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

Time/Date 6.30 pm on THURSDAY, 22 FEBRUARY 2024  
Location Forest Room, Stenson House, London Road, Coalville, LE67 3FN  
Officer to contact Democratic Services (01530 454512)



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Chief Executive

**AGENDA**

Item	Pages
<b>PRAYERS</b>	
<b>1. APOLOGIES FOR ABSENCE</b>	
<b>2. DECLARATION OF INTERESTS</b>	
Under the Code of Conduct members are reminded that in declaring interests you should make clear the nature of that interest and whether it is a disclosable pecuniary interest, registerable interest or other interest	
<b>3. CHAIRMAN'S ANNOUNCEMENTS</b>	
<b>4. LEADER'S AND PORTFOLIO HOLDERS' ANNOUNCEMENTS</b>	
Members are reminded that under paragraph 11.1 of part 3 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.	
<b>5. QUESTION AND ANSWER SESSION</b>	
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 Support Services.

## 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 Support Services.

## 7. MOTIONS

To consider the following motion received from Councillor M Wyatt:

This Council notes:

Sky lanterns might look pretty but they are a serious danger to animals and the countryside, causing fires, injuring farm animals and creating significant litter problems.

Every year up to 200,000 sky lanterns are released in the UK.

In 2019, the NfU launched a campaign to urge people to email their council to ban sky lanterns on land it owns. To date 188 councils out of 333 have banned them in England and Wales. In January 2023, the NfU's petition reached more than 100,000 signatures as more members of the public became concerned with the harmful impact of sky lanterns. The petition remains open and NWLDC has received a request asking that it consider supporting the campaign.

I would like to propose a motion that this Council resolves to:

- a) Refuse permission for the release of any sky lanterns from any Council owned public open space.
- b) Require officers to introduce a condition of contract relating to outdoor events and organised functions on land or property owned and/or controlled by the District Council to prohibit the release of any sky lantern.
- c) To provide information on its website drawing attention to the harmful effects of sky lanterns on the environment and animals.

## 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 30 January 2024.

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## 10. ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES

Report of the Strategic Director (Resources)

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<b>Item</b>	<b>Pages</b>
<b>11. CAPITAL STRATEGY, TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS</b>	
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<b>12. GENERAL FUND BUDGET AND COUNCIL TAX 2024/25</b>	
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<b>13. HOUSING REVENUE ACCOUNT (HRA) BUDGET AND RENT SETTING 2024/25</b>	
Report of the Strategic Director (Resources)	<b>165 - 184</b>
<b>14. COUNCIL TAX RESOLUTION 2024/25</b>	
Report of the Strategic Director (Resources)	<b>185 - 194</b>
<b>15. STATEMENT OF ACCOUNTS 2021/22 AND 2022/23 UPDATE</b>	
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MINUTES of a meeting of the COUNCIL held in the Forest Room, Stenson House, London Road, Coalville, LE67 3FN on TUESDAY, 30 JANUARY 2024

Present: Councillor R L Morris (Chair)

Councillors K Horn, M Ball, D Bigby, M Blair-Park, R Blunt, R Boam, M Burke, R Canny, D Cooper, D Everitt, T Eynon, M French, J Geary, T Gillard, R Johnson, S Lambeth, P Lees, J Legrys, K Merrie MBE, A Morley, P Moulton, J Page, E Parle, G Rogers, N J Rushton, R Sutton, A C Saffell, C A Sewell, S Sheahan, J G Simmons, N Smith, A Wilson, J Windram, L Windram, A C Woodman and M B Wyatt

Officers: Mr J Arnold, Mr A Barton, Mrs C Hammond, Mr P Stone, Mrs A Thomas, Mrs R Wallace and Miss E Warhurst

## **56. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Barker.

## **57. DECLARATION OF INTERESTS**

There were no interests declared.

## **58. CHAIR'S ANNOUNCEMENTS**

The Chair drew Members attention to the commemorative candle burning in the centre of the Council Chamber to mark the recent Holocaust Memorial Day held on 27 January. Members were invited to join the Chair in standing and observing a one minute silence to remember all those who lost their lives during the Holocaust under Nazi Persecution and in the genocides which followed.

The Chair announced the death of ex councillor and former Chairman of the Council, Derek Howe who passed away earlier in the month. He had served as a Labour Councillor for the former Whitwick Ward for 42 years.

Several Members took the opportunity to say a few words in memory of Derek and spoke of his hard work and professionalism as a councillor. It was suggested and agreed that the plaque displayed at the old Council Offices in honour of the opening of the building by Derek when he was Chairman of the Council be presented to his family.

The Chair referred to the Remembrance Sunday Service last November and was pleased with the large attendance from all generations which was good to see.

The Chair reported on the Christmas shop front competition in Coalville and the high number of entries this year. Following conversations with the traders it was clear that they were enthusiastic about improving footfall in the town and the regeneration of the area was going well.

Under the Chair's initiative to celebrate the success of staff, he announced that he had recently presented the Chair's award to Karl Bassett who worked in the Economic Development Team.

The Chair informed Members of the annual Staff Star Awards held before Christmas to recognise staff achievements during the year. He announced that the Chair's award was this year presented to Clare Hammond, Democratic Services Team Manager.

Finally, the Chair announced the annual charity dinner event on 15 March 2024 and invited all to attend. He reported that it had been a very successful year of fundraising, and he would announce the amount raised so far at the next meeting.

## **59. LEADER'S AND PORTFOLIO HOLDERS' ANNOUNCEMENTS**

Councillor R Blunt, Leader of the Council, referred to the recent storms which had caused flooding issues in the District and highlighted the organisations working hard with the Council to support the residents affected. He emphasised the significance of the Council being aware of which houses had experienced flooding. This awareness enabled the Council to provide support and develop plans for future actions. It was reported that a debrief was planned to review what could be learnt following the recent storms. Members were urged to encourage residents to report to the Council if they have experienced flooding.

Councillor R Blunt also reported on the ongoing consultations, cross party discussions and public engagement on the draft budget proposals. He thanked people and organisations that had provided comments so far. It was confirmed that Cabinet would be considering the proposals the following evening.

Finally, Councillor R Blunt announced that further work would be undertaken to review the available options to improve the leisure provision in Ashby to ensure good facilities in the future.

Councillor A C Saffell, Planning Portfolio Holder, announced that the Council had successfully bid and received over £96,000 in government skills funding for the Planning and Development Team. This would enable an increase in skills in the team through six months of intensive support in the Urban Design Service, Conservation Service and validation process for planning applications creating a new technical support team.

Following a question from a Member, Councillor A C Saffell explained that the funding was not being used for the Planning Enforcement Team at this time as the team has recently been increased and a very experienced new team leader was now in post.

Councillor M B Wyatt, Community and Climate Change Portfolio Holder, announced the news that Hermitage FM and community café would be closing. He thanked Jon and Jan Sketchley for their hard work and dedication over the last 17 years in providing the community with the radio station and café and wished them a happy retirement. Several Members added their thanks for the service provided over the years and it was agreed to send a formal letter of thanks in recognition of their contribution to the community on behalf of the Council. Councillor R Blunt hoped that someone would take the opportunity to keep the service running and would provide support where possible.

## **60. QUESTION AND ANSWER SESSION**

There were no questions received.

## **61. QUESTIONS FROM COUNCILLORS**

There were four questions asked which are set out below with the responses. Each Member who asked a question was invited by the Chair to ask one supplementary question which is also set out together with the response.

Question from Councillor J Legrys

'Can the Portfolio Holder please inform me how much is it costing per month, to keep the old council offices since closure, secure, heated/ventilated and continue to enable staff access to items remaining in the building please?'

Response from Councillor A Woodman

'The Council continues to make low level use of the former Council Offices building such as to accommodate the town CCTV Server equipment. These systems are slowly being disentangled from the building and relocated. Much has now been completed to reduce holding costs. The current cost of retaining this building and the site it sits on is approx. £11k per month.'

Supplementary question and response

Councillor J Legrys shared his disappointment at the activity still occurring in the building and that demolition had not moved any further forward. He asked for the current timeline for the building. Councillor A Woodman stated that he would keep track of the progress and keep Members updated on the matter.

Question from Councillor P Moul

'How much has the Council spent on defending the `Area of Separation between Whitwick and Coalville, including officer resources, appeals, and the high court judgement plus the cost of the five-day judicial review, which supported it`s retention recognising it`s importance?'

Response from Councillor K Merrie

'There have been two applications in the area of separation that have successfully been defended at appeal by the Council. The Stephenson's Green proposal was also successfully defended at judicial review.

The legal cost of defending the Stephenson's Green proposal (Application No. 10/01208/OUTM) was £33,433. (Note: made up of external legal fees - £31,600 and internal officer time - £1,833).

The legal cost of defending the Jelson's proposal on land to the rear of Hall Lane (Application No. 14/00800OUTM) was £15,506. (Note: made up of external legal fees - £12,075 and internal officer time – £3,431).

I am unable to advise what the cost of the planning officer resource in dealing with these applications was, but those costs would have generally been covered by the fees received for the planning applications.

I would also advise members that the land at Broom Leys Farm, agreed as a site allocation for the purposes of the Local Plan Regulation 18 consultation at Local Plan Committee on 17 January, was not part of the either the Stephenson Green and Jelson's proposals successfully defended by the Council.'

Supplementary question and response

Councillor P Moul reported that the Whitwick Action Group did not recognise the figures presented by the Portfolio Holder and asked why there was a discrepancy. Councillor K Merrie asked for the Whitwick Action Group's figures so that he could discuss the matter with officers. A response would be provided to Councillor P Moul outside of the meeting.

Question from Councillor T Eynon

'The restoration of the Mother and Child Statue has been delivered as part of the UK Shared Prosperity Fund, and its relocation in the Belvoir Shopping Centre has been agreed in principle.

Can the Portfolio Holder please provide an update on the project, in particular the terms of the licence agreed between this Council and the owners of the Belvoir Shopping Centre (Gylo) and the timetable for the reinstatement of the Mother and Child Statue in the Belvoir Shopping Centre's public space?'

Response from Councillor Blunt

'A lease arrangement to relocate the Mother & Child Statue into the Belvoir Shopping Centre has been drafted by Council Officers, working with legal services. This draft lease is currently being finalised with the owners of the Shopping Centre.

Once the lease has been completed, officers will submit a planning application for the necessary consents to relocate the statue. Subject to the granting of planning consent, officers will then be able arrange for the statue plinth to be completed and the statue to be installed.

I'm unable to provide more specific detail on the timetable, but I will ask officers to keep you updated on progress as part of our UK Shared Prosperity Funded projects, through the shadow portfolio holder briefings.'

Supplementary question and response

Councillor T Eynon asked why adequate planning was not carried out to allow residents to know what was happening with the statue. Councillor R Blunt explained that it was a very complex situation due to the relocation of the statue to land not owned by the Council, as well as the fact that the Council did not own the statue and were custodians only. As soon as it was brought to the Council's attention, plans have been put into place to preserve the statue, which it has now been, and things will continue to progress as soon as possible.

Question from Councillor S Sheahan

'On 23 March 2022, the Government published its Levelling Up Fund Round 2 prospectus. In an officer's email to a third party dated 26<sup>th</sup> April 2022, it was said that "it is unlikely that the Council will be submitting its own bid to round 2." Can the Leader please explain how the Council arrived at that position and why, for instance did it not submit an improved version of the round 1 bid?'

Response from Councillor R Blunt

'I understand officers have already provided a detailed written response on this matter and have met with you to discuss.

National Government regularly announces funding opportunities for various activities. This Council has bid to those where it believes there is a strong chance of success. There is no Council policy requiring that bids be made. To submit bids takes significant resource, both officer time and external specialist consultancy support.

Having already made two unsuccessful bids for Coalville, firstly for the Future High Street Funding and then to Round 1 Levelling Up - which was in effect the "improved version" it was considered that our available resource needed to be spent delivering funded regeneration projects in line with our Council Delivery Plan.

The Council did begin discussing a new bid (not in Coalville) for round 2 with a third party in 2022, considering that this may be more attractive for government to fund than another bid centred on Coalville. After providing initial advice and support it was decided by the third party that they were not in a position to bid and would prefer to wait until Round 3 Levelling Up.

Given this, no Round 2 bid was submitted as it was considered that any resubmitted bid for Coalville had a poor chance of success given the two failed attempts. Staffing resource was instead focused on deliverable projects.'

Supplementary question and response

Councillor S Sheahan asked if Councillor R Blunt would consider supporting Durham County Council in its call for a judicial review in Levelling up f Councillor R Blunt confirmed that he had no details on the matter and therefore it was difficult to volunteer support when circumstances may be different. He reaffirmed his disappointed over the Council's unsuccessful bids and asked officers to look into the matter and if relevant a decision can be taken on next steps. =

## **62. MOTIONS**

No motions were received.

## **63. PETITIONS**

No petitions were received.

## **64. MINUTES**

Consideration was given to the minutes of the meeting held on 14 November 2023.

It was moved by Councillor R Morris, seconded by Councillor K Horn and

RESOLVED THAT:

The minutes of the meeting held on 14 November 2023 be approved and signed by the Chair as a correct record.

