297,670	305,370	313,590
235,290	656,720	Human Resources	724,900	727,560	742,590	758,000	773,810
1,497,290	1,414,090	Legal & Support Services	1,486,570	1,654,790	1,542,800	1,579,830	1,622,290
2,006,150	2,336,360	Total Chief Executive's Department	2,493,780	2,672,500	2,583,060	2,643,200	2,709,690
341,090	334,913	Strategic Director of Place	347,920	357,820	367,340	377,090	387,090
6,830,640	7,455,923	Community Services	6,776,570	7,344,580	7,325,380	7,428,270	7,603,280
713,890	929,190	Planning & Infrastructure	1,031,610	1,218,070	1,016,170	1,061,610	1,189,050
842,550	881,600	Economic Regeneration	893,070	893,920	888,890	906,310	924,170
11,790	11,790	Joint Strategic Planning	12,420	12,680	12,940	13,210	13,480
8,739,960	9,613,416	Total Director of Services	9,061,590	9,827,070	9,610,720	9,786,490	10,117,070
534,920	513,890	Strategic Housing	560,010	582,180	594,760	607,420	620,320
1,037,510	1,079,880	ICT	1,199,820	1,235,410	1,261,000	1,286,850	1,314,630
747,480	881,110	Revenues & Benefits	951,330	987,380	1,018,640	1,048,230	1,080,800
474,870	581,270	Property Services	213,930	224,760	245,450	263,120	284,740
844,290	772,630	Customer Services	898,150	938,790	964,350	979,100	1,012,630
1,073,690	1,138,560	Finance	1,094,790	1,039,980	1,061,480	1,084,750	1,109,020
4,712,760	4,967,340	Total Director of Housing & Customer Services	4,918,030	5,008,500	5,145,680	5,269,470	5,422,140
16,040	16,040	Non Distributed - Revenue Expenditure on Surplus Assets	16,040	4,720	4,840	4,960	5,090
75,490	69,360	Non Distributed - Retirement Benefits	70,690	72,050	73,430	74,850	76,290
38,080	38,080	Corporate & Democratic Core	40,750	37,730	42,230	39,130	43,770
15,588,480	17,040,596	NET COST OF SERVICES	16,600,880	17,622,570	17,459,960	17,818,100	18,374,050
(1,582,150)	(1,559,850)	Net Recharges from General Fund	(1,684,570)	(1,718,940)	(1,754,370)	(1,790,510)	(1,827,340)
14,006,330	15,480,746	NET COST OF SERVICES AFTER RECHARGES	14,916,310	15,903,630	15,705,590	16,027,590	16,546,710
		CORPORATE ITEMS AND FINANCING					
		Corporate Income and Expenditure					
1,458,432	1,425,813	Net Financing Costs	1,762,293	2,639,291	2,887,372	2,847,972	2,805,372
(5,875)	(9,875)	Investment Income	(4,895)	(3,445)	(2,047)	(2,047)	(2,047)
47,613	47,613	Localisation of Council Tax Support Grant - Parish & Special Expenses	31,741	15,871	0	0	0
0	0	Revenue Contribution to Capital	0	0	0	0	0
15,506,500	16,944,297	NET REVENUE EXPENDITURE	16,705,449	18,555,347	18,590,915	18,873,515	19,350,035
(570,000)	(570,000)	Targeted savings in relation to J2SS	(895,000)	(1,120,000)	(1,245,000)	(1,270,000)	(1,270,000)
1,102,407	142,219	Contribution to/(from) Balances/Reserves	1,196,055	(3,241,436)	(4,261,706)	0	0
16,038,907	16,516,516	MET FROM GOVT GRANT & COUNCIL TAX (Budget Requirement)	17,006,504	14,193,911	13,084,209	17,603,515	18,080,035
		ANTICIPATED BASELINE FUNDING GAP	-	-	1,735,114	6,803,306	6,724,909

2021/22 Budget £	2021/22 Forecast Outturn @P6 £	Service	2022/23 Budget £	2023/24 Indicative £	2024/25 Indicative £	2025/26 Indicative £	2026/27 Indicative £
Financed By							
2,452,094	2,452,094	New Homes Bonus	2,218,274	-	-	-	-
(99,418)	(99,418)	Transfer from/(to) Collection Fund	153,126	(74,676)	-	-	-
5,525,086	5,525,086	Council Tax	5,642,435	5,713,530	5,785,520	5,858,418	5,932,234
3,337,032	5,874,684	National Non-Domestic Rates Baseline	2,403,617	2,630,111	2,681,302	2,734,928	2,754,072
		Business Rates Retained Growth and Renewables Disregard	6,222,377	1,165,597	1,528,956	1,913,521	2,375,478
4,273,836	1,736,184	Business Rates Reserve	-	3,064,829	-	-	-
550,277	550,277	Lower Tier Services Grant	200,977	-	-	-	-
0	0	2022/23 Services Grant	165,699	-	-	-	-
0	477,609	Other Grants from Government	0	-	-	-	-
0	0	Transitional Relief	-	1,694,520	1,353,316	293,342	293,342
16,038,907	16,516,516	TOTAL FUNDING AVAILABLE	17,006,504	14,193,911	11,349,094	10,800,209	11,355,126

Reserves Position							
6,164,869	6,164,869	J2SS Starting Balance	6,307,087	7,503,143	4,261,706	-	-
4,801,013	4,801,013	Business Rates Reserves Starting Balance	3,064,829	3,064,829	-	-	-
10,965,881	10,965,881	Total reserves at start of year	9,371,916	10,567,972	4,261,706	-	-
1,102,407	142,219	Movement in J2SS Reserve	1,196,055	(3,241,436)	(4,261,706)	-	-
(4,273,836)	(1,736,184)	Movement in Business Rates Reserve	-	(3,064,829)	-	-	-
(3,171,429)	(1,593,965)	Total in year movement	1,196,055	(6,306,265)	(4,261,706)	-	-
7,267,276	6,307,087	J2SS End Balance	7,503,143	4,261,706	-	-	-
527,177	3,064,829	Business Rates End Position	3,064,829	-	-	-	-
7,794,452	9,371,916	Total reserves at end of year	10,567,972	4,261,706	-	-	-

Housing Revenue Account Budget Proposals Over £15,000

Service Developments

	Proposal	Amount	One-off/ ongoing
1	Additional officer to provide specialist support to tenants with mental health or drug and alcohol related issues. Zero net cost in year one from NHG Grant funding, (see Change in Income 1. below).	43,000	Ongoing
2	Additional officer to respond to heightened demand for anti-social behaviour, an area of low tenant satisfaction	43,000	Ongoing
3	Additional 0.5FTE to deliver the New Supply Programme	25,000	Ongoing
4	Reintroduction of the cyclical painting programme	210,000	Ongoing
	Total Service Developments	£321,000	
	<i>Of which are:</i>		
	<i>Reoccurring</i>	<i>£321,000</i>	
	<i>One-off</i>	<i>£0</i>	

Cost Pressures

	Proposal	Amount	One-off/ ongoing
1	Increases in staff costs	239,000	Ongoing
2	Anticipated inflationary costs on repair budgets	82,500	Ongoing
3	Reduction in the inhouse repairs team surplus.	541,000	Ongoing
	Total Cost Pressures	£862,500	
	<i>Of which are:</i>		
	<i>Reoccurring</i>	<i>£862,500</i>	
	<i>One-off</i>	<i>£0</i>	

Change in income

	Proposal	Amount	One-off/ ongoing
1	Anticipated NHS funding for the specialist support post	-43,000	Ongoing
2	Increased rental income based on a 4.1% rent increase	-437,000	Ongoing
3	Additional income from service charges	-31,600	Ongoing
	Total Change in Income	-£511,600	
	<i>Of which are:</i>		
	<i>Reoccurring</i>	<i>-£511,600</i>	
	<i>One-off</i>	<i>£0</i>	

Budget Savings

	Proposal	Amount	One-off/ ongoing
1	Budget savings following the procurement of support for the Greenhill youth facility.	-5,500	Ongoing
2	Reduction in interest charges following debt repayment	-312,000	Ongoing
	Total Budget Savings	-£317,500	
	<i>Of which are:</i>		
	<i>Reoccurring</i>	<i>-£317,500</i>	
	<i>One-off</i>	<i>£0</i>	

Housing Revenue Account Service Charges

Service	Charging Policy	2021/22 Income Budget	Percentage change in fees	2022/23 Proposed Income Budget	Basis for change
Cleaning of shared/common parts	Full Cost Recovery	£66,088	3.10%	£68,137	Contractual inflationary increase
New Cleaning Contract Blocks	Full Cost Recovery	£30,431	3.10%	£31,374	Contractual inflationary increase
Repairs to shared/common parts	Full Cost Recovery	£4,755	0.00%	£4,755	Continuation of freeze of these costs since 2018/19.
Grounds maintenance of shared/common parts	Full Cost Recovery	£93,817	3.00%	£96,632	Inflationary increase, with adjustment for reduced service.
Utility costs of shared/common parts (Electricity)	Full Cost Recovery	£66,194	20.00%	£79,433	Increase based on increasing utility costs.
Door entry systems	Full Cost Recovery	£1,560	-36.00%	£1,000	Based on analysis of actual costs, with lower than anticipated costs in 2021/22 being passed onto tenants.
Repairs and replacement of items in laundry room	Full Cost Recovery	£22,904	3.10%	£23,614	Contractual inflationary increase
Repair and replacement of items in common room/kitchen	Full Cost Recovery	£608	0.00%	£608	Based on analysis of actual costs.
Support Officer checks in Schemes including fire Alarms	Full Cost Recovery	£6,559	2.75%	£6,739	Increase based on planned changes to staff costs.
Servicing of fire extinguishers	Full Cost Recovery	£914	5.00%	£960	Based on analysis of actual costs.
Maintenance of Control Centre link equipment	Full Cost Recovery	£34,883	3.10%	£35,964	Contractual inflationary increase
Older Persons Service Charge	Full Cost Recovery	£163,321	4.80%	£171,160	Inflationary increase based on Retail Price Index
Administration fee	Full Cost Recovery	£49,307	6.24%	£52,382	15% of chargeable services

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Housing Revenue Account Fees and Charges

Service	Charging Policy	2021/22 Fees	2021/22 Income Budget	2022/23 Proposed Fees	2022/23 Proposed Income Budget	Percentage change in fees	Basis for change
Central Heating	Full Cost Recovery	0 Bed: £5.96pw 1 Bed: £7.19pw 2 Bed: £8.25pw 3 Bed: £9.50pw	£83,313	£99,976	£99,976	20.00%	Market assessment of utility costs
Garage & Garage Site Rent	Profit generating	Garage: £7.13 per week Garage Site: £4.56 per week	£49,350	£50,880	£50,880	3.10%	Inflationary increase
Tenants Contents Insurance	Profit generating	Premiums from £0.28 to £6.23 per week	£7,080	£44,590	£44,590	0.00%	No change pending transfer of administration of the insurance to the insurance broker
Lifelines (East Midlands Housing Association)	Service development	Various depending on scheme but average increase from £1.92 to £3.20 per week	£44,590	£16,785	£16,785	3.10%	Inflationary increase

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APPENDIX 2d

HOUSING REVENUE ACCOUNT SUMMARY	2021/2022		2022/2023
	Budget £	Forecast (p6) £	Budget £
1. TOTAL REPAIRS & MAINTENANCE	5,524,747	5,524,747	5,702,450
SUPERVISION & MANAGEMENT			
2. General	2,212,285	2,216,857	2,345,123
3. Special / Supporting People	619,821	590,632	634,005
4.	2,832,106	2,807,489	2,979,128
5. PROVISION -DOUBTFUL DEBTS	100,000	100,000	100,000
6. CAPITAL FINANCING:-			
7. Depreciation - MRA & other	3,178,525	3,178,525	3,185,399
8. Debt Management Expenses	2,930	2,930	3,140
9. TOTAL CAPITAL FINANCE COSTS	3,181,455	3,181,455	3,188,539
10. IN-HOUSE REPAIRS TEAM NET (SURPLUS)/DEFICIT	(400,720)	(400,720)	211,300
11. DEPARTMENTAL ADMINISTRATION	0	41,637	0
12. TOTAL EXPENDITURE	11,237,588	11,254,608	12,181,417
13. RENT INCOME			
14. Dwellings	(17,445,770)	(17,395,080)	(17,882,910)
15. Service Charges	(541,140)	(495,640)	(572,760)
16. Garages & Sites	(49,350)	(43,310)	(45,220)
17. Other	(23,118)	(23,118)	(20,147)
18. TOTAL INCOME	(18,059,378)	(17,957,148)	(18,521,037)
19. NET COST/(SURPLUS) OF SERVICES	(6,821,790)	(6,702,540)	(6,339,620)
20. J2SS Cost Savings/Income increases	(225,000)	(225,000)	(325,000)
21. CAPITAL FINANCING - HISTORICAL DEBT	108,000	108,000	108,000
22. CAPITAL FINANCING - SELF FINANCING DEBT	3,257,170	3,257,170	2,945,170
23. INVESTMENT INCOME	(3,380)	(3,380)	(3,380)
25. TOTAL DEBT FINANCING COSTS	3,136,790	3,136,790	2,724,790
26. NET OPERATING EXPENDITURE/(SURPLUS)	(3,685,000)	(3,565,750)	(3,614,830)
27. REVENUE CONTRIBUTION TO CAPITAL	3,650,000	3,650,000	3,550,000
28. REPAYMENT OF HRA DEBT	13,000,000	13,000,000	0
29. TRANSFER FROM LOAN REPAYMENT RESERVE	(13,000,000)	(13,000,000)	0
29. NET (SURPLUS) / DEFICIT	(35,000)	84,250	(64,830)
<u>HRA BALANCES</u>			
30. Balance Brought Forward	(6,113,250)	(6,113,250)	(6,029,000)
31. (Surplus)/Deficit for Year	(35,000)	84,250	(64,830)
32. Transfer from/(to) Loan Repayment Reserve	13,000,000	13,000,000	0
33. Transfer to capital programme	0	0	3,400,000
34. HRA General Balance as at year end	(6,148,250)	(6,029,000)	(2,693,830)
35. Loan Repayment Reserve balance	0	0	0

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Appendix 3a: General Fund Capital Programme 2022-23 to 2026-27

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
	Indicative carry forward	For Approval	Indicative	Indicative	Indicative	Indicative	Funding Source

Coalville Regeneration Projects

Marlborough Square	1,648,905	853,417	-	-	-	-	Unsupported Borrowing
Marlborough Centre Purchase and Renovation Accommodation Project	-	3,667,172	-	-	-	-	
Coalville Regeneration Framework	164,083	3,142,662	25,000	-	-	-	
		646,583	500,000	500,000	500,000	-	
Total Coalville Regeneration Projects	1,812,988	8,309,834	525,000	500,000	500,000	-	

Systems / ICT Schemes

Finance System / Review	-	40,000	-	-	-	-	Unsupported Borrowing and Reserves
Server and storage additional capacity	-	-	70,000	-	-	-	
WI-FI Replacement	-	48,000	-	-	-	-	
LAN Switches replacement	-	40,000	-	-	-	-	
Firewall Security Replacement	-	-	-	70,000	-	-	
Laptop Replacements	-	78,000	69,000	49,000	92,000	49,000	
Windows Server Professional services migration	-	50,000	-	-	-	-	
Total Systems and ICT Schemes	-	256,000	139,000	119,000	92,000	49,000	

Fleet Replacement and Infrastructure Programme

Trucks	1,840,000	-	840,000	-	-	-	Unsupported Borrowing and Capital Receipts
Large commercial 4x4s	-	41,225	41,225	-	-	-	
Small Vans	24,115	48,230	48,230	-	-	-	
Medium Vans	232,715	964,105	132,980	-	-	-	
Large Vans	-	269,475	269,475	-	-	-	
Cars	94,689	-	-	-	-	-	
Specialist Vehicles	98,001	-	285,000	-	-	-	
Electrical vehicle charging point installations	5,000	187,100	2,000	-	-	-	Grants and Revenue
Total Fleet Replacement and Infrastructure Programme	2,294,520	1,510,135	1,618,910	-	-	-	

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Indicative carry forward	For Approval	Indicative	Indicative	Indicative	Indicative

Other Capital Schemes

Disabled Facility Grants	-	670,310	670,310	670,310	670,310	670,310	Grants
Moira Furnace - Masonry & Drainage/Upgrades to Furnace and Bridge & further remedial works	279,723	-	-	-	-	-	Unsupported Borrowing and Reserves
Council Offices - (Stenson House) External works to roadway outside registry office	5,000	-	-	-	-	-	
Car Park - High Street, Ibstock - Remove and Renew Gullies	35,000	-	-	-	-	-	
UPS/Generator related (reconfiguring electric distribution)	-	-	60,000	-	-	-	
Whitwick Business Centre - Upgrade CCTV	10,000	-	-	-	-	-	
Market Street Car Park - Resurfacing	12,000	-	-	-	-	-	
CCTV Replacement	-	77,000	-	-	-	-	
Vehicle Weighbridges	-	22,020	-	-	-	-	

Total Other Capital Schemes	341,723	769,330	730,310	670,310	670,310	670,310
TOTAL GENERAL FUND CAPITAL PROGRAMME	4,449,231	10,845,299	3,013,220	1,289,310	1,262,310	719,310

2021/22 - 2026/27 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

	Current Year Expenditure			Five Year Capital Programme Expenditure						Funding Source
	2021/22 budget	2021/22 Forecast	Forecast carry forward to 2022/23	2022/23	2023/24 Indicative	2024/25 Indicative	2025/26 Indicative	2026/27 Indicative	5 Year Total	
2019 - 2024 Home Improvement Programme:										Revenue and Reserves
Home Improvement Programme	5,315,000	5,315,000	-	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	22,500,000	
2019 - 2024 Home Improvement Programme Total	5,315,000	5,315,000	-	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	22,500,000	
New Build and Supply:										Capital Receipts S106 contributions Revenue Borrowing
Phase 3 - Cropston Drive	16,336	16,336	-	-	-	-	-	-	-	
Phase 4 - Queensway	902,917	10,000	892,917	67,308	14,775	-	-	-	82,083	
Phase 4 - Howe Road	1,629,067	137,556	1,491,511	668,058	30,375	-	-	-	-	
Phase 4 - Cedar Grove	308,333	77,083	231,250	16,717	4,950	-	-	-	-	
Phase 4 - The Oaks, Whitwick	-	376,500	-	645,082	645,082	17,836	-	-	1,308,000	
Phase 5 - Woulds Court	1,464,750	10,000	162,685	663,334	1,990,001	40,980	-	-	2,694,315	
Phase 6 - Western Avenue	-	-	-	604,012	2,057,321	36,793	-	-	2,698,126	
Phase 7 - TBC	-	-	-	-	-	1,648,589	22,792	-	1,671,381	
Phase 8 - TBC	-	-	-	-	-	-	1,698,047	23,475	1,721,522	
Phase 9 - TBC	-	-	-	-	-	-	-	1,773,168	-	
Acquisition of sites	1,186,250	92,700	-	300,000	-	-	-	-	300,000	
S106 purchase - Osgathrope	-	395,500	-	-	-	-	-	-	-	
S106 purchase - Ravenstone	-	1,072,800	-	-	-	-	-	-	-	
S106 purchase - Newbold Colorton	-	540,815	-	-	-	-	-	-	-	
New Supply Total	5,507,653	2,729,290	2,778,363	2,964,511	4,742,504	1,744,198	1,720,838	1,796,643	12,968,695	
Estate Improvements:										Revenue and reserves
Mobility Scooter Stores	109,000	109,000	-	-	-	-	-	-	-	
Off Street Parking	313,000	313,000	-	400,000	281,333	-	-	-	681,333	
Footpaths & Unadopted Roads	50,000	50,000	-	50,000	50,000	50,000	50,000	50,000	250,000	
Garage Demolition & Replacement	60,000	100,000	-	60,000	60,000	60,000	60,000	60,000	300,000	
Place-shaping pilot	250,000	250,000	-	-	-	-	-	-	-	
Estates Projects - Other	200,000	200,000	-	200,000	200,000	200,000	200,000	200,000	1,000,000	
Estate Improvements Total	982,000	1,022,000	-	710,000	591,333	310,000	310,000	310,000	2,231,333	
Compliance:										Revenue and reserves
Fire Risk Assessment Remedial Works	570,000	200,000	370,000	130,000	87,000	87,000	87,000	87,000	478,000	
Compliance Total	570,000	200,000	370,000	130,000	87,000	87,000	87,000	87,000	478,000	
Major Aids & Adaptations	323,000	370,000	-	300,000	300,000	300,000	300,000	300,000	1,500,000	Revenue and reserves

	Current Year Expenditure			Five Year Capital Programme Expenditure						Funding Source
	2021/22 budget	2021/22 Forecast	Forecast carry forward to 2022/23	2022/23	2023/24 Indicative	2024/25 Indicative	2025/26 Indicative	2026/27 Indicative	5 Year Total	
Zero Carbon Programme	250,000	701,000	-	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000	20,500,000	Revenue Reserves Grants Borrowing
Supported Housing Improvements:										
Speech Module	230,000	-	230,000	30,000	-	-	-	-	30,000	Revenue and reserves
Electrical upgrades				200,000					200,000	
Large Roof Replacement				300,000					300,000	
Sheltered Housing Improvements	50,000	50,000	-	600,000				-	600,000	
Supported Housing Improvements Total	280,000	50,000	230,000	1,130,000	-	-	-	-	1,130,000	
Active Asset Management:										
Capital Works - Voids	350,000	350,000	-	350,000	350,000	350,000	350,000	350,000	1,750,000	Revenue and reserves
Active Asset Management Total	350,000	350,000	-	350,000	350,000	350,000	350,000	350,000	1,750,000	
Other Capital Spend:										
New Housing Systems	180,000	300,000	-	-	-	-	-	-	-	
Other Capital Spend Total	180,000	300,000	-	-	-	-	-	-	-	
Capital Salaries	678,000	705,000	-	844,830	844,830	844,830	844,830	844,830	4,224,150	Revenue and reserves
Total Programme Costs	14,435,653	11,742,290	3,378,363	15,029,341	15,515,667	12,236,028	12,212,668	12,288,473	67,282,178	

SPECIAL EXPENSES BUDGET SUMMARY

SPECIAL EXPENSES	2021/22		2022/23	2023/24	2024/25	2025/26	2026/27
	Budget	Forecast Outturn @ P6	Budget	Indicative	Indicative	Indicative	Indicative
	£	£	£	£	£	£	£
COALVILLE							
Parks, Recreation Grounds & Open Spaces	332,780	334,214	396,380	386,710	370,850	418,100	521,660
Broomley's Cemetery & Closed Churchyard	26,610	18,687	74,660	24,050	26,680	24,880	25,330
One Off Grants	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Coalville in Bloom (Other Expenses)	8,690	5,325	5,000	5,000	5,000	5,000	5,000
Coalville Events	79,780	65,700	78,050	94,740	95,410	96,100	96,800
Earmarked Reserves no longer required	0	(5,154)	0	0	0	0	0
Coalville Special Expenses - savings target	0	0	0	(88,180)	(88,180)	(88,180)	(88,180)
	449,860	420,772	556,090	424,320	411,760	457,900	562,610
WHITWICK							
Cemetery & Closed Churchyard	23,390	25,970	10,690	10,600	10,500	10,670	10,910
Cademan Wood car park & Open Spaces	4,040	4,032	4,160	3,710	4,350	4,450	3,950
	27,430	30,002	14,850	14,310	14,850	15,120	14,860
HUGGLESCOTE							
Cemetery & Closed Churchyard	25,140	2,647	17,920	17,590	14,430	12,260	16,550
	25,140	2,647	17,920	17,590	14,430	12,260	16,550
PLAY AREAS/CLOSED CHURCHYARDS GROUNDS MAINTENANCE & PPM:							
COLEORTON	6,300	3,987	8,770	5,400	5,100	5,000	5,100
RAVENSTONE	3,080	913	5,050	2,390	1,590	2,150	1,610
MEASHAM	4,480	945	6,490	3,110	3,180	3,260	3,340
LOCKINGTON-CUM-HEMINGTON	2,760	1,559	2,590	11,390	2,700	2,750	2,820
OAKTHORPE & DONISTHORPE	13,940	13,938	13,410	4,680	4,770	4,860	4,950
STRETTON	1,510	1,510	1,560	1,590	1,620	1,650	1,680
APPLEBY MAGNA	13,810	13,743	2,950	2,910	2,980	2,940	3,010
OTHER SPECIAL EXPENSES	45,880	36,594	40,820	31,470	21,940	22,610	22,510
SPECIAL EXPENSES (NET COST OF SERVICE)	548,310	490,015	629,680	487,690	462,980	507,890	616,530
Service Management recharges/Admin Buildings	136,420	136,420	157,020	160,170	163,370	166,630	169,970
NET COST OF SERVICES AFTER RECHARGES	684,730	626,435	786,700	647,860	626,350	674,520	786,500
Contribution to/(from) Balances/Reserves	(112,528)	(54,233)	(179,323)	(4,108)	59,895	76,820	37,362
MET FROM GOVT GRANT & COUNCIL TAX (Budget Requirement)	572,202	572,202	607,377	643,752	686,245	751,340	823,862
FUNDED BY:							
Precept	524,589	524,589	575,635	627,881	686,245	751,340	823,862
Localisation of Council Tax Support Grant	47,613	47,613	31,742	15,871	0	0	0
	572,202	572,202	607,377	643,752	686,245	751,340	823,862

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2022-23 General Fund and Special Expenses Budget Consultation

<https://consultation.nwleics.gov.uk/finance/2022-23-budget-consultation>

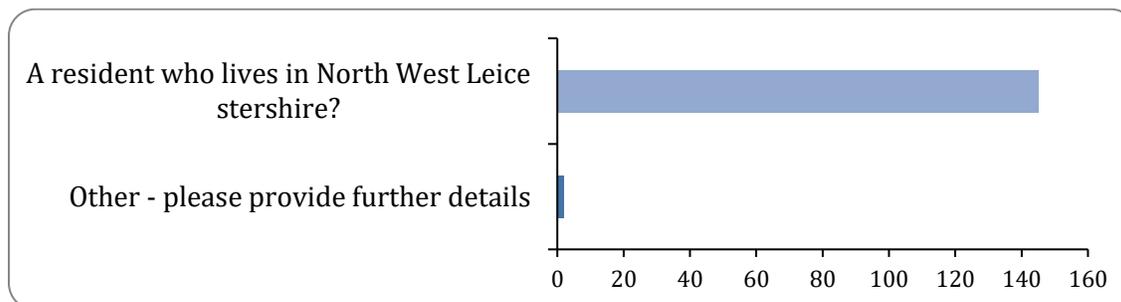
This report was created on Monday 31 January 2022 at 11:34

The activity ran from 12/01/2022 to 30/01/2022

Responses to this survey: **147**

1: Are you:

There were 147 responses to this part of the question.

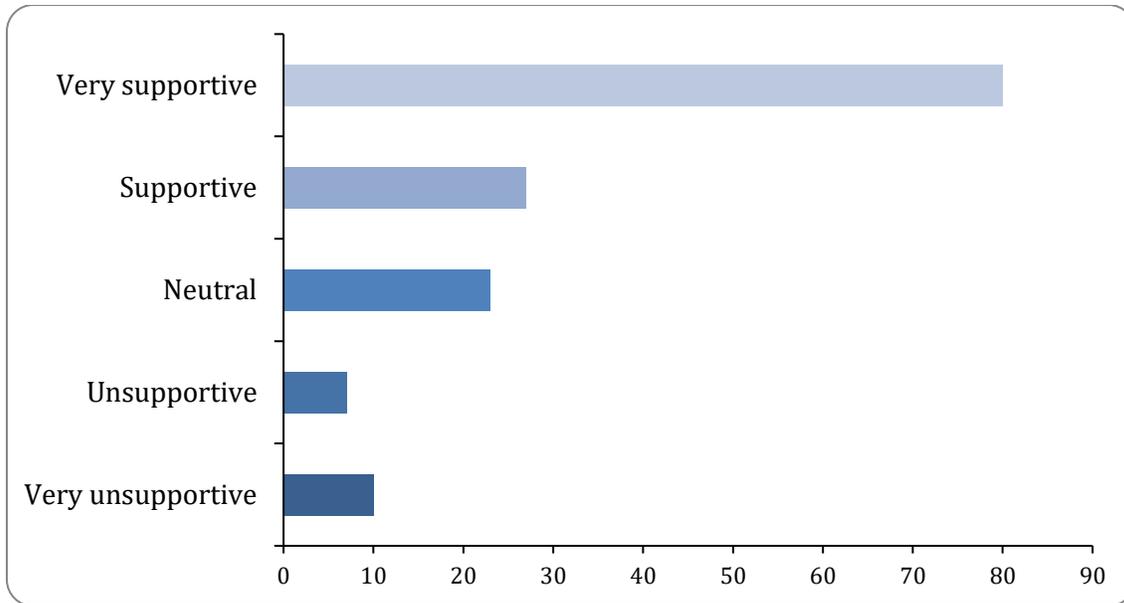


Option	Total	Percent
A resident who lives in North West Leicestershire?	145	98.64%
A business, charity or other organisation who operates within North West Leicestershire?	0	0.00%
Other - please provide further details	2	1.36%
Not Answered	0	0.00%

There were 2 responses to this part of the question. Both responses indicated that the respondent was both a resident and business owner.

2: How supportive are you of this Council Tax freeze?

There were 147 responses to this part of the question.



Option	Total	Percent
Very supportive	80	54.42%
Supportive	27	18.37%
Neutral	23	15.65%
Unsupportive	7	4.76%
Very unresponsive	10	6.80%
Not Answered	0	0.00%

3: What comments would you like to make about the council tax freeze?

There were 60 responses to this part of the question.

Of those that were supportive or very supportive of the freeze:

- 11 referenced general increases in the cost of living currently.
- 3 cited value for money concerns about their council tax.
- 3 were concerned about potential service reductions because of council tax freezes.
- 2 suggested that council tax should decrease.

Of those that were neutral:

- 4 were concerned about potential service reductions because of council tax freezes.

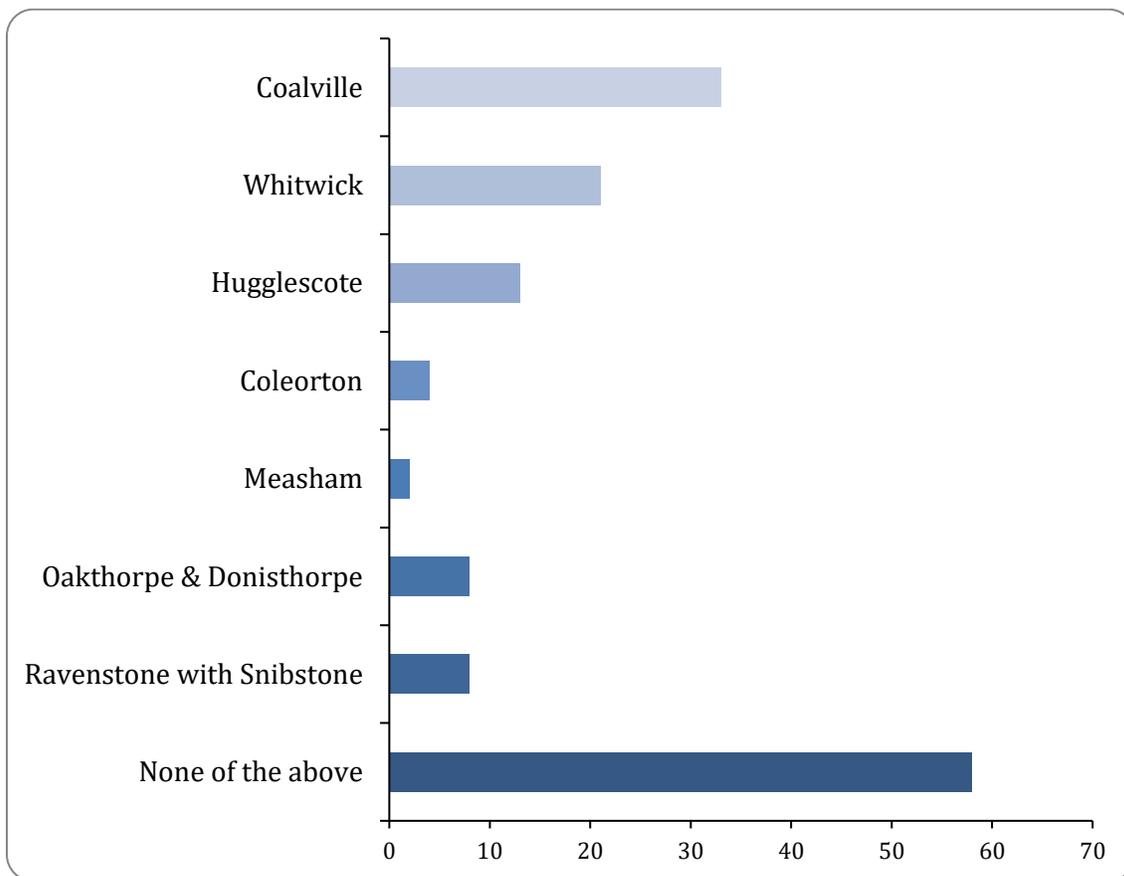
- 2 cited value for money concerns about their council tax.
- 1 referenced general increases in the cost of living currently.
- 1 suggested that council tax should decrease.
- 1 suggested council tax should increase.