## **65. ELECTORAL BOUNDARY REVIEW - COUNCIL SIZE SUBMISSION**

Councillor K Merrie, Infrastructure Portfolio Holder, presented the report and highlighted the process currently being undertaken as part of phase one of the review process. As the recommendations within the report asked for a preference on the issue of single member wards, Councillor K Merrie moved the following:

- 1) That the council size submission to the Local Government Boundary Commission for England on the future size of the Council as detailed at appendix three be approved.
- 2) That the Local Government Boundary Commission for England be informed that Council's preference is for the review to be conducted based on single member wards.

It was seconded by Councillor A Woodman.

Due to the separate issues of the two recommendations, Members agreed to debate and vote on each recommendation in turn.

The Chair opened the debate on recommendation one.

Councillor D Bigby referred Members to the additional papers in which summary information and an alternative recommendation for an increase in council size to 39 Councillors was provided as submitted by the Labour Group. This explained the position of the Labour Group on the matter and the recommendation that would be proposed should the current motion be lost.

A full discussion ensued in which Members spoke both in support and against the council size preferences as detailed within the report and additional papers.

The Chair put recommendation one as moved and seconded to the vote.

The motion was CARRIED.

RESOLVED THAT:

- 1) The council size submission to the Local Government Boundary Commission for England on the future size of the Council as detailed at appendix three be approved.

The Chair then opened the debate on recommendation two.

Several concerns in relation to single member wards were shared including the perceived split in communities due to boundary lines and less choice for the residents. Some Members felt that the multi member ward approach meant that bigger areas were easier to manage with better support for each other with case work when needed. However, some Members felt that single member wards were less confusing for residents and meant that a smaller 'patch' led to a better relationship with the community and more accountability for the individual Ward Member. Further discussions ensued both in support and against single member wards.

The Chair put recommendation two as moved and seconded to the vote.

The motion was CARRIED.

RESOLVED THAT:

- 2) The Local Government Boundary Commission for England be informed that Council's preference is for the review to be conducted based on single member wards.

## **66. TREASURY MANAGEMENT HALF-YEARLY REPORT 2023/24**

Councillor N J Rushton, Corporate Portfolio Holder, presented the report to Members and moved the recommendations. It was seconded by Councillor T Gillard.

RESOLVED THAT:

- 1) The Treasury Management Half-Yearly Activity report 2023-24 be noted.
- 2) The Prudential Indicators Half-Yearly Update 2023-24 be noted.

## **67. APPOINTMENTS TO COMMUNITY BODIES**

Councillor K Merrie, Infrastructure Portfolio Holder, presented the report to Members and moved the recommendations. It was seconded by R Blunt.

RESOLVED THAT:

- 1) Councillor R Sutton be appointed to serve as the Council's representative on the East Midlands Airport Independent Consultative Committee.
- 2) That Councillor N J Rushton be appointed as a substitute on the East Midlands Airport Independent Consultative Committee.

**68. URGENT DECISIONS TAKEN BY CABINET**

Councillor R Bunt, Leader of the Council, presented the report and moved the recommendations. It was seconded by Councillor A Woodman.

RESOLVED THAT:

The report be noted.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.57 pm

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL  
COUNCIL – THURSDAY, 22 FEBRUARY 2024



<b>Title of Report</b>	<b>ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES</b>	
<b>Presented by</b>	Councillor Nicholas Rushton Corporate Portfolio Holder	
<b>Background Papers</b>	<a href="#">Final Capital Strategy, Treasury Management Strategy and Prudential Indicators 2024/25 Report (Cabinet 31 January 2024)</a>	<b>Public Report:</b> Yes
	<a href="#">Final General Fund Budget and Council Tax 2024/25 Report (Cabinet 31 January 2024)</a> <a href="#">Final Housing Revenue Account Budget and Rents 2024/25 Report (Cabinet 31 January 2024)</a>	<b>Key Decision:</b> Yes
<b>Financial Implications</b>	In accordance with statutory requirements the report provides the Section 151 Officer's advice on the robustness of budget estimates and the adequacy of reserves in the draft budget.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	The Council's Section 151 Officer is required to prepare this report under Section 25(1) Local Government Act 2003.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	None.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To advise Cabinet on the robustness of the estimates in the budget and the adequacy of the proposed financial reserves.	
<b>Recommendations</b>	<b>THAT COUNCIL NOTES THE S151 OFFICER'S ADVICE SET OUT IN SECTION 7 AND CAREFULLY CONSIDERS THE CONTENT OF THIS REPORT AS PART OF APPROVING THE GENERAL FUND BUDGET REPORT 2024/25, THE HOUSING REVENUE ACCOUNT BUDGET 2024/25 REPORT AND THE CAPITAL STRATEGY AND</b>	

## **1.0 BACKGROUND**

1.1 Section 25(1) of the Local Government Act 2003 (the “2003 Act”) requires that the Chief Financial Officer (Section 151 Officer under the Local Government Act 1972) reports to the Council when setting its Council Tax on:

- the robustness of the estimates in the budget.
- the adequacy of the proposed financial reserves.

1.2 Section 25(2) of the 2003 Act requires the Council to have regard to this report in approving the budget and Council Tax.

1.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code reinforces this requirement stating that the statement in relation to the proposed financial reserves should consider whether the level of general reserves is appropriate for the risks (both internal and external) to which the Council is exposed and give reassurance that the authority’s financial management processes and procedures are able to manage those risks.

1.4 While the statutory local authority budget setting process continues to be on an annual basis, a longer-term perspective is essential if local authorities are to demonstrate their financial sustainability.

## **2.0 CONTEXT**

2.1 The Council is setting its budget at a time when it continues to face a range of issues to contend with. In broad terms these can be split into three categories: economic, local government and locally in North West Leicestershire. Each of these is explored below:

### Economic

2.2 The recent report by the Office of Budget Responsibility (OBR) in respect of the Economic and Fiscal Outlook describes how the economy has proved to be more resilient to the shocks of the Covid pandemic and energy crisis than anticipated. GDP stood nearly 2% above its pre-pandemic level and around 3% above the OBR March forecast but is now expected the economy will grow more slowly over the medium term.

2.3 Inflation was expected to fall below 5% the end of the calendar year, which was achieved with Consumer Price Index (CPI) being confirmed at 4.0% in December 2023. However, it is not forecast to return to its 2% target until the first half of 2025.

### Local Government

2.4 High inflation, energy prices and pay awards have put substantial financial pressure on councils. The Local Government Association has estimated that councils face a funding gap of £2.4bn in 2023/24 and £1.6bn in 2024/25. These gaps relate to funding needed to maintain services at their current level.

- 2.5 The Autumn Statement 2023 announced in November 2023 was silent on wider issues in respect of local government funding for 2024/25 and beyond, including council tax referendum principles, grant funding and total increase in spending power. However, there were announcements welcomed by district councils including:
- Increasing the Local Housing Allowance (LHA) rate to the 30th percentile of local market rents from April 2024. The LHA is designed to ensure that people receive enough housing benefit to cover the cost of renting a typical home in their area that is large enough for their needs.
  - £120m funding for local authorities in England and the devolved administrations to invest in homelessness prevention, including to support Ukrainian households who can no longer remain in sponsorship arrangements □ Extending ‘thank you’ payments for Homes for Ukraine sponsors into a third year
  - Creating the flexibility for Local Planning Authorities to charge a locally-set premium fee for major planning applications, allowing them to recover the full cost
  - £110m Local Nutrient Mitigation Fund for councils to mitigate the impact of nutrient pollution in waterways and deliver thousands of homes that have been on hold. The Council would use monies secured from the Local Mitigation Fund to appoint specialist consultants to develop a detailed mitigation strategy and to identify short, medium and long term potential mitigation measures that could enable phosphate nutrient neutrality to be achieved for anticipated new housing and economic development in the River Mease Special Area of Conservation catchment.
- 2.6 Ahead of the Provisional Local Government Finance Settlement, the Government released a Policy Statement 2024 to 2025 on 5 December 2023. It set out the Government's intentions for the Local Government Finance Settlement 2024/25. It confirmed the Council Tax referendum principles for 2024/25, this being a principle of up to 3% or £5, whichever is higher, for shire district councils.
- 2.7 In addition, the Statement confirmed that all local authorities will see at least a 3% increase in their Core Spending Power before any decision they make about organisational efficiencies, use of reserves and Council Tax levels through a funding guarantee. Core Spending Power includes revenue from Council Tax, business rates, grants and other sources.
- 2.8 The Final Local Government Finance Settlement was announced on the 5 February 2024 and has been incorporated into the budget position for 2024/25. There are no details of funding streams for 2025/26 onwards.

#### Local – North West Leicestershire

- 2.9 North West Leicestershire District Council continues to face increased costs from high inflation and pay awards.
- 2.10 In recent years the Council has seen growth in its business rate income as new companies have moved into the area due to its location and excellent communication links. This has led to the Council being the largest beneficiary in England from the business rates growth retention scheme. The business rates growth has enabled the Council to fund services without increasing council tax.
- 2.11 This continues to present the Council's highest financial risk as government has indicated that it is looking to reset the business rates growth baseline and redistribute

resources to councils across the country with a fair funding review which is expected to be implemented in 2026.

- 2.12 Recognising the wider context within which the budget is being set, the Council made improvements to financial management in the last 12 months and has continued to use processes to develop its draft budget plans for 2024/25 and over the medium term. This recognises the greater focus within the organisation on its finances. The process, coupled with that used in previous years, has involved:
- Services completing budget proposals to justify the need for any changes to the budget.
  - Budget STAR Chamber sessions between Directors and Heads of Service. □ Regular reporting to the Corporate Leadership Team on the Council's overall budget position.
  - Engagement with councillors through Portfolio Holder briefings, Strategy Group and an all-councillor budget briefing.
  - Engagement through scrutiny, consultation with the public and the Housing Revenue Account (HRA) tenants' forum.

### **3.0 DRAFT FINANCIAL STRATEGIES AND POLICIES**

- 3.1 To ensure the Council has clarity on its financial management objectives it is imperative to have a clear financial strategy in place for the short, medium, and long term. As part of setting the Budget for 2024/25 and beyond the following guiding principles have been developed for the budget setting approach:
- Financial Stability and Sustainability
  - Resources Focussed on Priorities
  - Maximising Sources of Income
  - Managing Risk

#### Capital Strategy

- 3.2 The Capital Strategy has been significantly enhanced to make it fit for the future. To provide greater accountability, governance, and due diligence of the capital programme the Capital Strategy was updated in 2022 to improve the way the Council manages its capital schemes through their life cycle by splitting the programme into an Approved Programme for 'in flight' schemes and a Development Pool for schemes at business case stage. A Capital Strategy and Investment Group, Chaired by the Director of Resources has been in operation for over 12 months and oversees this process and proposes schemes through the Council's governance for formal approval by Cabinet or Council in line with the Council's Constitution.

#### Treasury Management Strategy

- 3.3 The Treasury Management Strategy has been refreshed and improved in line with required national guidance to ensure the Council is appropriately managing risk in both its borrowing and investment portfolios. The introduction of the liability benchmark indicator which measures the Council's future borrowing liabilities to fund its capital investment against how these will be financed either through external borrowing or by using our surplus cash resources (internal borrowing).

## Corporate Charging Policy

- 3.4 The Corporate Charging Policy, which contains the Council's fees and charges, reflects the Council's financial strategy and provides greater clarity for service users on the rationale for future changes in levels of fees and charges. The draft budget includes a range of proposed amendments to fees and charges, where it is appropriate to do so, in line with the Policy, which includes an inflationary increase in line with the Consumer Price Index.

### **4.0 DRAFT GENERAL FUND BUDGET 2024/25**

- 4.1 High levels of inflation, recruitment and retention, high interest rates present a challenging and uncertain economic environment.
- 4.2 There will be a one-year funding settlement for 2024/25 with a core referendum principle of 2.99%. Despite the financial pressures experienced by local authorities because of high inflation and rising demand for services, the local government sector is not expecting these costs to be funded.
- 4.3 The forecast outturn position for the general fund revenue budget 2023/24 is an operating deficit of £252k. This is largely due to the pay award for 2023/24, agreed in November 2023, being higher than originally estimated. There are overspends in other service areas such as property, planning and leisure services, however, these are offset by additional investment income.
- 4.4 In setting the budget for 2023/24, key strategies were applied to budget development and these have continued for the budget process for 2024/25. These include:

<b>Guiding Principles</b>	<b>Strategies for Developing Budget 2024/25 and MTFP 2024-29</b>
Financial Stability and Sustainability	<ul style="list-style-type: none"><li>• Plan ahead for potential Government funding changes (including Business Rates Reset)</li><li>• Do not become overly reliant on Business Rates funding for on-going service provision</li><li>• Use future surpluses in Business Rates funding for future one off investment to reduce ongoing revenue costs or generate income</li></ul>
Resources Focussed on Priorities	Align resources to Council Delivery Plan objectives
Maximising Our Sources of Income	Fees and Charges maximised in accordance with the Corporate Charging Policy (increased by inflation)
Managing our Risks	<ul style="list-style-type: none"><li>• Acceptable level of risk tolerance</li><li>• Review of reserves strategy and position</li></ul>

- 4.5 The forecast medium term position is set out in the table below.

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Net Revenue Expenditure	18.163	17.678	17.797	17.993	18.133
Funding	18.163	17.293	17.193	16.720	16.244
Surplus/(Deficit)	0.000	(0.386)	(0.604)	(1.273)	(1.889)

- 4.6 The position shows a balanced budget for 2024/25 and a forecast funding gap of £0.383m in 2025/26 rising to £1.889m per annum, equivalent to 10.4% of net budget by 2028/29. This is an improved position over the medium term compared to last years forecast, largely as a result of the work completed during the Autumn, to identify a range of budget options to close the funding gap.
- 4.7 The primary reasons for the forecast funding gap are pay, inflationary, and service demand pressures on the Council's cost base and anticipated changes to its funding streams arising from promised Government funding changes to local authorities as a result from a reset of growth from the business rates retention scheme, fair funding review and New Homes Bonus. The Government has promised a review of the funding mechanism for local authorities; however, no timeframes have been set for this.
- 4.8 There still remains a significant risk facing the Council on its revenue budget which is the potential Government funding changes, particularly in relation to a reset in growth from the business rates retention scheme. This is due to the fact that North West Leicestershire has seen the biggest growth above its business rates baseline in all local authorities in England.
- 4.9 The latest indication is that the earliest a business rates reset could happen is 2026/27. The Government has been delaying implementation for several years now, so there is no certainty as to when it is likely to happen. When this funding change is implemented, there is likely to be an element of transitional protection to assist those councils like North West Leicestershire, to manage reduced funding over a period of time. This transitional protection is included in the medium-term forecasts show in paragraph 4.5 above.
- 4.10 The Council will continue to use the guiding principles set out in paragraph 4.4 above to plan for any potential Government funding changes and ensure that the funding gap this could create in its revenue budget is appropriately managed.
- 4.11 The Draft Revenue Budget for 2024/25 is balanced.
- 4.12 At the time of publishing the final budget for 2024/25, the Final Local Government Finance Settlement has not been announced. The figures included for the funding are estimates based on the Provisional Local Government Finance Settlement and latest intelligence.
- 4.13 The Capital Programme has been developed in line with the guiding principles and a substantially improved Capital Strategy:
- The existing capital programme has been split into Approved schemes and Development Pool schemes as per 2023/24.
  - No new borrowing, over and above that approved in the 2023/24 budget, is proposed to fund the capital programme. This is to ensure the Council does not create additional revenue pressures in the future arising from interest and capital repayment costs.

- The funding source for schemes over the medium term is capital receipts (£48k), government grants (£6,374k), business rates reserve (£11,105), revenue contributions (£34k) and borrowing (£4,348k).
- Schemes in the Development Pool will be worked up in more depth through the governance arrangements set out in the Capital Strategy and Constitution.

4.14 The draft budget is based on the Council having the following levels of reserves.

	<b>Estimated Balance 1/4/24 £'000</b>	<b>Change during 2024/25 £'000</b>	<b>Estimated Balance 31/3/25 £'000</b>
General Fund - Minimum Level of Reserves	1,544	0	1,544
Earmarked Reserves	2,639	(680)	1,960
MTFP Reserve	7,937	(681)	7,256
Business Rates Reserve	3,085	(34)	3,050
<b>Total</b>	<b>15,205</b>	<b>(1,395)</b>	<b>13,811</b>

4.15 As part of preparing the reserves for the draft budget the following should be noted:

- The minimum level of reserves has been risk assessed and is considered to be set at an appropriate level.
- Earmarked reserves have been reviewed to assess if the risks/commitments continue to exist and if the amounts are still appropriate.
- The MTFP Reserve will be used for managing risks over the medium term, investing in projects to make the Council more efficient, reduce its revenue costs, generate income and fund the capacity for the Council to deliver its financial plans
- The Business Rates Reserve includes the additional business rates revenues from growth in the district (including contributions from Business Rates Pool and Freeport) in excess of that included in the revenue budget to fund on-going services. This additional growth will be prioritised to fund the capital programme and projects.

## **5.0 DRAFT HOUSING REVENUE ACCOUNT BUDGET 2024/25**

- 5.1 The Housing Revenue Account (HRA) is a ringfenced account for the operation of the Council's housing stock. The Council has 4,181 homes. The budget for the HRA is also experiencing the inflationary pressures seen in other areas of the Council's budget, particularly on its staffing, maintenance, and capital budgets.
- 5.2 In 2012, the Council took on the debt associated with its housing stock under the nationally HRA Self Financing initiative. As part of this a 30-year business plan was developed. A core component of the business plan is for the HRA to repay the self-financing borrowing by 2042. The Council should continue to make provision in its HRA to repay this outstanding borrowing.
- 5.3 The forecast outturn position for the HRA budget 2023/24 is an operating deficit of £436k due to the pay award and an adverse variance for rent income. If no action is taken reserves will be less than anticipated when the budget was set. The service will

seek to recover the budget position through vacancy management and use of reserves.

- 5.4 The position shows a balanced budget for 2024/25. The table below provides a summary of the changes.

	<b>2023/24</b>	<b>2024/25</b>	<b>Movement</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Income	-20,139	-21,613	-1,474
Operating Expenditure	17,077	20,226	3,149
<b>Operating (surplus)/deficit</b>	<b>-3,062</b>	<b>-1,387</b>	<b>1,675</b>
Appropriations	7,541	4,005	-3,536
<b>Net (surplus)/deficit</b>	<b>4,479</b>	<b>2,618</b>	<b>-1,861</b>

- 5.5 The draft HRA budget for 2024/25 shows an operating surplus of £1,387k. This is a £1,675k reduction from 2023/24.
- 5.6 To deliver the HRA Capital Programme in 2024/25 and ensure sufficient monies are set aside for future debt repayment an overall deficit £2,618k is being budgeted for. This will be paid from accumulated surpluses of £3,618k which have been built up in reserves. This leaves a minimum operating balance of approximately £1 million for unexpected events. This minimum balance is considered adequate for the size of HRA and risks faced.
- 5.7 The HRA Capital Programme is planned to spend £15,925k in 2024/25. Based on previous years' experience this is an ambitious level of estimated spend. The area of the capital programme at greatest risk of delay is the Housing Improvement Programme.
- 5.8 To mitigate the risks of the capital programme not delivering to budget the draft Capital Strategy proposes a number of improvements to manage schemes through their project lifecycle.

## **6.0 ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES**

- 6.1 The table below provides an assessment of the key risk areas to determine the robustness of the estimates and adequacy of reserves included in the General Fund and HRA budgets:



Area	Y/N	Comments
Is performance against the current year's budget on track and where variances are evident, ongoing and unavoidable, are they appropriately reflected in the plans?	Y	<p>The 2023/24 financial monitoring is showing a projected overspend of £252k on the General Fund and £436k on the HRA. Work is currently on-going within services to mitigate these pressures and minimise any drawdown from reserves.</p> <p>The on-going and unavailable pressures, alongside potential reductions in reserve levels, have been factored into budget plans for 2024/25 and the medium term.</p>
Are arrangements for monitoring and reporting performance against the savings plans robust?	Y & N	<p>In recent years the Council has not been required to make significant savings to maintain its financial position. Therefore, clear savings plans and delivery has not been required. With such a significant funding gap estimated for 2024/25, there are a range of budget options proposed for the General Fund Budget 2024/25. Where it is appropriate, delivery of savings/efficiencies will be monitored throughout the financial year and reported to stakeholders alongside the financial monitoring reports on a quarterly basis.</p> <p>As part of the Council's Transformation Programme, project management principles will be adopted with a suite of guidance and templates to support good practice, which, in turn will help the Council manage and monitor largescale transformation programmes.</p>
The reasonableness of the underlying budget assumptions	Y	<p>All budget proposals have been justified by service managers, reviewed by finance and subject to budget challenge sessions in the new process.</p> <p>External review has also been undertaken by the treasury advisers, Arlingclose, on the Treasury Management Strategy.</p>
The alignment of resources with the Council's service and organisational priorities	Y	<p>Resources are aligned to the current priorities of the Council.</p> <p>A new Council Delivery Plan (CDP) has been developed and was approved by Council on 14 November 2023. The CDP is aligned to the resources available, and risks faced by the Council.</p> <p>The Council's ambition to be carbon neutral by 2030 is likely to require additional investment, however, the Council will look to maximise grant funding made available to it to support this priority. An exercise to identify the costs of getting to net zero will be completed in 2024/25.</p>

A review of the major risks associated with the budget	Y	The major risks within the budget have been assessed and are set out in the budget report, including mitigations and strategies about how these are being managed.
The availability of un-earmarked reserves to meet unforeseen cost pressures	Y	<p>The Council has a minimum level of reserves for both its General Fund (£1.5m) and HRA (£1m). In the Audit Commission's 'Striking a Balance' report published in 2012, the majority of Chief Finance Officers at the national level regarded an amount of between three and five per cent of council's net spending as a prudent level for risk based reserves. Over the medium term the Council's forecast figure is 8%.</p> <p>The General Fund position has been risk assessed to take account of potential unforeseen pressures.</p>
Have realistic income targets been set and 'at risk' external funding been identified?	Y	<p>An assessment of income targets has been undertaken as part of the development of the draft budget.</p> <p>The income areas which have the greatest risk (including business rates, council tax, planning and leisure) have had greater focus for this work and focus on the budget challenge sessions.</p> <p>Fees and charges have been increased, where it is appropriate to do so, in accordance with the Council's Corporate Charging Policy.</p>
Has a reasonable estimate of demand cost pressures been made?	Y	The enhanced budget process used in the development of the draft budget has improved the reasonableness of estimates.
Has a reasonable estimate of future income been made?	Y	The budget proposals presented by services were reviewed by finance and subject to budget challenge sessions.
Have one-off cost pressures been identified?	Y	All pressures have been reviewed to assess if they are one-off or ongoing in nature. One-off proposals are to be funded from reserves. Services will need to ensure exit plans exist for one off expenditure.

Are arrangements for monitoring and reporting performance against the budget plans robust?	Y	<p>For 2023/24, quarterly financial reporting to Cabinet and Scrutiny Committee has been introduced.</p> <p>The new finance system is intended to bring enhanced financial reporting for budget holders to support robust and regular monitoring of budgets.</p> <p>The Council will also need to enhance its development, monitoring and delivery of its plans to deliver balanced budgets over the medium term.</p>
Is there a reasonable contingency available to cover the financial risks faced by the Council?	Y	The Council has incorporated estimates for pay award, inflation and demand pressures into its budget. It has also made provisions for key income streams not materialising for business rates and council tax.
Is there a reasonable level of reserves, which could be used to mitigate any issues arising and are they reducing as the risks decrease?	Y	The Council has a range of earmarked, MTFP and minimum levels of reserves to ensure its financial stability.
The strength of the financial management function and reporting arrangements?	Y & N	<p>The Council implemented a new financial system in April 2023 to improve its reporting. Further enhancements to the system are required in the short-term to deliver this.</p> <p>A review of the Financial Procedures Rules is planned.</p>
Have the previous years Accounts been signed off by external audit to verify balances?	N	<p>The Council's Accounts for 2021/22 are currently being audited. The audit for the 2022/23 accounts will commence in Summer 2024.</p> <p>Budget estimates and reserves balances for 2024/25 and beyond are based on the latest information incorporated into the 2021/22 and 2022/23 accounts.</p>
Has there been a degree and quality of engagement with colleagues and councillors in the process to develop and construct the budget?	Y	<p>There has been a continuation of the improvements introduced to the budget setting process last year.</p> <p>This has included a series of budget challenge sessions between the Directors and Heads of Service, as well as engagement with Corporate Leadership Team, Portfolio Holders, Strategy Group and an all councillor briefing.</p>

6.2 There are a number of specific actions arising from the table above that the Council needs to undertake, alongside the delivery of its draft budget, to ensure risks and issues associated with the budget are mitigated. These actions are:

### Financial Strategy

- The financial strategy set out at paragraph 4.4 above is followed. This underpins the draft budget 2024/25 and provides a stable platform from which to build over the medium term.
- A robust corporate and financial plan is required to bridge the funding gap and ensure the Council can balance its budget over the medium term. This plan is reliant on the delivery of a transformation programme which will focus on being more efficient with the aim of having the same service outcomes at a lower cost. However, it needs to be flexible enough to adapt to potential national changes to local government funding which may require reductions in service levels in the future.
- To ensure this plan is developed and delivered the Council will need to invest in the transformation programme to ensure a structured approach to achieving the desired outcomes.
- Special expense budgets must be in a balanced position for 2024/25.

### Financial Reporting

- Continue to present a quarterly financial report to Cabinet and Scrutiny to promote transparency and accountability of the financial position.
- Ensure the 2021/22 and 2022/23 Accounts are signed off.

### Financial Management and Control

- Implement enhancements to the new financial system to support enhanced reporting for budget holders and improve financial systems and processes
- Services need to develop exit plans for government grant funding and one-off proposals funded by reserves.
- Continue to review and improve the Council's governance arrangements.