Of those that were unsupportive or very unsupportive of the freeze:

- 11 suggested that council tax should increase
- 4 were concerned about service reductions because of council tax freezes.
- 1 suggested more should be spent locally.

4: Do you live in one of the following areas?

There were 147 responses to this part of the question.

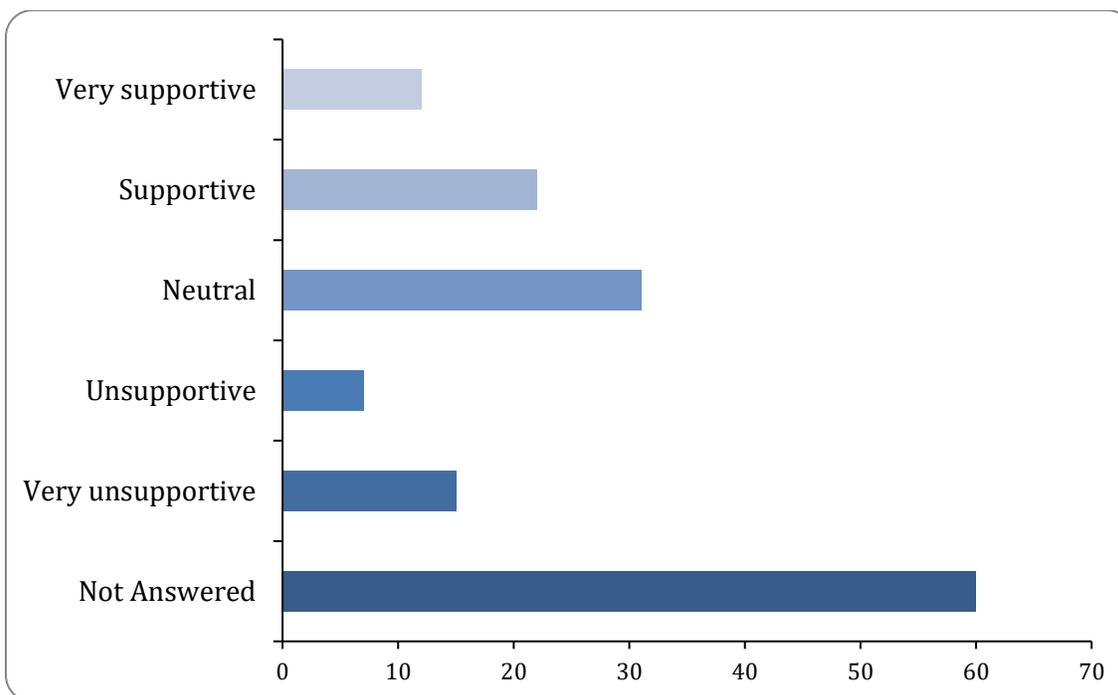


Option	Total	Percent
Coalville	33	22.45%
Whitwick	21	14.29%
Hugglescote	13	8.84%
Coleorton	4	2.72%

Lockington & Hemington	0	0.00%
Measham	2	1.36%
Oakthorpe & Donisthorpe	8	5.44%
Osgathorpe	0	0.00%
Ravenstone with Snibstone	8	5.44%
Stretton-en-le-field	0	0.00%
Appleby Magna	0	0.00%
None of the above	58	39.46%
Not Answered	0	0.00%

5: How supportive are you of these changes?

There were 87 responses to this part of the question.



Option	Total	Percent
Very supportive	12	8.16%
Supportive	22	14.97%
Neutral	31	21.09%
Unsupportive	7	4.76%
Very unsupportive	15	10.20%
Not Answered	60	40.82%

6: What comments would you like to make about the proposed Special Expense precept increases? (If you would like to comment on a particular special expense area, please clearly note which element you are referring to)

There were 28 responses to this part of the question.

Of those that were supportive or very supportive of the changes to special expenses:

- 1 requested it was used to maintain and extend play parks in Coalville

Of those that were neutral of the changes to special expenses:

- 3 were concerned at the size of the increase.
- 1 highlighted the variance of increase between different areas.

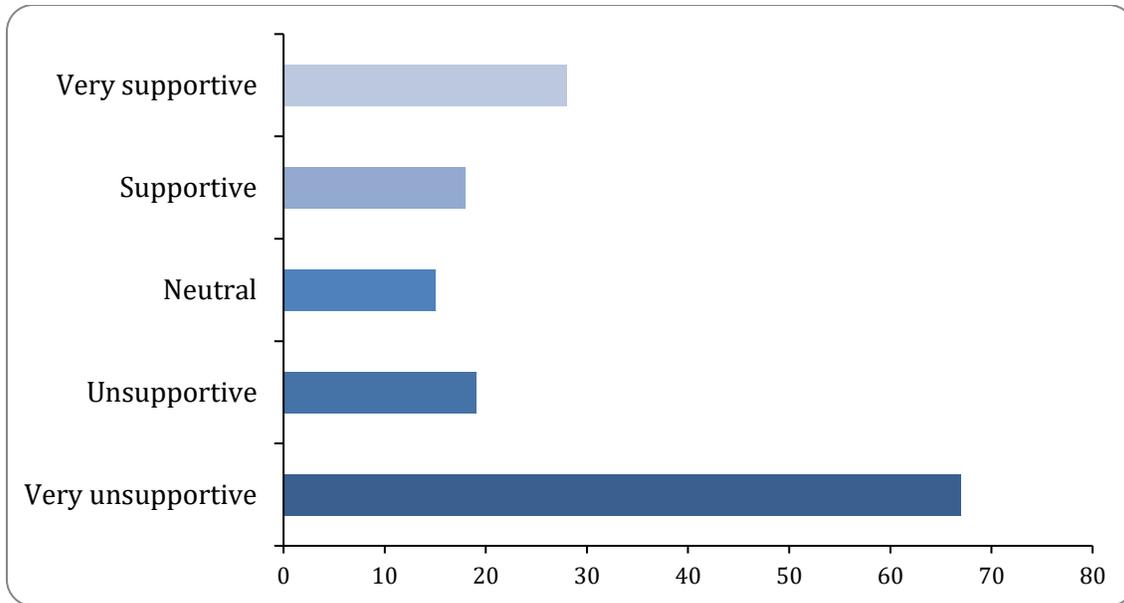
Of those that were unsupportive or very unsupportive of the changes to special expenses:

- 5 were concerned at the size of the increase
- 5 raised concerns about the condition of their local areas
- 3 queries the variance of the changes amongst different areas.

7: From April 2022, the Council plans to keep collection of a single garden waste bin free. However, there will be a new annual charge of £45 for each additional bin.

How supportive are you of this new charge?

There were 147 responses to this part of the question.



Option	Total	Percent
Very supportive	28	19.05%
Supportive	18	12.24%
Neutral	15	10.20%
Unsupportive	19	12.93%
Very unsupportive	67	45.58%
Not Answered	0	0.00%

8: What comments would you like to make about the new garden waste charge?

There were 101 responses to this part of the question.

Of those that were supportive or very supportive of the new garden waste charge:

- 3 suggested charging for the first bin too
- 2 had questions about how the charge would work in practice
- 2 cited concerns over fly tipping
- 2 considered the proposal to be affordable
- 1 person raised affordability concerns
- 1 stated that we generate an income from composting the garden waste, suggesting it was unfair to then charge for collection too.
- 1 suggested charging for general waste collections
- 1 had concerns about the value for money of the charge

Of those that were neutral:

- 3 had concerns about the value for money of the charge
- 1 cited concerns over fly tipping
- 1 had questions about how the charge would work in practice
- 1 suggested more collections were required

Of those that were unsupportive or very unsupportive of new garden waste charge:

- 27 respondents were concerned about the potential for fly tipping to increase
- 18 were concerned that it might reduce the amount of garden waste that gets recycled
- 13 had questions about how the charge would work in practice
- 7 had concerns about the value for money from the charge
- 7 cited concerns about the affordability of the charge
- 6 suggested it is unfair as properties with larger gardens are likely to pay higher council tax
- 8 suggested it was unfair on the basis the Council makes money from composting garden waste.
- 4 were concerned that it could lead to gardens being less well kept
- 4 were concerned that air quality could be affected if residents burn waste
- 3 respondents suggested that the first two bins should be free
- 1 suggested charging for general waste collections
- 1 suggested more collections were required

9: The Council also plans to make a number of changes to existing fees and charges.

Residents were presented with the following information on changes to fees and charges:

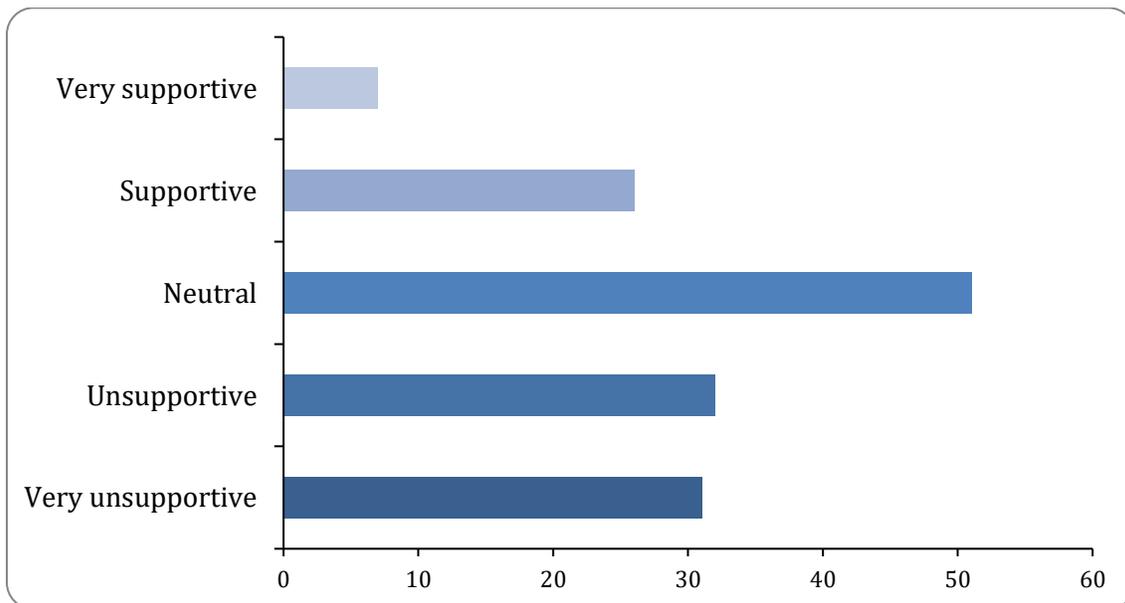
The Council has a large number of fees and charges it sets each year. Changes this year includes:

- Increasing the rents at the Appleby Magna Caravan Site by 3.1% to £36.19 per week.
- Increasing charges for Lifeline customers by 3.1% to £4.34 per week for the basic service and £6.54 for the enhanced service.
- Increasing non-statutory licensing fees by between 1% and 3%, with fees ranging from £3 to £64,000.
- Increasing Health and Safety charges by between 2-3%, with fees ranging from £4 to £155.
- Increasing Border Post Inspection fees between 2-3%, with fees ranging from £25.50 to £193.

- Increasing pest control fees by between 1% and 3%, with fees ranging from £16 to £200.
- Increasing football pitch charges by 2% on average.
- Increasing the Bulky Waste Collection fee by 3.8% to £27.
- Increasing trade refuse and recycling collection costs by between 4.8% to 6.9%, with costs ranging from £3.70 to £17.85 per bin per collection.
- Increasing trade sack collected up 3.6%.
- Increasing burial fees by 5%, with fees ranging from £79 to £1,587.
- Increasing car parking charges by 5.3% on average, with fees varying between £0.65 and £38.

How supportive are you of these changes?

There were 147 responses to this part of the question.



Option	Total	Percent
Very supportive	7	4.76%
Supportive	26	17.69%
Neutral	51	34.69%
Unsupportive	32	21.77%
Very unsupportive	31	21.09%
Not Answered	0	0.00%

10: What comments would you like to make about the changes to these fees and charges? (If you would like to comment on a particular fee or charge, please clearly note which element you are referring to).

There were 72 responses to this part of the question.

Of those that were supportive or very supportive of the changes to existing garden waste charges:

- 7 raised concerns about car parking charges increasing, and the affect that could have on footfall in town centres.
- 2 raised concern about increasing football pitch prices, and the impact that could have on use.
- 1 raised concerned about the affordability of charges
- 1 considered that staff should be charged parking fees
- 3 were concerned about increases in burial fees
- 1 cited value for money concerns

Of those that were neutral:

- 7 raised concerns about car parking charges increasing, and the affect that could have on footfall in town centres, whilst one was positive about the change.
- 4 cited concerns about fly tipping resulting from the increase in charges.
- 3 raised concern about increasing football pitch prices, and the impact that could have on use.
- 3 were concerned about increases in burial fees
- 3 were concerned about the trade waste and recycling increases.
- 2 were concerned by the planned increases to lifeline charges
- 2 raised concerns about increasing bulky waste charges
- 1 raised a general concern about the affordability of price increases
- 1 cited value for money concerns about the charges.
- 1 respondent was positive about increases in parking charges, citing the potential to increase walking and cycling.

Of those that were unsupportive or very unsupportive of the changes to existing fees and charges:

- 14 were concerned by the car parking charge increases
- 5 were concerned about the affordability of charges
- 6 had specific concerns about the planned increase in burial fees
- 5 were concerned by the planned increases to lifeline charges
- 3 cited general value for money concerns with the charges

- 4 cited concerns about fly tipping resulting from the increase in charges.
- 2 cited specific concerns about the planned increases to football pitch charges
- 1 raised concerns about the trade waste and recycling increases.
- 3 cited concerns with the bulky waste charge increase

11: How supportive are you of this expenditure?

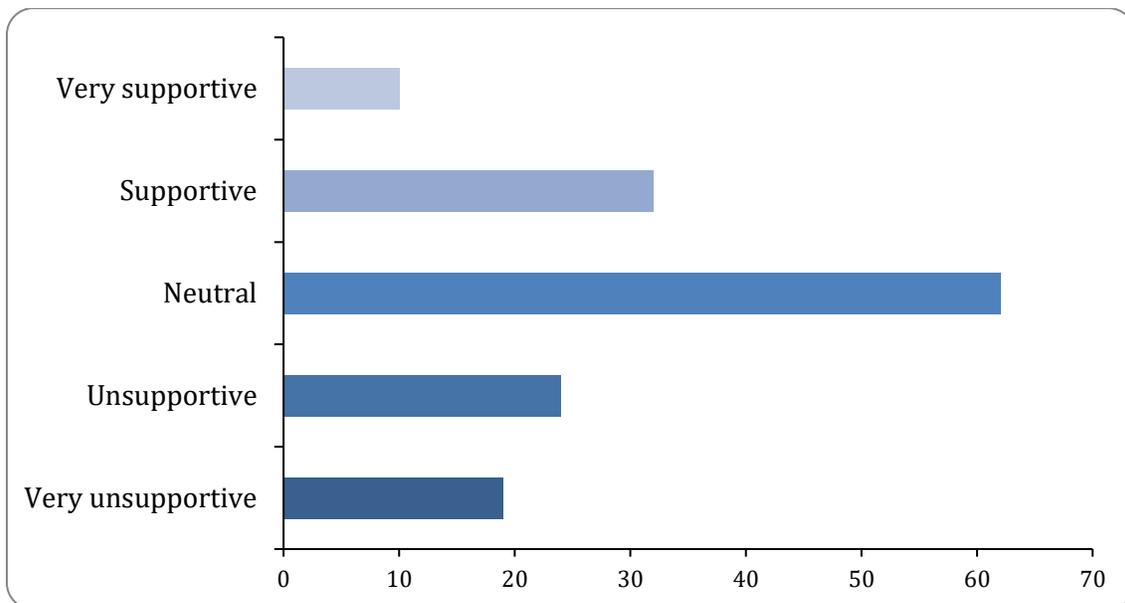
Residents were presented with the service developments, as set out below:

Overall, we expect to spend £16.6 million in 2022-23 on our day to day activities, which is £1.1 million more than the previous year and largely the result of additional cost pressures the Council is currently facing.

We also plan to spend £162,000 improving the services we offer by:

- Spending £65,000 on a feasibility study to support the regeneration of Coalville, which will include looking at the future of our current waste and park depots as well as the Hermitage Leisure Centre.
- Employing additional staff without our waste services team in response to increasing demand, at a cost of £72,000.
- Employing additional staff within our Property Service team to manage the Council's property, at a cost of £26,000.

There were 147 responses to this part of the question.



Option	Total	Percent
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Very supportive	10	6.80%
Supportive	32	21.77%
Neutral	62	42.18%
Unsupportive	24	16.33%
Very unsupportive	19	12.93%
Not Answered	0	0.00%

12: What comments would you like to make about our spending plans? (If you would like to comment on a particular element of our spending, please clearly note which element you are referring to).

There were 60 responses to this part of the question.

Comments from those that were supportive or very supportive drew on the following themes:

- 4 raised concerns at costs for a feasibility study to look at the future of the parks and waste depots and hermitage leisure centre.
- 3 were positive about the regeneration of Coalville
- 2 raised a value for money concern, suggesting more funding was needed for waste services and another suggests staff performance needed greater management.

Of those that were neutral, comments followed the themes below:

- 12 were concerned about the cost of the feasibility study for the parks and waste depots and hermitage leisure centre.
- 3 raised concerns about value for money from services.
- 2 were negative about the progress in regenerating Coalville
- 1 wanted increased spend on areas other than Coalville
- 1 raised concerns over the infrastructure in Coalville
- 1 approved of providing more employment opportunities

Of those that answered unsupportive or very unsupportive, the following themes were drawn out from comments:

- 10 raised value for money concerns about the council.
- 7 thought spending needed to be focused on areas other than Coalville
- 7 were concerned at the cost of the feasibility study for the parks and waste depots and hermitage leisure centre.
- 5 disagreed with additional funding for staff in property services.
- 1 was negative about the progress made in regenerating Coalville
- 1 approved of additional staff for waste services

13: How supportive are you of this expenditure?

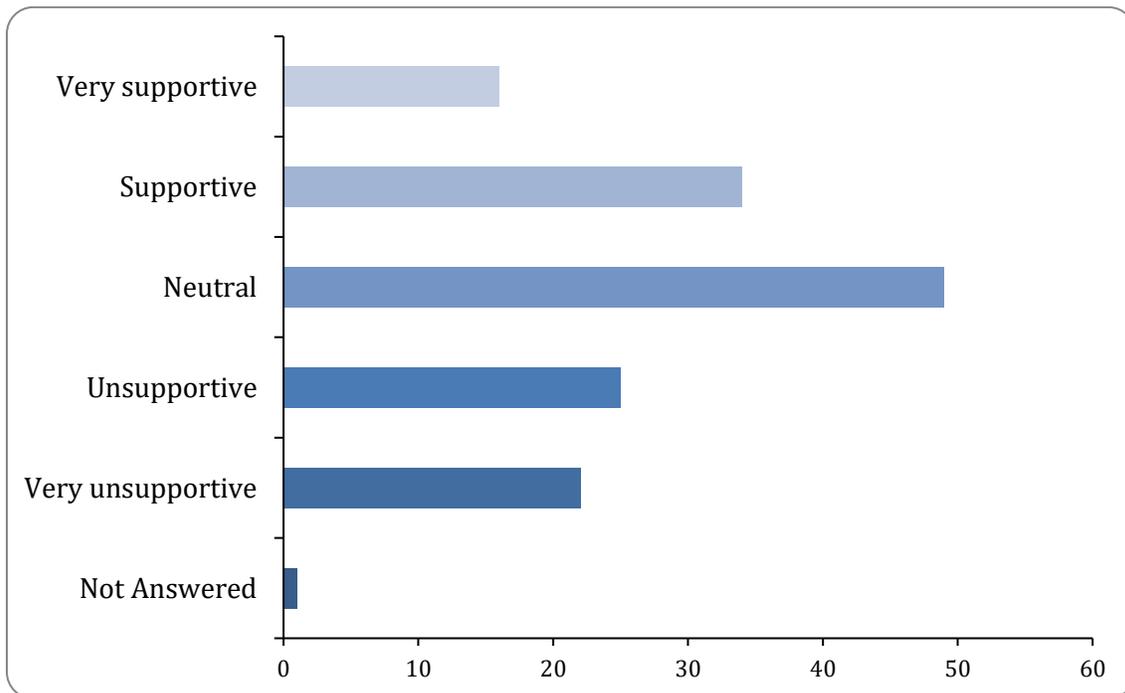
Residents were presented with a high level of summary of the General Fund Capital Programme, as set out below:

Capital expenditure relates to larger projects that produce something that will last for a number of years, such as a new council buildings or major upgrades to our existing council buildings.

In 2021-22 we have planned to spend £10.7 million on such projects, which includes:

- £8.3 million on projects to regenerate Coalville. This includes £3.7 million for the renovation of the Marlborough Centre, £3.1 million for planned improvements to the Council's office accommodation and £1.5 million for other projects as they come forward.
- £1.4 million on replacing vehicles that have come to the end of the life. The Council will be replacing vehicles with battery electric vehicles where feasible as part of its Zero Carbon programme.
- £1.0 million on other capital projects, such as the provision of Disabled Facility Grants and replacing ICT equipment.

There were 146 responses to this part of the question.



Option	Total	Percent
Very supportive	16	10.88%
Supportive	34	23.13%
Neutral	49	33.33%
Unsupportive	25	17.01%
Very unsupportive	22	14.97%
Not Answered	1	0.68%

14: What comments would you like to make about our spending plans?

(If you would like to comment on a particular element of our spending, please clearly note which element you are referring to).

There were 58 responses to this part of the question.

Of those that said they were supportive or very supportive of the planned general fund capital programme:

- 5 were positive about plans to regenerate Coalville
- 3 felt less should be spent on the accommodation project
- 1 requested more spend on play areas
- 1 had concerns on the Marlborough Centre spend
- 1 thought spending needed to be focused on areas other than Coalville
- 1 had concerns over local infrastructure
- 1 raised a value for money concern

Of the neutral respondents:

- 6 posted comments against the size of the accommodation project
- 1 thought spending needed to be focused on areas other than Coalville
- 1 had concerns over local infrastructure
- 2 had concerns over Coalville Regeneration
- 1 had concerns about the fleet replacement programme
- 1 were positive about plans to regenerate Coalville

Themes from those that were unsupportive or very unsupportive were:

- 12 were negative about the amount planned to be spent on office accommodation
- 7 thought spending needed to be focused on areas other than Coalville
- 3 were negative about the amount of money being spent regenerating Coalville

- 3 flagged up general value for money concerns
- 2 had concerns on the Marlborough Centre spend
- 1 had concerns about the fleet replacement programme
- 1 felt more consultation was needed on capital spending plans

2022-23 Housing Revenue Account Budget Consultation

<https://consultation.nwleics.gov.uk/finance/e5cc028f>

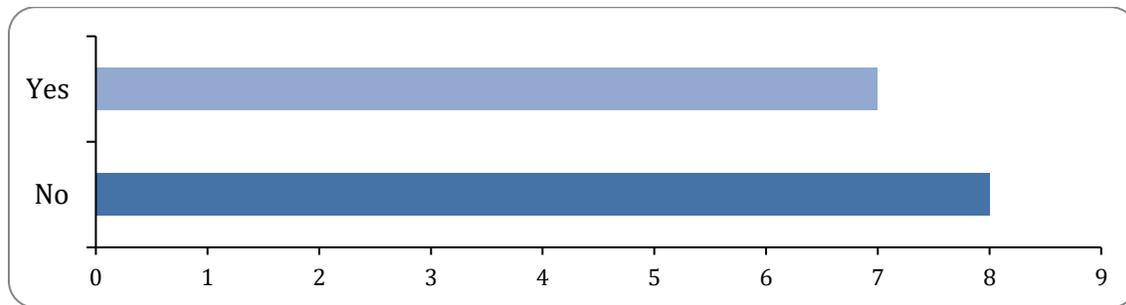
This report was created on Monday 31 January 2022 at 14:28

The activity ran from 12/01/2022 to 30/01/2022

Responses to this survey: **15**

1: Do you live in a property owned by NWLDC?

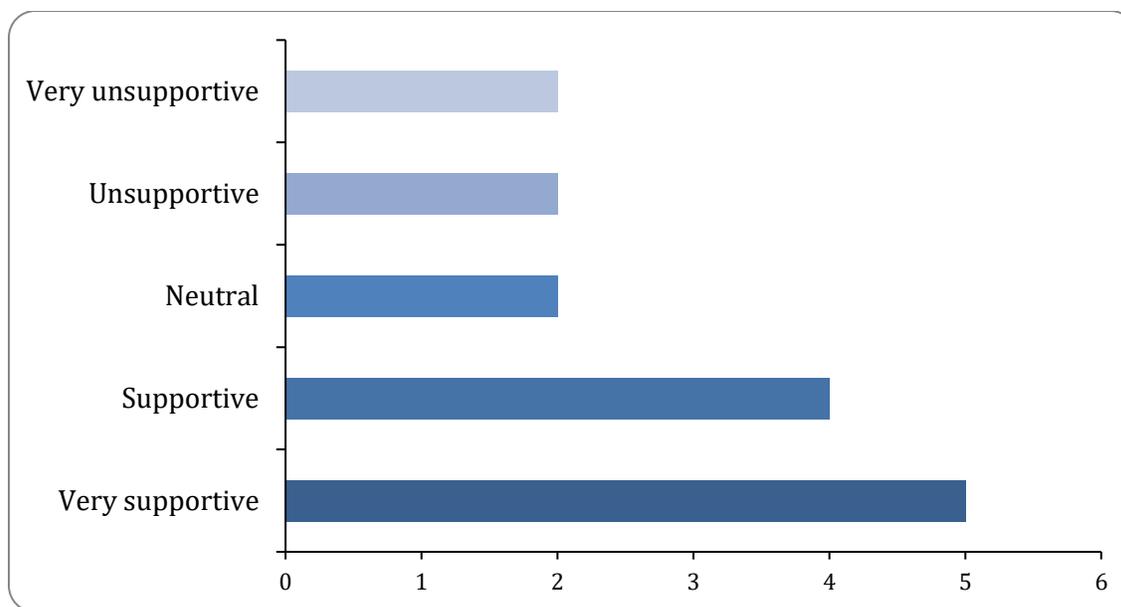
There were 15 responses to this part of the question.



Option	Total	Percent
Yes	7	46.67%
No	8	53.33%
Don't know	0	0.00%
Not Answered	0	0.00%

2: We are planning to increase the rents we charge by up to 4.1%.

There were 15 responses to this part of the question.



Option	Total	Percent
Very unsupportive	2	13.33%
Unsupportive	2	13.33%
Neutral	2	13.33%
Supportive	4	26.67%
Very supportive	5	33.33%
Not Answered	0	0.00%

There were 11 responses to this part of the question.

Of the comments:

- 3 felt it would help the Council maintain the properties
- 3 raised affordability concerns
- 3 referenced general inflation, including comparisons to higher increases in private sector rent
- 2 wanted any repairs or improvement works funded by the increase to be equally distributed across all tenants.
- 1 raised a concern over the service they receive.

3: Some tenants pay for particular services we provide that are only relevant to them, known as service charges.

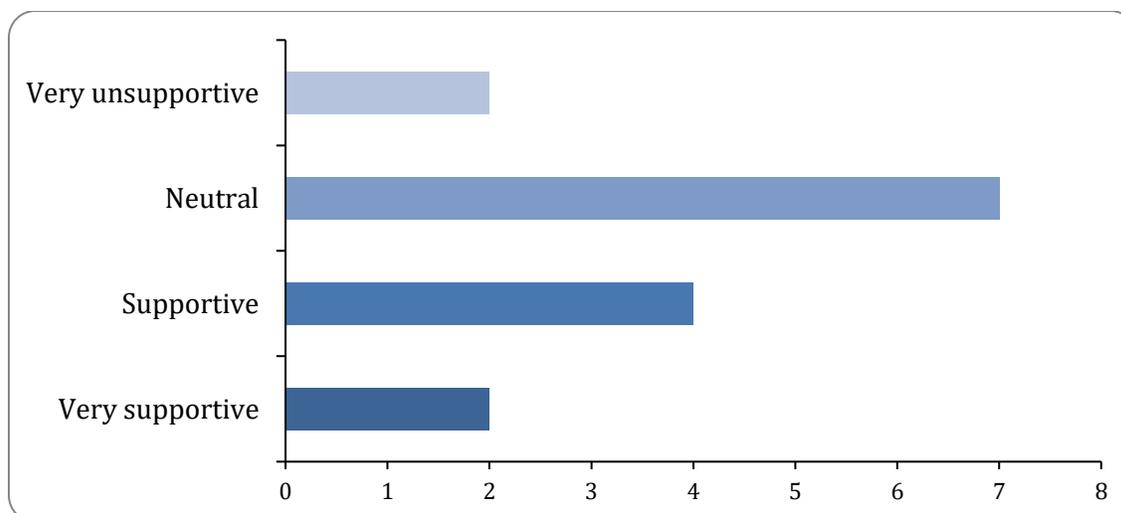
The survey provided the following information on changes to service charges:

Changes to the individual service charges are listed in the table below.

Service Charge	Proposed change
Cleaning of shared/common areas	3.1%
Repairs to shared/common parts	0%
Grounds maintenance of shared/common areas	3.0%
Utility costs for shared/common areas	20%
Door entry systems	-36%
Repairs and replacement of items in laundry rooms	3.1%
Repair and replacement of items in common rooms and kitchens	0%
Support Officer compliance checks	2.75%
Fire extinguisher servicing	5.0%
Maintenance of Central Control equipment	3.1%
Older persons services charge	4.8%
Administration fee (charged at 15% of service charges)	6.24%

How supportive are you of these changes?

There were 15 responses to this part of the question.



Option	Total	Percent
Very unsupportive	2	13.33%
Unsupportive	0	0.00%
Neutral	7	46.67%
Supportive	4	26.67%
Very supportive	2	13.33%
Not Answered	0	0.00%

What comments would you like to make about the proposed changes to service charges? (If you would like to comment on a particular charge, please clearly note which charge you are referring to).

There were 8 responses to this part of the question.

Of the comments:

- 2 were concerned about the increase in the older persons service charge
- 1 raised concerns over the size of the administration charge
- 1 thought the increase in utilities fees were likely to be an understatement

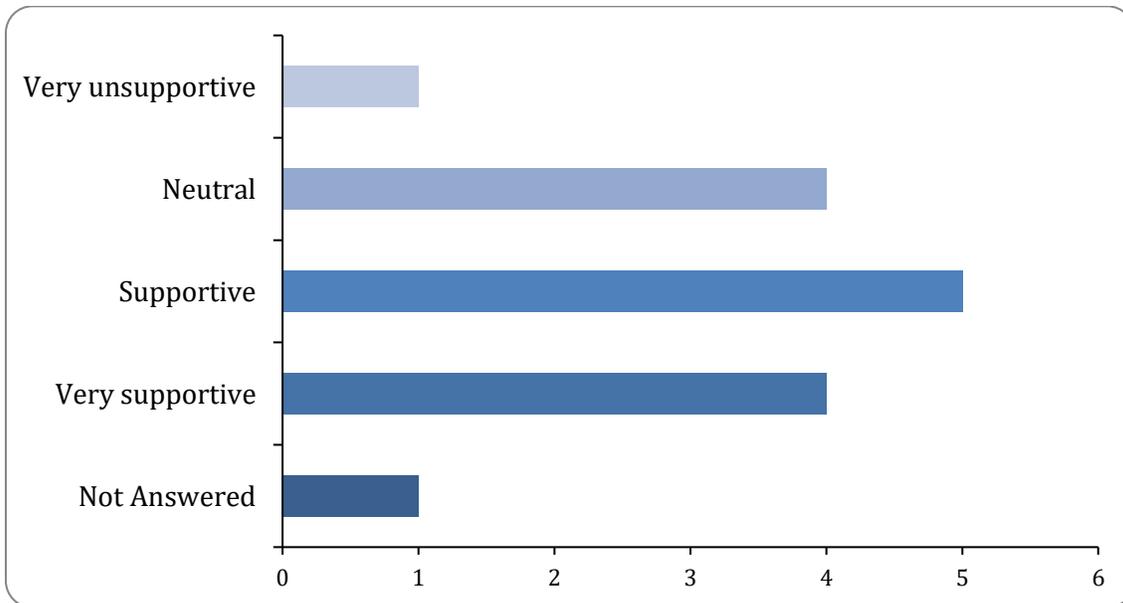
4: We also charge for a number of optional services we provide, which are listed in the table below.

The survey provided the following information on changes to fees and charges:

Charge	Proposed change
<u>Profit Generating Services</u>	
Garage and garage site rent	3.1%
Tenants contents insurance	0%
<u>Full Cost Recovery</u>	
Central Heating (within a property)	20%
<u>Service Development</u>	
Lifeline support charge	3.1%

How supportive are you of this increase?

There were 14 responses to this part of the question.



Option	Total	Percent
Very unsupportive	1	6.67%
Unsupportive	0	0.00%
Neutral	4	26.67%

Supportive	5	33.33%
Very supportive	4	26.67%
Not Answered	1	6.67%

What comments would you like to make about the proposed changes to our optional charges?

There were 5 responses to this part of the question.

Of the comments:

- 1 respondent felt all fees should rise by inflation
- 1 thought garage rental charges should be higher if tenants have access to off street parking

5: Overall, we expect to spend £14.9 million in 2022-23 on our day to day activities.

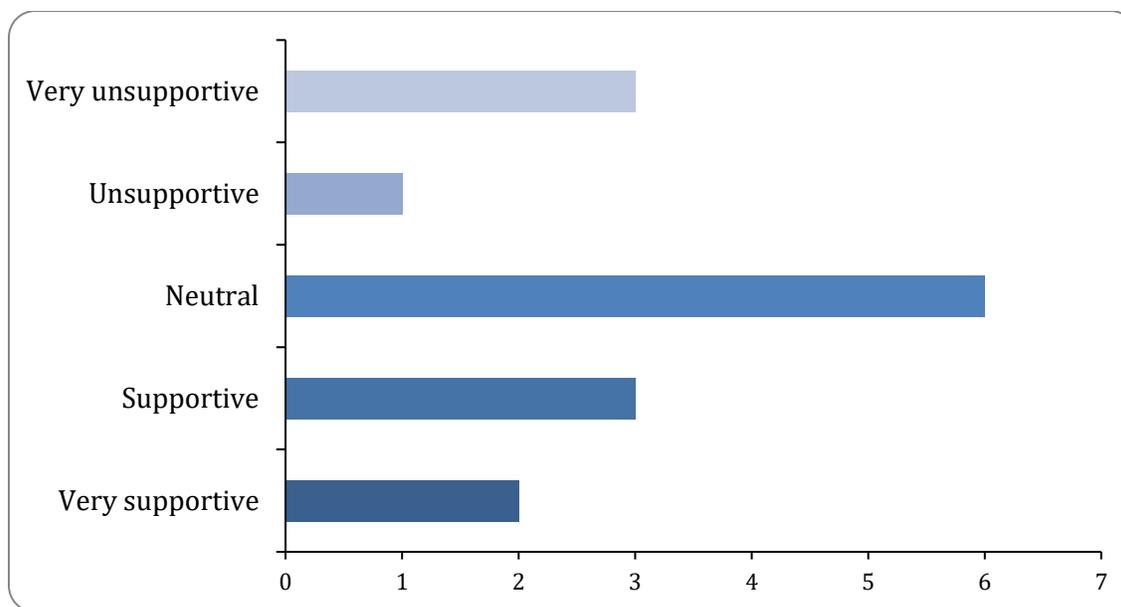
Respondents were provided with the following information on the service developments:

Increasing costs or falling income contributes £951,000 to this amount, whilst budget savings have reduced costs by £317,000. We also plan to spend £321,000 improving the service we offer by:

- Spending £210,000 on painting council homes as part of a preventative maintenance plan.
- Employing an additional officer to provide specialist support to tenants with mental health or drug and alcohol related issues. This is expected to cost £43,000 in total, but be offset by a grant from the NHS.
- Employing an additional officer to respond to anti-social behaviour, which has become an area of lower tenant satisfaction. This will cost £43,000 in total.
- Increasing the size of our New Supply team by half a full time equivalent role, at a total cost of £25,000.

How supportive are you of these service developments?

There were 15 responses to this part of the question.



Option	Total	Percent
Very unsupportive	3	20.00%
Unsupportive	1	6.67%
Neutral	6	40.00%
Supportive	3	20.00%
Very supportive	2	13.33%
Not Answered	0	0.00%

What comments would you like to make about on these service developments? (If you would like to comment on a particular service development, please clearly note which element you are referring to).

There were 10 responses to this part of the question.

Of the comments:

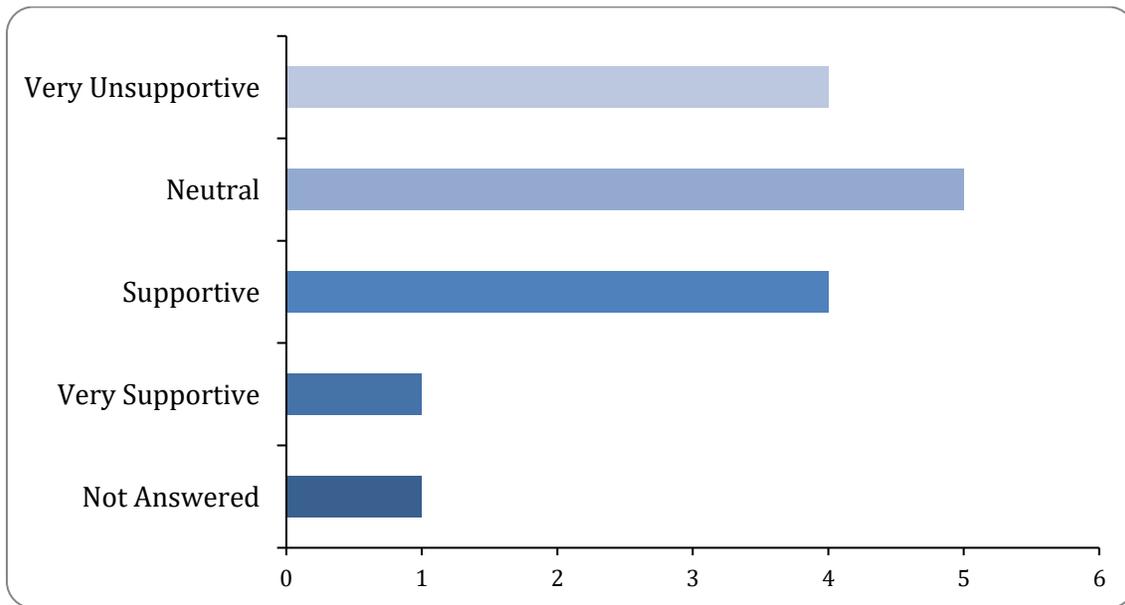
- 2 were positive about the painting programme.
- 2 raised concerns about the cost of additional staff
- 1 raised concerns about the quality of repairs

6: In 2022-23 we plan to spend £15.0 million on large projects, such as new houses or major upgrades to our existing houses.

We are planning to spend £4.1 million on reducing carbon emissions from properties. This is part of a new five year programme totalling £20.5 million.

How supportive are you of our plans to reduce carbon emissions from our properties?

There were 14 responses to this part of the question.



Option	Total	Percent
Very Unsupportive	4	26.67%
Unsupportive	0	0.00%
Neutral	5	33.33%
Supportive	4	26.67%
Very Supportive	1	6.67%
Not Answered	1	6.67%

What comments would you like to make about our plans to reduce carbon emissions from our properties?

There were 7 responses to this part of the question.

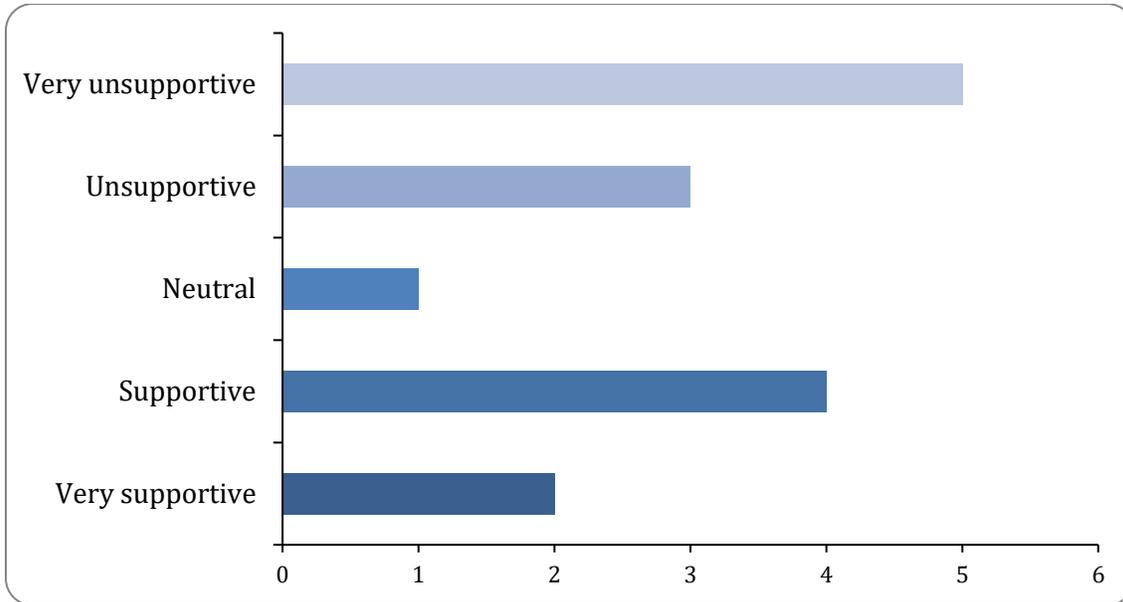
Of the comments:

- 1 did not consider it a priority at a time of rising living costs
- 1 suggested that the improvements need to benefit tenants

- 1 suggested that it may be better to knock down old properties and build better new ones.
- 1 suggested the money should be used to fund work on the wider housing stock, not focused on the HRA.

How supportive are you of our plans to buy and build new council homes?

There were 15 responses to this part of the question.



Option	Total	Percent
Very unsupportive	5	33.33%
Unsupportive	3	20.00%
Neutral	1	6.67%
Supportive	4	26.67%
Very supportive	2	13.33%
Not Answered	0	0.00%

What comments would you like to make about our plans to buy and build new council homes?

There were 9 responses to this part of the question.

Respondents raised the following comments:

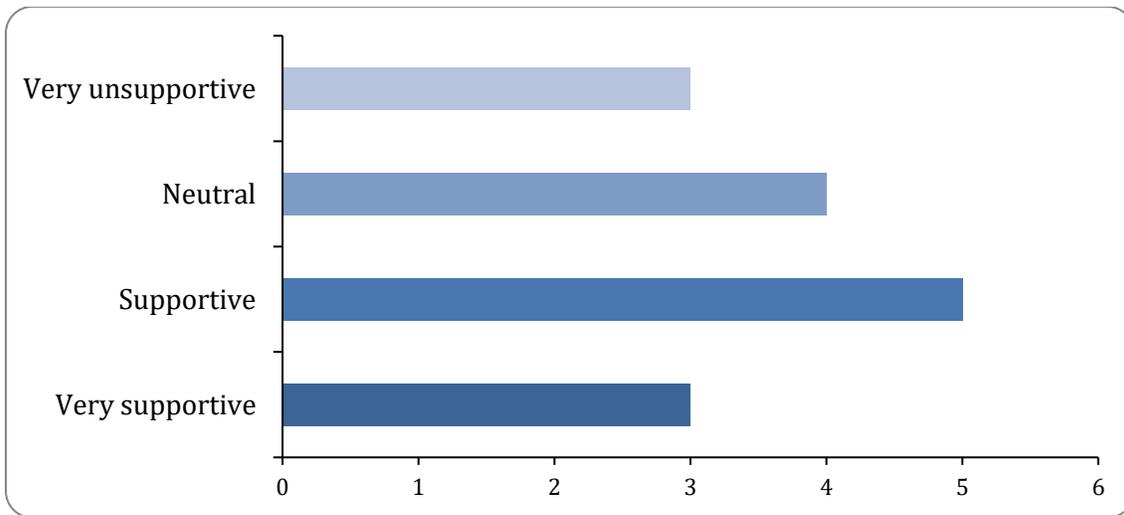
- 2 thought the funding would be better used on existing houses

- 1 raised concern about local infrastructure
- 1 suggested exploring the regeneration of existing council estates
- 1 thought sites in Coalville should be regenerated with council houses
- 1 thought the money would be better used supporting the local economy.

How supportive are you of our plans to improve our existing homes?

We will spend £4.5 million on our Home Improvement Programme, which replaces bathrooms, kitchens and roofs and make other key improvement works in our existing homes to ensure our homes continue to meet the Government’s decent homes standard.

There were 15 responses to this part of the question.



Option	Total	Percent
Very unsupportive	3	20.00%
Unsupportive	0	0.00%
Neutral	4	26.67%
Supportive	5	33.33%
Very supportive	3	20.00%
Not Answered	0	0.00%

What comments would you like to make about our plans to improve our existing homes?

There were 9 responses to this part of the question.

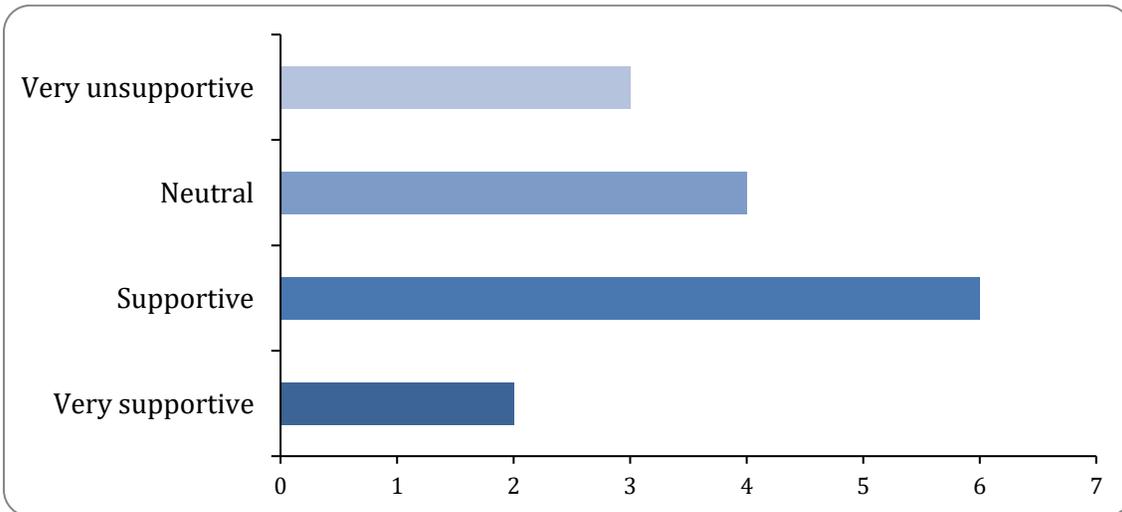
Of the comments:

- 4 comments gave approval for these costs.
- 2 comments suggested tenants should pay for the improvements.

How supportive are you of our plans to improve our supported housing schemes?

We plan to spend £1.1 million to make improvements to some of our supported housing schemes. This will include roof replacements and electrical upgrades where required.

There were 15 responses to this part of the question.



Option	Total	Percent
Very unsupportive	3	20.00%
Unsupportive	0	0.00%
Neutral	4	26.67%
Supportive	6	40.00%
Very supportive	2	13.33%
Not Answered	0	0.00%

What comments would you like to make about our plans to improve our supported housing schemes?

There were 6 responses to this part of the question.

Of the comments:

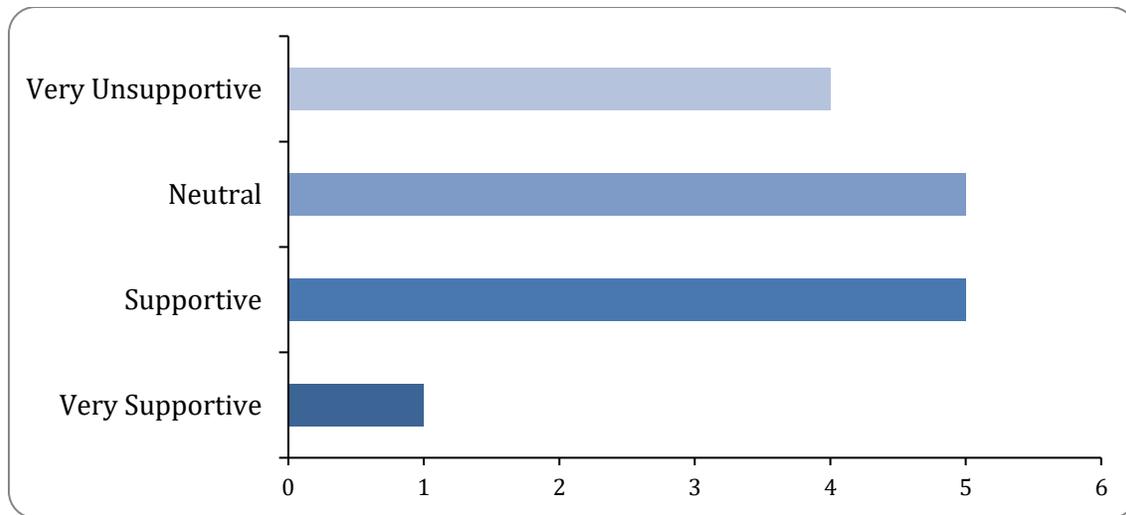
- 3 comments were positive about the improvements.
- 3 were neutral.

What comments would you like to make about our general spending plans?

The remaining £2.3 million of the programme will go on routine capital expenditure programmes, including:

- £0.8 million on salaries to deliver our capital programme.
- £0.7 million on making improvements to our estates, such as off street parking and improving fencing.
- £0.4 million on improvements to properties when they become empty.
- £0.3 million on providing major aids and adaptations to our properties to enable tenants to remain in their homes.
- £0.1 million on fire risk assessment remedial works.

There were 15 responses to this part of the question.



Option	Total	Percent
Very Unsupportive	4	26.67%
Unsupportive	0	0.00%
Neutral	5	33.33%
Supportive	5	33.33%
Very Supportive	1	6.67%
Not Answered	0	0.00%

What comments would you like to make about our spending plans? (If you would like to comment on a particular element of our spending, please clearly note which element you are referring to).

There were 6 responses to this part of the question.

Of the responses:

- 1 thought salary costs were high.
- 1 suggests work to improve the overall appearance of Coalville should be added to the Capital programme.
- 1 considered fire risk assessment works a priority.

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TABLE A

COUNCIL TAX BASE 2022/2023

PARISH / SPECIAL EXPENSE AREA	COUNCIL TAX BASE
APPLEBY MAGNA	530
ASHBY DE LA ZOUCH	6,169
ASHBY WOULD'S	1,401
BARDON	10
BELTON	301
BREEDON-ON-THE-HILL	454
CASTLE DONINGTON	2,700
CHARLEY	76
CHILCOTE	56
COALVILLE	6,678
COLEORTON	580
ELLISTOWN & BATTLEFLAT	799
HEATHER	367
HUGGLESCOTE & DONINGTON LE HEATH	2,099
IBSTOCK	2,345
ISLEY WALTON-CUM-LANGLEY	29
KEGWORTH	1,281
LOCKINGTON CUM HEMINGTON	241
LONG WHATTON and DISEWORTH	810
MEASHAM	1,696
NORMANTON-LE-HEATH	67
OAKTHORPE, DONISTHORPE and ACRESFORD	904
OSGATHORPE	209
PACKINGTON	417
RAVENSTONE	1,059
SNARESTONE	144
STAUNTON HAROLD	60
STRETTON-EN-LE-FIELD	19
SWANNINGTON	468
SWEPSTONE	272
WHITWICK	2,724
WORTHINGTON	616
TOTAL	35,581

TABLE B

COUNCIL TAX 2022/2023 - DISTRICT EXPENSES AND SPECIAL ITEMS

BAND 'D' EQUIVALENTS

PARISH	DISTRICT EXP'S	PARISH EXP'S	SPECIAL EXP'S	TOTAL BAND D PROPERTY
	£ p	£ p	£ p	£ p
APPLEBY MAGNA	158.58	52.83	7.08	218.49
ASHBY DE LA ZOUCH	158.58	90.12	-	248.70
ASHBY WOULD'S	158.58	84.01	-	242.59
BARDON	158.58	-	-	158.58
BELTON	158.58	99.67	-	258.25
BREEDON-ON-THE-HILL	158.58	58.96	-	217.54
CASTLE DONINGTON	158.58	148.12	-	306.70
CHARLEY	158.58	106.58	-	265.16
CHILCOTE	158.58	-	-	158.58
COALVILLE	158.58	-	73.81	232.39
COLEORTON	158.58	27.16	10.63	196.37
ELLISTOWN & BATTLEFLAT	158.58	81.08	-	239.66
HEATHER	158.58	38.15	-	196.73
HUGGLESCOTE & DONINGTON LE HEATH	158.58	68.13	15.27	241.98
IBSTOCK	158.58	106.61	-	265.19
ISLEY WALTON-CUM-LANGLEY	158.58	13.62	-	172.20
KEGWORTH	158.58	94.32	-	252.90
LOCKINGTON CUM HEMINGTON	158.58	82.99	13.72	255.29
LONG WHATTON and DISEWORTH	158.58	61.73	-	220.31
MEASHAM	158.58	69.98	1.87	230.43
NORMANTON-LE-HEATH	158.58	-	-	158.58
OAKTHORPE, DONISTHORPE and ACRESFORD	158.58	89.60	6.10	254.28
OSGATHORPE	158.58	22.28	-	180.86
PACKINGTON	158.58	53.98	-	212.56
RAVENSTONE	158.58	89.71	1.29	249.58
SNARESTONE	158.58	69.44	-	228.02
STAUNTON HAROLD	158.58	3.22	-	161.80
STRETTON-EN-LE-FIELD	158.58	-	73.11	231.69
SWANNINGTON	158.58	75.00	-	233.58
SWEPSTONE	158.58	66.79	-	225.37
WHITWICK	158.58	100.83	9.55	268.96
WORTHINGTON	158.58	37.34	-	195.92

TABLE C

COUNCIL TAX 2022/2023 (DISTRICT, PARISH AND SPECIAL ITEMS) BY AREA AND VALUATION BAND

PARISH / AREA	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
APPLEBY MAGNA	145.66	169.94	194.21	218.49	267.04	315.60	364.15	436.98
ASHBY DE LA ZOUCH	165.80	193.43	221.07	248.70	303.97	359.23	414.50	497.40
ASHBY WOULD'S	161.73	188.68	215.64	242.59	296.50	350.41	404.32	485.18
BARDON	105.72	123.34	140.96	158.58	193.82	229.06	264.30	317.16
BELTON	172.17	200.86	229.56	258.25	315.64	373.03	430.42	516.50
BREEDON-ON-THE-HILL	145.03	169.20	193.37	217.54	265.88	314.22	362.57	435.08
CASTLE DONINGTON	204.47	238.54	272.62	306.70	374.86	443.01	511.17	613.40
CHARLEY	176.77	206.24	235.70	265.16	324.08	383.01	441.93	530.32
CHILCOTE	105.72	123.34	140.96	158.58	193.82	229.06	264.30	317.16
COALVILLE	154.93	180.75	206.57	232.39	284.03	335.67	387.32	464.78
COLEORTON	130.91	152.73	174.55	196.37	240.01	283.65	327.28	392.74
ELLISTOWN & BATTLEFLAT	159.77	186.40	213.03	239.66	292.92	346.18	399.43	479.32
HEATHER	131.15	153.01	174.87	196.73	240.45	284.17	327.88	393.46
HUGGLESCOTE & DONINGTON LE HEATH	161.32	188.21	215.09	241.98	295.75	349.53	403.30	483.96
IBSTOCK	176.79	206.26	235.72	265.19	324.12	383.05	441.98	530.38
ISLEY WALTON-CUM-LANGLEY	114.80	133.93	153.07	172.20	210.47	248.73	287.00	344.40
KEGWORTH	168.60	196.70	224.80	252.90	309.10	365.30	421.50	505.80
LOCKINGTON CUM HEMINGTON	170.19	198.56	226.92	255.29	312.02	368.75	425.48	510.58
LONG WHATTON and DISEWORTH	146.87	171.35	195.83	220.31	269.27	318.23	367.18	440.62
MEASHAM	153.62	179.22	204.83	230.43	281.64	332.84	384.05	460.86
NORMANTON-LE-HEATH	105.72	123.34	140.96	158.58	193.82	229.06	264.30	317.16
OAKTHORPE, DONISTHORPE and ACRESFORD	169.52	197.77	226.03	254.28	310.79	367.29	423.80	508.56
OSGATHORPE	120.57	140.67	160.76	180.86	221.05	261.24	301.43	361.72
PACKINGTON	141.71	165.32	188.94	212.56	259.80	307.03	354.27	425.12
RAVENSTONE	166.39	194.12	221.85	249.58	305.04	360.50	415.97	499.16
SNARESTONE	152.01	177.35	202.68	228.02	278.69	329.36	380.03	456.04
STAUNTON HAROLD	107.87	125.84	143.82	161.80	197.76	233.71	269.67	323.60
STRETTON-EN-LE-FIELD	154.46	180.20	205.95	231.69	283.18	334.66	386.15	463.38
SWANNINGTON	155.72	181.67	207.63	233.58	285.49	337.39	389.30	467.16
SWEPSTONE	150.25	175.29	200.33	225.37	275.45	325.53	375.62	450.74
WHITWICK	179.31	209.19	239.08	268.96	328.73	388.50	448.27	537.92
WORTHINGTON	130.61	152.38	174.15	195.92	239.46	283.00	326.53	391.84

TABLE D

COUNCIL TAX 2022/2023 (PCC, LFRS, LCC) BY AREA AND VALUATION BAND

MAJOR PRECEPTOR	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
LEICESTERSHIRE COUNTY COUNCIL (MAIN ELEMENT)	853.91	996.23	1,138.55	1,280.87	1,565.51	1,850.14	2,134.78	2,561.74
LEICESTERSHIRE COUNTY COUNCIL (ADDULY SOCAL CARE ELEMENT)	114.73	133.85	152.97	172.09	210.33	248.58	286.82	344.18
LEICESTERSHIRE COUNTY COUNCIL (TOTAL)	968.64	1,130.08	1,291.52	1,452.96	1,775.84	2,098.72	2,421.60	2,905.92
LEICESTERSHIRE POLICE AND CRIME COMMISSIONER	172.15	200.85	229.54	258.23	315.61	373.00	430.38	516.46
COMBINED FIRE AUTHORITY	49.53	57.78	66.04	74.29	90.80	107.31	123.82	148.58

TABLE E

TOTAL COUNCIL TAX 2022/2023 BY AREA AND VALUATION BAND

PARISH / AREA	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
APPLEBY MAGNA	1,335.98	1,558.65	1,781.31	2,003.97	2,449.29	2,894.63	3,339.95	4,007.94
ASHBY DE LA ZOUCH	1,356.12	1,582.14	1,808.17	2,034.18	2,486.22	2,938.26	3,390.30	4,068.36
ASHBY WOULD'S	1,352.05	1,577.39	1,802.74	2,028.07	2,478.75	2,929.44	3,380.12	4,056.14
BARDON	1,296.04	1,512.05	1,728.06	1,944.06	2,376.07	2,808.09	3,240.10	3,888.12
BELTON	1,362.49	1,589.57	1,816.66	2,043.73	2,497.89	2,952.06	3,406.22	4,087.46
BREEDON-ON-THE-HILL	1,335.35	1,557.91	1,780.47	2,003.02	2,448.13	2,893.25	3,338.37	4,006.04
CASTLE DONINGTON	1,394.79	1,627.25	1,859.72	2,092.18	2,557.11	3,022.04	3,486.97	4,184.36
CHARLEY	1,367.09	1,594.95	1,822.80	2,050.64	2,506.33	2,962.04	3,417.73	4,101.28
CHILCOTE	1,296.04	1,512.05	1,728.06	1,944.06	2,376.07	2,808.09	3,240.10	3,888.12
COALVILLE	1,345.25	1,569.46	1,793.67	2,017.87	2,466.28	2,914.70	3,363.12	4,035.74
COLEORTON	1,321.23	1,541.44	1,761.65	1,981.85	2,422.26	2,862.68	3,303.08	3,963.70
ELLISTOWN & BATTLEFLAT	1,350.09	1,575.11	1,800.13	2,025.14	2,475.17	2,925.21	3,375.23	4,050.28
HEATHER	1,321.47	1,541.72	1,761.97	1,982.21	2,422.70	2,863.20	3,303.68	3,964.42
HUGGLESCOTE & DONINGTON LE HEATH	1,351.64	1,576.92	1,802.19	2,027.46	2,478.00	2,928.56	3,379.10	4,054.92
IBSTOCK	1,367.11	1,594.97	1,822.82	2,050.67	2,506.37	2,962.08	3,417.78	4,101.34
ISLEY WALTON-CUM-LANGLEY	1,305.12	1,522.64	1,740.17	1,957.68	2,392.72	2,827.76	3,262.80	3,915.36
KEGWORTH	1,358.92	1,585.41	1,811.90	2,038.38	2,491.35	2,944.33	3,397.30	4,076.76
LOCKINGTON CUM HEMINGTON	1,360.51	1,587.27	1,814.02	2,040.77	2,494.27	2,947.78	3,401.28	4,081.54
LONG WHATTON and DISEWORTH	1,337.19	1,560.06	1,782.93	2,005.79	2,451.52	2,897.26	3,342.98	4,011.58
MEASHAM	1,343.94	1,567.93	1,791.93	2,015.91	2,463.89	2,911.87	3,359.85	4,031.82
NORMANTON-LE-HEATH	1,296.04	1,512.05	1,728.06	1,944.06	2,376.07	2,808.09	3,240.10	3,888.12
OAKTHORPE, DONISTHORPE and ACRESFORD	1,359.84	1,586.48	1,813.13	2,039.76	2,493.04	2,946.32	3,399.60	4,079.52
OSGATHORPE	1,310.89	1,529.38	1,747.86	1,966.34	2,403.30	2,840.27	3,277.23	3,932.68
PACKINGTON	1,332.03	1,554.03	1,776.04	1,998.04	2,442.05	2,886.06	3,330.07	3,996.08
RAVENSTONE	1,356.71	1,582.83	1,808.95	2,035.06	2,487.29	2,939.53	3,391.77	4,070.12
SNARESTONE	1,342.33	1,566.06	1,789.78	2,013.50	2,460.94	2,908.39	3,355.83	4,027.00
STAUNTON HAROLD	1,298.19	1,514.55	1,730.92	1,947.28	2,380.01	2,812.74	3,245.47	3,894.56
STRETTON-EN-LE-FIELD	1,344.78	1,568.91	1,793.05	2,017.17	2,465.43	2,913.69	3,361.95	4,034.34
SWANNINGTON	1,346.04	1,570.38	1,794.73	2,019.06	2,467.74	2,916.42	3,365.10	4,038.12
SWEPSTONE	1,340.57	1,564.00	1,787.43	2,010.85	2,457.70	2,904.56	3,351.42	4,021.70
WHITWICK	1,369.63	1,597.90	1,826.18	2,054.44	2,510.98	2,967.53	3,424.07	4,108.88
WORTHINGTON	1,320.93	1,541.09	1,761.25	1,981.40	2,421.71	2,862.03	3,302.33	3,962.80