## **7.0 CONCLUSION**

- 7.1 Based on the assumptions made in its Final Budget 2024/25 and MTFP 2024-29 for income and expenditure, the Council can set a balanced draft budget for 2024/25.
- 7.2 However, there are a number of risks. The most significant of these for the Council is the timing of a potential reset in business rates and associated changes to the local government finance system with no indication from the Government as to when these will happen.
- 7.3 Whilst the Council's financial position is currently stable and sustainable there are several uncertainties. As such the Council will need to ensure it makes the right decisions in the short term to ensure it is financially stable and sustainable over the medium to long term. This includes maximising all income streams, being more efficient, growing its financial management capability, influencing the risks faced to optimise the Council's future financial viability and delivering on the actions set out at paragraph 6.2.
- 7.4 The single most important action is for the Council to recognise the future risks ahead and start to develop, implement and, most importantly, deliver a medium-term financial plan.
- 7.5 Provided the Council carefully considers and acts upon the analysis in this report, and officers robustly manage the implementation of the Revenue and Capital Budgets, a positive opinion can be given under Section 25 of the Local Government Act 2003 on the robustness of budget estimates and the level of reserves.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	The report encompasses the Council's budget, therefore, is relevant to all Council Priorities: <ul style="list-style-type: none"> <li>- Planning and regeneration</li> <li>- Clean, green and Zero Carbon</li> <li>- Communities and Housing</li> <li>- A well-run council</li> </ul>
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	There have been equality impact assessments conducted by services on relevant proposals during this period.
Customer Impact:	Customers are likely to be impacted by the changes to fees and charges, Council Tax increase and special expenses precepts set out in this report.
Economic and Social Impact:	The General Fund capital programme allocates £7.9 million to investing in Coalville Regeneration Projects over five years.  £3.7 million is being invested in Council owned-land to support regeneration and bring employment to the district. The Council has been awarded £1.3 million in government grants to undertake regeneration projects in the district. This includes refurbishment of Moira furnace and provision of office spaces.
Environment, Climate Change and Zero Carbon:	The budget sees investment of £1.5m in the replacement of Council vehicles and reducing our carbon emissions. There's £0.8m investment in bins and recycling containers to increase recycling from households. The Council also has a permanent Climate Change Programme Manager.
Consultation/Community/Tenant Engagement:	The draft budget was considered by Corporate Scrutiny and has been subject to consultation with the public. In addition, the Housing Revenue Account draft budget was subject to engagement with the Tenants' Forum.
Risks:	This report provides the Section 151 Officers view on the robustness of budget estimates and adequacy of reserves. The report identifies the key risks, provides an assessment of these and proposed mitigating actions to manage those risks.
Officer Contact	Paul Stone Director of Resources <a href="mailto:Paul.stone@nwleicestershire.gov.uk">Paul.stone@nwleicestershire.gov.uk</a>

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**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**  
**COUNCIL – THURSDAY, 22 FEBRUARY 2024**



<b>Title of Report</b>	<b>CAPITAL STRATEGY, TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS</b>	
<b>Presented by</b>	Councillor Nick Rushton Corporate Portfolio Holder	
<b>Background Papers</b>	<p><a href="#">Capital Strategy, Treasury Management Strategy and Prudential Indicators</a> – Council 23 February 2023</p> <p><a href="#">Draft Capital Strategy, Treasury Strategy and Prudential Indicators</a> – Cabinet 9 January 2024</p> <p><a href="#">Draft Minutes of the Corporate Scrutiny Committee</a> – 4 January 2024</p> <p><a href="#">General Fund Budget and Council Tax 2024/25</a> – Cabinet 31 January 2024</p>	<b>Public Report: Yes</b>
<b>Financial Implications</b>	The report sets out the annual update of the core strategies which underpin the Council's approach to managing its capital investment.	
	<b>Signed off by the Section 151 Officer: Yes</b>	
<b>Legal Implications</b>	There are no direct legal implications arising from this report.	
	<b>Signed off by the Monitoring Officer: Yes</b>	
<b>Staffing and Corporate Implications</b>	There are no staffing and corporate implications arising from this report.	
	<b>Signed off by the Head of Paid Service: Yes</b>	
<b>Purpose of Report</b>	To approve the 2024/25 Capital Strategies, the Treasury Management Strategies and the Prudential Indicators.	
<b>Recommendations</b>	<p><b>COUNCIL IS REQUESTED TO:</b></p> <p>1. <b>NOTE THE FINANCIAL INDICATORS REQUIRED UNDER THE PRUDENTIAL CODE DETAILED IN SECTION 3 AND APPROVE THE FOLLOWING LIMITS:</b></p> <p><b>A) THE AUTHORISED LIMIT AND OPERATIONAL BOUNDARY FOR EXTERNAL DEBT AS DETAILED IN TABLE B OF THE TREASURY MANAGEMENT</b></p>	

	<p style="text-align: center;"><b>STRATEGY 2024-25 (APPENDIX 2).</b></p> <p><b>B) THE MATURITY STRUCTURE OF BORROWING AS DETAILED IN PARAGRAPH 6.6 OF THE TREASURY MANAGEMENT STRATEGY 2024-25 (APPENDIX 2).</b></p> <p><b>2. APPROVE THE:</b></p> <p><b>A) CAPITAL STRATEGY 2024-25 (APPENDIX 1)</b></p> <p><b>B) TREASURY MANAGEMENT STRATEGY 2024-25 (APPENDIX 2)</b></p> <p><b>C) MINIMUM REVENUE PROVISION (MRP) STATEMENT 2024-25 (APPENDIX 3)</b></p> <p><b>D) NON-TREASURY INVESTMENT STRATEGY 2024-25 (APPENDIX 4).</b></p> <p><b>3. DELEGATE AUTHORITY TO CABINET TO MOVE A CAPITAL SCHEME FROM THE DEVELOPMENT POOL TO THE ACTIVE PROGRAMME AS LONG AS THE SCHEME IS WITHIN THE APPROVED BUDGET.</b></p> <p><b>4. DELEGATE AUTHORITY TO THE S151 OFFICER TO MAKE ANY NECESSARY CHANGES TO APPENDICES 1-4 IF ANY AMENDMENTS ARE AGREED TO THE GENERAL FUND AND HOUSING REVENUE ACCOUNT BUDGETS AT THIS MEETING.</b></p>
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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 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. Therefore, 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 monies 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 increased 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. These are detailed in Section 2.
- 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
  - Department for Levelling Up, Housing and Communities (DLUHC) Investment Guidance
  - DLUHC Minimum Revenue Provision (MRP) Guidance.
- 1.7 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 financial year. The statement is proposed to the full Council by the Cabinet. The Council's Section 151 Officer has delegated responsibility for implementing and monitoring the statement. The Section 151 Officer 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 to be adequately scrutinised and this role is undertaken by the Audit and Governance Committee.

## **2.0 CAPITAL AND TREASURY MANAGEMENT STRATEGIES**

- 2.1 The following strategies are attached as appendices for Council to approve:
- Appendix 1 - Capital Strategy 2024/25;
  - Appendix 2 - Treasury Management Strategy Statement 2024/25;
  - Appendix 3 - Minimum Revenue Provision (MRP) Statement 2024/25; and
  - Appendix 4 - Non-Treasury Investment Strategy 2024/25.
- 2.2 There are no major changes compared to the 2023/24 version of the strategies, other than the updating of the financial values and economic forecasts.

## **3.0 PRUDENTIAL INDICATORS**

- 3.1 The CIPFA codes require a prescribed set of prudential indicators to be produced annually and monitored throughout the year and the Council also has the option to add locally set indicators, these are detailed shown below with further explanation to their meanings:

### **1(a). External Debt - Operational Boundary (Treasury Strategy – Appendix 2)**

The most likely, prudent view of the level of gross external indebtedness. External debt includes both borrowing and long-term liabilities (e.g. finance leases). It encompasses all borrowing, whether for capital or revenue purposes. This indicator will be subject to the level and timing of borrowing decisions and so the actual level of borrowing can, therefore,

be below or above this initial estimate. However, what cannot be breached without a further report to Council is the authorised borrowing limit.

**1(b). External Debt - The Authorised Limit (Treasury Strategy – Appendix 2)**

The upper limit on the level of gross external indebtedness, which must not be breached without Council approval. It is the worst-case scenario. It reflects the level of borrowing which, while not desired, could be afforded but may not be sustainable. Any breach must be reported to the Audit and Governance Committee executive decision-making body, indicating the reason for the breach and the corrective action undertaken or required to be taken. This limit is a statutory limit required to be set by the Council under Section 3(1) of the Local Government Act 2003.

**1(c). External Debt - Actual External Debt (Treasury Strategy – Appendix 2)**

The indicator for actual external debt will not be directly comparable to the operational boundary and authorised limit since the actual external debt will reflect the actual position at one point in time.

**2. Capital Financing Requirement (CFR) (Treasury Strategy – Appendix 2)**

The Capital Financing Requirement (CFR) replaced the 'Credit Ceiling' measure of the Local Government and Housing Act 1989. It measures an authority's underlying need to borrow or use other long-term liabilities, to pay for capital expenditure.

**3. Capital Expenditure (Capital Strategy – Appendix 1)**

The level of capital expenditure incurred and likely to be incurred in future years. This is to be based on an accruals basis and on the definition of capital expenditure.

**4. Gross External Borrowing and the Capital Financing Requirement (Treasury Strategy – Appendix 2)**

The level of external borrowing is required to be compared to the Capital Financing Requirement which represents the underlying need to borrow. Requires that borrowing in the medium term can only be for capital purposes.

**5. Maturity Structure of Borrowing (Treasury Strategy – Appendix 2)**

Local Authority debt portfolios consist of a number of loans with differing maturities. Setting limits assists in ensuring any new borrowing in particular when combined with existing borrowing does not result in large concentrations of borrowing maturing in a short period of time.

**6. Principal sums invested for greater than one year (Treasury Strategy – Appendix 2)**

This indicator measures the exposure of a local authority to investing for periods of greater than one year.

**7. Ratio of Financing Costs to Net Revenue Stream (Capital Strategy – Appendix 1)**

This indicator is a measure of affordability of historic and future capital investment plans. It identifies the trend in the cost of capital financing which include:

- interest payable on borrowing
- penalties or any benefits receivable on early repayment of debt
- prudent revenue budget provision for repayment of capital expenditure paid for by borrowing.

This is calculated for the General Fund and Housing Revenue Account (HRA). For the General Fund, the net revenue stream is the amount to be met from non-specific Government grants and Council Tax, whilst for the HRA it is the amount to be met from rent payers. An increasing ratio indicates that a greater proportion of the Council's budget is required for capital financing costs over the planned Capital Programme period.

It should be noted that these figures include a number of assumptions such as:

- no new approvals of additional borrowing apart from that currently proposed over the period of the programme
- estimated interest rates
- the level of internal borrowing and timing of external borrowing decisions and capital expenditure.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	The Capital Strategy and Treasury Management Strategy Statement help the Council achieve all its priorities:
Policy Considerations:	None
Safeguarding:	Not applicable
Equalities/Diversity:	Not applicable
Customer Impact:	Not applicable
Economic and Social Impact:	Not applicable
Environment, Climate Change and zero carbon:	The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing. Where practical, when making investment decisions ESG will be considered and counterparties with integrated ESG policies and commitments to carbon.
Consultation/Community Engagement:	Draft Budget: Corporate Scrutiny Committee – 04/01/24 Cabinet – 09/01/24 Public consultation between 10 January and 23 January 2024 Parish and town councils, trade unions and the Federation of small business between 10 January and 23 January 2024 Final Budget: Cabinet – 31/01/24
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	Anna Crouch Head of Finance <a href="mailto:anna.crouch@nwleicestershire.gov.uk">anna.crouch@nwleicestershire.gov.uk</a>

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## Capital Strategy 2024/25

### 1. Background and Scope

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a Capital Strategy to demonstrate how capital expenditure, capital financing and treasury management activity contribute to the provision of desired outcomes and take account of stewardship, value for money, prudence, sustainability, and affordability. The Prudential Code has been significantly updated to incorporate changes which restrict councils using borrowing to finance commercial property solely for generating yield. The Capital Strategy reflects the new requirements and compliance to them.
- 1.2 The Capital Strategy forms part of the framework for financial planning and is integral to both the Medium-Term Financial Plan (MTFP) and the Treasury Management Strategy Statement (TMSS). It sets out how capital investment will play its part in delivering the long-term strategic objectives of the Council, how associated risk is managed and the implications for future financial sustainability.
- 1.3 The Capital Strategy maintains a strong and current link to the Council's Priorities and to other key strategy documents as shown below:
- Corporate Plan
  - HRA Business Plan
  - Asset Management Strategy
- 1.4 All capital expenditure and capital investments decisions are covered by this strategy. Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. It is refreshed annually in line with the MTFP and TMSS to ensure it remains fit for purpose and enables the Council to make investments necessary to deliver its strategic aims and objectives.
- 1.5 The Capital Strategy is considered by the Council as one of the foundations of good financial management and reflects the requirements under the CIPFA Financial Management Code.

### 2. Economic

- 2.1 The national economic position has been influenced by a number of factors in recent years including the Covid-19 pandemic, Brexit, Russian invasion of Ukraine and the cost-of-living crisis. The government has provided unprecedented support through these events. The key economic challenges faced by the Council are inflation, lower economic growth and a potential recession.

### 3. Capital Expenditure

- 3.1 In contrast to revenue expenditure which is spending on the day to day running costs of the services such as employee costs and services, capital expenditure seeks to provide long-term solutions to Council priorities and operational requirements. Capital expenditure is technically described as: expenditure on the acquisition, creation, or enhancement of 'non-current assets' i.e., items of land, property and plant which has a useful life of more than one year. Expenditure for capital purposes therefore gives rise to new assets, increases the value or useful life of existing assets or generates

economic and social value and an income stream to the Council via non-treasury investments.

- 3.2 The five aims of the Capital Strategy are:
- i. To take a **long-term perspective of capital investment** and to ensure this contributes to the achievement of the Council’s Delivery Plan, emerging Local Plan and key strategies such as the Corporate Strategy.
  - ii. To ensure investment is **prudent, affordable, and sustainable** over the medium term and adheres to the prudential code, Treasury Management Code and other regulatory conditions.
  - iii. To maintain the **arrangements and governance for investment decision-making** through established governance boards.
  - iv. To make the **most effective and appropriate use of the funds available** in long term planning and using the most optimal annual financing solutions.
  - v. To establish a **clear methodology to prioritise capital proposals**.
- 3.3 The MTFP sets out the key principles and this strategy will support the achievement of the right blend of investment in key priority areas to enable the following:
- Financial Stability and Sustainability
  - Resources Focused on Priorities
  - Maximising Income Streams
  - Risk Management.
- 3.4 In 2024/25, the Council is planning capital expenditure of £27.8 million as summarised in the table below and future years are shown in Appendix A.

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

	<b>2022/23 actual</b>	<b>2023/24 forecast*</b>	<b>2024/25 budget</b>
General Fund services	5.8	9.4	11.9
Council housing (HRA)	6.7	10.2	15.9
<b>TOTAL</b>	<b>12.5</b>	<b>19.6</b>	<b>27.8</b>

\* 2023/24 forecast is based on the draft outturn position and may be subject to change

#### 4. Principles for Capital Planning

- 4.1 Like most public sector bodies the Council has experienced delays on the physical progress of projects against the approved profile and cost over runs. This can be directly linked to the size of the programme, capacity to deliver and over optimism on the project in terms of cost, time and external factors outside the project sponsor’s control.
- 4.2 When capital schemes are approved their inclusion into the capital programme is based on best estimates and slippage is measured against the approved profile at the end of the financial year. The Council will need to significantly improve its performance to ensure that all projects being proposed for inclusion can be delivered within the timeframe and budget stated prior to programme entry. Resource capacity and size of the programme will need to be assessed annually as part of the budget setting process and a range of optimism bias tolls that are available should be utilised in business case assessments of delivery of major projects, as well as at a programme level.

4.3 Delivery of the programme will be overseen by the established governance boards as outlined in Section 6. The Council will operate a clear and transparent corporate approach to the prioritisation of capital spending. The investment principles are set out below:

**a) Invest to improve and maintain Council assets**

The Council will improve and maintain the condition of its core assets to extend their life where appropriate.

**b) Investing for sustainable, inclusive, economic growth**

The Council will expand its capacity to grow the economy in an inclusive manner, whilst delivering whole system solutions to demographic, social and environmental challenges sustainably

**c) Invest to save and to generate income**

The Council will invest in projects which will:

- Reduce running costs
- Avoid costs (capital or revenue) that would otherwise arise
- Generate a financial return

**d) Risk awareness**

The risks of the project have been fully assessed, consulted, communicated and are at an acceptable level.

4.4 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and Minimum Revenue Provision (MRP) are charged to revenue. 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 central government grants. In developing subsequent capital schemes, it will be with a view to ensuring the capital financing costs are less than 15% as a proportion of General Fund net revenue budget over the medium and long term. Table 2 shows the proportion of financing costs to net revenue stream, future years are available in Appendix A.

Table 2: Prudential Indicator: Proportion of financing costs to net revenue stream

	<b>2022/23 actual</b>	<b>2023/23 forecast</b>	<b>2024/25 budget</b>
<u>General Fund</u>			
Financing costs (£m)	1.8	1.8	1.9
Proportion of net revenue stream	11%	10%	11%
<u>Housing Revenue Account</u>			
Financing costs (£m)	1.2	1.6	1.3
Proportion of net revenue stream	7%	8%	6%

## 5. Financing the Capital Investment Programme

5.1 The Council's capital programme is approved as part of the annual budget setting process. The capital programme is scrutinised by the Corporate Scrutiny Committee, recommended to Council by Cabinet, and then approved by Council. The capital programme is funded from a range of sources, principally:

- Grants
- Developer Contributions

- Capital Receipts
- Revenue and Reserves
- Prudential Borrowing

5.2 The first call on available capital resources will always be the financing of spending on live projects, including those carried forward from previous years.

5.3 For the General Fund, in the medium term, for 2023/24 onwards there will be no new borrowing to fund capital investments that are not yet in the live approved capital programme. This is due to the budget pressures facing the Council in future years and the repayment of debt whether internal or external have a revenue implication. For a capital investment to move from the Development Pool to the 'Active' capital programme, a funding source other than borrowing will need to be identified. This is to ensure the Council does not create additional revenue pressures in the future arising from interest and capital repayment costs.

5.4 The planned financing of the capital expenditure in Table 1 is summarised in the table below and full details are available in Appendix B:

Table 3: Capital Financing in £ millions

	<b>2022/23 actual</b>	<b>2023/24* forecast</b>	<b>2024/25 budget</b>
External sources	0.9	1.3	3.8
Capital receipts	1.1	3.1	6.2
Revenue resources	5.4	15.2	14.0
Debt	5.1	0	3.8
<b>TOTAL</b>	<b>12.5</b>	<b>19.6</b>	<b>27.8</b>

\* 2023/24 forecast is based on the draft outturn position and may be subject to change

#### Grants

5.5 The Council receives grants from government, partners, and other organisations to finance capital investment. Grants can be split into two categories:

- Un-ringfenced – resources which are delivered through grant that can be utilised on any project (albeit that there may be an expectation of use for a specific purpose).
- Ring-fenced – resources which are ringfenced to a particular service area and therefore have restricted uses.

#### Developer/External Contributions

5.6 Significant developments across the district are often liable for contributions to the Council in the form of S106 contributions. If contributions reduce the funding, timing of the planned programme will need reviewing. Following achievement of the targeted contributions, the Council can consider further projects with which to utilise this funding stream.

#### Capital Receipts

5.7 Capital receipts come from the sale of Council's assets. The Council will adhere to statutory guidance in relation to capital receipts. In considering asset disposals, the Council will comply with its Asset Management Strategy and Disposals Policy.



- 5.8 If the disposal is within the Housing Revenue Account (HRA) land or property, then not all of the receipt is available to support the capital programme as a percentage has to be paid over to the Department of Levelling Up, Housing and Communities (DLUHC).
- 5.9 The current strategy is for the assumed receipts from sale/disposal of assets to be taken into consideration when assessing the total value of receipts targeted to fund the overarching capital programme and planned flexible use of receipts (Appendix B).
- 5.10 Where the asset has been temporarily funded from prudential borrowing a review will be undertaken to determine whether the most cost-effective option is to utilise the receipt to repay the debt, considering the balance sheet position of the Council.
- 5.11 Where the sale of an asset leads to a requirement to repay grant the capital receipt will be utilised for this purpose. Once the liability has been established and provided for, the residual capital receipt will be available to support the capital programme as a corporate resource.
- 5.12 Appropriations of land between the General Fund and HRA will be considered on a site-by-site basis. The HRA 'pays for the land through an increase in the HRA Capital Financing Requirement (CFR). The General Fund benefits from a corresponding decrease in its CFR. The CFR adjustments should be based on the market value of land but taking into account of the intended use for social or other sub market housing. The Council has the discretion whether to appropriate land on this basis or sell it on the open market. More information on the Council's CFR is available in the Treasury Management Strategy Statement 2024/25.

#### Revenue and Reserves

- 5.13 The Council may choose to utilise revenue contributions to capital and finance its capital investment. This would be through contributions from the Council's revenue budget or from reserves.
- 5.14 Two reserves will be available to finance the capital programme:
- a) MTFP Reserve - will be used for managing risks over the medium term, investing in projects to make the Council more efficient, reducing its operating costs (e.g. making our building more energy efficient to reduce on going costs), generating more income and funding the capacity for the Council to deliver its financial plans.
  - b) Business Rates Reserve –The Business Rates Reserve includes the additional business rates revenues from growth in the district (including contributions from Business Rates Pool and Freeport) in excess of that included in the revenue budget to fund on-going services. This additional growth will be prioritised to fund the capital programme and projects. The reserve will also be used to manage the cashflow implications between the timing of payments received into the collection fund and government grants for business rates relief announced HM Treasury in recent years to support businesses through Covid-19 and cost of living crisis. The growth in business rates will not be used to fund the capital programme until the growth has materialised.

### Prudential Borrowing

- 5.15 Table 3 above sets out how the Council will finance its capital expenditure (Table1). These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending obligations. The management of longer-term cash may involve long or short-term loans, or using cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 5.16 In planning for long term capital investment it is essential the long-term revenue financing cost is affordable. Any long-term investment is paid over the life of the asset. It is essential the Council is able to meet the costs of borrowing and MRP over the life of the asset.
- 5.17 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 MRP. More information is available in the Council's Minimum Revenue Provision Strategy. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows and future years are available in Appendix C.

Table 4: Replacement of prior years' debt finance in £ millions

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>Actual</b>	<b>Forecast</b>	<b>Actual</b>
Minimum revenue provision (MRP) – General Fund	1.4	1.4	1.6
Minimum revenue provision (MRP) – HRA	1.2	1.6	1.3
Capital receipts	0.0	0.0	0.0
<b>TOTAL</b>	<b>2.6</b>	<b>3.0</b>	<b>2.9</b>

- 5.18 In taking out new external borrowing, the Council will consider a range of different options such as Public Works Loan Board (PWLB), Market Loans, Private Placement and Bonds (Public, Pooled, Community Municipal Investment and Retail). More information is available in the Council's Borrowing Strategy which is included within the Treasury Management Strategy Statement 2024/25.
- 5.19 Any borrowing taken out is secured against the Council as an entity rather than against specific assets for which it is borrowed for. The Council is required to demonstrate to the PWLB in advance of borrowing that is affordable.

### Housing Revenue Account (HRA)

- 5.20 The HRA Capital and Revenue Investment Programme is entirely funded from the ring-fenced HRA. The investment programme is driven by the 30-year HRA Business Plan. Key areas of housing include planned and cyclical works, zero carbon works and new supply. The programme also includes development and special projects. The HRA capital programme is funded from:
- HRA Self-Financing (the Major Repairs Reserve)
  - Capital Receipts (HRA – Right to Buy and other asset sales)
  - Revenue and Reserves (HRA contributions from revenue)
  - Capital grants from government and other bodies

- Borrowing.

- 5.21 Prior to 2018 the HRA had a limit to how much it was allowed to borrow, known as the HRA borrowing cap, which is tighter than the value of their assets, in order to control public borrowing levels. The HRA borrowing cap was abolished in late 2018. Further borrowing may be undertaken within the HRA subject to overall affordability and requisite business cases which should consider all risks including loss through right to buy.
- 5.22 The Council can use one for one element of Right to Buy (RTB) receipts to fund up to 40% of building new homes, the receipt must be used within five years. If not, the receipt is paid to DLUHC with interest. The removal of the cap means additional borrowing can be used to meet the remaining 60% of new home building.
- 5.23 Generally capital expenditure would be funded from capital sources however in exception revenue resources are able to be used to fund capital. The main exception is the use of housing rents to fund capital expenditure within the HRA.

## **6. Governance of the Capital Strategy**

### Approval of Capital Strategy and Capital Programme

- 6.1 The Capital Strategy is agreed annually alongside the TMSS. The Capital Programme is agreed annually by Full Council as part of the budget setting process. Variations to the Capital Programme or in-year additions, subject to delegation by Full Council, will be agreed by Cabinet including moving schemes from the Development Pool to the Approved Programme as long as the scheme is within the budget approved by Council and there are sufficient reserves available. Quarterly monitoring of the Capital Programme will be presented to Corporate Scrutiny and Cabinet.

### Strategic Oversight and Delivery

- 6.2 The Capital Strategy Group (CSG) leads on the development and maintenance of the Capital Strategy that is consistent with the relevant code of practice, Corporate Strategy and core regulatory functions, MTFP and TMSS.
- 6.3 The CSG has an oversight and stewardship role for the development and delivery of the Council's capital expenditure within affordable limits, which will include both the Capital Programme and capital investments; as well as providing strategic direction to the programme and projects where necessary.

### Capital Programme and Project Delivery

- 6.5 The delivery of individual capital projects and programmes are managed through project boards in each directorate and for services which do not have a specific projects board delivery is managed through the CSG. The Project Boards are responsible for developing, managing and progressing capital projects; as well as reporting into the CSG.

### Scrutiny

- 6.6 The formal scrutiny process will be used to ensure effective challenge via the quarterly Performance Report. The Corporate Scrutiny Committee is also engaged when setting the Capital programme prior to its consideration by Cabinet and approval by Full Council. It should be noted business cases seeking Cabinet approval will follow the standard decision pathway and as such can be subject to Scrutiny as part of that process.

### Managing Schemes Through Their Capital Lifecycle

- 6.7 The management of capital schemes through their lifecycle is an important aspect of delivering a successful capital investment programme. The approach should balance cost/funding certainty, risk, clarity of commitment to scheme, robust governance and transparent decision making.
- 6.8 An important aspect of the Council's capital governance framework is at which point schemes are in their development stage and when they are sufficiently developed to enter the approved capital programme. The capital programme is split into three broad components:
- Mandate. The initial concept and need for a capital scheme. Schemes will require prioritisation to ensure strategic fit and there are sufficient resources/capacity/capability to deliver the scheme.
  - Development Pool. A priority capital scheme in its early/developmental stages, typically outline business case (OBC) and full business case (FBC). At this stage costs/funding/risks are uncertain, gaining certainty as more in-depth work is undertaken.
  - Approved Capital Programme. This refers to a capital scheme which has been through OBC and FBC stages and is developed to an acceptable level of certainty to be formally approved in the programme for delivery/implementation.