TABLE F

EFFECT ON BAND D COUNCIL TAX BY PERCENTAGE 2022/2023

PARISH / SPECIAL EXPENSE AREA	DISTRICT	PARISH	SPECIAL ITEMS	LEICESTERSHIRE COUNTY COUNCIL	LEICESTERSHIRE FIRE AND RESCUE	POLICE AND CRIME COMMISSIONER	TOTAL OVERALL CHANGE
APPLEBY MAGNA	0.00%	11.15%	17.02%	2.99%	7.22%	4.03%	3.27%
ASHBY DE LA ZOUCH	0.00%	5.00%	0.00%	2.99%	7.22%	4.03%	3.12%
ASHBY WOULD'S	0.00%	0.00%	0.00%	2.99%	7.22%	4.03%	2.90%
BARDON	0.00%	0.00%	0.00%	2.99%	7.22%	4.03%	3.03%
BELTON	0.00%	2.00%	0.00%	2.99%	7.22%	4.03%	2.98%
BREEDON-ON-THE-HILL	0.00%	0.00%	0.00%	2.99%	7.22%	4.03%	2.94%
CASTLE DONINGTON	0.00%	2.65%	0.00%	2.99%	7.22%	4.03%	3.00%
CHARLEY	0.00%	2.42%	0.00%	2.99%	7.22%	4.03%	3.00%
CHILCOTE	0.00%	0.00%	0.00%	2.99%	7.22%	4.03%	3.03%
COALVILLE	0.00%	0.00%	8.99%	2.99%	7.22%	4.03%	3.24%
COLEORTON	0.00%	8.47%	15.29%	2.99%	7.22%	4.03%	3.16%
ELLISTOWN & BATTLEFLAT	0.00%	1.00%	0.00%	2.99%	7.22%	4.03%	2.95%
HEATHER	0.00%	3.14%	0.00%	2.99%	7.22%	4.03%	3.03%
HUGGLESCOTE & DONINGTON LE HEATH	0.00%	0.00%	-17.24%	2.99%	7.22%	4.03%	2.74%
IBSTOCK	0.00%	-0.73%	0.00%	2.99%	7.22%	4.03%	2.83%
ISLEY WALTON-CUM-LANGLEY	0.00%	0.07%	0.00%	2.99%	7.22%	4.03%	3.01%
KEGWORTH	0.00%	4.89%	0.00%	2.99%	7.22%	4.03%	3.12%
LOCKINGTON CUM HEMINGTON	0.00%	11.11%	15.10%	2.99%	7.22%	4.03%	3.41%
LONG WHATTON and DISEWORTH	0.00%	14.31%	0.00%	2.99%	7.22%	4.03%	3.34%
MEASHAM	0.00%	0.44%	8.09%	2.99%	7.22%	4.03%	2.94%
NORMANTON-LE-HEATH	0.00%	0.00%	0.00%	2.99%	7.22%	4.03%	3.03%
OAKTHORPE, DONISTHORPE and ACRESFORD	0.00%	-2.55%	18.91%	2.99%	7.22%	4.03%	2.81%
OSGATHORPE	0.00%	-0.49%	0.00%	2.99%	7.22%	4.03%	2.99%
PACKINGTON	0.00%	-1.91%	0.00%	2.99%	7.22%	4.03%	2.89%
RAVENSTONE	0.00%	23.19%	25.24%	2.99%	7.22%	4.03%	3.79%
SNARESTONE	0.00%	-3.48%	0.00%	2.99%	7.22%	4.03%	2.79%
STAUNTON HAROLD	0.00%	0.00%	0.00%	2.99%	7.22%	4.03%	3.03%
STRETTON-EN-LE-FIELD	0.00%	0.00%	8.33%	2.99%	7.22%	4.03%	3.21%
SWANNINGTON	0.00%	10.72%	0.00%	2.99%	7.22%	4.03%	3.30%
SWEPSTONE	0.00%	0.00%	0.00%	2.99%	7.22%	4.03%	2.93%
WHITWICK	0.00%	0.00%	7.67%	2.99%	7.22%	4.03%	2.90%
WORTHINGTON	0.00%	-2.91%	0.00%	2.99%	7.22%	4.03%	2.91%

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
COUNCIL – THURSDAY, 24 FEBRUARY 2022



Title of Report	PRUDENTIAL INDICATORS AND TREASURY STRATEGIES 2022-23	
Presented by	Councillor Nicholas Rushton Corporate Portfolio Holder	
Background Papers	<p>Budget and Council Tax 2021/22 – Council 23 February 2021</p> <p>Investment Strategy – Service and Commercial 2021/22 – Council 23 February 2021</p> <p>Treasury Management Strategy Statement 2021/22 and Prudential Indicators 2021/22-2023/34 – Council 23 February 2021</p> <p>Draft Minutes – Corporate Scrutiny Committee 5 January 2022</p> <p>Draft Minutes – Cabinet 1 February 2022</p>	Public Report: Yes
Financial Implications	<p>Although this is a finance report, there are no direct financial implications contained within this report. These are fully considered in the Budget and Council Tax 2022/23 report on the same agenda as this item.</p> <p>Signed off by the Section 151 Officer: Yes</p>	
Legal Implications	<p>There are no direct legal implications contained within this report.</p> <p>Signed off by the Monitoring Officer: Yes</p>	
Staffing and Corporate Implications	<p>None</p> <p>Signed off by the Head of Paid Service: Yes</p>	
Purpose of Report	To approve the Prudential Indicators and Treasury Strategies for 2022/23.	
Recommendations	COUNCIL ARE REQUESTED TO APPROVE:	

	<ol style="list-style-type: none"> 1. THE CAPITAL STRATEGY 2022-23 (APPENDIX 1) 2. THE TREASURY MANAGEMENT STATEMENT 2022-23 (APPENDIX 2) 3. THE MINIMUM REVENUE PROVISION (MRP) STATEMENT 2022-23 (APPENDIX 3) AND 4. THE INVESTMENT STRATEGY 2022-23 (APPENDIX 4)
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1.0 BACKGROUND

1.1 The Local Government Act 2002 and supporting regulations require the Council to 'have regard to' the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice and to prepare, set and publish prudential indicators and treasury indicators that ensure the Council's capital expenditure plans are affordable, prudent and sustainable in the long- term.

1.2 The prudential indicators consider the affordability and impact of capital expenditure plans and set out the Council's overall capital framework. The prudential indicators summarise expected treasury activity, introduce limits upon that activity and reflect the underlying capital programme. As a consequence, a Treasury Management Strategy is prepared which considers the effective funding of the capital expenditure decisions and complements the prudential indicators.

1.3 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus moneys are invested in low risk counterparties commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return. The Council is required to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby charges to revenue remain affordable within the projected income of the Council for the foreseeable future. These increases charges may arise from:

- increases in interest charges and debt repayment caused by increased borrowing to finance additional capital expenditure; and
- any increases in operational running costs from new capital projects.

1.4 Treasury Management is, therefore, an important part of the overall financial management of the Council's affairs and is defined as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risk associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.5 Specific treasury indicators are prepared and included in the Treasury Management Strategy which requires Member approval.

1.6 The Council's treasury activities are strictly regulated by statutory requirements and guidance, including:

- CIPFA Prudential Code for Capital Finance in Local Government
- CIPFA Treasury Management Code of Practice
- MHCLG Investment Guidance
- MHCLG Minimum Revenue Provision (MRP) Guidance.

1.7 During 2021 CIPFA have undertaken consultations on revisions to both the Treasury Management Code and the Prudential Code and the revised codes were published in December 2021. The Strategies for approval have considered the requirements of the revised codes.

1.8 The Department for Levelling Up, Housing and Communities (DLUHC) published a consultation at the end of November on proposed changes to capital finance regulations in respect of Minimum Revenue Provision (MRP). The closing date for the consultation is the 8 February 2022, there are two main changes proposed to take effect from 2023/24. The two main changes are in relation to exclusion of certain assets from MRP and use of capital receipts. We are still assessing the impact of the changes but on initial review there does not appear to be any significant impact.

1.9 The Council's Constitution (via the Financial Procedure Rules) requires full Council to approve the Treasury Management Policy statement for the forthcoming year at or before the start of the year. The statement is proposed to the full Council by the Cabinet. The Head of Finance has delegated responsibility for implementing and monitoring the statement. The Head of Finance is responsible for reporting annually to the Cabinet on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. Reports on treasury management are also required by be adequately scrutinised and this role is undertaken by the Audit & Governance Committee.

2.0 PRUDENTIAL INDICATORS AND TREASURY STRATEGIES 2022/23

2.1 The following strategies are attached as appendices for Cabinet to recommend to Council on the 24 February for approval:

- Appendix 1 – Capital Strategy 2022/23 which includes the Prudential Indicators for 2022/23-2024/25;
- Appendix 2 – Treasury Management Strategy 2022/23 which includes the Treasury Indicators for 2022/23-2024/25;
- Appendix 3 – Minimum Revenue Provision (MRP) Statement 2022/23; and
- Appendix 4 – Investment Strategy 2022/23.

2.2 The above strategies were reported to Corporate Scrutiny on 5 January 2022 and reviewed and recommended for approval by Cabinet on 1 February 2022 and a link to the draft minutes is included in the background papers. There have been no changes to the strategies that were presented to Cabinet on the 1 February 2022.

Policies and other considerations, as appropriate	
Council Priorities:	The Treasury Strategies and Prudential Indicators help the Council achieve all its properties.
Policy Considerations:	None
Safeguarding:	Not applicable
Equalities/Diversity:	Not applicable
Customer Impact:	Not applicable
Economic and Social Impact:	Not applicable
Environment and Climate Change:	Not applicable
Consultation/Community Engagement:	Corporate Scrutiny Committee – 6 January 2022 Cabinet – 1 February 2022
Risks:	Borrowing and investment both carry an element of risk. This risk is moderated through the adoption of Treasury and Investment Strategies, compliance with the CIPFA Code of Treasury Management and the retention of Treasury Management advisors (Arlingclose) to offer expert advice.
Officer Contact	Dan Bates Head of Finance and Section 151 Officer dan.bates@nwleicestershire.gov.uk

Capital Strategy Report 2022/23

1. Introduction

1.1 This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

1.2 Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

2. Capital Expenditure and Financing

2.1 Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Authority has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

2.2 For details of the Authority's policy on capitalisation, please refer to the Accounting Policies within the Statement of Accounts.

2.3 In 2022/23, the Authority is planning capital expenditure of £25.8 million as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2020/21 actual	2021/22* forecast	2022/23 budget	2023/24 budget	2024/25 budget
General Fund services	10.2	21.3	10.8	3.0	1.3
Council housing (HRA)	6.7	15.1	15.0	15.6	12.2
TOTAL	16.9	36.4	25.8	18.6	13.5

*2021/22 forecast figures include budgeted spend that is expected to be carried forward into the next financial year

2.4 The main General Fund capital projects include the new Coalville and Whitwick Leisure Centre, the regeneration of Coalville and fleet replacement programme.

2.5 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes the building of 77 new homes over the forecast period.

2.6 **Governance:** Service managers bid annually in October to include projects in the Authority's capital programme. Bids are collated by finance who calculate the financing cost (which can be nil if the project is fully externally financed). The finance team appraises all bids based

on a comparison of service priorities against financing costs and makes recommendations to the Corporate Leadership Team (CLT). The final capital programme is then presented to Cabinet and Council in February each year.

2.7 For full details of the Authority's capital programme, please see the Budget and Council Tax 2022/23 Report.

2.8 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2020/21 actual £,000	2021/22 forecast*	2022/23 budget £,000	2023/24 budget £,000	2024/25 budget £,000
General Fund					
Capital Receipts	8	2,830	0	0	0
Government Grants	716	670	670	670	670
Grants	80	0	0	0	0
Reserves	719	2,116	36	2	0
S106 Contributions	0	0	0	0	0
Revenue Contributions	89	62	22	0	0
Leasing/Unsupported Borrowing	8,600	15,609	10,117	2,341	619
General Fund Total	10,212	21,287	10,845	3,013	1,289
Housing Revenue Account					
Capital Receipts	3,286	2,961	2,471	2,670	2,257
Government Grants	183	459	208	207	207
Reserves	2,253	7,780	8,581	5,186	3,195
S106 Contributions	6	271	219	601	12
Revenue Contributions	934	3,650	3,550	4,250	4,364
External Borrowing	0	0	0	2,700	2,200
HRA Total	6,662	15,121	15,029	15,614	12,235
TOTAL	16,874	36,408	25,874	18,627	13,524

*2021/22 forecast figures include funding that is expected to be carried forward into the next financial year.

2.9 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP)/loan fund repayments. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP/loan fund repayments and use of capital receipts are as follows:

Table 3: Replacement of prior years' debt finance in £ millions

	2020/21 actual £,000	2021/22 forecast £,000	2022/23 budget £,000	2023/24 budget £,000	2024/25 budget £,000
Capital resources	3,294	5,791	2,471	2,670	2,257
Revenue resources	1,869	15,142	2,483	3,317	3,630
TOTAL	5,163	20,933	4,954	5,987	5,887

2.10 The Authority's full minimum revenue provision statement is available as part of the Prudential Indicators and Treasury Strategies 2022/23 Report.

2.11 The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP / loans fund repayments and capital receipts used to replace debt. The CFR is expected to increase by £10.4 million during 2022/23. Based on the above figures for expenditure and financing, the Authority's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31.3.2021 actual	31.3.2022 forecast	31.3.2023 budget	31.3.2024 budget	31.3.2025 budget
General Fund services	25.2	37.1	48.7	49.0	47.2
Council housing (HRA)	70.6	56.4	55.2	56.7	57.6
TOTAL CFR	95.8	93.5	103.9	105.7	104.8

2.12 **Asset management:** To ensure that capital assets continue to be of long-term use, the Authority has an asset management strategy in place. The Authority's asset management strategy can be read on the council's website.

2.14 **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Authority plans to receive £4.1 million of capital receipts in the coming financial year as follows:

Table 5: Capital receipts receivable in £ millions

	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
Asset sales	2.6	3.5	4.1	4.1	2.9
Loans etc repaid	0	0	0	0	0
TOTAL	2.6	3.5	4.1	4.1	2.9

3. Treasury Management

- 3.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 3.2 Due to decisions taken in the past, the Authority currently (as at 31.12.21) has £78.5 million borrowing at an average interest rate of 3.4% and £60.5 million treasury investments at an average rate of 0.04%.
- 3.3 **Borrowing strategy:** The Authority’s main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.10%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5 to 2.5%).
- 3.4 Projected levels of the Authority’s total outstanding debt (which comprises borrowing, and transferred debt) are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31.3.2021 actual	31.3.2022 forecast	31.3.2023 budget	31.3.2024 budget	31.3.2025 budget
Debt (incl. PFI & leases)	79.0	64.9	70.6	69.6	75.8
Capital Financing Requirement	95.8	93.5	103.9	105.7	104.8

- 3.5 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Authority expects to comply with this in the medium term.
- 3.6 **Liability benchmark:** To compare the Authority’s actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £10 million at each year-end. This benchmark is currently £59.8 million and is forecast to rise to £86.4 million over the next three years.

Table 7: Borrowing and the Liability Benchmark in £ millions

	31.3.2021 actual	31.3.2022 forecast	31.3.2023 budget	31.3.2024 budget	31.3.2025 budget
Outstanding borrowing	79.0	64.9	62.6	59.9	58.6
Liability benchmark	41.5	59.8	74.2	81.9	86.4

- 3.7 The table shows that the Authority expects to remain borrowed above its liability benchmark in 2022/23. From 2022/23, the outstanding borrowing falls below the liability benchmark as we are expecting that we will need to undertake new borrowing to cover the capital programmes for both General Fund and HRA.

- 3.8 **Affordable borrowing limit:** The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2021/22 limit	2022/23 limit	2023/24 limit	2024/25 limit
Authorised limit - total external debt	89.0	82.9	82.3	87.1
Operational boundary - total external debt	79.0	72.9	72.3	77.1

- 3.9 Further details on borrowing can be found in the treasury management strategy.
- 3.10 **Treasury investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 3.11 The Authority’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

Table 9: Treasury management investments in £millions

	31.3.2021 actual	31.3.2022 forecast	31.3.2023 budget	31.3.2024 budget	31.3.2025 budget
Near-term investments	50.3	5.0	5.0	5.0	5.0
Longer-term investments	0	14.0	5.0	5.0	5.0
TOTAL	50.3	19.0	10.0	10.0	10.0

- 3.12 Further details on treasury investments are available in the of treasury management strategy.
- 3.13 **Risk management:** The effective management and control of risk are prime objectives of the Authority’s treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.
- 3.14 The treasury management prudential indicators are included in the treasury management strategy.
- 3.15 **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Finance and staff, who must act in line with the treasury management strategy approved by Council. Quarterly reports on treasury management activity are presented to the Audit Committee who are responsible for scrutinising treasury management decisions.

4. Investments for Service Purposes

- 4.1 The Authority can make investments to assist local public services, including making loans to and buying shares in local service providers, local small businesses to promote economic growth, the Authority's subsidiaries that provide services]. In light of the public service objective, the Authority is willing to take more risk than with treasury investments, however it still plans for such investments to generate a profit after all costs.
- 4.2 The Authority does not currently have any investments for service purposes.
- 4.3 **Governance:** Decisions on service investments are made by the relevant service manager in consultation with the Head of Finance and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.
- 4.4.1 Further details on service investments are in available in the Investment Strategy.

5 Commercial Activities

- 5.1 At present, the Authority does not have any plans to investment in commercial activities purely for financial gain. If the Authority's plans change in this respect, this policy will be revised and approval sought from Full Council before proceeding with any activity. Further details on the Authority's approach to Commercial Activities can be found in the Commercial Strategy.

6 Liabilities

- 6.1 In addition to debt of £64.9 million detailed above, the Authority is committed to making future payments to cover its pension fund deficit (valued at £65.5 million at 31/03/21). It has also set aside £2 million to cover risks of Business Rates valuation appeals.
- 6.2 **Governance:** Decisions on incurring new discretionary liabilities are taken by the relevant Head of Service in consultation with Head of Finance. The risk of liabilities crystallising and requiring payment is monitored by the Finance Team and reported to committee annually. New liabilities exceeding £1 million are reported to full council for approval/notification as appropriate.

7. Revenue Budget Implications

- 7.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP / loans fund repayments are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream

	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
Financing costs (£m)	1.22	1.43	1.77	2.64	2.89
Proportion of net revenue stream	6.9%	8.45%	10.52%	14.21%	15.52%

7.2 **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Head of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable because the authority maintains processes to ensure that all capital expenditure is subject to adequate financial planning with all revenue implications being accounted for in the annual budget process.

8. Knowledge and Skills

8.1 The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Head of Finance and Section 151 and Finance Team Manager and Deputy Section 151 Officer are both qualified accountants and the Head of Property Services and Economic Regeneration is a qualified surveyor. The Authority pays for junior staff to study towards relevant professional qualifications including Chartered Institute of Public Finance and Accountancy (CIPFA), Association of Accounting Technicians (AAT) and Royal Institute of Chartered Surveyors (RICS).

8.2 Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers, and Wilks, Head and Eve as valuation consultants. This approach is more cost effective than employing such staff directly and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

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Treasury Management Strategy Statement 2022/23

1. Introduction

- 1.1 Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.
- 1.2 Treasury risk management at North West Leicestershire District Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 1.3 Investments held for service purposes or for commercial profit are considered in a separate strategy - 'Investment Strategy 2022-23'.

2. External Context (as at 17/12/21)

- 2.1 **Economic background:** The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.
- 2.2 The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.
- 2.3 Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.
- 2.4 UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.
- 2.5 In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change

in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

- 2.6 Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.
- 2.7 GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% y/y in November, the fourth month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.
- 2.8 The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% movements now expected.
- 2.9 **Credit outlook:** Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.
- 2.10 The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.
- 2.11 Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.
- 2.12 **Interest rate forecast:** The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.
- 2.13 Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

- 2.14 Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.
- 2.15 A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.
- 2.16 For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 0.05%, and that new long-term loans will be borrowed at an average rate of 1.61%.

3. Local Context

- 3.1 On 31/12/2021, the Authority held £78.5 million of borrowing and £60.5 million of treasury investments. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.21 Actual £m	31.3.22 Estimate £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m
General Fund CFR	25.2	37.1	48.7	49.0	47.2
HRA CFR	70.6	56.4	55.2	56.7	57.6
Total CFR	95.8	93.5	103.9	105.7	104.8
Less: External borrowing *	-79.0	-64.9	-62.6	-59.9	-58.6
Internal (over) borrowing	16.8	28.6	41.3	45.8	46.2
Less: Balance sheet resources	-64.2	-43.6	-39.7	-33.7	-28.4
Treasury investments (or New borrowing)	47.4	15.0	-1.6	-12.1	-17.8

* shows only loans to which the Authority is committed and excludes optional refinancing

- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 3.3 The Authority has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to £31.5 million over the forecast period.
- 3.4 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2022/23.
- 3.5 **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to

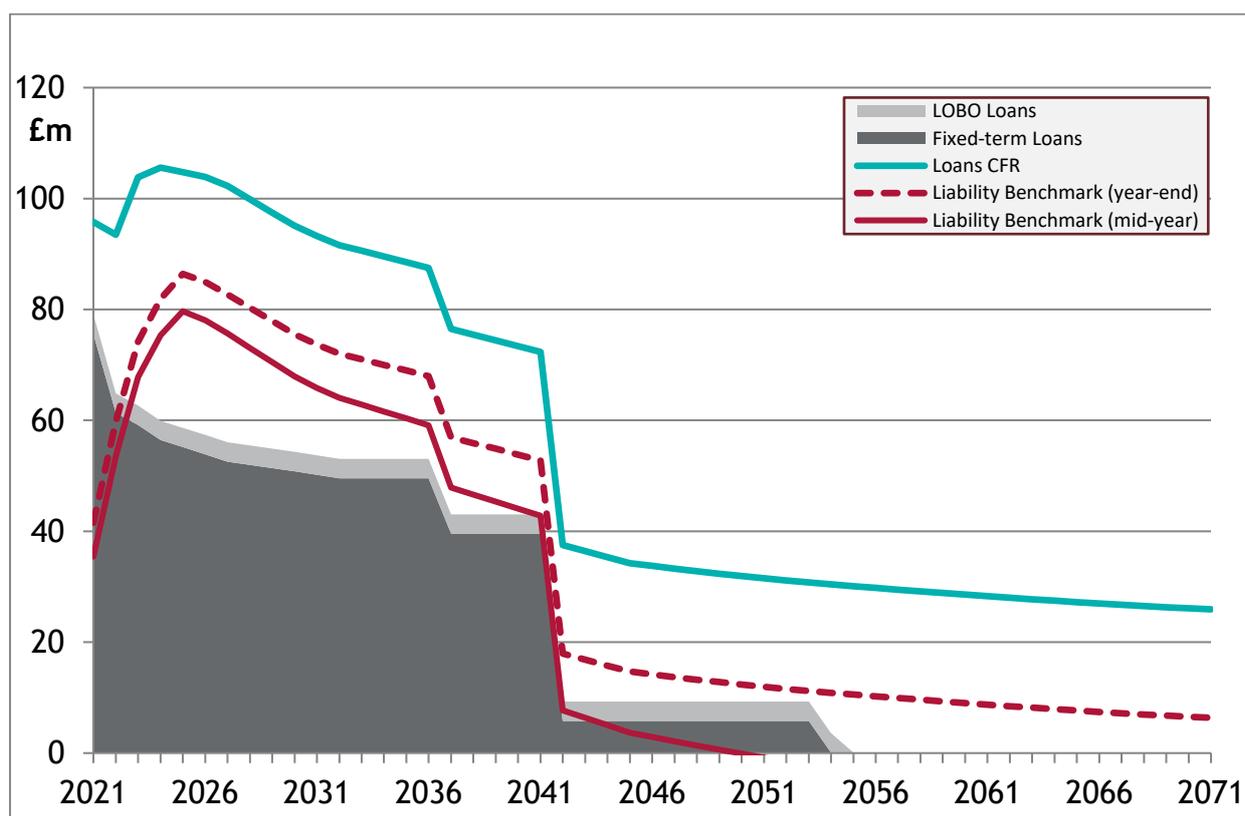
a minimum level of £10 million at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 2: Liability benchmark

	31.3.21 Actual £m	31.3.22 Estimate £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m
CFR	95.8	93.5	103.9	105.7	104.8
Less: Balance sheet resources	-64.2	-43.6	-39.7	-33.7	-28.4
Net loans requirement	31.6	49.9	64.2	72.0	76.4
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0
Liability benchmark	41.6	59.9	74.2	82.0	86.4

3.6 Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £500,000 a year, minimum revenue provision on new capital expenditure based on a 25-year asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year. This is shown in the chart below:

Chart 1: Liability Benchmark



3.7 The liability benchmark chart above shows that the Authority has a short need for borrowing for approximately 20 years and then we return to an investment position, based on the current capital programme.

4. **Borrowing Strategy**

4.1 As at the 31 March, the Authority expects to hold £64.9 million of loans, a decrease of £14.2 million on the previous year, as part of its strategy for funding previous years' capital programmes and for the self-financing of the HRA, which was presented to Cabinet on 13 March 2012 in the Housing Revenue Account (HRA) Business Plan. The balance sheet forecast in table 1 shows that the Authority may need to borrow short term in 2022/23 to maintain its MIFID status which requires a minimum investment balance of £10 million at any one time.

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

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

4.4 By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

4.5 The Authority has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

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

4.7 The Authority may borrow short-term loans to cover unplanned cash flow shortages.

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

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Leicestershire County Council Pension Fund)

- capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- 4.9 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- Leasing
 - hire purchase
 - Private Finance Initiative
 - sale and leaseback
- 4.10 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.
- 4.11 **LOBOs:** The Authority holds £3.5 million of LOBO (Lender’s Option Borrower’s Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. Our LOBO has options during 2022/23, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Total borrowing via LOBO loans will be limited to £3.5 million.
- 4.12 **Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).
- 4.13 **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

5 Treasury Investment Strategy

- 5.1 The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. Since the start of the financial year the Authority’s treasury investment balance has ranged between £49.1 million and £66.0 million. Next year we are expecting much lower balances in part due to the repayment of PWLB loans and negative cashflow amounts. We are anticipating a high of £24.3 million dropping to a low of £10.0 million.
- 5.2 **Objectives:** The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of

return, or yield. The Authority’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

- 5.3 **Negative interest rates:** The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 5.4 **Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to diversify into more secure and/or higher yielding asset classes during 2022/23. This is especially the case for the estimated £5 million that is available for longer-term investment. All of the Authority’s surplus cash is currently invested in Local Authorities, Central Government Deposits, short-term unsecured bank deposits, and money market funds. This diversification will represent a change in strategy over the coming year.
- 5.5 **Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority’s “business model” for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 5.6 **Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

Table 3: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£5m	Unlimited
Secured investments *	25 years	£5m	Unlimited
Banks (unsecured) *	13 months	£2.5m	Unlimited
Building societies (unsecured) *	13 months	£2.5m	£5m
Registered providers (unsecured) *	5 years	£2.5m	£12.5m
Money market funds *	n/a	£5m	Unlimited
Strategic pooled funds	n/a	£5m	£25m
Real estate investment trusts	n/a	£5m	£12.5m
Other investments *	5 years	£2.5m	£5m

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

*** Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

- 5.7 For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £5 million per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.
- 5.8 **Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years. Investments made with Local authorities will be put through a vetting procedure in which approval must be obtained by the Head of Finance or in their absence the deputy S151 officer. Although there are minimal financial risks involved in this investment type there may be a reputational risk incurred if we are found to have been investing with a financially unstable authority.
- 5.9 **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.
- 5.10 **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 5.11 **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 5.12 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 5.13 **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments.

Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

- 5.14 **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
- 5.15 **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.
- 5.16 **Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £2.5 million per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.
- 5.17 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 5.18 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 5.19 **Other information on the security of investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 5.20 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments

to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

- 5.21 **Investment limits:** The Authority’s revenue reserves available to cover investment losses are forecast to be £24.9 million on 31st March 2022. In order that no more than 20% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.
- 5.22 Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £2.5 million in operational bank accounts count against the relevant investment limits.
- 5.23 Limits are also placed on fund managers, investments in brokers’ nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Additional investment limits

	Cash limit
Any group of pooled funds under the same management	£12.5m per manager
Negotiable instruments held in a broker’s nominee account	£12.5m per broker

- 5.24 **Liquidity management:** The Authority uses a purpose-built excel cashflow system to determine the maximum period for which funds may prudently be committed. This sheet is monitored and updated daily and is used to determine the maximum period for which funds may be prudently committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority’s medium-term financial plan and cash flow forecast.
- 5.25 The Authority will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

6. Treasury Management Indicators

- 6.1 The Authority measures and manages its exposures to treasury management risks using the following indicators.
- 6.2 **Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk. Our latest benchmarking information shows that we have obtained a score of 4.48 which is classed as a rating of A+. The below target represents the minimum level to which we would be prepared to go.

Credit risk indicator	Target
Portfolio average credit Score	A-

- 6.3 **Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£2.5m

- 6.4 **Interest rate exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£200,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	-£200,000

- 6.5 **Maturity structure of borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and above	90%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

- 6.6 **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2022/23	2023/24	2024/25
Limit on principal invested beyond year end	£10m	£10m	£10m

7. Related Matters

- 7.1 The CIPFA Code requires the Authority to include the following in its treasury management strategy.
- 7.2 **Financial derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars

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

- 7.3 The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 7.4 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.
- 7.5 In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
- 7.6 **Housing Revenue Account:** On 1st April 2012, the Authority notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured daily and interest transferred at year end between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.
- 7.6 **External Funds:** The Authority manages S106 funds. These funds contribute towards the investment balances. Therefore, interest earned on S106 balances are repaid too the S106 fund. The value of the S106 funds as at 19/11/2021 equals £8.2 million. Reducing our overall interest earned forecast by an estimated £4,200.
- 7.7 **Markets in Financial Instruments Directive:** The Authority has opted up to professional client status with its providers of financial services, including advisers, banks and brokers allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

8. Financial Implications

- 8.1 The budget for investment income in 2022/23 is £7,200 based on an average investment portfolio of £14.9 million at an interest rate of 0.05%. As discussed above, £4,200 of that will be reattributed to the S106 fund leaving us with an interest return of £3,000. The budget for debt interest paid in 2022/23 is £2.3 million, based on an average debt portfolio of £64.9 million at an average interest rate of 3.53%. If actual levels of investments and borrowing, or actual

interest rates, differ from those forecast, performance against budget will be correspondingly different.

- 8.2 Where investment income exceeds budget due to investing in higher risk investments e.g. from higher risk investments including pooled funds then 50% of the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years.

9. Other Options Considered

- 9.1 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted the Cabinet Member for Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Arlingclose Economic & Interest Rate Forecast - December 2021

Underlying assumptions:

- The global recovery from the pandemic has entered a more challenging phase. The resurgence in demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. The advent of the Omicron variant of coronavirus is affecting activity and is also a reminder of the potential downside risks.
- Despite relatively buoyant activity survey data, official GDP data indicates that growth was weakening into Q4 2021. Other data, however, suggested continued momentum, particularly for November. Retail sales volumes rose 1.4%, PMIs increased, and the labour market continued to strengthen. The end of furlough did not appear to have had a significant impact on unemployment. Wage growth is elevated.
- The CPI inflation rate rose to 5.1% for November and will rise higher in the near term. While the transitory factors affecting inflation are expected to unwind over time, policymakers' concern is persistent medium term price pressure.
- These factors prompted the MPC to raise Bank Rate to 0.25% at the December meeting. Short term interest rate expectations remain elevated.
- The outlook, however, appears weaker. Household spending faces pressures from a combination of higher prices and tax rises. In the immediate term, the Omicron variant has already affected growth - Q4 and Q1 activity could be weak at best.
- Longer-term government bond yields remain relatively low despite the more hawkish signals from the BoE and the Federal Reserve. Investors are concerned that significant policy tightening in the near term will slow growth and prompt the need for looser policy later. Geopolitical and coronavirus risks are also driving safe haven buying. The result is a much flatter yield curve, as short-term yields rise even as long-term yields fall.
- The rise in Bank Rate despite the Omicron variant signals that the MPC will act to bring inflation down whatever the environment. It has also made clear its intentions to tighten policy further. While the economic outlook will be challenging, the signals from policymakers suggest their preference is to tighten policy unless data indicates a more severe slowdown.

Forecast:

- The MPC will want to build on the strong message it delivered this month by tightening policy despite Omicron uncertainty.
- Arlingclose therefore expects Bank Rate to rise to 0.50% in Q1 2022, but then remain there. Risks to the forecast are initially weighted to the upside, but becoming more balanced over time. The Arlingclose central forecast remains below the market forward curve.
- Gilt yields will remain broadly flat from current levels. Yields have fallen sharply at the longer end of the yield curve, but expectations of a rise in Bank Rate have maintained short term gilt yields at higher levels.
- Easing expectations for Bank Rate over time could prompt the yield curve to steepen, as investors build in higher inflation expectations.
- The risks around the gilt yield forecasts vary. The risk for short and medium term yields is initially on the upside but shifts lower later. The risk for long-term yields is weighted to the upside.

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
3-month money market rate													
Upside risk	0.05	0.05	0.25	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.55	0.55	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
Downside risk	0.00	-0.25	-0.25	-0.30	-0.30	-0.30	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35
5yr gilt yield													
Upside risk	0.00	0.35	0.45	0.55	0.55	0.55	0.55	0.55	0.55	0.50	0.50	0.45	0.45
Arlingclose Central Case	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.65	0.70	0.75	0.75
Downside risk	-0.10	-0.20	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40
10yr gilt yield													
Upside risk	0.10	0.25	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	0.80	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.90	0.90	0.95	0.95
Downside risk	-0.10	-0.25	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.40	-0.40	-0.40	-0.40
20yr gilt yield													
Upside risk	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	1.00	1.05	1.10	1.10	1.10	1.10	1.15	1.15	1.15	1.20	1.20	1.20	1.20
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45
50yr gilt yield													
Upside risk	0.25	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.70	0.75	0.80	0.85	0.90	0.95	1.00	1.05	1.05	1.10	1.10	1.15	1.15
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Existing Investment & Debt Portfolio Position

	31/12/2021 Actual portfolio £'m	31/12/2021 Average rate %
External borrowing:		
Public Works Loan Board	69.94	3.19%
Local authorities	1.00	6.88%
LOBO loans from banks	3.50	4.80%
Other loans	4.02	4.72%
Total external borrowing	78.46	3.39%
Treasury investments:		
The UK Government	18.50	0.04%
Local authorities	19.00	0.06%
Other government entities	0.00	0.00%
Secured investments	0.00	0.00%
Banks (unsecured)	5.00	0.07%
Building societies (unsecured)	0.00	0.00%
Registered providers (unsecured)	0.00	0.00%
Money market funds	18.00	0.01%
Strategic pooled funds - <i>split into several rows where appropriate</i>	0.00	0.00%
Real estate investment trusts	0.00	0.00%
Other investments	0.00	0.00%
Total treasury investments	60.50	0.04%
Net debt	17.96	3.35%

Minimum Revenue Provision Statement 2022/23

1. **Annual Minimum Revenue Provision Statement 2022/23**
- 1.1 Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The *Local Government Act 2003* requires the Authority to have regard to the former Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.
- 1.2 The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 1.3 The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.
 - For capital expenditure incurred before 1st April 2008 MRP will be determined in accordance with the former regulations that applied on 31st March 2008, incorporating an "Adjustment A" of £606,250.49.
 - For capital expenditure incurred before 1st April 2019 and for supported capital expenditure incurred on or after that date, MRP will be determined as 4% of the capital financing requirement in respect of that expenditure.
 - For unsupported capital expenditure incurred after 31st March 2019, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
 - For transferred debt from Hinckley and Bosworth Borough Council, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
 - Where former operating leases have been brought onto the balance sheet on 1st April 2022 due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or discounts, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
 - For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where

appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the MHCLG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred on the loan is fully funded over the life of the assets.

- No MRP will be charged in respect of assets held within the Housing Revenue Account.
- MRP in respect of the £80 million payment made in 2012 to exit the Housing Revenue Account subsidy system will be determined as being equal to the principal amount repaid on the loans borrowed to finance that payment.

1.4 Capital expenditure incurred during 2022/23 will not be subject to a MRP charge until 2023/24.

1.5 Based on the Authority's latest estimate of its capital financing requirement (CFR) on 31st March 2022, the budget for MRP has been set as follows:

	31.03.2022 Estimated CFR £m	2022/23 Estimated MRP £
Capital expenditure before 01.04.2008	7.3	329,629
Supported capital expenditure after 31.03.2008	0	0
Unsupported capital expenditure after 31.03.2008	29.8	946,633
Voluntary overpayment (or use of prior year overpayments)	n/a	n/a
Total General Fund	37.1	1,276,262
Assets in the Housing Revenue Account	3.3	0
HRA subsidy reform payment	53.1	1,206,414
Total Housing Revenue Account	56.4	1,206,414
Total	93.5	2,482,676

Investment Strategy 2022/23

1. Introduction

1.1 The Authority invests its money for three broad purposes:

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

1.2 This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

2. Treasury Management Investments

2.1 The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £10 million and £15 million during the 2022/23 financial year.

2.2 **Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

2.3 **Further details:** Full details of the Authority's policies and its plan for 2022/23 for treasury management investments are covered in a separate document, the treasury management strategy.

3. Service Investments: Loans

3.1 **Contribution:** The Council does not currently, but may in the future, lend money to various organisations including its subsidiaries or trading companies, suppliers, local businesses, local charities, housing associations, local residents and its employees to support local public services and stimulate local economic growth.

3.2 **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	31.3.2021 actual			2022/23
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries	Nil	Nil	Nil	10,000,000
Trading Companies	Nil	Nil	Nil	500,000
Suppliers	Nil	Nil	Nil	100,000
Parish councils	Nil	Nil	Nil	2,000,000
Local businesses	Nil	Nil	Nil	2,000,000
Local charities	Nil	Nil	Nil	100,000
Housing associations	Nil	Nil	Nil	3,000,000
TOTAL	Nil	Nil	Nil	17,700,000

3.3 Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority’s statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

3.4 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding service loans by:

- requesting a business case to support the service loan and reviewing the business case for validity and robustness;
- completing a financial appraisal of the business case;
- seeking external advice where necessary to ensure compliance with for example state aid/subsidy law and creditworthiness of the counterparty seeking a service loan;
- monitoring and undertaking regular reviews of counterparties for credit risk.

4. **Service Investments: Shares**

4.1 **Contribution:** The Council does not currently, but may in the future, invest in the shares of its subsidiaries or trading companies, its suppliers, and local businesses to support local public services and stimulate local economic growth.

4.2 **Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Table 2: Shares held for service purposes in £ millions

Category of company	31.3.2021 actual			2022/23
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Subsidiaries	Nil	Nil	Nil	5,000,000
Trading Companies	Nil	Nil	Nil	1,000,000
Suppliers	Nil	Nil	Nil	Nil
Local businesses	Nil	Nil	Nil	Nil
TOTAL	Nil	Nil	Nil	6,000,000

4.3 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding shares by:

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

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

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

5. Commercial Investments: Property

5.1 **Contribution:** The Ministry for Housing, Communities and Local Government (MHCLG) defined property to be a non-financial investment which is held primarily or partially to generate a profit. The council currently holds commercial property with the intention of making a profit that will be spent on local public services.

Table 3: Property held for investment purposes in £ millions

Property	31.3.2021 actual		31.3.2022 expected	
	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Industrial Units	106,000	6,373,700	TBC	TBC
Market Hall	(1,245,600)	185,100	TBC	TBC

Whitwick Business Centre	21,300	1,850,000	TBC	TBC
Land	38,900	5,403,300	TBC	TBC
TOTAL	1,079,400	13,812,100	TBC	TBC

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

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

5.2 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding property investments by:

- Assessment of the business case on a case by case basis, reviewing for validity and robustness;
- Financial appraisal of the business case;
- Seeking external expertise and advice where necessary; and
- Assessing the market competition including barriers to entry or exit; market needs; nature and level of competition; ongoing investments required;
- The council will also take into consideration any impact on local businesses before entering into new investments. This is to protect local business's interest in the local market.

5.3 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Authority has minimised this risk by holding a minimal investment portfolio.

6. **Proportionality**

6.1 The Authority is not dependent on profit generating investment activity to achieve a balanced revenue budget. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Authority is dependent on achieving the expected net profit from investments over the lifecycle of the Medium-Term Financial Plan.

Table 4: Proportionality of Investments

	2020/21 Actual £'000	2021/22 Forecast £'000	2022/23 Budget £'000	2023/24 Budget £'000	2024/25 Budget £'000
Investment income	(662)	(770)	(859)	(865)	(868)
Net Revenue expenditure	17,604	16,944	16,705	18,555	18,591
Proportion	4%	5%	5%	5%	5%

7. Borrowing in Advance of Need

7.1 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Council does not have any plans to borrowing in advance of need in 2022/23.

8. Capacity, Skills and Culture

8.1 **Elected members and statutory officers:** The Council recognises the importance of ensuring that all Elected Members and Officers involved in investment decisions are fully equipped to undertake the duties and responsibilities allocated to them and have the appropriate capacity, skills and information to enable them to make informed decisions e.g. as to whether to enter into a specific investment. There is a requirement to understand:

- the context of the Council's corporate objectives;
- the Council's risk appetite and risk assessment framework;
- the Prudential Framework;
- the regulatory regime within local authorities operate.

8.2 The Authority will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The following measures are in place:

- Identification of officer training needs on commercial investment related issues through the reflection process;
- Attendance at relevant training events, seminars and workshops; and
- Support from the Authority's treasury management advisors, Arlingclose.

8.3 Elected members' training needs are assessed through the Member Development Group. The Council will also specifically address this important issue by:

- Periodically facilitating workshops or other training for members on commercial investment issues; and
- Interim reporting and advice to members.

8.4 Where necessary the Authority will engage external advisers for investment advice, property surveys and due diligence checks. The cost of any such advice will be taken into account when developing business cases and when assessing the overall viability of projects.

8.5 **Commercial deals:** The Council has a decision-making framework which is aligns to the requirements of the Statutory Guidance relating to Local Authority Investments. A Commercial Board would be constituted if the requirement arises. The Commercial Board will consider any future commercial opportunities. The guiding principles that will be used will require future commercial projects to:

- meet the council's corporate priorities;
- deliver community benefit
- require minimum investment for maximum return;

- be primarily within the District boundaries, consideration will be given to opportunities outside these boundaries if the benefit to the Council or North West Leicestershire is significant;
 - grow the business base;
 - deliver a diversified portfolio of projects that balance risk and return.
- 8.6 The Commercial Board will assess future commercial investment against the Investment Strategy. All investments will be subject to rigorous scrutiny and successful schemes will result in the provision of a report to Council for approval. Schemes will be considered for investment against the following criteria;
- i. Economic Impact - in particular; jobs, business growth and new housing;
 - ii. Impact on Market Towns - in terms of vibrancy, footfall and heritage;
 - iii. Financial Implications - value for money, affordability and return of investment; and
 - iv. Deliverability - the ability to deliver the proposals and the associated risks.
- 8.7 Successful applications will require appropriate legal agreements in accordance including the provision of appropriate security where required.
- 8.8 **Corporate governance:** It is important that the Authority has sound arrangements in place to ensure accountability, responsibility and authority for decision making on investment activities within the context of the Council's values. In terms of governance, the Commercial Board will consider all new commercial investment proposals. The Commercial Board may determine an application under delegated powers or may recommend a project to Council for approval. Full Council is responsible for the approval of the Investment Strategy and for monitoring performance against it.
- 9.9 The Council's values include transparency in decision-making. To facilitate that, the following arrangements are in place:
- This Corporate Investment Strategy will be made available on the Council's website;
 - Meetings of the Full Council will be open to the public and the agendas and minutes from such meetings will be shown on the Authority's website.
9. **Investment Indicators**
- 9.1 The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.
- 9.2 **Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

Table 5: Total investment exposure in £millions

Total investment exposure	31.03.2021 Actual	31.03.2022 Forecast	31.03.2023 Forecast
Treasury management investments	47.5	19.0	10.0
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	13.8	13.8	13.8
TOTAL INVESTMENTS	61.3	32.8	23.8
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
TOTAL EXPOSURE	0	0	0

9.3 **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

Table 6: Investments funded by borrowing in £millions

Investments funded by borrowing	31.03.2021 Actual	31.03.2022 Forecast	31.03.2023 Forecast
Treasury management investments	0	0	0
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	8.4	8.4	8.4
TOTAL FUNDED BY BORROWING	8.4	8.4	8.4

9.4 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 7: Investment rate of return (net of all costs)

Investments net rate of return	2020/21 Actual £'000	2021/22 Forecast £'000	2022/23 Forecast £'000
Treasury management investments	0.30%	0.05%	0.50%
Service investments: Loans	n/a	n/a	n/a
Service investments: Shares	n/a	n/a	n/a
Commercial investments: Property	1.42%	1.75%	2.66%
ALL INVESTMENTS	0.90%	0.90%	1.60%

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
 COUNCIL – THURSDAY, 24 FEBRUARY 2022



Title of Report	MEMBER CODE OF CONDUCT	
Presented by	Councillor Robert Ashman Deputy Leader and Infrastructure Portfolio Holder	
Background Papers	Agenda and Minutes of Audit and Governance Committee – 19 January 2022 Committee on Standards in Public Life Report – Local Government Ethical Standards – January 2019 Current Member Code of Conduct	Public Report: Yes
Financial Implications	<p>There are no direct financial implications arising out of this report. The MO has a budget of £500.00 This budget is intended to cover costs arising from dealing with complaints (such as investigations) and training.</p> <p>Signed off by the Section 151 Officer: Yes</p>	
Legal Implications	<p>The Localism Act 2011 requires the Council to adopt a Members' Code of Conduct and Arrangements for dealing with complaints about members conduct.</p> <p>The new Members' Code of Conduct and Arrangements are in compliance with the requirements of the Localism Act 2011, are based on the LGA Model Code and take account of the recommendations arising from the Committee on Standards in Public Life Report (2019) and guidance issued by the LGA.</p> <p>Signed off by the Monitoring Officer: Yes</p>	
Staffing and Corporate Implications	<p>There are no direct staffing and corporate implications arising from this report. The Council is required to provide the MO with sufficient resources to enable the MO to carry out her statutory duties.</p> <p>Signed off by the Head of Paid Service: Yes</p>	
Purpose of Report	To ask Council to consider work of the Standards Working Group on developing the new Members' Code of Conduct and to consider the comments on the draft Code from Audit and Governance Committee.	

	To ask Council to adopt the new Members' Code of Conduct and Arrangements for dealing with complaints about members conduct.
Recommendations	<p>THAT COUNCIL:</p> <ol style="list-style-type: none"> 1. NOTE THE WORK OF THE STANDARDS WORKING GROUP IN RESPECT OF THE DRAFT MEMBERS' CODE OF CONDUCT 2. ADOPT THE NEW MEMBERS' CODE OF CONDUCT (AS DETAILED IN APPENDIX A) WITH EFFECT FROM 1 APRIL 2022 3. ADOPT THE ARRANGEMENTS FOR DEALING WITH COMPLAINTS ABOUT MEMBER CONDUCT (AS DETAILED IN APPENDIX B) WITH IMMEDIATE EFFECT

1.0 BACKGROUND

- 1.1 The Committee on Standards in Public Life (CSPL) published a report in 2019, entitled Local Government Ethical Standards. The report (included as a background paper) made a series of recommendations that required consideration by Government (and potentially legislative changes) and the Local Government Association (LGA) along with 15 best practice recommendations for consideration by local authorities.
- 1.2 One of the recommendations from the CSPL report was that the LGA produce a new model Members' Code of Conduct that reflected the outcomes of the research and work that the CSPL had undertaken. The LGA ran a consultation process on their draft new model code and each council was asked to respond to that consultation. Following that consultation, the LGA produced a final version of the model Code on 17 May 2021.
- 1.3 At their meeting on 22 July 2020, the Audit and Governance Committee agreed to establish a small working group to work on and finalise the response to the LGA consultation on the new model Members' Code of Conduct and to work through the best practice recommendations from the CSPL report.
- 1.4 Following the meeting, Cllrs Benfield, Clarke, Merrie and Sheahan agreed to be part of the Standards Working Group (SWG). The Group has met on the following dates:
- 28 August 2020
 - 25 September 2020
 - 30 October 2020
 - 27 November 2020
 - 16 December 2020
 - 11 November 2021

1.5 In addition to the meetings above, the Working Group have been kept up to date on progress following the publication of the LGA Model Code and development of the new draft Code via regular email updates. The Monitoring Officer is grateful for the time and contribution of the Working Group to this work.

2.0 WORK WITH LEICESTERSHIRE AUTHORITIES

2.1 Following discussions with the SWG, the Monitoring Officer has collaborated with other Leicestershire MOs, including the County Council to work on a common Leicestershire Code. It was felt this would be beneficial for dual or triple hatted members.

2.2 The model code is a significant departure from the current codes of the authorities. The standards of the model code are much more detailed and descriptive but have also been brought up-to-date to cover new elements such as social media. The interests section is the most significant change. It introduces different tests and further types of interests that would need to be disclosed.

2.3 The MO working group identified that some aspects of the model code weren't particularly clear. It therefore worked on a revised version of the model code that did not alter the substance of the code but re-ordered and made minor changes to wording so that it was easier to read. Most of the changes were made to the interests section, where flowcharts have also been introduced to help the reader understand how that section should be interpreted. The draft Code also included a separate section on single-member-decision-making which has been removed in the version appended to this report as this Council does not operate single member decision making.

2.4 It was agreed with the other authorities that each Monitoring Officer would discuss the revised draft Code with their own members and ascertain whether members wished to:

1. Adopt the draft code based on the LGA Model Code (as amended by the MO working group) – “locally amended code”;
2. Continue with the authority’s current code ; or
3. Adopting a hybrid (i.e. some elements of the new code and some elements of their current code)

2.5 The MO has sought the views of the Leader, Deputy Leader, all Group Leaders and the Standards Working Group. The consensus was that the locally amended code be taken forward for consideration by Audit and Governance Committee and Council.

3.0 OTHER LEICESTERSHIRE LOCAL AUTHORITIES

3.1 The locally amended LGA Model Code will be/has been considered by district councils and the County Council through their own governance processes as set out below:

Charnwood BC	Council agreed on 17 January 2022 to adopt the locally amended code as of the start of the 2022/23 civic year.
Oadby and Wigston BC	Council agreed on 21 December 2021 to adopt the locally amended code as of 1 April 2022.
Hinckley and Bosworth BC	Being considered by Committee and Council in February 2022.
Blaby DC	Council agreed on 14 December 2021 to adopt the locally amended code as of 1 April 2022.
Harborough DC	Audit and Standards Committee recommended approval of locally amended code - Council on 13 December 2021.
Melton BC	Council agreed on 16 December 2021 to adopt the locally amended code.
Leicestershire County Council	Approved for adoption on 1 December 2021.

4.0 LIAISON WITH THE LEICESTERSHIRE & RUTLAND ASSOCIATION OF LOCAL COUNCILS (LRALC)

4.1 Every Town and Parish Council in Leicestershire is a member of the LRLAC. The MOs have worked with LRALC in the production of the new draft locally amended code. LRLAC has recently confirmed its intention to recommend that its member parish and town councils adopt the new code following adoption by their relevant District and Borough Councils. Most Town and Parish Councils adopted the NWL Members Code of Conduct or version thereof in 2011.

4.2 The MO wrote to all town and parish councils in the district after Audit and Governance Committee to provide an update. Should Council adopt the locally amended code, the MO will contact each town and parish council to encourage them to review their code and consider adopting the new locally amended code. Full Council is being asked to consider adopting the new Code with effect from 1 April 2022. This will allow some time for Town and Parish Councils to take the Code via their own governance processes.

5.0 ARRANGEMENTS FOR DEALING WITH COMPLAINTS

5.1 The Council is required under Section 28 of the Localism Act 2011 to adopt Arrangements for dealing with Complaints about member conduct. These have been reviewed by the SWG in light of the Committee for Standards in Public Life report and by the MO in light of the locally amended code and guidance published by the LGA.

5.2 When considering the Council's current arrangements for dealing with complaints the SWG noted that they were satisfied with the approach which NWLDC took. They considered that the current approach of assessing complaints against the initial tests, encouraging parties to engage in informal resolution and referring unresolved complaints to the Assessment Sub-committee worked well. It ensured that only complaints which were covered by the Code of Conduct were dealt with and the informal resolution process allowed parties to work towards a pragmatic solution

which was agreeable to both complainant and subject member. Only complaints which were not able to be resolved informally would be considered by the Assessment Sub-committee who could make a decision on whether to take further action or not based on clear criteria and an assessment of the public interest. The SWG recommended that the arrangements be updated to reflect the current approach and their suggestions to enhance compliance with the best practice recommendations. The Arrangements have been reviewed against the LGA guidance and the revised Arrangements are at Appendix B.

5.3 The revised Arrangements do not show the tracked changes in different colours as feedback from members has indicated that presenting changes to these documents in this way can be difficult to read and therefore this paragraph summarises the main changes in instead. The main changes proposed to the Arrangements are as follows:

- Details have been included in relation to what information the complainant may be asked to provide (section 3)
- Clarification has been included regarding the difference between confidential and anonymous complaints (section 3)
- Clarification has been added as to when informal resolution may be appropriate and why (section 4)
- Clarity as to when a complainant and/or Subject Member may be able to attend committee hearings that are in private session (sections 5 and 6)
- A paragraph has been added to address what happens if a Subject Member sits on multiple authorities (section 5)
- A paragraph has been added to make it clear that there is no right to appeal but complaints can be made to the LGO (section 13)
- A timescales section has been added to make it clear when different parts of the process will take place (section 14)
- Repetitive references to the Independent Person have been removed (throughout)

5.4 The SWG also identified other improvements which could be made to operational procedures and documents used by the MO, when dealing with complaints, which would improve clarity for those involved in the process. These included ensuring that the Council's website contained up to date information regarding the complaints process, the role of the Independent Person and the current practice of appointing independent external investigators (where a formal investigation is required), reviewing and updating templates and guidance documents used in the complaints process and updating guidance on the Members' Code of Conduct to members. These operational and procedural matters have been put into an action plan which will be implemented by the Monitoring Officer. A number of actions have been completed and some await the consideration and adoption of the new locally amended code. Once the action plan is completed, this will ensure compliance with the best practice recommendations from the 2019 report referred to at para 1.1 above.

6.0 LGA GUIDANCE

- 6.1 The LGA has produced guidance to sit alongside its model code. Whilst that guidance was being prepared, the Deputy Monitoring Officer was part of a small group of officers from various authorities who had sight of early drafts and an opportunity to input into its layout and content. Various comments were fed back as part of that process. Links to the final version of the guidance will be made available on the Member Hub.

7.0 TRAINING

- 7.1 Training will be offered to District and Town and Parish Councillors should Council adopt the new Code. The training will take place in 3 hybrid sessions on 22 March 2022, followed by a wholly virtual session (date tbc). Given the uncertainties in relation to the COVID 19 pandemic and feedback which has been received from members regarding the convenience and flexibility of virtual training, it is likely that a combination of in person and virtual training will be offered. Training on the new Code will be mandatory for District Councillors. Given that the County Council have adopted the same locally amended code, it will be acceptable for dual hatted members to demonstrate that they have attended the County Council training.

8.0 AUDIT AND GOVERNANCE COMMITTEE

- 8.1 This report was considered by the Audit and Governance Committee on 19 January 2022. The Committee supported the recommendation that Council be asked to adopt the new Code and Arrangements. The minutes of that meeting are included as background papers to this report.

Policies and other considerations, as appropriate	
Council Priorities:	NA
Policy Considerations:	It is a legal requirement to have a Members' Code of Conduct. It forms part of the Council's Constitution
Safeguarding:	NA
Equalities/Diversity:	NA
Customer Impact:	The Council's website will be updated with details of the new Code and Arrangements for Dealing with Complaints should the code be adopted by Council in February 2022. The MO provides advice to members and the public on the operation and interpretation of the Code
Economic and Social Impact:	NA
Environment and Climate Change:	NA

Consultation/Community Engagement:	LGA consulted nationally on the model code. This was open to the public, members and LAs. Engagement with LRALC.
Risks:	It is a legal requirement to have a Members' Code of Conduct. Having a compliant code which follows, in large part, the LGA Model may reduce the risk of any challenge to NWL processes.
Officer Contact	Elizabeth Warhurst Head of Legal and Commercial Services elizabeth.warhurst@nwleicestershire.gov.uk

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North West Leicestershire District Council

Member Code of Conduct

BACKGROUND TO THIS CODE OF CONDUCT

This section sets out general interpretation and background to the Code of Conduct, including definitions used within the code, the purpose of the code, the principles the code is based on and when the code applies. It does not form part of the Code of Conduct itself and consequently does not contain any obligations for you to follow, as these are contained in the 'Code of Conduct' section below.

All councils are required to have a local Member Code of Conduct.

Definitions

For the purposes of this Code of Conduct, a "member" means a member or co-opted member of North West Leicestershire District Council ('the Council').

A "co-opted member" is defined in the Localism Act 2011 Section 27(4) as "a person who is not a member of the authority but who

- a) is a member of any committee or sub-committee of the authority, or;
- b) is a member of, and represents the authority on, any joint committee or joint subcommittee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee".

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a member, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow members, Council officers and the reputation of the council and local government. It sets out general principles of conduct expected of all members and your specific obligations in relation to standards of conduct. The fundamental aim of the Code is to create and maintain public confidence in the role of member and local government.

General principles of member conduct

Everyone in public office at all levels; i.e. all who serve the public or deliver public services, including ministers, civil servants, members and council officers; should uphold the [Seven Principles of Public Life](#), also known as the Nolan Principles, which are set out in Appendix A.

Building on these principles, the following general principles have been developed specifically for the role of member and these principles underpin the obligations in the Code of Conduct that follows.

In accordance with the public trust placed in you, you should:

- act with integrity and honesty
- act lawfully
- treat all persons fairly and with respect; and
- lead by example and act in a way that secures public confidence in the role of member.

In undertaking your role you should:

- impartially exercise your responsibilities in the interests of the local community
- do not improperly seek to confer an advantage, or disadvantage, on any person
- avoid conflicts of interest
- exercise reasonable care and diligence;
- ensure that public resources are used prudently in accordance with your Council's requirements and in the public interest; and
- uphold high standards of conduct, show leadership at all times and not misuse your position when acting as a member.

Application of the Code of Conduct

This Code of Conduct applies to you as a member or co-opted member of the Council. It applies as soon as you sign your declaration of acceptance of the office of member or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a member.

This Code of Conduct applies to you when you:

- act in your capacity as a member or co-opted member of the Council; and
- conduct the business of the Council (which, in this Code, includes the business of the office to which you are elected or appointed).

Where you act as a representative of the Council:

- on another relevant authority, you must, when acting for that other authority, comply with that other authority's code of conduct; or
- on any other body, you must, when acting for that other body, comply with this Code of Conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

The Code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings
- in written communication
- in verbal communication
- in non-verbal communication
- in electronic and social media communication, posts, statements and comments.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct. It is your responsibility to comply with the provisions of this Code and to ensure all its obligations are met. You are encouraged to seek advice from the Monitoring Officer on any matters that may relate to the Code of Conduct which you are unsure of.

THE CODE OF CONDUCT

Standards of member conduct

This section sets out your obligations, which are the minimum standards of conduct required of you as a member. Should your conduct be perceived to fall short of these standards or the Nolan Principles, a complaint may be made against you, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct

1. Respect

As a member:

1.1 I will treat other members with respect.

1.2 I will treat council officers, employees and representatives of partner organisations and those volunteering for the council with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a member, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in members.

In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidating or threatening you are entitled to stop any conversation or interaction in person or online and notify them to the Council, the relevant social media provider or the police. This also applies to fellow members, where action could then be taken under the Member Code of Conduct, and council officers where concerns should be raised in line with the council's member-officer protocol.

2. Bullying, harassment and discrimination

As a member:

2.1 I will not bully any person.

2.2 I will not harass any person.

2.3 I will promote equalities and do not discriminate unlawfully against any person.

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might

be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Members have a central role to play in ensuring that equality issues are integral to the Council's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

3. Impartiality of officers of the Council

As a member:

3.1 I will not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the council.

Officers work for the council as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

4. Confidentiality and access to information

As a member:

4.1 I will not disclose information:

- a. given to me in confidence by anyone**
- b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless**

- i. I have received the consent of a person authorised to give it;**
- ii. I am required by law to do so;**
- iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or**
- iv. the disclosure is:**

- 1. reasonable and in the public interest; and**

2. **made in good faith and in compliance with the reasonable requirements of the Council; and**
3. **I have consulted the Monitoring Officer prior to its release.**

4.2 I will not improperly use knowledge gained solely as a result of my role as a member for the advancement of myself, my friends, my family members, my employer or my business interests.

4.3 I will not prevent anyone from getting information that they are entitled to by law.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the council must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

5. Disrepute

As a member:

5.1 I will not bring my role or Council into disrepute or conduct myself in a manner which could reasonably be regarded as bringing my role or Council into disrepute.

As a Member, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other members and/or the Council and may lower the public's confidence in you or the Council's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring the Council into disrepute.

You are able to hold the Council and fellow members to account and are able to constructively challenge and express concern about decisions and processes undertaken by the Council whilst continuing to adhere to other aspects of this Code of Conduct.

6. Use of position

As a member:

6.1 I will not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

6.2 I will not place myself under a financial or other obligation to outside individuals or organisations that might seek to influence me in the performance of my official duties.

Your position as a member of the Council provides you with certain opportunities, responsibilities and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

As a member you need to be able to act impartially in the exercise of your responsibilities and ensure that you make decisions in the interests of the local community. You should therefore avoid any financial or other obligations to outside individuals or organisations whose influence may prevent you from acting impartially.

7. Use of Council resources and facilities

As a member:

7.1 I will not misuse council resources.

7.2 I will, when using the resources of the Council or authorising their use by others:

- a. act in accordance with the Council's requirements; and**
- b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the Council or of the office to which I have been elected or appointed.**

You may be provided with resources and facilities by the Council to assist you in carrying out your duties as a member.

Examples include:

- office support
- stationery
- equipment such as phones, ipads, dongles computers, etc.
- transport
- access and use of council buildings and rooms.

These are given to you to help you carry out your role as a member more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the council's own policies regarding their use.

8. Making decisions

As a member:

8.1 When reaching decisions on any matter I will have regard to any relevant advice provided to me by officers and professional third parties.

8.2 I will give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed.

8.3 I will make all choices, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits, on individual and independent merit.

8.4 I will be as open as possible about my decisions and actions and the decisions and actions of the authority and will be prepared to give reasons for those decisions and actions, notwithstanding my other obligations under this Code.

To assist members in acting lawfully, officers may give advice from time to time. It is important that as a member you have due regard to any such advice given and consider it fully, even if (for good reason) you may choose not to follow that advice.

In making any decisions, giving reasons helps instil public confidence in the role of the member and can be a legal requirement in certain situations. You should ensure that you always give reasons in accordance with any specific requirements and having regard to the benefits of transparency generally.

As a member you must act impartially and not improperly seek to confer an advantage, or disadvantage, on any person. It is therefore important that when you are making decisions that involve choosing one party over another, that you do so based on independent merit. You should be open and transparent about the decisions that you have made and the actions of the authority.

9. Complying with the Code of Conduct

As a member:

- 9.1 I will undertake Code of Conduct training provided by my Council.**
- 9.2 I will cooperate with any Code of Conduct investigation and/or determination.**
- 9.3 I will not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.**
- 9.4 I will comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.**

It is extremely important for you as a member to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the Council or its governance. If you do not understand or are concerned about the council's processes in handling a complaint you should raise this with the Monitoring Officer.