#### Key Decision-Making Considerations

- 6.9 All capital investment decisions will be underpinned by a robust business case that sets out any expected financial return alongside the broader outcomes/impacts, including economic, environmental and social benefits.
- 6.10 Throughout the decision-making process the risks and rewards for each project are reviewed and revised and form part of the monitoring of the capital programme. The CSG receives monthly updates detailing financial forecasts and risks.
- 6.11 There may be occasions when the nature of a particular proposal requires additional support in the production of the business case or for example in performing of a value for money or due diligence review. In these circumstances the Council may seek external advice.
- 6.12 The capital programme is reported to Cabinet and Council as part of the annual budget setting process which will take into consideration any material changes to the programme and the investment. The in-year position is monitored monthly, with quarterly budget monitoring reports to Cabinet with capital reports incorporated. Within that monitoring report minor new investment proposals will be included and variations such as slippage and need for acceleration. Major new capital investment decisions will be subject to an individual report to Cabinet.
- 6.13 The Chief Finance Officer (Director of Resources) should report explicitly on the affordability and risk associated with the capital strategy. Where appropriate the Chief Finance Officer will have access to specialised advice to enable them to reach their conclusions and ensure sufficiency of reserves should risk or liabilities be realised.

## **7. Risk Management**

- 7.1 One of the Council's key investment principles is that all investment risks should be understood with appropriate strategies to manage those risks. Major capital projects require careful management to mitigate the potential risks which can arise. The effective monitoring, management and mitigation of these risks is a key part of managing the capital strategy. All projects are required to maintain a risk register and align reporting to the Council's reporting framework.
- 7.2 In managing the overall programme of investment there are inherent risks associated such as changes in interest rates or credit risk of counter parties.
- 7.3 Accordingly, the Council will ensure that robust due diligence procedures cover all external capital investment. Where possible contingency plans will be identified at the outset and enacted when appropriate.
- 7.4 No project or investment will be approved where the level of risk - determined by the Cabinet or Chief Financial Officer as appropriate - is unacceptable.

## **8. Skills and Knowledge**

- 8.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Strategic Director of Resources (Section 151 Officer) and Head of Finance (Deputy Section 151 Officer) are both qualified accountants and the Head of Property Services and Economic Regeneration is a qualified surveyor. The Council 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 Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council 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 Council has access to knowledge and skills commensurate with its risk appetite.
- 8.3 Appropriate training will be provided to all charged with investment responsibilities. This includes all those involved in making investment decisions such as members of CSG as well as those charged for scrutiny and governance such as relevant scrutiny committees and the audit committee. Training will be provided either as part of meetings or by separate ad hoc arrangements.
- 8.4 When considering complex and 'commercial' investments, the Council will ensure that appropriate specialist advice is taken. If this is not available internally it will be commissioned externally to inform decision making and appropriate use will be made of the Council's Treasury Management advisers.

## Capital Strategy Prudential Indicators

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

	2022/23 actual	2023/24 forecast*	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget	2028/29 budget
General Fund services	5.8	9.4	11.9	5.5	2.9	1.0	0.7
Council housing (HRA)	6.7	10.2	15.9	14.8	11.8	10.1	13.6
<b>TOTAL</b>	<b>12.5</b>	<b>19.6</b>	<b>27.8</b>	<b>20.3</b>	<b>14.7</b>	<b>11.1</b>	<b>14.3</b>

\* 2023/24 forecast is based on the draft outturn position and may be subject to change

Table 2: Prudential Indicator: Proportion of financing costs to net revenue stream

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget	2028/29 budget
<u>General Fund</u>							
Financing costs (£m)	1.8	1.8	1.9	1.9	1.8	1.8	1.8
Proportion of net revenue stream	11%	10%	11%	11%	11%	11%	11%
<u>Housing Revenue Account</u>							
Financing costs (£m)	1.2	1.6	1.3	1.3	1.3	0.6	0.6
Proportion of net revenue stream	7%	8%	6%	6%	6%	2%	2%

Capital financing in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget	2028/29 budget
<u>General Fund</u>							
External sources	0.6	1.3	3.7	0.7	0.7	0.7	0.7
Capital receipts	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Revenue resources	0.1	8.0	8.1	4.8	2.2	0.3	0.0
Debt	5.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>5.8</b>	<b>9.4</b>	<b>11.9</b>	<b>5.5</b>	<b>2.9</b>	<b>1.0</b>	<b>0.7</b>
<u>Housing Revenue Account</u>							
External sources	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Capital receipts	1.1	3.0	6.2	3.0	2.4	2.0	3.4
Revenue resources	5.3	7.2	5.9	4.2	3.9	3.7	3.5
Debt	0.0	0.0	3.8	7.6	5.5	4.4	6.7
<b>TOTAL</b>	<b>6.7</b>	<b>10.2</b>	<b>15.9</b>	<b>14.8</b>	<b>11.8</b>	<b>10.1</b>	<b>13.6</b>
<u>Total</u>							
External sources	0.9	1.3	3.8	0.7	0.7	0.7	0.7
Capital receipts	1.1	3.1	6.2	3.0	2.4	2.0	3.4
Revenue resources	5.4	15.2	14.0	9.0	6.1	4.0	3.5
Debt	5.1	0.0	3.8	7.6	5.5	4.4	6.7
<b>TOTAL</b>	<b>12.5</b>	<b>19.6</b>	<b>27.8</b>	<b>20.3</b>	<b>14.7</b>	<b>11.1</b>	<b>1</b>

## Replacement of prior years' debt finance in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget	2028/29 budget
Minimum revenue provision (MRP) – General Fund	1.4	1.4	1.6	1.6	1.5	1.5	1.4
Minimum revenue provision (MRP) – HRA	1.2	1.6	1.3	1.3	1.3	0.6	0.6
Capital receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>2.6</b>	<b>3.0</b>	<b>2.9</b>	<b>2.9</b>	<b>2.8</b>	<b>2.1</b>	<b>2.1</b>



## Flexible Use of Capital Receipts Strategy 2024/25

### 1. Introduction

- 1.1 As part of the November 2015 Spending Review, the Government announced that it would introduce flexibility for the period of the Spending Review for local authorities to use capital receipts from the sale of assets to fund the revenue costs of service reform and transformation. Guidance on the use of this flexibility was issued in March 2016 which applied to the financial years 2016/17 through to 2019/20.
- 1.2 In December 2017, the Secretary of State announced that this flexibility would be extended for a further three years (until 2021-2022) and in February 2021 an additional extension of three years was announced. The latest extension focused on the use of capital receipts to fund transformation or other projects that produce long term savings or reduce the costs of service delivery.

### 2. The Guidance

- 2.1 Local Government Act 2003 specifies that;
  - Local authorities will only be able to use capital receipts from the sale of property, plant and equipment received in the years in which this flexibility is offered. They may not use their existing stock of capital receipts to finance the revenue costs of reform.
  - Local authorities cannot borrow to finance the revenue costs of the service reforms.
  - The expenditure for which the flexibility can be applied (known as 'Qualifying Expenditure') should be the up-front (set up or implementation) costs that will generate future ongoing savings and/or transform service delivery to reduce costs or the demand for services in future years. The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure.
  - The key determining criteria to use when deciding whether expenditure can be funded by the new capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's net service expenditure.
  - In using the flexibility, the Council will have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice.
- 2.2 To make use of this flexibility, the Council is required to prepare a "Flexible use of capital receipts strategy" before the start of the year, to be approved by Full Council. This can form part of the budget report to Council. This Strategy therefore applies to the financial year 2024/25, which commences on 1 April 2024.

### 3. Examples of qualifying expenditure

- 3.1 There are a wide range of projects that could generate qualifying expenditure and the list below is not prescriptive. Examples of projects include:
  - Sharing back-office and administrative services with one or more other council or public sector bodies;
  - Investment in service reform feasibility work, e.g. setting up pilot schemes;

- Collaboration between local authorities and central government departments to free up land for economic use;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
- Sharing Chief-Executives, management teams or staffing structures;
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations;
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others);
- Integrating public facing services across two or more public sector bodies to generate savings or to transform service delivery.

#### **4. The Council's 2024/25 Budget Proposal**

- 4.1 The Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is: "Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility."
- 4.2 The 2024/25 budget proposal does not include any proposal to utilise the flexible use of capital receipts. However, if during the year projects are identified that satisfy the definition above these will be considered by Cabinet and approval for the use of capital receipts will be requested through the relevant channels in line with the Council's Budget and Policy Framework Rules.

#### **5. Impact on Prudential Indicators**

- 5.1 The guidance requires that the impact on the Council's Prudential Indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy. Capital receipts which are allocated to fund the Council's capital programme have been allocated, will be monitored throughout the year and will not be subsequently used to fund qualifying expenditure. Therefore, there will be no change to the council's Prudential Indicators that are contained in the Treasury Management Strategy Statement.

### North West Leicestershire District Council

## Treasury Management Strategy Statement 2024/25

### 1 Introduction

- 1.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council 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 Council's prudent financial management.
- 1.2 Treasury risk management at the 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 2021 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 1.3 Investments held locally for service purposes, local regeneration, local investment, and profit to be spent on local public services are considered in a different document, the Investment Strategy.

### 2 External Context (Provided by Arlingclose, Treasury Management Advisors)

- 2.1 **Economic background:** The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Council's treasury management strategy for 2024/25.
- 2.2 The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In December 2023, members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three dissenters wanted to increase rates by another 0.25%.
- 2.3 The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with near-term risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.
- 2.4 Office for National Statistics (ONS) figures showed CPI inflation was 3.9% in November 2023, down from a 4.6% rate in the previous month and, in line with the recent trend, lower than expected. The core CPI inflation rate declined to 5.1% from the previous month's 5.7%, again lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into

2026.

- 2.5 ONS figures showed the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.
- 2.6 The labour market appears to be loosening, but only very slowly. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth has remained strong but has showed some signs of easing; regular pay (excluding bonuses) was up 7.3% over the period and total pay (including bonuses) up 7.2%. Adjusted for inflation, regular pay was 1.4% and total pay 1.3%. Looking forward, the MPR showed the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026.
- 2.7 Having increased its key interest rate to a target range of 5.25-5.50% in August 2023, the US Federal Reserve appears now to have concluded the hiking cycle. It is likely this level represents the peak in US rates following a more dovish meeting outcome in December 2023.
- 2.8 US GDP grew at an annualised rate of 4.9% between July and September 2023, ahead of expectations for a 4.3% expansion and the 2.1% reading for Q2. But the impact from higher rates has started to feed into economic activity and growth will weaken in 2024. Annual CPI inflation was 3.1% in November.
- 2.9 Eurozone inflation has declined steadily since the start of 2023, falling to an annual rate of 2.9% in October 2023. Economic growth has been weak, and GDP was shown to have contracted by 0.1% in the three months to September 2023. In line with other central banks, the European Central Bank has been increasing rates, taking its deposit facility, fixed rate tender, and marginal lending rates to 3.75%, 4.25% and 4.50% respectively.
- 2.10 **Credit outlook:** Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.
- 2.11 On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.
- 2.12 Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.
- 2.13 Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local

authorities were downgraded.

- 2.14 There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.
- 2.15 . However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.
- 2.16 **Interest rate forecast (December 2023):** Although UK inflation and wage growth remain elevated, the Council's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. The Bank of England's Monetary Policy Committee will start reducing rates in 2024 to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early mid-2026.
- 2.17 Arlingclose expects long-term gilt yields to be broadly stable at current levels (amid continued volatility), following the decline in yields towards the end of 2023, which reflects the expected lower medium-term path for Bank Rate. Yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.
- 2.18 A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix A.
- 2.19 For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate/yield of 3.61%, and that new long-term loans will be borrowed at an average rate of 5.35%.

### **3 Local Context**

- 3.1 On 31 December 2023, the Council held £60.5 million of borrowing and £54.3 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. Please note that due to not having the 2021/22 accounts finalised this forecast uses financial data from the draft 2021/22 Statement of Accounts. Where available these figures have been updated with current positions, but the overall position is still subject to some change.

Table 1: Balance sheet summary and forecast.

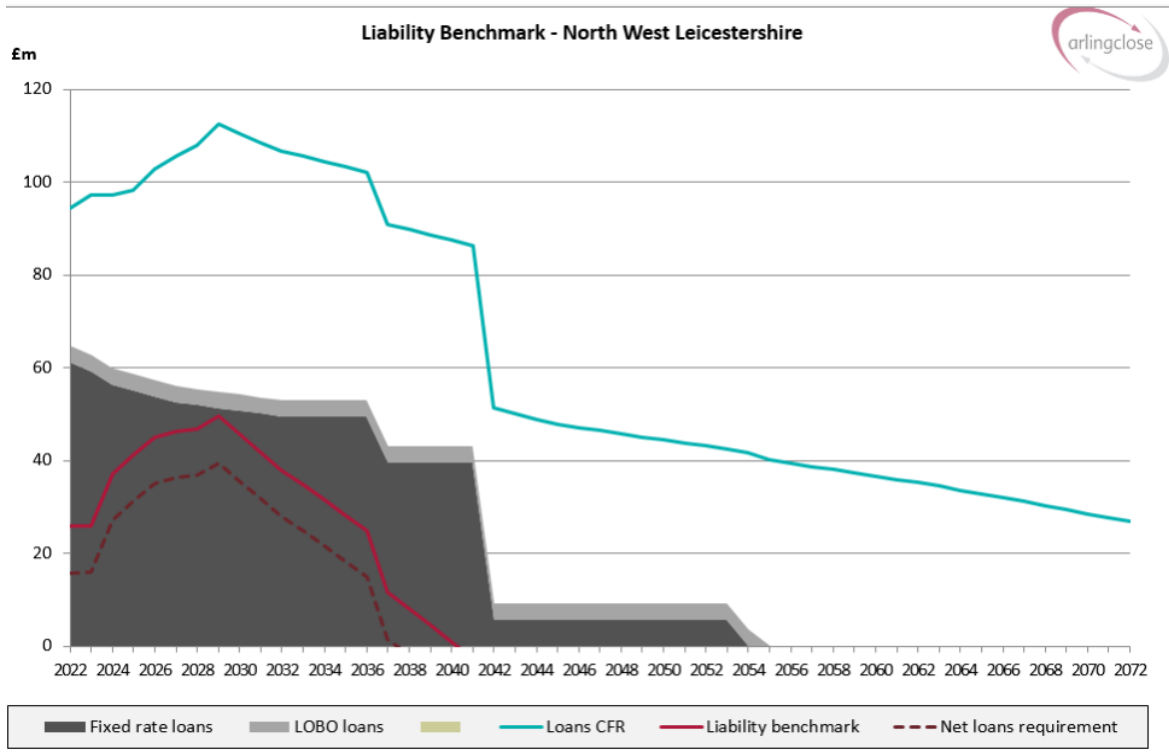
	31.3.23 Actual £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m
Capital financing requirement	97.1	97.2	98.2	103.0	105.6
Less: External borrowing **	-62.6	-59.9	-58.6	-57.3	-56.0
<b>Internal borrowing</b>	<b>34.5</b>	<b>37.3</b>	<b>39.6</b>	<b>45.7</b>	<b>49.6</b>
Less: Balance sheet resources	-81.2	-70.0	-67.0	-68.0	-69.3
<b>Treasury investments</b>	<b>46.7</b>	<b>32.7</b>	<b>27.4</b>	<b>22.3</b>	<b>19.7</b>

- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. In other words, the CFR is the total historic outstanding capital expenditure which has not yet been paid for. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 3.3 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2024/25.
- 3.4 **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 £10m at each year-end to maintain sufficient liquidity but minimise credit risk. This also allows the Council to maintain its professional investor status (known as MIFID) which allows for higher levels of advice from its treasury advisors and investment in a more diverse range of sources.
- 3.5 The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.
- 3.6 Please note that the balance sheet resources figures are based on the 2021/22 unaudited accounts which are yet to be audited. Therefore, it is subject to change.

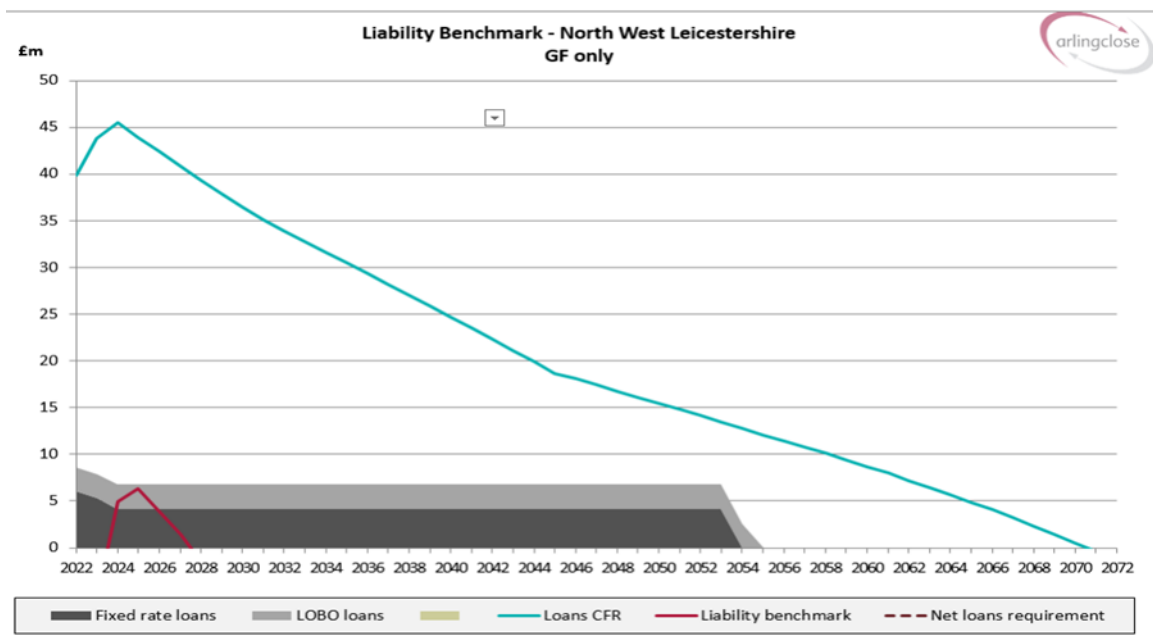
Table 2: Prudential Indicator: Liability benchmark

	31.3.23 Actual £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m
Loans CFR	97.1	97.2	98.2	103.0	105.6
Less: Balance sheet resources	-81.2	-70.0	-67.0	-68.0	-69.3
<b>Net loans requirement</b>	15.9	27.2	31.2	35.0	36.3
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0
<b>Liability benchmark</b>	<b>25.9</b>	<b>37.2</b>	<b>41.2</b>	<b>45.0</b>	<b>46.3</b>

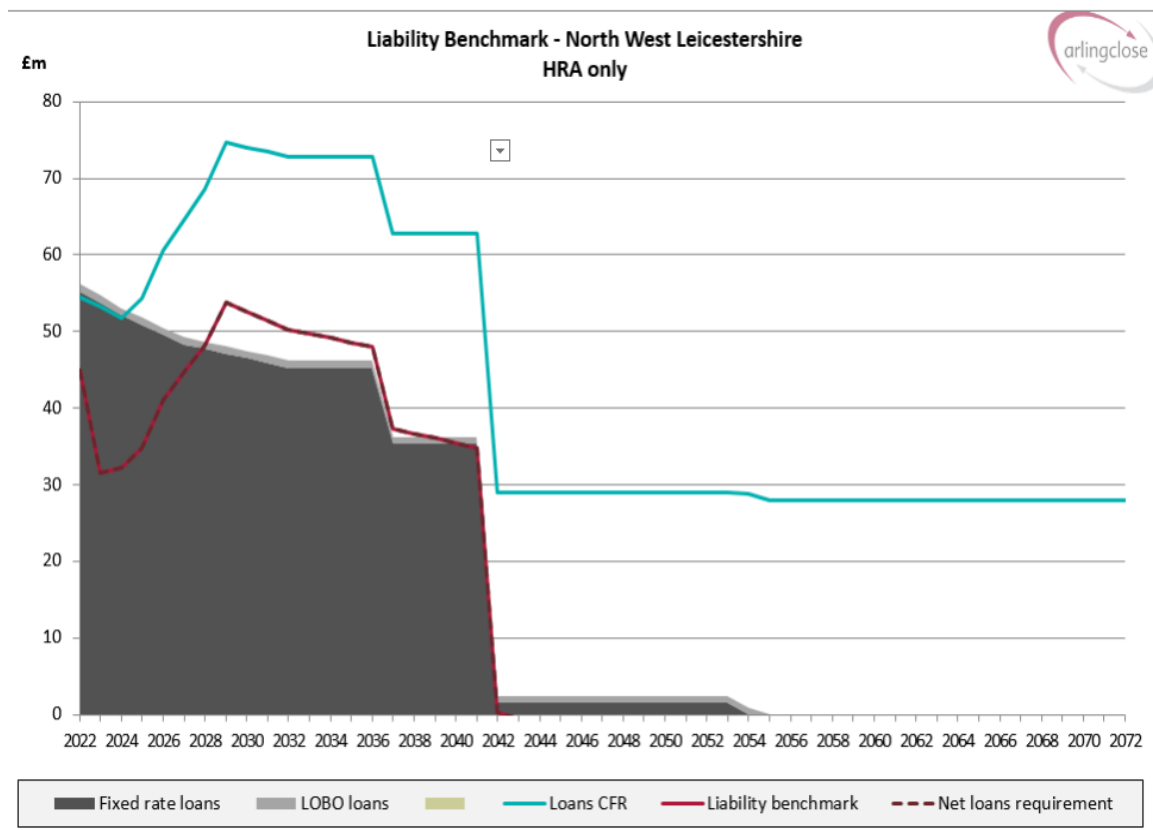
- 3.7 Following on from the medium-term forecasts in Table 2 above, the long-term liability benchmark assumes capital expenditure funded by borrowing only for the HRA, minimum revenue provision on new capital expenditure based on local decisions on asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year. This measure is shown in the charts below initially for the Council as a whole and then split into the General Fund and HRA together with the maturity profile of the Council's existing borrowing. Please note that as with the above graph these figures are in part using the 2020/21 unaudited accounts and may be subject to change:



- 3.8 The above graph demonstrates the Council's overall forecasted borrowing requirement and anticipated underlying need to borrow. It shows that the Council is funding its CFR through a mixture of both internal and external borrowing.
- 3.9 The following graph shows the Liability Benchmark position for the general fund only. This graph demonstrates that the general fund may need to borrow in the short term. This could be funded through borrowing from the HRA. This situation is subject to change due to a variety of internal and external circumstances.



3.10 The following graph shows the Liability Benchmark position for the HRA. This shows that the HRA will likely require borrowing from 2024/25 to fund the capital programme. As discussed previously this is subject to change and reflects the forecasted position.



#### 4 Borrowing Strategy

- 4.1 On 31 December 2023, the Council held £60.5 million of borrowing and £54.3 million of treasury investments a decrease of £2.0million compared to the start of the financial year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in Table 1 shows that the Council's CFR is due to increase by around £3 million in 2024/25, this increase will need to be financed through internal or external borrowing. The Council may borrow additional sums to pre-fund future years' requirements, providing this does not exceed the forecast CFR plus any cashflow requirements. This is represented with the authorised limit for borrowing of £110.6 million as outlined below.
- 4.2 **Affordable borrowing limit:** The Council 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.
- 4.3 Leases limits will come into effect in the 2024/25 financial year with the implementation of IFRS16.



Table 3: Authorised limit and operational boundary for external debt in £m

	31.3.23 Limit	31.3.24 Limit	31.3.25 Limit	31.3.26 Limit	31.3.27 Limit
Operational boundary - borrowing	97.1	97.2	98.2	103.0	105.6
Operational boundary - PFI and leases	0	0	1.0	1.0	1.0
Operational boundary - total external debt	97.1	97.2	99.2	104.0	106.6
Authorised Limit - borrowing	107.1	107.2	108.2	113.0	115.6
Authorised Limit - PFI and leases	0	0	2.0	2.0	2.0
Authorised Limit - total external debt	107.1	107.2	110.2	115.0	117.6

- 4.4 **Objectives:** The Councils 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 Council's long-term plans change is a secondary objective.
- 4.5 **Strategy:** Given the significant cuts to public expenditure and to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently at a 15-year high but are expected to fall in the coming years and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead.
- 4.6 The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 4.7 The Council has previously raised most of its long-term borrowing from the Public Works Loan Board (PWLB) but will consider long-term loans from other sources including banks, pensions, and local authorities, and will investigate the possibility of issuing bonds and similar instruments, 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 Council intends to avoid this activity to retain its access to PWLB loans.
- 4.8 Alternatively, the Council 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.
- 4.9 In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.
- 4.10 **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)
  - UK Infrastructure Bank Ltd
  - 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.
- retail investors via a regulated peer-to-peer platform
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local Council bond issues.

4.11 **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
- Similar asset-based finance.

4.12 **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.

4.13 **Lender's Option Borrower's Option (LOBOs):** The Council holds £3.5 million of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £3.5 million of these LOBOs have options during 2024/25, and with interest rates having risen recently, there is now a reasonable chance that lenders will exercise their options. If they do, the Council will take the option to repay LOBO loans to reduce refinancing risk in later years. Total borrowing via LOBO loans will be limited to £3.5 million.

4.14 **Short-term and variable rate loans:** These loans leave the Council 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).

4.15 **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 Council 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. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

## 5 **Treasury Investment Strategy**

5.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. Since 31 March 2023, the Council's treasury

investment balance has ranged between £68.2 million and £43.3 million. These levels are expected to gradually reduce over the coming year due to planned capital expenditure, use of reserves and repayment of debt.

- 5.2 **Objectives:** The CIPFA Code requires the Council 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 Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.
- 5.3 **Strategy:** As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.
- 5.4 The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Council may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.
- 5.5 **ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship
- 5.6 Where practical when making investment decisions ESG will be considered and counterparties with integrated ESG policies and commitments to carbon net zero by 2050 will be favoured by the council.
- 5.7 **Business models:** Under the IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its 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.
- 5.8 **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in Table 4 below, subject to the limits shown.