Protecting Your Reputation and the Reputation of the Council

10. Interests

As a member:

- 10.1 I will register and disclose my interests in accordance with the provisions set out in Appendix B.**

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority.

You need to register your interests so that the public, Council employees and fellow members know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about

any interest that might have to be disclosed by you or other members when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as defined in Appendix B, is a criminal offence under the Localism Act 2011.

The provisions of this paragraph 10.1 shall be applied in such a manner as to recognise that this Code of Conduct should not obstruct a member's service on more than one local authority. For the avoidance of doubt, participation in discussion and decision-making at one local authority will not by itself normally prevent you from taking part in discussion and decision-making on the same matter at another local authority. This is on the basis that a reasonable member of the public will see no objection in principle to such service or regard it as prejudicing a member's judgement of the public interest and will only regard a matter as giving rise to an interest which might lead to bias in exceptional circumstances.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from the Monitoring Officer, or from the clerk in the case of town and parish councils.

11. Gifts and hospitality

As a member:

- 11.1 I will not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the Council or from persons who may apply to the Council for any permission, licence or other significant advantage.**
- 11.2 I will register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.**
- 11.3 I will register with the Monitoring Officer any significant gift or hospitality with an estimated value of at least £50 that I have been offered but have refused to accept.**

In order to protect your position and the reputation of the Council, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a member. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a member, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a member. If you are unsure, do contact the Monitoring Officer or Clerk for guidance.

12. Dispensations

As a member:

- 12.1 I may request a dispensation from the Monitoring Officer for one meeting only.**
- 12.2 I must make the request in writing detailing what my interest is, why the dispensation is required and for what meeting.**
- 12.3 I must make my request 5 days prior to the meeting at which the Dispensation is required.**
- 12.4 If I wish to make a further request for dispensation, this must be made to the Audit and Governance Committee.**
- 12.5 I will only be granted a Dispensation where there are reasonable grounds for doing so and where such grounds are in the public interest.**

Appendix B sets out the situations where a Member's personal interest in a matter may prevent them from participating in the decision-making process. In certain circumstances, however, there may be reasonable grounds to allow a Member to participate in decision-making on that matter where it would be in the public interest to do so. Where you consider that there may be good grounds for you to continue to participate you should request a dispensation from the Monitoring Officer.

Appendices

Appendix A - The Seven Principles of Public Life

The principles are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B - Interests

1. Definitions

“**Disclosable Pecuniary Interest**” means any interest described as such in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#) and includes an interest of yourself, or of your Partner (if you are aware of your Partner's interest) that falls within the descriptions set out in the following table. A Disclosable Pecuniary Interest is a Registerable Interest.

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the member during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a member, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the member or his/her spouse or civil partner or the person with whom the member is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and Property	Any beneficial interest in land which is within the area of the council. ‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the member or his/her spouse or civil partner or the person with whom the member is living as if they were spouses/ civil partners (alone or

	jointly with another) a right to occupy or to receive income.
Licenses	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer.
Corporate tenancies	Any tenancy where (to the member's knowledge)— (a) the landlord is the council; and the tenant is a body that the member, or his/her spouse or civil partner or the person with whom the member is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the member's knowledge) has a place of business or land in the area of the council; and (b) either— (i)) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the member, or his/ her spouse or civil partner or the person with whom the member is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

* 'director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

"Other Registerable Interest" is a personal interest in any business of your authority which relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority; or

b) any body

- (i) exercising functions of a public nature
- (ii) any body directed to charitable purposes or
- (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

“Registrable Interests” are interests that you are required to register in accordance with this Code of Conduct and include both Disclosable Pecuniary Interests and Other Registerable Interests.

“Non-Registrable Interests” are interests that you are not required to register but need to be disclosed in accordance with section 3.3.

A **“Dispensation”** is agreement that you may continue to participate in the decision-making process notwithstanding your interest as detailed at section 12 of the Code of the Conduct and this Appendix B.

A **“Sensitive Interest”** is as an interest which, if disclosed, could lead to the member, or a person connected with the member, being subject to violence or intimidation. In any case where this Code of Conduct requires to you to disclose an interest (subject to the agreement of the Monitoring Officer in accordance with paragraph 2.2 of this Appendix regarding registration of interests), you do not have to disclose the nature of the interest, if it is a Sensitive Interest. In such circumstances you just have to disclose that you have an interest.

A matter **“directly relates”** to one of your interests where the matter is directly about that interest. For example, the matter being discussed is an application about a particular property in which you or somebody associated with you has a financial interest.

A matter **“affects”** your interest where the matter is not directly about that interest but would still have clear implications for the interest. For example, the matter concerns a neighbouring property.

2. Registering Interests

- 2.1. Within 28 days of becoming a member or co-opted member or your re-election or re-appointment to office you must register with the Monitoring Officer any Disclosable Pecuniary Interests and any Other Registerable Interests.
- 2.2. Where you have a Sensitive Interest you must notify the Monitoring Officer with the reasons why you believe it is a Sensitive Interest. If the Monitoring Officer agrees they will withhold the interest from the public register.
- 2.3. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.

3. Declaration at and Participation in Meetings

If you are present at a meeting and you have either a Registerable or Non-Registerable Interest in any matter to be considered or being considered, and the interest is not a Sensitive Interest, you must disclose that interest to the meeting (whether or not it is registered).

To determine whether your interest affects your ability to participate in a meeting, you must first determine what type of interest you have and, if necessary, go on to apply the tests as set out below.

3.1. **Disclosable Pecuniary Interests**

- 3.1.1. Where a matter arises at a meeting which **directly relates** to one of your Disclosable Pecuniary Interests:
- a. you must disclose the interest;
 - b. not participate in any discussion or vote on the matter; and
 - c. must not remain in the room unless you have been granted a Dispensation.

3.2. **Other Registerable Interests**

- 3.2.1. Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests:
- a. you must disclose the interest;
 - b. may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter; and
 - c. must not remain in the room unless you have been granted a Dispensation.
- 3.2.2. The provisions of paragraph 3.1.1 and 3.2.1 shall be applied in such a manner as to recognise that this Code should not obstruct a member's service on more than one local authority. For the avoidance of doubt, participation in discussion and decision making at one local authority will not by itself normally prevent you from taking part in discussion and decision making on the same matter at another local authority. This is on the basis that a reasonable member of the public will see no objection in principle to such service or regard it as prejudicing a member's judgement of the public interest and will only regard a matter as giving rise to a Personal Interest which might lead to bias in exceptional circumstances

3.3. **Non-Registerable Interests**

- 3.3.1. Where a matter arises at a meeting which **directly relates** to a financial interest or the well-being of yourself or of a friend, relative or close associate (and is not a Registerable Interest):
- a. you must disclose the interest;
 - b. may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter; and
 - c. must not remain in the room unless you have been granted a Dispensation.
- 3.3.2. Where a matter arises at a meeting which does not directly relate to but **affects**:
- a. a financial interest or the well-being of yourself or of a friend, relative or close associate; or

- b. a financial interest or wellbeing of a body included in those you need to disclose under Other Registerable Interests

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test in paragraphs 3.3.3 and 3.3.4 should be applied.

- 3.3.3. Where a matter under paragraph 3.3.2 **affects** the financial interest or well-being or body:

- a. to a greater extent than it affects the financial interests or wellbeing of the majority of inhabitants of the ward affected by the decision; and
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest;

you may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a Dispensation.

- 3.3.4. Where a matter under paragraph 3.3.2 does not affect the financial interest or well-being or body:

- a. to a greater extent than it affects the financial interests or wellbeing of the majority of inhabitants of the ward affected by the decision; and/or
- b. a reasonable member of the public knowing all the facts would not believe that it would affect your view of the wider public interest;

you may remain in the room, speak if you wish to and take part in any discussion or vote on the matter, provided you have disclosed your interest under paragraph 3.3.2.

Registerable Interests
 These are interests that you are required to register in accordance with the Code of Conduct. They are interests that you would know about in advance of an item coming up (e.g. land you own) and you should have included them when filling in your register of interests.

What type of Registerable Interest do you have in this matter?

Disclosable Pecuniary Interests
 These are any interests that are described as DPIs under the Code of Conduct and include both the interests of yourself and of your partner.

Other Registerable Interests
 These are personal interests that relate to certain types of bodies that you may be involved in as set out in the Code of Conduct.

Does the matter directly relate to one of your Disclosable Pecuniary Interests?

Does the matter directly relate to the financial interest or wellbeing of one of your Other Registerable Interests?

Does the matter affect a financial interest or the wellbeing of yourself or of a friend, relative or close associate?

Is the financial interest or wellbeing affected to a greater extent than the financial interests or wellbeing of the majority of inhabitants?

Would a reasonable member of the public knowing all the facts believe that it would affect your view of the wider public interest?

You must:

- Disclose the interest;
- Not speak on the matter;
- Not participate in any discussion or vote; and
- Not remain in the room unless you have a Dispensation

You must:

- Disclose the interest;
- Only speak on the matter if members of the public are allowed to speak at the meeting;
- Not take part in any discussion or vote; and
- Not remain in the room unless you have a Dispensation

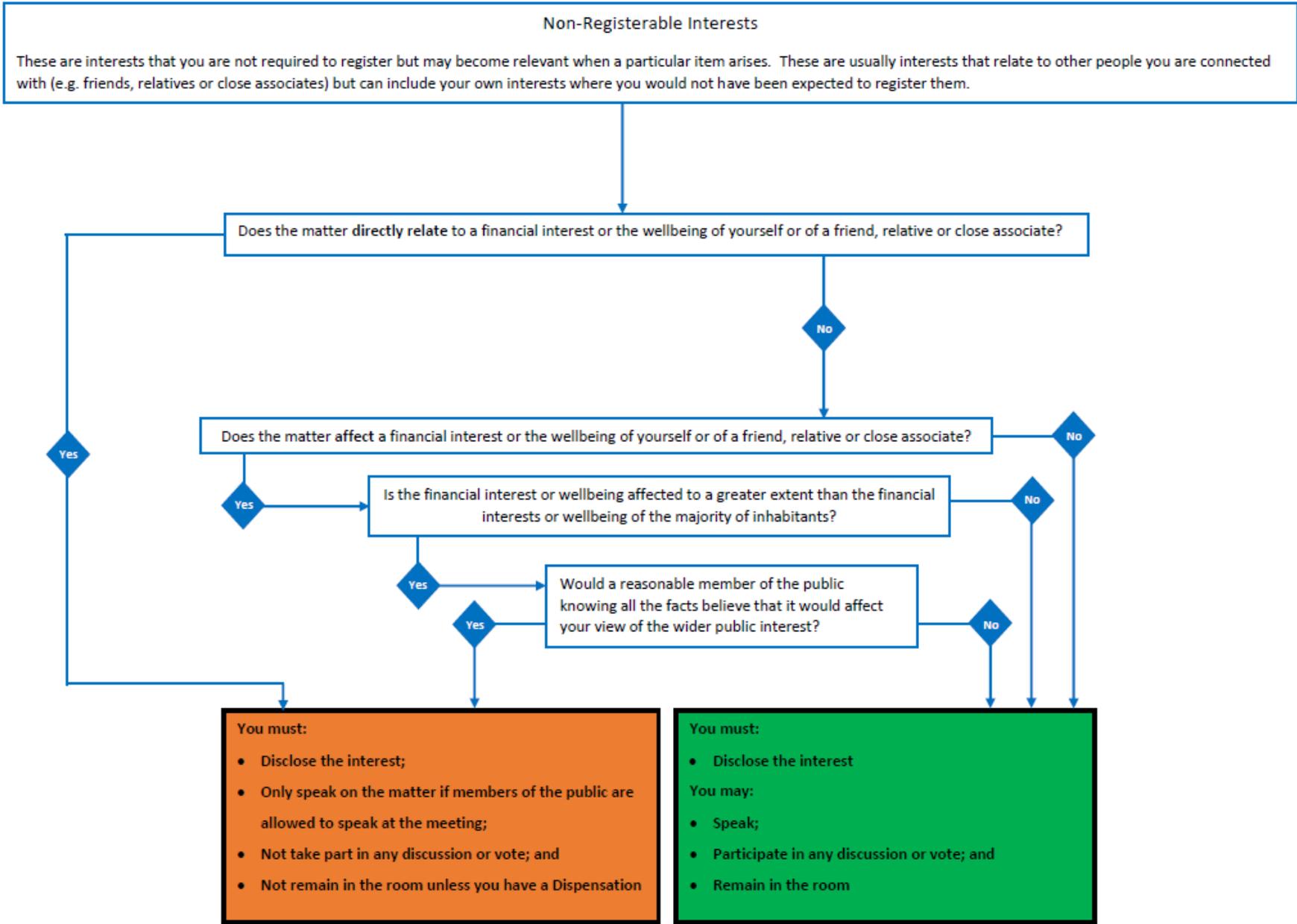
You must:

- Disclose the interest

You may:

- Speak;
- Participate in any discussion or vote; and
- Remain in the room

151



Appendix C - the Committee on Standards in Public Life

The LGA has undertaken this review whilst the Government continues to consider the recommendations made by the Committee on Standards in Public Life in their report on [Local Government Ethical Standards](#). If the Government chooses to implement any of the recommendations, this could require a change to this Code.

The recommendations cover:

- Recommendations for changes to the Localism Act 2011 to clarify in law when the Code of Conduct applies
- The introduction of sanctions
- An appeals process through the Local Government Ombudsman
- Changes to the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012
- Updates to the Local Government Transparency Code
- Changes to the role and responsibilities of the Independent Person
- That the criminal offences in the Localism Act 2011 relating to Disclosable Pecuniary Interests should be abolished

The Local Government Ethical Standards report also includes Best Practice recommendations. These are:

Best practice 1: Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.

Best practice 2: Councils should include provisions in their code of conduct requiring members to comply with any formal standards investigation and prohibiting trivial or malicious allegations by members.

Best practice 3: Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.

Best practice 4: An authority's code should be readily accessible to both members and the public, in a prominent position on a council's website and available in council premises.

Best practice 5: Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.

Best practice 6: Councils should publish a clear and straightforward public interest test against which allegations are filtered.

Best practice 7: Local authorities should have access to at least two Independent Persons.

Best practice 8: An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.

Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.

Best practice 10: A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.

Best practice 11: Formal standards complaints about the conduct of a parish member towards a clerk should be made by the chair or by the parish council, rather than the clerk in all but exceptional circumstances.

Best practice 12: Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.

Best practice 13: A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation.

Best practice 14: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness and publish their board agendas and minutes and annual reports in an accessible place.

Best practice 15: Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.

The LGA has committed to reviewing its Model Code on an annual basis to ensure it is still fit for purpose.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL ARRANGEMENTS FOR DEALING WITH STANDARDS ALLEGATIONS UNDER THE LOCALISM ACT 2011

1. Context

These “Arrangements” set out how a person may make a complaint that an elected or co-opted member of this authority or of a Town or Parish Council has failed to comply with the Members’ Code of Conduct, and sets out how the authority will deal with allegations of a failure to comply with that Code.

Under Section 28(6) and (7) of the Localism Act 2011, the Council must have in place “Arrangements” under which allegations that a member or co-opted member of the authority or Town or Parish Council, or of a Committee or Sub-Committee of the authority, has failed to comply with the Code of Conduct can be investigated and decisions made on such allegations.

These arrangements also provide for the authority to appoint at least one Independent Person, whose views must be sought before a decision on an allegation is made and which it has decided shall be investigated, and whose views can be sought by the authority at any other stage, or by a member against whom an allegation has been made.

2. The Code of Conduct

The Council has adopted a Code of Conduct for members, which is available for inspection on the authority’s website and on request from Reception at the Civic Offices.

3. Making a complaint

If you wish to make a complaint, please write or email to:

“The Monitoring Officer
North West Leicestershire District Council
Council Offices
Coalville
Leicestershire
LE67 3FJ”

Or:

elizabeth.warhurst@nwleicestershire.gov.uk

If you have a disability that prevents you from submitting a complaint in writing, you can call the Customer Services team on 01530 454545 and arrangements will be made to transcribe your complaint for you.

The Monitoring Officer is a senior officer of the authority who has statutory responsibility for maintaining the register of members’ interests and who is

responsible for administering the system in respect of complaints of member misconduct.

In order to ensure that all the information required is available with the complaint, the complainant will be asked to provide their name and a contact address or email address together with any relevant documents in support of their complaint. Supporting information may include:

- Dates and times of alleged misconduct;
- Details of any witnesses to the alleged misconduct;
- Any other authorities that the member belongs to.

The Monitoring Officer will acknowledge receipt of the complaint within 5 working days of receiving it.

Anonymous and Confidential Complaints

An anonymous complaint is one where the complainant is not known. The Council will not normally allow anonymous complaints as that would be against the principles of transparency and fairness and make matters much more difficult to investigate. However, there may be exceptional compelling reasons why an anonymous complaint could be accepted without detriment to the process and where the allegation can be evidenced without reference to the complainant. Where an anonymous complaint is received, the Monitoring Officer will make a decision on whether to proceed with the complaints process, depending on the nature of the alleged misconduct and the public interest.

A confidential complaint is one where the complainant makes themselves known but does not wish for their identity to be revealed during the complaints process. Where the complainant wishes to remain anonymous it will be at the Monitoring Officer's discretion as to whether the complaint proceeds. Consideration will be given to the public interest and whether the complaint can be justified or determined without the complainant's participation.

4. What happens to my complaint?

When a complaint is received, it will be acknowledged and the complainant may be asked for further information in order for the Monitoring Officer to carry out an initial assessment of the complaint.

The Monitoring Officer will review each complaint and will determine whether the initial tests have been met

1. Does the complaint relate to a member within the NWLDC area, in office at the time of the conduct complained of?
2. Was the member acting in their capacity as a councillor at the time of the conduct complained of?

3. The complaint, if proven, would be a breach of the Code under which the member operates?

When considering the initial tests, the Monitoring Officer may need to inform the Subject Member of the complaint and seek further information from them. The Monitoring Officer may also consult with and seek advice from the Independent Person during this time.

If the initial tests are not met, then the complaint cannot progress and the complainant will be informed.

If the initial tests are met then the Monitoring Officer will decide if the complaint is suitable for informal resolution, having regard to the jurisdictional test. The Monitoring Officer will not make a determination about whether Code of Conduct has been breached but will work with both parties to see whether the issue is one which can be resolved informally to the satisfaction of the complainant and the subject member.

Informal resolution can be a proportionate way of dealing with relatively minor allegations, one-off incidents or underlying disagreements between individuals. For the avoidance of doubt, dealing with a matter by alternative resolution at the initial assessment stage is making no finding of fact as there has been no formal investigation and therefore the Monitoring Officer will balance the interest in resolving a matter quickly and satisfactorily against the interest in the complainant having their complaint upheld or the member's desire to clear their name.

In the event that the Monitoring Officer considers informal resolution appropriate, it may, for example involve the member accepting that his/her conduct was unacceptable and offer an apology, or other remedial action / steps which are acceptable to both parties such as the member undertaking training. The Monitoring Officer may consult with or seek advice from the Independent Person when considering informal resolution.

5. What if Informal Resolution is not appropriate/successful?

In cases where Informal Resolution is not appropriate or successful the Monitoring Officer will prepare a report to the Assessment Sub-Committee.

The Assessment Sub-Committee ~~who~~ will determine the further steps to be taken in relation to the complaint or whether no further action is to be taken based on a consideration of the public interest test. The Assessment Sub-Committee will consist of members from the Council's Audit and Governance Committee (a politically proportionate committee). The report will detail all steps taken by the Monitoring Officer and the Independent Person prior to the Sub Committee. The Independent Person will be invited to attend the meeting of the Assessment Sub-committee and can offer guidance to members in reaching their decision on whether to take any further action on the complaint or not.

The Assessment Sub-Committee is subject to the normal Access to Information Procedures and Committee rules in relation to public meetings and it will take a decision at the start of the meeting to determine whether it is appropriate to hold the meeting in closed session. There will be a presumption that the committee is in closed session unless the committee determines that there is good reason for it to be made public.

The complainant and the Subject Member will not participate in the meeting but their views will have been sought prior to the meeting to enable their opinions to be presented. It will be at the Chair's discretion as to whether the complainant and/or Subject Member may be able to observe the meeting if it is being held in closed session.

If, on assessment of the facts, the Sub-Committee determines that no further action is required or there is no case to answer, this will be reported back to the complainant and the subject member who may be given leave by the Committee to appeal the decision. Such appeal will only be granted where there is new evidence in relation to the complaint.

There may be instances where the Sub-Committee consider the action of the subject member should be referred to the police (e.g. failure to disclose a Disclosable Pecuniary Interest). In such circumstances, the Sub-Committee will instruct the Monitoring Officer to refer the matter to the appropriate body for investigation.

Should the Committee determine that the matter warrants a detailed investigation, the Monitoring Officer will appoint an Investigating Officer who may be an officer of another authority (e.g. an Monitoring Officer from another council) or an external investigator. The Investigating Officer will decide whether he/she needs to meet or speak to the complainant to understand the nature of the complaint and will provide an opportunity for the complainant to explain their understanding of events and suggest what documents the Investigating Officer needs to see, and who the Investigating Officer needs to interview.

In exceptional cases, where it is appropriate to keep identities confidential or disclosure of details of the complaint to the member might prejudice the investigation, the Monitoring Officer can delete names and addresses from the papers given to the member, or delay notifying the member until the investigation has progressed sufficiently.

At the end of his/her investigation, the Investigating Officer will produce a draft report and will send copies of that draft report, in confidence, to the complainant and to the member concerned, to give them both an opportunity to identify any matter in that draft report with which they disagree or consider requires more consideration.

Having received and taken account of any comments, the Investigating Officer will send his/her final report to the Monitoring Officer.

Complaints in relation to members that sit on multiple authorities

There may be times when the same complaint is made against a member of more than one authority. For example, an allegation may allege that a councillor has failed to register an interest at both district and county level.

In such a case the Council will agree with the other authority who would carry out the initial assessment (if necessary, under an agreed delegation) and any subsequent action. This avoids the risk of two different actions or conclusions being reached.

For the avoidance of doubt, this would not arise where the councillor is on a town or parish council and as well as this Council because this Council is responsible for handling both complaints. It could however arise if the parish or town councillor were also on the county council in a two-tier area.

6. What happens if the Investigating Officer concludes that there is no evidence of a failure to comply with the Code of Conduct?

On completing their investigation the Investigating Officer will present their report to the Determination Sub-Committee who will take into account the facts and evidence produced.

The Determinations Sub-Committee is subject to the normal Access to Information and Committee rules in relation to public meetings and it will take a decision at the start of the meeting to determine whether it is appropriate to hold the meeting in closed session. There will be a presumption that the committee is open to the public unless there is good reason for it to be dealt with confidentially. It will be at the Chair's discretion as to whether the complainant and/or Subject Member may be able to observe the meeting if it is being held in closed session.

If satisfied that the Investigating Officer's report is sufficient, the Determinations Sub Committee will accept the findings of the report and request the Monitoring Officer to write to the complainant and to the member concerned notifying them that they are satisfied that no further action is required, and provide a copy of the Investigating Officer's final report. If the Monitoring Officer is not satisfied that the investigation has been conducted properly, they may ask the Investigating Officer to reconsider his/her report.

There may be instances where the Determinations Sub Committee wishes to ask questions of the complainant and the Subject Member in order to fully understand the circumstances of the complaint. Where this is requested by the Sub Committee, the meeting will be adjourned to enable the attendance of all parties. In such a situation, the Sub Committee will be conducted in a manner similar to other regulatory committees where each party may present their arguments.

At the end of the Committee the Chair will ask the subject member whether they are happy for the outcome of the matter to be published through public notice/press statement. It will be at the discretion of the subject member whether such action is taken.

7. What happens if the Investigating Officer concludes that there is evidence of a failure to comply with the Code of Conduct?

Where the investigating officer has determined that there is a breach of the code of conduct they will present their report to the Determinations Sub Committee in accordance with the relevant timescales in section 14 below.

The Monitoring Officer may conduct a “pre-hearing process”, requiring the member to give his/her response to the Investigating Officer’s report, in order to identify what is likely to be agreed and what is likely to be in contention at the hearing. The Chair of the Hearings Panel may issue directions as to the manner in which the hearing will be conducted.

At the Sub Committee, the Investigating Officer will present his/her report, call such witnesses as he/she considers necessary and make representations to substantiate his/her conclusion that the member has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer may ask the complainant to attend and give evidence to the Sub Committee. The member will then have an opportunity to give his/her evidence, to call witnesses and to make representations to the Sub Committee as to why he/she considers that he/she did not fail to comply with the Code of Conduct.

The Sub Committee, with the benefit of any advice from the Monitoring Officer and an Independent Person, may conclude, in disagreement with the investigation officer that the member did not fail to comply with the Code of Conduct, and so dismiss the complaint. If the Sub Committee concludes that the member did fail to comply with the Code of Conduct, the Chair will inform the meeting of this finding and the Sub Committee will then consider what action, if any, should be taken as a result of the member’s failure to comply with the Code of Conduct. In doing this, the Sub Committee will give the member an opportunity to make representations to the Panel and will consult the Independent Person (and if appropriate the Parish Council), but will then decide what action, if any, to take in respect of the matter.

8. What action can the Determination Committee take where a member has failed to comply with the Code of Conduct?

The Council has delegated to the Audit and Governance Committee and its sub-committees such of its powers to take action in respect of individual members as may be necessary to promote and maintain high standards of conduct. Both the Assessment Sub-Committee and Determination Sub-Committee will each have their own procedures and the procedures for the Determination Sub-Committee will set out the factors that will be taken into account when determining a sanction. In such circumstances, the Committee may:

- Issue a formal letter to the member found to have breached the Code.
- Impose Formal censure.
- Make recommendations to Full Council to remove the member from committee(s) and other appointments subject to political balance requirements (where there are political groups, the decision could only be to recommend them to change their nominated appointees).
- A press release and other appropriate publicity.
- Recommend Training.
- Recommendation to Group Leader to remove the member from committee(s) and other appointments.

The Committee has no power to suspend or disqualify the member or to withdraw members' or special responsibility allowances.

[In relation to Parish Members, the Monitoring Officer can only make recommendations for sanctions against those Members. The responsibility for enforcing those sanctions will fall to the Parish Council as a whole with the assistance and guidance from the Monitoring Officer.]

9. What happens at the end of the hearing?

At the end of the hearing, the Chair will state the decision of the Committee as to whether the member failed to comply with the Code of Conduct and as to any actions which the Committee resolves to take.

As soon as reasonably practicable thereafter, the Monitoring Officer shall prepare a formal decision notice in consultation with the Chair of the Committee, and send a copy to the complainant, to the member *[and to the Parish Council]*. The Council will publish the minute of the Determination Sub-Committee on its website.

10. Who are the Committees?

The Assessment and Determinations Sub Committees are Sub-Committee of the Council's Audit and Governance Committee.

The Independent Person is invited to attend all meetings of the sub-committees and their views are sought and taken into consideration before any decision is taken on whether the member's conduct constitutes a failure to comply with the Code of conduct and as to any action to be taken following a finding of failure to comply with the Code of Conduct. There may be more than one Independent Person involved throughout the complaint depending on whether they have been conflicted out of sitting on the Committee/Sub Committee due to being

approached by the Complainant or Subject Member for assistance throughout the process.

11. Who is the Independent Person?

The Independent Person is a person who has applied for the post following advertisement of a vacancy for the post, and is appointed by a positive vote from a majority of all the members of Council.

A person cannot be “independent” if he/she:

- is, or has been within the past 5 years, a member, co-opted member or officer of the authority;
- *[is or has been within the past 5 years, a member, co-opted member or officer of a parish council within the authority’s area], or*
- is a relative, or close friend, of a person within paragraph 11.1 or 11.2 above. For this purpose, “relative” means:
 - spouse or civil partner;
 - living with the other person as husband and wife or as if they were civil partners;
 - grandparent of the other person;
 - a lineal descendent of a grandparent of the other person;
 - a parent, sibling or child of a person within paragraphs 11.3.1 or 11.3.2;
 - a spouse or civil partner of a person within paragraphs 11.3.3, 11.3.4 or 11.3.5; or
 - living with a person within paragraphs 11.3.3, 11.3.4 or 11.3.5 as husband and wife or as if they were civil partners.

The Council is part of the pool arrangements which have been established with the other Leicestershire District and Borough Councils. This arrangement provides for a pool of 5 IPs which can be called upon by any Council.

Views may be sought from the Independent Person at the initial tests stage and in which case those views will not be made public. The Independent Person may also provide views at the Assessment Sub-Committee and/or the Determinations Sub-Committee.

In addition to the above, it is open to the complainant and/or the Subject Member to speak with the Independent Person also. If you wish to do this, you should arrange this through the Monitoring Officer.

12. Revision of these arrangements

The Council may by resolution agree to amend these arrangements, and has delegated to the Monitoring Officer in consultation with the Independent Person the right to depart from these arrangements where he/she considers that it is expedient to do so in order to secure the effective and fair consideration of any matter.

13. Appeals

The Sub Committees have authority to allow, or not, a right of review following the Assessment Sub Committee's determination of the complaint, and following the determination of the complaint by the Determination Sub Committee. The process follows one similar to the court process, where Members be given leave to appeal a decision taken on their matter. That in order to avoid frivolous appeals, a stance of "unless new evidence is submitted/provided there will be no review".

Such request for a review to be received within 28 days of the decision by the relevant Sub Committee.

There is no right of appeal for the complainant or for the subject member:

- against a decision of the Monitoring Officer made under this process;
- a decision by the Assessment Sub-Committee or Determination Committee not to grant leave to appeal; or
- a decision made on review

If you feel that the authority has failed to deal with your complaint properly, you may make a complaint to the Local Government and Social Care Ombudsman. Details can be found here <https://www.lgo.org.uk/make-a-complaint/fact-sheets/other-topics/complaints-about-standards-and-member-conduct>

14. Timescales

The complaints process will proceed in line with the following timescales (unless otherwise agreed with the relevant parties):

Member to make comments on complaint – 10 working days from being notified

Initial assessment outcome – 15 working days from date complaint received

Investigations – completed within 6 months (where possible)

Notice of Determinations Sub-Committee hearing – at least 2 weeks prior to hearing
Determinations Sub-Committee hearing – within 3 months of report (but not within first 14 days)

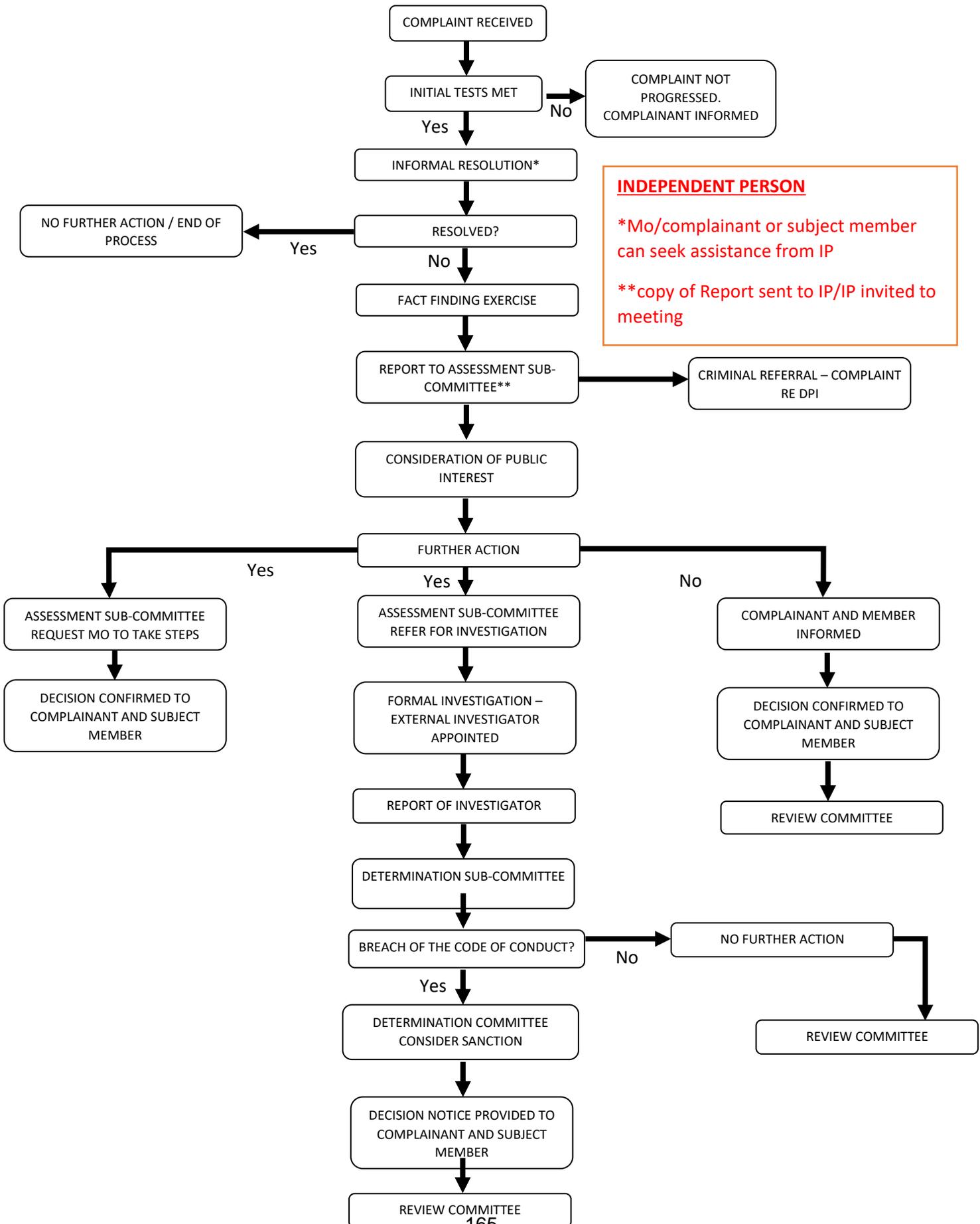
Panel's written decision – within one week of the Determinations Sub-Committee hearing

Appendix

Flowchart of procedure

AUDIT AND GOVERNANCE COMMITTEE
MEMBER COMPLAINT PROCEDURE

The IP will be consulted before a decision is made on whether the member has breached the code of conduct



INDEPENDENT PERSON
*Mo/complainant or subject member can seek assistance from IP
**copy of Report sent to IP/IP invited to meeting

Monitoring Officer to advise complainant about role of Local Government and Social Care Ombudsman at the end of each step as appropriate

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
COUNCIL – THURSDAY, 24 FEBRUARY 2022



Title of Report	CUMULATIVE IMPACT ASSESSMENT	
Presented by	Councillor Andrew Woodman Portfolio for Community Services	
Background Papers	Licensing Act 2003 Section 182 Guidance April 2018 Cumulative Impact Assessment 2019-2022 Minutes of licensing Committee held 15 December 2021	Public Report: Yes
Financial Implications	The risk of incurring costs arising from any challenge against the policy Signed off by the Section 151 Officer: Yes	
Legal Implications	Legal advice has been sought in its preparation of this report and the development of the Cumulative Impact Policy Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	The workload associated with the review of the assessment has been undertaken within existing resources. Signed off by the Head of Paid Service: Yes	
Purpose of Report	For members to consider the review of the Cumulative Impact Assessment for Ashby De La Zouch town centre.	
Recommendations	COUNCIL ARE REQUESTED TO CONSIDER AND APPROVE THE RETENTION OF THE CUMULATIVE IMPACT ASSESSMENT ATTACHED AT APPENDIX 1.	

1.0 BACKGROUND

1.1 The Licensing Act 2003 (the “Act”) made local authorities, as licensing authorities, responsible for the administration of licences and certificates for:

- The sale/supply of alcohol;
- The provision of regulated entertainment; and
- The provision of late-night refreshment.

There are four licensing objectives, which underpin the Act, and these are:

- The prevention of crime and disorder;
- The prevention of public nuisance;

- Public safety; and
- The protection of children from harm.

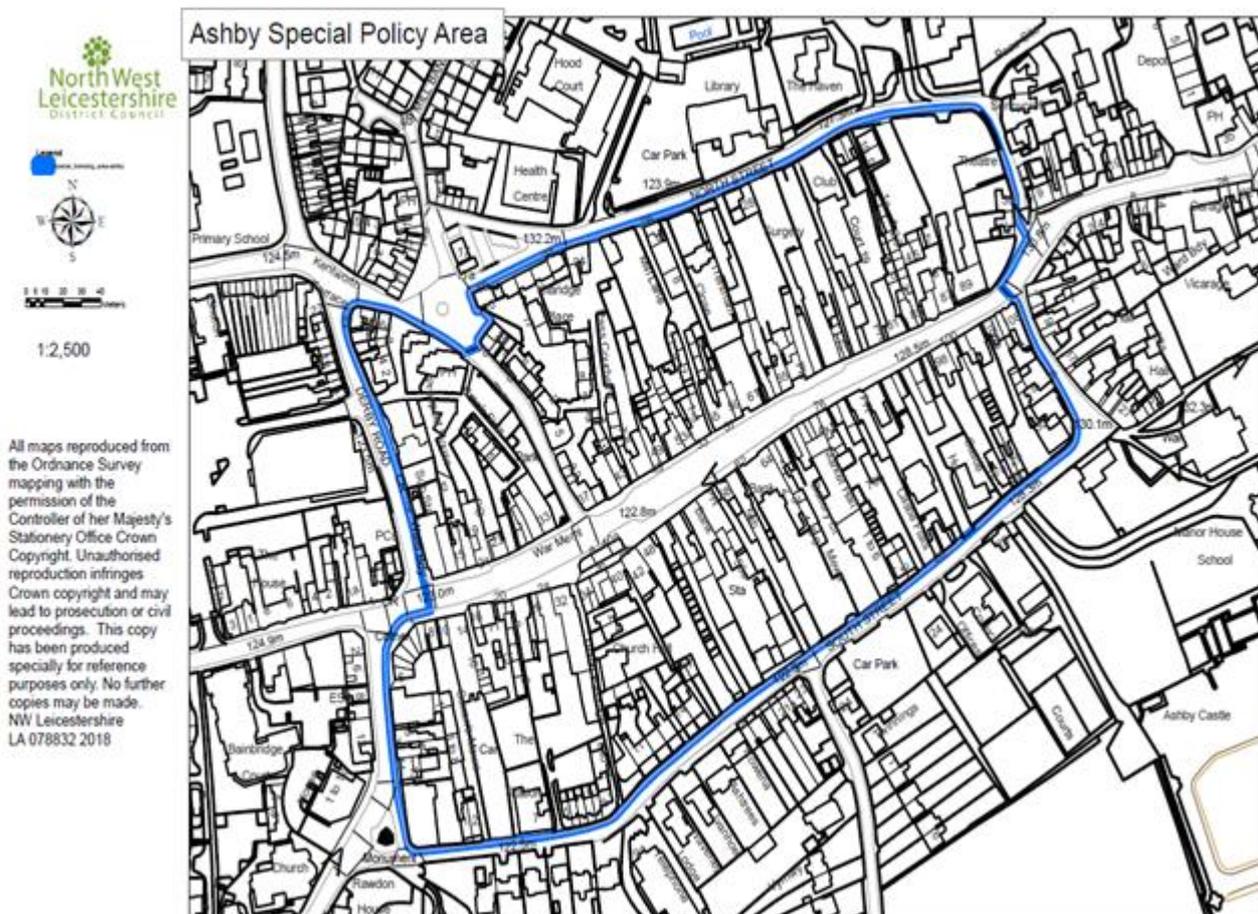
All decisions under the Act must be taken with a view to promoting these licensing objectives.

- 1.2 In addition to processing applications, the Act requires each licensing authority to determine and publish a policy setting out how it will exercise its functions under the Act, its Statement of Licensing Policy. The Act requires the council to review and re publish its Statement of Licensing Policy (SOLP) every 5 years. The review period was changed from 3 to 5 years in 2017.
- 1.3 Since the Act was enacted, the Government has produced statutory guidance to accompany it and the concept of 'cumulative impact' has always been detailed in this statutory guidance. The statutory guidance was updated in April 2018 to reflect an amendment to the Act, which placed cumulative impact assessments on a statutory footing. Cumulative impact is the potential impact on the promotion of the licensing objectives (listed at 1.1 above) of a number of licensed premises concentrated in one area. If a licensing authority is of the view that the number of licenced premises in an area is such that, granting licences to any further premises in that area, would undermine the licensing objectives, it is required to publish a Cumulative Impact Assessment (CIA).
- 1.4 A CIA in Ashby De La Zouch town centre was approved and included within the original Statement of Licensing Policy in 2005. The policy was reviewed every 3 years between 2005 and 2014. In 2017 the review period for the policy changed from 3 to 5 years resulting in the council's 2014 policy remaining in place until 2019. The current Statement of Licensing Policy (issue 7) was approved by Full Council on 26 February 2019, came into force on 26 March 2019, and remains valid until 25 March 2024 unless amendments are necessary before this date.
- 1.5 Whilst the review period for the SOLP changed from 3 to 5 years the requirement to review a cumulative impact assessment remains every 3 years. The CIA was approved by Full Council on 26 February 2019, came into force on 26 March 2019 and remains valid until 25 March 2022.
- 1.6 A CIA may be published by a licensing authority to help it to limit the number or types of licence applications granted in areas where there is evidence to show that the number or density of licensed premises in the area is having a cumulative impact and leading to problems which are undermining the licensing objectives. CIA's relate to applications for new premises licences and club premises certificates and applications to vary existing premises licences and club premises certificates in a specified area.
- 1.7 If, having consulted, the licensing authority decides that it remains of the opinion set out in the CIA, it must revise the CIA to include a statement to that effect and set out the evidence as to why it remains of that opinion.

2.0 CUMULATIVE IMPACT ASSESSMENT – ASHBY DE LA ZOUCHE TOWN CENTRE

- 2.1 As explained above a CIA was contained within the Statement of Licensing Policy adopted by the council in November 2005 because of the impact on the prevention of crime and disorder licensing objective. A CIA relating to Ashby de la Zouch town centre has been retained following reviews of the Statement of Licensing policy in 2008, 2011, 2014 and 2019.

2.2 The council considers that, in a specified part of Ashby de la Zouch town centre, known as the Cumulative Impact Zone (CIZ), the number of premises licences and club premises certificates are such that it is likely that granting further licences or variations to existing premises licences and/or club premises certificates would be inconsistent with our duty to promote the licensing objectives. The map outlining the CIZ is as follows.



3.0 CRIME AND DISORDER IN ASHBY DE LA ZOUC TOWN CENTRE

3.1 Leicestershire Police have continued to monitor crime data in relation to the late-night economy for Ashby De La Zouch since the implementation of the CIA. Crime data relating to the night-time economy in Ashby De La Zouch town centre from 2002 to present is detailed within the CIA attached as **Appendix 1**. For comparison purposes day-time crime data (05:00 to 20:00) relating to Ashby De La Zouch town centre and night-time crime data relating to Coalville town centre has been included. The data demonstrates that the crime levels during the night-time economy continue to significantly exceed daytime crime levels.

4.0 CONSULTATION

4.1 The council, as a licensing authority, is required by the Act to consult on the review of the CIA. The consultation commenced in June 2021 for a period of 12 weeks, ending on 30 September 2021. The following groups were consulted;

- Chief Officer of police for the area;
- Chief Officer of fire & rescue service for the area;
- The Local Health Board (each local authority in England whose public health functions within the meaning of the National Health Service Act 2006 are exercisable in respect of an area any part of which is in the licensing authority's area),
- Persons/bodies representative of local holders of premises licences;
- Persons/bodies representative of local holders of club premises certificates;
- Persons/bodies representative of local holders of personal licences;
- Persons/bodies representative of local holders of businesses and residents in its area.

5.0 CONSULTATION FEEDBACK

- 5.1 The Chief Officer of Police continues to support the retention of the CIA based on the level of crime identified within the night-time economy.

The Licensing Authority have not received any requests from the police to change the geographical area covered by the CIA or the times to which it relates.

- 5.2 Four consultee responses were received from Ashby Town Council and trade representatives via the Council's consultation portal.

Level of concern

All four consultees stated they currently have a concern relating to Ashby De La Zouch town centre and the number and density of premises licensed to sell alcohol by retail. The main concerns related to crime and disorder and public safety, however one of the consultees also expressed a concern about public nuisance levels and protection of children from harm.

- 5.3 Location

All consultee concerns related to the geographical area detailed within the existing CIZ.

- 5.4 Times

Consultee responses commented that the following time periods contribute to the problems being experienced;

- 8pm until 6am – two responses
- 10pm until 6am – two responses

- 5.5 Types of premises

Consultees identified the following types of premises that contribute to the problems being experienced;

- Night clubs – two responses
- Public houses – four responses
- Off-licences – nil responses
- Late night refreshment houses – one response
- Public entertainment events (open spaces) – one response

6.0 SUMMARY OF DATA ANALYSIS

The vast majority of crimes in Ashby De La Zouch town centre continue to take place during the night-time economy.

The Covid-19 pandemic impacted upon the crime data for years 2020 and 2021. Lower crimes were reported in 2020 as the late night economy was subject to government closures and tier restrictions. When the businesses were permitted to reopen and as legal restrictions were removed the number of reported crimes began to increase.

The total number of reported crimes in 2021 is at its highest level since 2006/2007 and, are projected to be the highest since the commencement of the cumulative impact assessment in 2005.

With the exception of years 2020/21 (pandemic and immediate post pandemic recovery), the analysis of the crime data indicates that the number of reported crimes has remained stable since 2012.

It is considered that the statistical data together with a written statement from Leicestershire Police supports the retention of the cumulative impact assessment in Ashby De La Zouch town centre.

7.0 CONCLUSIONS

Officers have drawn the following conclusions from the data analysis and consultation process. These conclusions informed the drafting of the cumulative impact assessment (Appendix 1) considered by Licensing Committee on 15 December 2021.

1. The number and density of premises licensed to sell alcohol by retail remains an issue that continues to require control;
2. The level of crime and disorder continues to be the primary concern;
3. The geographical area requiring control remains unchanged;
4. All premises types licensed to sell alcohol by retail to remain within the scope of the CIA; and
5. CIA to continue to apply between 8pm and 6am.

8.0 CONSIDERATION BY LICENSING COMMITTEE

8.1 The review of the cumulative impact assessment of licensed premises in Ashby de-la-Zouch town centre was presented to the Licensing Committee at its meeting on 15 December 2021.

8.2 Members noted that the CIA was as relevant as ever.

8.3 Officers were asked whether there would be restrictions as to where the consumption of alcohol was permitted and was advised that a Protection Order was currently out for consultation, a report on which would be submitted to Cabinet for consideration in early 2022.

8.4 Members of the Licensing Committee recommended at its meeting on 15 December 2021 that Council agree the retention of the Cumulative impact assessment.

Policies and other considerations, as appropriate	
Council Priorities:	Business and Jobs, Homes and Communities
Policy Considerations:	Cumulative Impact Assessment
Safeguarding:	Licensed premises are required to risk assess gambling activity associated with their premises
Equalities/Diversity:	An Initial Equality and Human Rights Impact Assessment (EHRIA) has been carried out (25 October 2021) and no negative impacts have been identified
Customer Impact:	Businesses may be impacted by any decision made
Economic and Social Impact:	Any proposals to change the number and operating times of licensed premises within Ashby De La Zouch town centre may be impacted by the decision made
Environment and Climate Change:	Not applicable
Consultation/Community Engagement:	Statutory consultation process has been undertaken
Risks:	There is a risk that the council's Cumulative Impact Assessment is challenged. Legal advice sought in its preparation to mitigate the risk of challenge.
Officer Contact	Paul Sanders Head of Community Services paul.sanders@nwleicestershire.gov.uk

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

Licensing Act 2003 Cumulative Impact Assessment

**Effective Period:
2022-2025**

Approved by Full Council (Scheduled to be approved 24 February 2022)

Part 1

Introduction

- 1.1 Cumulative impact is the potential negative effect on the promotion of the licensing objectives of a significant number of licensed premises concentrated in an area. The licensing objectives are set out in the Licensing Act 2003 (the 'Act') and cover four key areas:
- The prevention of crime and disorder
 - Public safety
 - The prevention of public nuisance
 - The protection of children from harm
- 1.2 A cumulative impact assessment helps to inform the statement of licensing policy with the aim of limiting the number of licence applications granted where there is evidence to show that the number of licensed premises in a particular area is having a cumulative impact and leading to problems which are undermining the licensing objectives.
- 1.3 This assessment has been documented following the introduction of the Policing and Crime Act 2017 which took effect from 6 April 2018. The assessment will be formally reviewed every 3 years, however may also be reviewed during this period so that amendments can be made as necessary.
- 1.4 To avoid duplication the assessment should be read in conjunction with the policy, the Act, its regulations and the current edition of the Home Office revised guidance issued under section 182 of the Licensing Act 2003.

Consultation

- 1.5 We are required by the Act to consult the following groups of people:
- Chief Officer of police for the area;
 - Chief Officer of fire & rescue service for the area;
 - each Local Health Board for an area any part of which is within the district of North West Leicestershire;
 - each local authority in England whose public health functions within the meaning of the National Health Service Act 2006 are exercisable in respect of an area any part of which is within the district of North West Leicestershire;
 - Persons/bodies representative of local holders of premises licences;
 - Persons/bodies representative of local holders of club premises certificates;
 - Persons/bodies representative of local holders of personal licences;
 - Persons/bodies representative of local holders of businesses and residents in its area.
- 1.6 In preparing the assessment a consultation process was carried out between June 2021 and September 2021 which included those bodies/groups listed at paragraph 1.5. Comments received during that consultation were then considered and used to form this assessment and paragraph 10 of the statement of licensing policy.

Part 2

The Assessment

- 2.1 The district of North West Leicestershire is home to a number of popular restaurants, bars, night clubs and late-night refreshment venues.
- 2.2 The council encourages the development of a variety of premises providing a range of licensed activities catering for a wide range of users. This is reflected in Ashby de la Zouch town centre having received a purple flag award.
- 2.3 The assessment relates to all types of licensed premises carrying on licensable activities within a specified part of Ashby de la Zouch town centre known as the cumulative impact zone (CIZ), including the sale of alcohol for consumption on or off the premises (or both), the provision of late night refreshment and regulated entertainment. The assessment does not apply to Temporary Event Notices (TENs); however the evidence upon which the assessment is based may be used by the relevant responsible authorities when submitting objections to TENs.
- 2.4 The council considers that within the CIZ, the number of premises licences and/or club premises certificates are such that it is likely that granting further premises licences and/or club premises certificates or variations to existing premises licences and/or club premises certificates would be inconsistent with its duty to promote the licensing objectives.
- 2.5 Although this assessment provides an evidential basis for applications within the CIZ to be refused; it does not relieve responsible authorities or any other persons of the need to make a relevant representation. Each application will be considered on a case by case basis and applicants are expected to demonstrate why the operation of the premises would not add to the cumulative impact already being experienced. The assessment will never be used as a ground for revoking an existing licence or certificate.
- 2.6 The evidential basis for the assessment is set out in Part 3 below; Part 4 includes a map of the CIZ identified by the assessment.
- 2.7 This assessment shall be kept under review and changes may be made in relation to local circumstances, the Licensing Act 2003, associated regulations or statutory guidance and national legislation.
- 2.8 Below is a list of licensed premises within the CIZ. The list identifies the premises type and the terminal hour.

PREMISES	TYPE OF PREMISES	TERMINAL HOUR
Bulls Head Market Street	Public House	Monday to Sunday - 07.00am until 01.30 the following morning
White Hart Market Street	Public House	Monday to Thursday - 09.00am until 00.30 the following morning Friday and Saturday - 09.00am until 02.30 the following morning Sunday - 09.00am until 00.30 the following morning
Manhattans Market Street	Club	Monday and Tuesday - 9.00am until 00.00 Wednesday and Thursday - 9.00am until 02.00 the following morning

		Friday and Saturday - 09.00am until 3.30 the following morning
Lamb Inn Market Street	Public House	Monday to Wednesday - 09.00am until 23.00 Thursday and Sunday - 09.00am until 00.30 the following morning Friday and Saturday - 09.00am until 01.30 the following morning
Bowling Green Inn Brook Street	Public House	Sunday to Thursday - 11.00am until 12.30 the following morning Friday and Saturday - 11.00 until 01.30am the following morning
Ashby Grill 78 Market Street	Take-Away/Late Night Refreshment	Sunday to Thursday - 23.00 until 01.00 the following morning Friday and Saturday - 23.00 until 02.30 the following morning
Queens Head Hotel and Ciro's Market Street	Club	Sunday to Thursday - 09.00am until 02.00 the following morning Friday and Saturday - 09.00am until 04.00 the following morning
Tap at 76 Market Street	Public House	Monday to Saturday - 12.00 noon until 00.30 Sundays - 12.00 noon until 23.30
Marranellos Wine Bar Rushtons Yard	Wine Bar/Public House	Monday to Thursday - 10.00am until 00.00 Friday and Saturday - 10.00am until 01.00 the following morning Sunday - 10.00am until 00.00
The Monkey Tree Mill Lane Mews, Ashby	Public House/ Restaurant	Monday to Saturday - 10.00am until 00.00 Sunday - 12.00 to 22.30
Cocktail Bar Rushtons Yard	Bar/Public House	Sunday to Thursday - 09.00am until 00.00 Friday and Saturday - 09.00am until 01.00 the following morning
Central England Co-operative Market Street	Off sales	Monday to Sunday - 07.00am until 22.30
Supernews Off Licence Market Street	Off sales	Every day - 05.00am until 21.00
Lyric Rooms Lower Church Street	Restaurant/function rooms	Monday to Sunday - 10.00am until 01.00 the following morning

Venture Theatre North Street	Theatre licensed for alcohol sales and entertainment	No time restrictions
Taste Of Thai Cuisine 84/86 Market Street	Restaurant with on/off sales	Monday to Sunday - 10.00am until 00.00 Sunday - 12.00 noon until 23.30
De La Zouch Bangladeshi Cuisine 88 Market Street	Restaurant with on/off sales	Monday to Saturday - 10.00am until 23.00 Sunday - 12.00 noon until 22.30
Zamanis Restaurant and Pizza Base Rushtons Yard Market Street	Restaurant with on/off sales	Monday to Saturday - 10.00am until 00.00 Sunday - 12.00 noon until 22.30
Little India 77 Market Street	Restaurant with on sales	Monday to Thursday - 11.00am until 00.00 Friday to Sunday - 11.00am until 00.30 the following morning
Wong Kwei Restaurant 9 Bath Street	Restaurant with on/off sales	Monday to Saturday - 10.00am until 00.00 Sunday - 12.00 noon until 23.30
C K House 100a Market Street	Late Night Refreshment	Monday to Sunday – 23.00 until 00.00
Rumblin Tums Market Street	Late Night Refreshments	Friday and Saturday – 23.00 until 03:00 the following morning

Part 3

Historical context

- 3.1 The cumulative impact assessment relating to Ashby de la Zouch town centre was introduced in November 2005 following a rise in alcohol related crime in and around Market Street, Ashby de la Zouch.
- 3.2 Statistical information provided by Leicestershire police showed a dramatic rise in assaults in Market Street Ashby de la Zouch prior to November 2005 when the cumulative impact zone was created.

3.3 Current Evidential Basis

Crime data relating to the night-time economy (20:00 to 08:00) in Ashby De La Zouch town centre 2002 to 2012

Crime / Year	8Nov02 to 7Nov03	8Nov03 to 7Nov04	8Nov04 to 7Nov05	8Nov 05 to 7Nov 06	8Nov06 to 7Nov07	8Nov07 to 7Nov08	8Nov08 to 7Nov09	8Nov09 to 7Nov10	8Nov10 to 7Nov11	8Nov11 to 7Nov12
Assault	56	81	87	78	77	61	55	45	68	44
Public order	4	6	9	4	6	8	4	0	5	3
Criminal damage	22	12	10	18	18	17	8	12	11	9
Total	82	99	106	100	101	86	67	57	84	56

Crime data relating to the night-time economy (20:00 to 08:00) in Ashby De La Zouch town centre 2012 to 2021

Crime / Year	2013	2014	2015	2016	2017	2018	2019	2020	<u>2021 (to 30 September)</u>
Assault	31	35	22	38	41	44	47	13	42
Public order	21	14	14	17	10	17	12	8	25
Criminal damage	3	9	3	4	5	4	2	0	11
Drunk and disorderly	0	0	0	0	2	1	3	0	0
Offensive weapon	0	1	0	1	0	0	1	0	1
Sexual offence	0	1	3	0	0	0	0	1	2
Robbery	NA	1							
Drugs	NA	1	1	1	0	0	0	2	5
Total	55	61	43	61	58	66	65	24	87

NA – data not available

Crime Data relating to the day-time economy (05:00 to 20:00) in Ashby de la Zouch town centre

Crime / Year	2018	2019	2020	2021*
Assault	5	3	4	4
Public Order	5	3	6	2
Criminal Damage	4	2	1	2
Drunk and disorderly	-	-	-	1
Offensive Weapon	1	2	-	-
Sexual offence	1		2	2
Robbery	-	-	-	-
Drugs	2	4	3	-
Total	18	14	16	11

* January - September only

Crime data relating to the night-time economy in Coalville town centre (20:00 – 08:00)

Crime / Year	2018	2019	2020	2021*
Assault	32	25	26	15
Public Order	11	11	13	7
Criminal Damage	13	20	15	8
Drunk and disorderly	-	-	-	-
Offensive Weapon	2	-	-	-
Sexual offence	1	2	-	4
Robbery	1	-		1
Drugs	2	2	3	7
Total	62	60	57	42

* January - September only

3.4 Conclusion

The vast majority of crimes in Ashby De La Zouch town centre continue to take place during the night-time economy.

The Covid-19 pandemic impacted upon the crime data for years 2020 and 2021. Lower crimes were reported in 2020 as the late night economy was subject to government closures and tier restrictions. When the businesses were permitted to

reopen and as legal restrictions were removed the number of reported crimes began to increase.

The total number of reported crimes in 2021 is at its highest level since 2006/2007 and, are projected to be the highest since the commencement of the cumulative impact assessment in 2005.

With the exception of years 2020/21 (pandemic and immediate post pandemic recovery), the analysis of the crime data indicates that the number of reported crimes has remained stable since 2012.

Crime data relating to Coalville town centre has been included to provide additional context to the data relating to Ashby De La Zouch. It is important to note that the Coalville data relates to a larger geographical area than Ashby with a higher population. That said it can be noted that recorded crime relating to assaults, public order and drunk and disorderly are lower than in Ashby De La Zouch town centre.

No statutory consultee comments referenced the need to amend the geographical area of the CIZ or amend the operating times requiring control from 8pm to 6am.

It is considered that the statistical data evidenced above together with a written statement from Leicestershire Police supports the retention of the cumulative impact assessment in Ashby De La Zouch town centre.

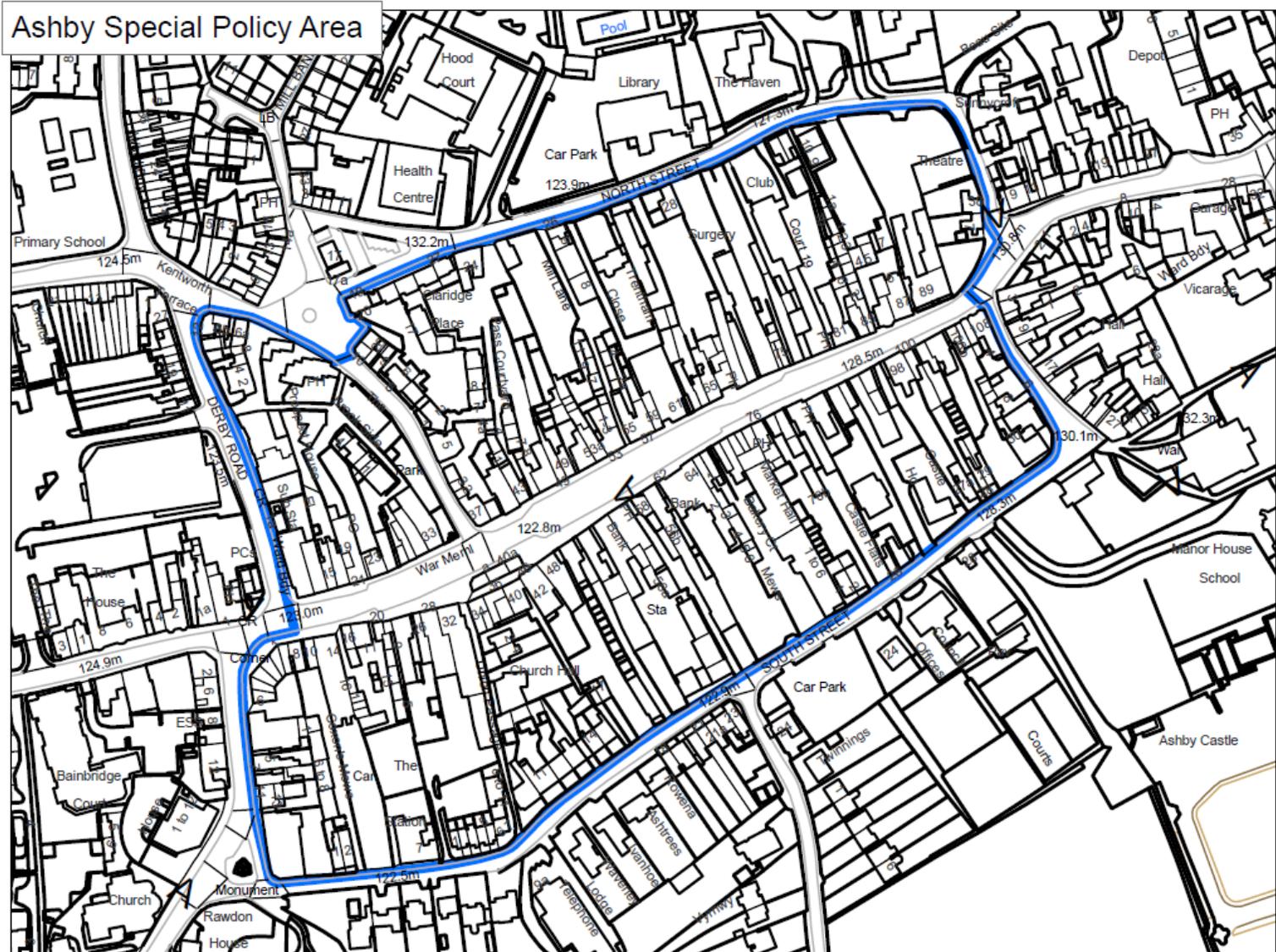
Part 4

Below is a map showing the cumulative impact zone.



1:2,500

Ashby Special Policy Area



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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
COUNCIL – THURSDAY, 24 FEBRUARY 2022



Title of Report	PAY POLICY STATEMENT 2022/23	
Presented by	Councillor Robert Ashman Deputy Leader	
Background Papers	Held in room 125 of the Council Offices and on the I-Trent HR/Payroll system. Some of the papers are confidential because they relate to individual employees	Public Report: Yes
Financial Implications	No additional financial implications.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The Council is required to produce a pay policy statement in line with Section 38 of the Localism Act 2011.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	This report relates to the pay and remuneration arrangements for the Council's most senior employees.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	The Council is required by the Localism Act 2011 to prepare and approve a pay policy statement in respect of each financial year before the commencement of that financial year. This report has been produced to provide the relevant information in accordance with the relevant provisions of the Act.	
Recommendation	THAT THE COUNCIL APPROVES THE PAY POLICY STATEMENT 2022/23 AS ATTACHED AT APPENDIX 1 OF THIS REPORT.	

1.0 BACKGROUND

- 1.0 Under Section 38 of the Localism Act 2011, the Council is required to produce a Pay Policy Statement for each financial year, which must be approved by full Council before the beginning of the financial year to which it relates.

- 1.1 The Statement must set out the Council's policies in relation to:
- Senior Officers
 - Its lowest paid employees; and
 - The relationship between the pay of Senior Officers and the pay of other employees
- 1.3 For the purposes of this statement 'pay' includes basic salary, bonuses and all other allowances arising from employment.
- 1.4 The proposed pay policy statement attached sets out the Council's policy and explains the processes that apply to performance management and assessment. The Policy Statement also details the other benefits payable to Senior Officers and the approach to the engagement of Interim Senior Officers who may be in receipt of a previous public sector pension.
- 1.5 In accordance with the requirements of the Localism Act 2011, the statement details the Council's pay multiple, which is the relationship between the median average pay of the Council's workforce compared to the salary of the most Senior Officer (the Chief Executive).
- 2.0 **CHANGES**
- 2.1 The following changes are worthy of mention in this year's Pay Policy Statement: -
- The senior management structure of the Council comprises a Chief Executive, two Strategic Directors and eight Heads of Service. A further Head of Service, the Joint Strategic Planning manager, although employed by this Council is a shared funded post with other Leicestershire and Rutland partner Councils.
 - The Head of Customer Services left the Council in June 2021 and has not been directly replaced. The permanent Head of Finance left at the end of January 2022, and the Interim Head of Finance (maternity cover) will leave at the end of March 2022. The restructured role of Head of Finance and Customer services was advertised in late 2021 and at the time of writing this report the final selection stage has taken place as a consideration by the Appointments Committee in February 2022 and an offer of employment has been made to the successful applicant.
 - (Paragraph 3.5) Cost of living pay increases are determined under national consultative arrangements. The cost of living pay increase for 2021/22 had not been determined at the time this report was prepared (February 2022.) for the majority of the Councils employees. However, pay agreements have been concluded at 1.5% (decided at national level) for the officers covered by this statement.
 - (Paragraph 5.2). The pension discretions applicable to all employees including Senior Officers were reviewed and updated in September 2018.
 - (Paragraph 6.0) The professional fees policy for all employees was revised and updated in accordance with an audit report recommendation. The Council will now pay the professional fees for any officer where it is a requirement for their specific job role

- (Paragraph 11.2). The Council agreed to adopt the “Voluntary Living Wage” from 1st April 2014. The Living Wage rate changed to £18,713 per annum (£9.90 per hour) in November 2021.
- Paragraph 11.3 The median average pay of the Council’s workforce in February 2022 (including overtime payments) was £25,481 which, when compared to the salary of the most highly paid Senior Officer at £131,570 per annum, produces a pay multiple factor of 5.24. The ratio has increased slightly from last year when the ratio was 5.16 – but this is attributable to the pay award increase that has been applied to the Chief Executive’s pay - while the pay award for other employees has not been agreed. If this pay award is not applied the factor is the same as the previous year.

Policies and other considerations, as appropriate	
Council Priorities:	No specific links to Council priorities.
Policy Considerations:	The Council’s Pensions Discretions Policy and Employment Stability Policy are relevant.
Safeguarding:	No specific considerations
Equalities/Diversity:	No specific considerations
Customer Impact:	No direct impacts
Economic and Social Impact:	Not applicable
Environment and Climate Change:	No direct impacts
Consultation/Community Engagement:	A copy of the report has been provided to the local trade unions and to the employees in the job roles detailed in the report.
Risks:	No specific risks
Officer Contact	<p>Bev Smith Chief Executive and Head of Paid Service bev.smith@nwleicestershire.gov.uk</p> <p>Mike Murphy Head of Human Resources and organisation development. mike.murphy@nwleicestershire.gov.uk</p>

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

Pay Policy Statement 2022/23

1.0 Introduction

1.1 This Statement sets out the Council's policies in relation to the pay of its workforce, particularly its Senior Officers, in line with Section 38 of the Localism Act 2011. In accordance with that Act, the Statement is required to be approved by Full Council each year. The statement will be published on the Council's website. The Council is committed to an open and transparent approach to the pay and benefits that apply to its workforce.

1.2 This Statement sets out the Council's policies relating to the payment of the workforce particularly:

- Senior Officers
- Its lowest paid employees; and
- The relationship between the pay of Senior Officers and the pay of other employees

1.3 For the purposes of this statement 'pay' includes basic salary, bonuses and all other allowances arising from employment.

2.0 Objectives of this Statement

2.1 This Statement sets out the Council's key policy principles in relation to pay. The Council has employment law and contractual responsibilities in relation to the pay and benefits of its existing employees and these have been considered when formulating the Statement.

2.2 This Statement aims to ensure the Council's approach to pay and benefits attracts and retains a high performing workforce whilst ensuring value for money. It sits alongside the information on pay that the Council already publishes as part of its responsibilities under the Code of Practice for Local Authorities on Data Transparency.

3.0 Basic Salaries of Senior Officers

3.1 From a legal perspective, for the purposes of this Statement Senior Officers are defined as those posts paid on Chief Executive or Chief Officer conditions of service.

3.2 In North West Leicestershire District Council eleven posts are engaged under Chief Executive or Chief Officer terms and conditions of service. The Council has three relevant salary bandings – the Chief Executive Band, which applies to one post, a

Director Band which applies to two posts, and a Head of Service Band which applies to eight posts.

- 3.3 The following posts are determined to be statutory, Chief or Deputy Chief Officer posts in the Council: -

Chief Executive (Head of Paid Service and Returning Officer)
Strategic Directors – (2)
Head of Legal and Commercial Services (Monitoring Officer)
Head of Finance and Customer Services (S151 Officer)
Head of Human Resources and Organisation Development
Head of Housing
Head of Planning and Infrastructure
Head of Community Services
Head of Regeneration and Property
Joint Strategic Planning Manager (Jointly funded Partnership post, but an employee of North West Leicestershire District Council)

There have been changes to the senior team during 2021/22 – the former Head of Customer Services left the role in June 2021. The permanent Head of Finance left at the end of January 2022, and the interim (maternity cover) Head of Finance will leave in March 2022. The restructured role of Head of Finance and Customer services was advertised in late 2021 and at the time of writing this Statement the final selection stage took place at the Appointments Committee in February 2022, and an offer of appointment has been made to the successful applicant.

A temporary honorarium applied to the post of Environmental Team Manager during 2020/21 to support the work of managing the COVID-19 pandemic. This was approved by the Chief Executive and this has meant that this post was paid at Head of Service level during 2021/22.

- 3.4 It should also be noted for completeness that two other posts at Service Manager Level are Deputy Chief Officers within the definition applied to the Council's Constitution because of their functions within the Council as Deputy Monitoring Officer and Deputy Finance Officer. Their information has not been included within this statement because they are not engaged on Chief Officer terms and conditions of service.
- 3.5 The Heads of Service are all located within a salary range £58,630 to £68,323 (9 incremental points), The Director salary range is £80,587 to £90,303 (6 incremental points) and the Chief Executive Salary range is £124,737 to £133,544 (4 incremental points). The cost-of-living increase for the 2021/22 financial year has been agreed for the Chief Executive pay band and the Chief Officers but there was no agreement on pay increases for other employees (negotiated at national level across Local Government) at the time this Statement was written.
- 3.6 The salaries of all Senior Officers have been set previously by formal meetings of elected members. The Chief Executive's salary level was reviewed as part of the decision to replace the post in 2017.
- 3.7 A member review of the salaries of the Heads of Service last took place in 2011. The Directors and Heads of Service are all subject to an annual appraisal process and are required to report on their progress against the Council Delivery Plan and

performance indicators to the Corporate and Community Scrutiny Committees and Cabinet on a quarterly basis.

- 3.8 Increments for all employees including Senior Officers are paid on an annual basis until the maximum of the scale is reached. The Chief Executive, or her nominated representative, has the discretion to award and withhold increments of officers' dependant on satisfactory or unsatisfactory performance.

4.0 Car Allowance payments made to Senior Officers.

- 4.1 It is a requirement of the contracts of all Senior Officers that they be on a call-out rota to be available for Service Emergencies or to act in the event of a civil, local, or national emergency. The rota offers 24/7 365 days a year cover.
- 4.2 Due to the need to respond to emergencies out-of-hours and being on-call, Senior Officers have either a Car Lease or car allowance.
- 4.3 The annual car leasing value to Senior Officers varies depending on the year renewal date of their vehicle and the relative value of "benchmark" vehicles in the Car Leasing scheme, which change from time to time. The actual current Council contributions range between £3,100 and £3,939 per annum (for the Senior Officers in this Statement).
- 4.4 All Officers who are provided with a lease car are tied to a 4-year contract, with penalties payable if they terminate the contract prematurely. Officers are responsible for their own car insurance and petrol / diesel costs. If Officers with a lease car use the car for business mileage, they are reimbursed at 16.6p per mile. This rate is reviewed periodically by reference to the National Conditions of Service petrol element. This mileage rate has not changed during the 2020/21 financial year.

5.0 Local Government Pension Scheme

- 5.1 All Council employees may join the Local Government Pension Scheme. The Scheme is a statutory scheme with contributions from employees and from employers. For more comprehensive details of the local government pension scheme see:

<http://www.lgps.org.uk/>

- 5.2 Neither the Scheme nor the Council adopt different policies regarding benefits for any category of employee and the same terms apply to all staff. The Council policies relating to pension discretions were reviewed and updated in a report to Council in September 2018. The reviewed discretions apply to all employees (and former employees) in the workforce equally. The Council will consider each case on its merits. There is no scope for the discretions to be applied more favourably to Senior Officers.
- 5.3 The Local Government Pension Scheme is an optional benefit. If senior officers are members of the scheme the employee contribution rates range between 8.5% and 11.4%.

6.0 Professional Fees

- 6.1 The Council reimburses the cost of professional fees for Senior and other Officers where it is essential to the performance of the job role.

7.0 Election fees

- 7.1 In accordance with the national agreement the Chief Executive is entitled to receive and retain the personal fees arising from performing the duties of returning officer, acting returning officer, deputy returning officer or deputy acting returning officer and similar positions which he or she completes.
- 7.2 Fees for returning officer and other electoral duties are identified and paid separately for local government elections, elections to the UK Parliament and other electoral processes such as referenda. As these relate to performance and delivery of specific elections duties, they are distinct from the process for the determination of pay for Senior Officers. The fees are set externally by legislation and based on a formula linked to the number of electors.

8.0 Employment Stability Policy

- 8.1 The Council has previously determined that its “Employment Stability Scheme” will apply to all employees of the Council including Senior Officers. The Employment Stability Policy provides that actual weekly pay will be used when calculating an employee’s redundancy payment and the number of redundancy weeks payable is the statutory number of weeks redundancy multiplied by a factor of 1.5. This means that the maximum number of weeks payable, depending on age and service, is 45. The National Local Government Pension Scheme Regulations provide those employees aged over 55 years of age gain automatic payment of their pension if they are made redundant by the Council and there can then be an associated pension Capital cost payable by the Council.
- 8.2 The Employment Stability Policy also includes the potential for any employee (including Senior Officers) who is at risk of being made redundant to receive salary protection for 3 years on a stand-still basis if they are redeployed to a lower graded post. It should be noted that in practice, this is a very rare occurrence.

9.0 Whole-time service

- 9.1 All Senior Officers are expected to devote the whole of their service to the Authority and are excluded from taking up additional business, ad hoc services, or additional appointments without consent. Officers at a senior level are restricted from being involved in specified political activities, and all employees of the Council are bound by a code of conduct. Senior Officers are expected to work the hours required to complete the job, subject to a minimum of 36.25 hours per week. No additional payments are normally made for out-of-hours working, and there is an expectation that Senior Officer Roles will include on-call and out-of-hours meetings and duties. The hybrid working scheme introduced across the Council in December 2021 applies to Senior Officers.

10.0 Other benefits.

- 10.1 A number of the Senior Officers' terms and conditions of Service are determined at National level according to the following frameworks:

National Joint Council for Chief Executives Conditions of Service
National Joint Council for Chief Officers Conditions of Service

These frameworks provide the details of conditions of service such as annual leave, sick pay, maternity allowances, training, and development etc.

11.0 Pay Relationships

- 11.1 The Localism Act 2011 requires the Council to set out its policy relating to the relationship between the pay of its Senior Officers and the pay of the rest of its employees. The Council has not previously set its pay structure of any group of employees by reference to a pay multiple. The Council has previously set the pay rates for different groups through processes of job evaluation, market comparability and the prevailing economic and market conditions. These can vary enormously from time to time and between the many occupational groups comprising the Council's workforce.

- 11.2. Pay of the Council's Lowest Paid Employees

The Council has defined its lowest paid employees as those on the lowest pay grade the Council operates, who are not undergoing an apprenticeship. The Council agreed to pay the "Voluntary Living Wage" rate as a minimum wage figure in April 2014, and this rate was updated in November 2021 to £18,713 per annum.

- 11.3 The Localism Act requires Councils to calculate the pay multiples between the highest and lowest earners. The median average pay of the Council's workforce in February 2022 (including overtime payments) was £25,481 which, when compared to the salary of the most highly paid Senior Officer at £131,570 per annum, produces a pay multiple factor of 5.24. The ratio has increased slightly from last year when the ratio was 5.16 – but this is attributable to the pay award increase that has been applied to the Chief Executive's pay - while the pay award for other employees has not been agreed. If this pay award is not applied the factor is the same as the previous year.

12.0 Approach to pensioners and Interim Managers.

- 12.1 The Localism Act requires an explanation of the Council's policy in relation to the arrangements that might apply where it could appear that the public sector is paying an individual twice through a salary and a pension for doing the same job. This Council's view is that it is not good value for money for the taxpayer to make a person redundant (and pay a pension if they are aged 55 years and over) for them to then return to the same job. The Council will not condone this approach. However, it should be noted that there may be circumstances where the Council may employ individuals who are in receipt of a public sector pension for new roles where they are the best person for the job. An example of this may be the employment of ex-services or "blue-light" personnel, to a different role in this Council. There might be risks of age or disability claims if the Council was to adopt a contrary position.
- 12.2 The Council has used Interim Managers to fill short-term vacancies or to undertake specific projects where there are capacity issues, or a shortage of a particular skill set within the Council's own workforce. This may mean that the Council could engage Interim Managers who are in receipt of a public sector pension from other previous employment where an appropriate assessment has been completed on the value-for-money of the proposed arrangement for the Council. Such assessments will be completed by the Head of the Paid Service in consultation with the Leader of the Council.

13.0 Review and Changes

The Council will review this Statement annually, or if amendments need to be made before the date of the scheduled review, in year to Full Council. Any significant amendments or changes to the legislation which may affect the pay and benefits of Senior Officers will be determined according to the Council's constitution or legislation by the relevant Committee / Panel / Council meeting.

End.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
 COUNCIL – THURSDAY, 24 FEBRUARY 2022



Title of Report	GENDER PAY GAP REPORT 2021	
Presented by	Councillor Robert Ashman Deputy Leader	
Background Papers	Held in room 125 of the Council Offices and on the I-Trent HR/Payroll system. Some of the papers are confidential because they relate to individual employees	Public Report: Yes
Financial Implications	No additional financial implications.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	This report is in line with the requirements of S78 Equality Act 2010	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no direct implications	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	The Council is required by the Equality Act 2010 (section 78) to publish gender pay gap information, by reporting the percentage differences in pay between male and female employees. This report has been produced to provide the relevant information in accordance with the provisions of the Act.	
Recommendation	THAT THE REPORT BE NOTED.	

1.0 BACKGROUND

- 1.1 Under Section 78 of the Equality Act 2010, the Council is required to publish and report percentage differences in pay between its male and female employees. The figures are based on specific reference date (snapshot date) on **31st March 2021**.
- 1.2 The following information must be published on the Council's website and will also be reported to and published by central government.
- **Mean Gender Pay Gap** – The mean pay gap is the difference between average hourly earnings of men and women.
 - **Median Gender Pay Gap** – The median pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women. It takes all salaries in the sample, lines them up in order from lowest to highest, and picks the middlemost salary.

- **Mean bonus Gender Pay Gap** - The difference between the mean bonus pay paid to male employees and that paid female employees
- **Median bonus Gender Pay Gap** – The difference between the median bonus pay paid to male employees and that paid to female employees
- **Proportion of males and females receiving a bonus payment** – The proportion of male and female employees who were paid bonus pay during the period
- **Proportion of males and females in each pay quartile** – The proportion of male and female full-pay employees in the lower, lower middle, upper middle and upper quartile pay bands.

1.3 The Gender pay gap is a measure of the difference between men’s and women’s average earnings across the organisation. This is different to the Equal Pay reporting, which aims to ensure that men and women are not paid differently for doing the same or similar work. The intention behind gender pay gap reporting is to increase transparency of the differences in pay between men and women in the workplace with the aim of closing the gender pay gap.

2.0 RESULTS

2.1 A summary of this Councils results is as follows.

- **Mean Gender Pay Gap** – The females mean hourly rate was 2.79% lower than males on the 31/03/2021.
- **Median Gender Pay Gap** – The females’ median pay hourly rate was 1.26% lower than males on the 31/03/2021.

	Mean (%)	Median (%)
2017	5.3	11.28
2018	1.91	4.44
2019	1.45	3.2
2020	4.13	5.8
2021	2.79	1.26

The table shows the changes to the mean and median pay gaps for the Council over a 5-year period. After a period of decline in the pay gaps over the 3-year period between 2017 and 2019 inclusive, and a rise in 2020 the rates have declined for the data calculated at 31/03/2021.

It is important to emphasise the gender pay data is calculated at a moment in time, so is a snapshot.

- **Mean bonus Gender Pay Gap** - Not applicable
- **Median bonus Gender Pay Gap** - Not applicable
- **Proportion of males and females receiving a bonus payment** – Not applicable
- **Proportion of males and females in each pay quartile**

2.2 Gender pay analysis

Quartile	2021		2020	
	Male (%)	Female (%)	Male (%)	Female (%)
Lower	62	38	59	41
Lower Middle	40	60	36	64
Upper Middle	58	42	55	45
Upper	52	48	56	44

- Ratio of females in the Lower quartile has decreased by 3%. This is due to a reduction in ratio of females to males in Grades B, C and D.
- The ratio of males in Lower Middle quartile has increased from 36% to 40%, due to the reduction in ratio of females in Grade D and increase in the operative's headcount all of whom are male.
- Last year we reported a reduction in percentage of females in Grades G (-13%) and H (-23%), however in 2021 the results are reversed, there is a 10% increase in percentage of females Grades G and I and a 4% increase for band I. These small changes have resulted in the adjustment to Upper quartile.
- Sports Instructors and Coaches, paid at grade G and H, were in majority female.

It is important to note that all our job roles are subject to job evaluation processes, which determine the pay grade for the job based on knowledge, skill, and responsibility levels. Therefore, while acknowledging there is a gender pay gap, we are confident that men and women are paid equally for doing the equivalent jobs across the council.

3.0 ANALYSIS

- 3.1 While we are confident that men and women are paid equally for doing equivalent jobs across the Council, the main reason for the organisation-wide gender pay gap is an imbalance of male and female employees across the Council in particular occupational areas where there has been an historic societal gender bias. The analysis has shown that there continues to be a disproportionately high number of women (72%) paid at Grade A (see Appendix 1) – the overall gender pay gap would have been greater if the council had not committed to the voluntary living wage. However, it is encouraging that the mean and median averages are lower and have moved in the right direction overall.
- 3.2 We accept that the ideal position would be no gender pay gap, and part of the rationale for publishing the data is to understand where we are and how we compare to other organisations. In measuring the data, we can monitor any changes that might occur from year to year.
- 3.3 We are not complacent about reducing the difference and we already have a number of measures in place to support female employees:

- We introduced the voluntary Living wage in 2014, which had a significant impact on the (largely female) employees engaged in part-time roles in the lower pay scales. This increased to £9.90 per hour in November 2021.
- We provide options for flexible working policies for all employees across the Council wherever possible. Since the COVID-19 pandemic lockdowns, we have moved a significant number of employees to work predominantly from home, and this has enabled employees' flexibility to work non-traditional work patterns to manage childcare, home schooling etc. while being more flexible about their working hours. Our hybrid working scheme was formally introduced in September 2021.
- The COVID-19 pandemic continued to have an impact on the composition of the workforce during the past year, but with the recent easing of restrictions we anticipate recruitment, development, and turnover to return to a pre-pandemic situation.
- We offer enhanced (national conditions of service) maternity and paternity schemes to support parents to facilitate returns more easily after the birth or adoption of a child.
- We have in place a scheme that allows employees to buy additional (unpaid) leave to facilitate more flexibility around caring responsibilities.
- We have allowed employees to move into a flexible retirement situation where they reduce their hours of work and access part of their pension - in some instances this also has the benefit of then creating a part-time development opportunity for other employees in the workforce.

3.4 Our future plans will involve further consideration of how we might further support female employees with their career development, and to provide the conditions to support them during times of maternity absence, childcare, or elderly caring responsibilities in the post "living with COVID" period.

Policies and other considerations, as appropriate	
Council Priorities:	No specific links to Council priorities.
Policy Considerations:	Links to the Equality and Diversity policy
Safeguarding:	No specific considerations.
Equalities/Diversity:	Detailed in the report.
Customer Impact:	No direct impacts
Economic and Social Impact:	Not applicable.
Environment and Climate Change:	No direct impacts.
Consultation/Community Engagement:	A copy of the report has been provided to the local trade unions.
Risks:	No specific risks.
Officer Contact	Bev Smith Chief Executive bev.smith@nwleicestershire.gov.uk Mike Murphy Head of Human Resources and Organisation Development mike.murphy@nwleicestershire.gov.uk

Appendix 1

Split of males and females in each pay grade.

Grade	Female (%)	Male (%)
APPRENTICES-Spinal column point 4	75	25
CRAFT APPRENTICES	0	100
A	72	28
B	28	72
C	62	38
D	41	59
BRICKLAYER-Painter- Level 2	0	100
Carpenter	0	100
ELECTRICIAN-Electrician- Level 2	0	100
Plumber	0	100
E	64	36
F	48	52
G	43	57
H	64	36
I	38	62
HOS	25	75
Director	0	100
CEO	100	0
Coach	64	36

Policies and other considerations, as appropriate	
Council Priorities:	No specific links to Council priorities.
Policy Considerations:	Links to the Equality and Diversity policy
Safeguarding:	No specific considerations.
Equalities/Diversity:	Detailed in the report.
Customer Impact:	No direct impacts
Economic and Social Impact:	Not applicable.

Environment and Climate Change:	No direct impacts.
Consultation/Community Engagement:	A copy of the report has been provided to the local trade unions.
Risks:	No specific risks.
Officer Contact	Bev Smith Chief Executive bev.smith@nwleicestershire.gov.uk Mike Murphy Head of Human Resources and Organisation Development mike.murphy@nwleicestershire.gov.uk

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
COUNCIL – THURSDAY, 24 FEBRUARY 2022



Title of Report	URGENT DECISIONS TAKEN BY CABINET	
Presented by	Councillor Richard Blunt Leader of the Council	
Background Papers	Council's Constitution Agenda for Cabinet on Tuesday, 11th January, 2022, Draft Budget & Council Tax and Appointment of Contractor Reports	Public Report: Yes
Financial Implications	Financial implications were taken into account by the Cabinet in reaching its decisions. Signed off by the Section 151 Officer: Yes	
Legal Implications	Legal implications were taken into account by the Cabinet in reaching the decisions. Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no staffing and corporate implications Signed off by the Head of Paid Service: Yes	
Purpose of Report	In accordance with the Council's Constitution, to formally report that the Cabinet has taken decisions, which are considered to be urgent and, if delayed, would be likely to cause serious prejudice to the Council's interests.	
Recommendations	THAT COUNCIL NOTES THE REPORT.	

1.0 BACKGROUND

- 1.1 As set out in Rule 13(g)(i) (call-in urgency) of Part 4.6 of the Council's Constitution, the call-in procedure may be suspended where a decision being taken by the Cabinet is urgent. A decision is considered urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests.
- 1.2 In all circumstances, the Chairman of the Council must agree that the decision is reasonable and must agree to the decision being treated as a matter of urgency.
- 1.3 Decisions taken as a matter of urgency must be recorded in the minutes and be reported to the next available meeting of the Council, together with the reasons for urgency.
- 1.4 Decisions that required the waiver of call-in are detailed at section 2 of the report.

2.0 WAIVER OF CALL-IN DECISIONS MADE BY CABINET

- 2.1 Two executive decisions were taken by Cabinet, where the Chairman of the Council agreed that any delay caused by call-in process would seriously prejudice the Council's or the public's interests.

- 2.2 A summary of each decision made is detailed below:-

3.0 DRAFT BUDGET AND COUNCIL TAX 2022/23 – TUESDAY, 11 JANUARY 2022

3.1 The Council is required to consult on its planned budgets every year. Due to the timing of Local Government Finance Settlement, Cabinet was not able to consider and the draft budget for consultation until 11 January 2022. In order to maximise the time allowed for the consultation, the Chairman agreed to waive the call in period. This enabled the consultation to start the day after Cabinet and run for two and a half weeks.

4.0 APPOINTMENT OF CONTRACTOR TO COMPLETE GREEN HOMES GRANT PHASE 1B EXTENSION WORKS TO 30 PROPERTIES – TUESDAY, 11 JANUARY 2022

4.1 On 11 January 2022, Cabinet received a report seeking approval to appoint a contractor to carry out council house improvement works to 30 of our most poorly performing homes in terms of their thermal efficiency. These works were to be part funded from an additional award of £150k of Green Homes Grant as part of the extension of Phase 1B of the grant funding programme, as we had successfully completed Phase 1B works to 56 properties. A condition of this additional award is that the works are required to be completed by April 2022.

4.2 The Chairman of the Council agreed to the waiver of call-in to allow the contractor appointment to proceed as swiftly as possible, to ensure that the improvement works could be delivered within the time period stipulated by the Governments Green Homes Grant funding conditions.

Policies and other considerations, as appropriate	
Council Priorities:	Supporting Coalville to be a more vibrant, family-friendly town Support for businesses and helping people into local jobs Developing a clean and green district Local people live in high quality, affordable homes Our communities are safe, healthy and connected
Policy Considerations:	As detailed on each report that was considered by
Safeguarding:	Not applicable
Equalities/Diversity:	Not applicable
Customer Impact:	Not applicable
Economic and Social Impact:	Not applicable.
Environment and Climate Change:	Not applicable
Consultation/Community Engagement:	Chairmen of the relevant Scrutiny Committees Chairman of the Council
Risks:	To comply with Special Urgency Rule 17 of Part 4.3 of the Council's Constitution, the decisions made by Cabinet are to be reported to Council and Rule 13 (call-in urgency) of Part 4.6 of the Council's Constitution that suspensions of Call-In in relation to urgent decisions made by Cabinet are to be reported to Council.
Officer Contact	Elizabeth Warhurst Head of Legal and Commercial Services elizabeth.warhurst@nwleicestershire.gov.uk



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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
COUNCIL – THURSDAY, 24 FEBRUARY 2022



Title of Report	CHIEF EXECUTIVE APPOINTMENT – INTERIM AND PERMANENT APPOINTMENTS	
Presented by	Councillor Richard Blunt Leader of the Council	
Background Papers	None.	Public Report: Yes
Financial Implications	<p>There are no direct financial implications arising out of this report. The costs of the interim Chief Executive will be met out of the existing budget for the post.</p> <p>The cost of recruiting is estimated to be £19,000 and will be funded by other underspends arising within the Council's budgets</p>	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	<p>Section 4 Local Government and Housing Act 1989 requires every Council to designate one of its officers as the Head of Paid Service.</p> <p>The Constitution reserves the appointment of the Head of Paid Service and Returning Officer to Council. The Appointments Committee interviews candidates for the post of Chief Executive and makes a recommendation to Council.</p>	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	<p>It is necessary to fill the role of Chief Executive to ensure that the organisation has the necessary leadership capacity.</p> <p>There is likely to be a gap between the departure of the current Chief Executive and the incoming Chief Executive which necessitates that interim arrangements be put in place.</p>	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To ask Council to note the arrangements for the appointment of the permanent Chief Executive and to delegate the authority for the appointment of the interim Chief Executive to the current incumbent in consultation with the Appointments Committee.	
Recommendations	<p>THAT COUNCIL:</p> <p>1. NOTE THE PROCESS AND TIMELINE FOR THE APPOINTMENT OF THE NEW PERMANENT CHIEF EXECUTIVE</p>	

	<p>2. NOTE THE PROCESS AND TIMELINE FOR THE APPOINTMENT OF AN INTERIM CHIEF EXECUTIVE AND DELEGATE THE AUTHORITY TO MAKE THAT APPOINTMENT TO THE CURRENT CHIEF EXECUTIVE IN CONSULTATION WITH THE APPOINTMENTS COMMITTEE</p> <p>3. AGREES THAT THE POST OF INTERIM CHIEF EXECUTIVE BE DESIGNATED AS THE HEAD OF PAID SERVICE, RETURNING OFFICER AND ELECTORAL REGISTRATION OFFICER</p>
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1.0 BACKGROUND

- 1.1 The Chief Executive, Bev Smith, resigned her position as Chief Executive of the Council on 26 January 2022 and will leave the employment of the Council on 30 April 2022. It is necessary to commence the process for the appointment of a new Chief Executive promptly to minimise the gap between the current Chief Executive leaving office and the new Chief Executive taking up the role. This also enables Ms Smith to develop and oversee the recruitment process with the external executive search agency.
- 1.2 However, given the process and likely employment notice periods of the successful candidate, it is likely that there will be a gap between Mrs Smith's departure and the new Chief Executive starting work. In consultation with the Leader, it has been agreed that an interim appointment to the post should be made to ensure that the organisation has sufficient leadership capacity over the coming months.
- 1.3 In terms of the permanent appointment, the Appointments Committee is responsible for interviewing candidates and making a recommendation on the preferred candidate to Council. Details of the process to be followed for the permanent appointment are set out later in this report.
- 1.4 In terms of the interim appointment, the constitution provides that the Chief Executive can make interim appointments to vacancies to Chief Officer posts for a period of less than 18 months. However, the constitution provides that the designation of Head of Paid Service and Returning Officer is a matter reserved to Council. The Chief Executive considered that it was appropriate to appraise Council of the plans for the appointment of an interim Chief Executive and seek a delegation to make that appointment as set out in recommendation 2.

2.0 PROCESS AND TIMELINE FOR THE APPOINTMENT OF THE PERMANENT CHIEF EXECUTIVE

- 2.1 The recruitment process and work of the executive search agency will be overseen by the Head of Human Resources and Organisational Development and the Chief Executive. Additional support will be provided by Mr Mitchell, Chief Executive of Charnwood Borough Council.

- 2.2 The recruitment process is likely to include
- A bespoke website and targeted proactive recruitment process to identify prospective candidates
 - Advertisement
 - Rigorous long listing process involving technical interviews and desk top exercises
 - Assessment centre days which will include exercises and focus group/partner panels.
 - Appointments Panel meeting with final shortlisted candidates

The indicative timeline is as follows:

Date	Process
17 February 2022	Recruitment process begins
21 March 2022	Closing date
22 April 2022	Appointments Panel meeting – interviews shortlisted candidates and considers the Chief Executive’s proposal for an interim appointment
10 May 2022	Annual Council – considers the recommendations from the Appointments Panel

3.0 PROCESS AND TIMELINE FOR THE APPOINTMENT OF THE INTERIM CHIEF EXECUTIVE

- 3.1 Without prejudice to the outcome of the interview process and recommendations of the Appointments Committee in concluding the appointment of the permanent Chief Executive, there is a possibility there will be a gap between the departure of the current chief executive and the start date of the new incumbent. To prepare for this possibility it is recommended the responsibility to appoint an interim chief executive be delegated to the current chief executive in consultation with the Appointments Committee. Further it is recommended that the post of interim chief executive be designated as the head of the paid service, returning officer and electoral registration officer.

Policies and other considerations, as appropriate	
Council Priorities:	NA
Policy Considerations:	The process outlined in this report complies with the legal and constitutional requirements.
Safeguarding:	NA
Equalities/Diversity:	Both processes will be conducted in line with our Equality and Diversity Policy
Customer Impact:	NA
Economic and Social Impact:	NA
Environment and Climate Change:	NA

Consultation/Community Engagement:	Key Stakeholders will be engaged in the appointments process for the new Chief Executive
Risks:	No specific risks
Officer Contact	<p>Bev Smith Chief Executive Bev.smith@nwleicestershire.gov.uk</p> <p>Mike Murphy Head of HR and OD Mike.murphy@nwleicestershire.gov.uk</p>