Table 4: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	5 years	£60m	n/a
Local authorities & other government entities	5 years	£5m	£60m
Secured investments*	5 years	£5m	£60m
Banks (unsecured) *	13 months	£2.5m	£60m
Building societies (unsecured) *	13 months	£2.5m	£5m
Registered providers (unsecured) *	5 years	£2.5m	£12.5m
Money market funds *	n/a	£5m	£60m
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:

- 5.9 **\* 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 considered.
- 5.10 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.
- 5.11 **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 5 years.
- 5.12 **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.

- 5.13 **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.
- 5.14 **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.
- 5.15 **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. A £60 million sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 5.16 **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 Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- 5.17 **Real estate investment trusts (REIT):** 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.
- 5.18 **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 Council's investment at risk.
- 5.19 **Operational bank accounts:** The Council 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 Council maintaining operational continuity.
- 5.20 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. 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.
- 5.21 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.
- 5.22 **Other information on the security of investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 5.23 **Reputational aspects:** The Council is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be considered when making investment decisions.
- 5.24 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.
- 5.25 **Investment limits:** The Council’s revenue reserves available to cover investment losses are forecast to be £16.5 million on 31 March 2024 and £16.5 million on 31 March 2025. In order that no more than 50% 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.
- 5.26 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.
- 5.27 Limits are also placed on fund managers, investments in brokers’ nominee accounts and foreign countries as detailed in the table 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 5: 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

5.28 **Liquidity management:** The Council forecasts its cashflow using an excel spreadsheet to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

5.29 The Council 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 Prudential Indicators

6.1 The Council measures and manages its exposures to treasury management risks using the following indicators.

6.2 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating 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.

Credit risk indicator	Target
Portfolio average credit rating	A-

6.3 **Liquidity:** The Council 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 Council'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	External Borrowing Limit	Internal Borrowing Limit
Upper limit on one-year revenue impact per a 1% <u>rise</u> in interest rates	£550,000	£400,000
Upper limit on one-year revenue impact per a 1% <u>fall</u> in interest rates	£550,000	£400,000

6.5 The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

6.6 **Maturity structure of borrowing:** This indicator is set to control the Council’s exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Lower limit	Upper Limit	Position as at 01/04/2023
Under 12 months	0%	70%	43%
12 months and within 24 months	0%	30%	1%
24 months and within 5 years	0%	30%	3%
5 years and within 10 years	0%	30%	2%
10 years and within 20 years	0%	90%	45%
20 years and above	0%	30%	6%
<b>TOTAL</b>			<b>100%</b>

*\*includes internal borrowing*

6.7 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.

6.8 The figures above include internal borrowing. The assumption is made that internal borrowing matures in one working day so the full amount of £34.6 million is all represented in the ‘under 12 months’ row.

6.9 **Long-term treasury management investments:** The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£60m	£10m	£10m	£10m

6.10 The section named ‘no fixed date’ refers to longer dated investments which have no set maturity point but are anticipated to be held for a period longer than a year e.g., strategic property funds.

## 7 **Related Matters**

7.1 The CIPFA Code requires the Council 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 Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 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 Council 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:** In 2012, the Council 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 each month and interest transferred between the General Fund and HRA at the Council's average interest rate on investments, adjusted for credit risk.
- 7.7 **External Funds:** The Council manages S106 funds. These funds contribute towards the investment balances. Therefore, interest earned on S106 balances are repaid to the S106 fund. The value of the S106 funds as at 31 December 2023 equals £6.9 million. Reducing our overall interest earned forecast by an estimated £130,000.
- 7.8 Additionally, the Council holds funds for the Chairman's Charity which is gathered throughout the year and apportioned out to selected charities. These amounts are negligible.
- 7.9 **Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and

fund managers, 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 Council's treasury management activities, the Head of Finance believes this to be the most appropriate status.

## **8 Financial Implications**

- 8.1 The risk adjusted budget for investment income in 2024/25 is £981,300, based on an average investment portfolio of £55.8 million at an interest rate of 3.61%. Deductions largely consisting of S106 Balances will reduce this by £189,300 leaving a total forecasted interest income of £792,000.
- 8.2 The allocations of interest to the General Fund and HRA will be worked out based on the average notional investment balances of both funds throughout the financial year the percentage of which will be applied to the overall interest received after deductions. The forecasted notional balances of each fund throughout the year result in a split of 42% for the general fund totalling £335,500 and 58% for the HRA totalling £456,500.
- 8.3 This interest forecast is subject to a great deal of change as it is impacted by cashflow timings, delivery of capital programmes and their subsequent forecasts, grant payments, grant repayments and growth in council tax, business rates and social housing rents. It is also dependent on our base rate forecast being accurate (shown in appendix A and paragraph 2.14) which in turn is impacted by economic factors such as inflation which are notoriously difficult to predict. Therefore, this forecast is likely to evolve throughout the year and can change on a daily basis. As a result of the changeable nature of investment return the above interest income forecast is risk adjusted to be reduced by 20% of actual projections to reduce the risk to the Councils budget of the possible changes.
- 8.4 The budget for debt interest paid in 2024/25 is £2.2 million. Of this £520,000 refers to the General Fund and £1.7 million to the HRA. This is based on a debt portfolio of £58.6 million at an average interest rate of 3.6%. £51.8 million of this forecast is HRA Borrowing and £6.8 million is General Fund.
- 8.5 If actual levels of investments and borrowing, or actual interest rates, differ from those forecasts, performance against budget will be correspondingly different.
- 8.6 Where investment income exceeds budget, e.g., from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g., from cheap short-term borrowing, 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. This option will be at the discretion of the Chief Financial Officer and will not be taken in periods of outstanding financial pressures or uncertainties.

## **9 Other Options Considered**

- 9.1 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Head of Finance, 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.

Narrative	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 2023**

#### **Underlying assumptions:**

- UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.
- The MPC's message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.
- Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the timelier PMI figures suggest that the services sector is recovering from a weak Q3. Tighter policy will however bear down on domestic and external activity as interest rates bite.
- Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects have diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant loosening in the future to boost activity.
- Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium-term level for Bank Rate.
- There is a heightened risk of fiscal policy and/or geo-political events causing substantial volatility in yields.

#### **Forecast:**

- The MPC held Bank Rate at 5.25% in December. We believe this is the peak for Bank Rate.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.
- The immediate risks around Bank Rate have become more balanced, due to the weakening UK economy and dampening effects on inflation. This shifts to the downside in the short term as the economy weakens.
- Long-term gilt yields are now substantially lower. Arlingclose expects yields to be flat from here over the short-term reflecting medium term Bank Rate forecasts. Periodic volatility is likely.

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
<b>Official Bank Rate</b>													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
<b>3-month money market rate</b>													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
<b>5yr gilt yield</b>													
Upside risk	0.00	0.25	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.77	3.75	3.75	3.75	3.70	3.60	3.50	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
<b>10yr gilt yield</b>													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.72	3.75	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
<b>20yr gilt yield</b>													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.25
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
<b>50yr gilt yield</b>													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.76	3.80	3.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

- PWLB Standard Rate = Gilt yield + 1.00%
- PWLB Certainty Rate = Gilt yield + 0.80%
- PWLB HRA Rate = Gilt yield + 0.40%
- UK Infrastructure Bank Rate = Gilt yield + 0.40%

## Appendix B

### Existing Investment & Debt Portfolio Position - 31 December 2023

	31/12/2023 Actual portfolio £m	31/12/2023 Average rate %
<b>External borrowing:</b>		
Public Works Loan Board	52.40	3.58%
LOBO loans from banks	3.50	4.80%
Other loans	3.94	4.74%
Hinckley & Bosworth	0.06	3.14%
<b>Total external borrowing</b>	<b>59.90</b>	<b>3.72%</b>
<b>Treasury investments:</b>		
The UK Government	9.00	5.31%
Local authorities	25.00	5.34%
Banks (unsecured)	2.00	4.78%
Money market funds	18.30	5.28%
<b>Total treasury investments</b>	<b>54.30</b>	<b>5.30%</b>
<b>Net debt</b>	<b>5.60</b>	

### North West Leicestershire District Council

#### Minimum Revenue Provision Statement 2024/25

##### 1. Annual Minimum Revenue Provision Statement 2024/25

- 1.1 Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The *Local Government Act 2003* requires the Council to have regard to the 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 Council 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.
  - Capital expenditure funded by borrowing incurred before 1 April 2008 MRP will be determined in accordance with the former regulations that applied on 31 March 2008, incorporating an "Adjustment A" of £606k.
  - For capital expenditure funded by borrowing incurred between 1 April 2008 and 31 March 2019, MRP will be determined as 4% of the capital financing requirement in respect of that expenditure. This will be charged on a straight-line basis over 25 years.
  - For capital expenditure funded by borrowing incurred after 31 March 2019, MRP will be determined by charging the expenditure over the expected life of the relevant asset. This will be on a straight-line basis for financial years 2020/21 and 2021/22, then on the remaining balance, as the principal repayment on an annuity equal to the average relevant PWLB rate for year of expenditure, starting in the financial year 2022/23. MRP in 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 capital expenditure funded by borrowing incurred after 31 March 2022, MRP will be determined by charging the expenditure over the expected life of the relevant asset as the principal repayment on an annuity equal to the average relevant PWLB rate for year of expenditure, starting in the year after the asset

becomes operational. MRP in 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 1 April 2024 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, the Authority will make nil MRP unless (a) the loan is an investment for commercial purposes and no repayment was received in year or (b) an expected credit loss was recognised or increased in-year 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 on loans that are investments for commercial purposes, 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. Sufficient MRP will be charged to ensure that the outstanding capital financing requirement (CFR) on the loan is no higher than the principal amount outstanding less the expected credit loss. This option was proposed by the government in its recent MRP consultation and in the Authority's view is consistent with the current regulations.
  - No MRP will be charged in respect of assets held within the Housing Revenue Account but depreciation on those assets will be charged instead in line with regulations.
  - 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 2024/25 will not be subject to a MRP charge until 2025/26.
- 1.5 MRP will only be charged once the asset is fully operational and will not be charged whilst the asset is under construction. The MRP charge will commence the year after the asset becomes operational.



1.6 Based on the Council's latest estimate of its capital financing requirement (CFR) on 31 March 2024, the budget for MRP has been set as follows:

	<b>31.03.2024 Estimated CFR</b>	<b>2024/25 Estimated MRP</b>
	<b>£m</b>	<b>£m</b>
Capital expenditure funded by borrowing before 01.04.2008	7.7	0.3
Capital expenditure funded by borrowing between 01.04.2008 and 31.03.2019	4.1	0.2
Unsupported capital expenditure after 31.03.2019	33.7	1.1
Transferred debt	0.1	0.0
<b>Total General Fund</b>	<b>45.5</b>	<b>1.5</b>
Assets in the Housing Revenue Account	3.3	0.0
HRA subsidy reform payment	48.4	1.3
<b>Total Housing Revenue Account</b>	<b>51.7</b>	<b>1.3</b>
<b>Total</b>	<b>97.2</b>	<b>2.8</b>

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# North West Leicestershire District Council

## Non-Treasury Investment Strategy Report 2024/25

### 1. Introduction

1.1 The Council 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). It is important to stress that the primary goal of the commercial investments held by the Council and discussed in this report is not generation of profit but instead supporting local growth, local regeneration and the efficient use of local assets. Investment income is a secondary objective which is reinvested in local services.

1.2 Although not classed as a category of investment the Council also invests its own funds to finance capital expenditure funded through borrowing. This is known as internal borrowing.

1.3 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.

1.4 The statutory guidance defines investments as “all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.” The Authority interprets this to exclude (a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word and (b) property held partially to generate a profit but primarily for the provision of local public services. This aligns the Authority’s definition of an investment with that in the 2021 edition of the CIPFA Prudential Code, a more recent piece of statutory guidance.

### 2. Treasury Management Investments

2.1 The Council 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 £43.3 million and £68.2 million during the 2024/25 financial year.

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

2.3 **Further details:** Full details of the Council's policies and its plan for 2024/25 for treasury management investments are covered in a separate document, the Treasury Management Strategy Statement 2024/25.

### 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 Council, 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	31.3.2023 actual			2024/25
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries	Nil	Nil	Nil	Nil
Suppliers	Nil	Nil	Nil	Nil
Parish councils	Nil	Nil	Nil	Nil
Local businesses	Nil	Nil	Nil	Nil
Local charities	Nil	Nil	Nil	Nil
Housing associations	Nil	Nil	Nil	Nil
<b>TOTAL</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

3.3 Loans made for service purposes will be undertaken on a case-by-case basis and require approval by Full Council. Therefore, there is no approved limit for these loans outlined in the above table, but the option is available following a proper risk and benefit review.

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

3.5 **Risk assessment:** The Council 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	31.3.2023 actual			2024/25
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Subsidiaries	Nil	Nil	Nil	Nil
Suppliers	Nil	Nil	Nil	Nil
Local businesses	Nil	Nil	Nil	Nil
<b>TOTAL</b>	Nil	Nil	Nil	Nil
	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

4.3 As in Table 1 there are no approved limits for investments of this kind. Applications will be dealt with on a case-by-case basis and require approval by Full Council following a comprehensive review.

4.4 **Risk assessment:** The Council 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.

4.5 **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.

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

## 5. Commercial Investments: Property

5.1 **Contribution:** The Council invests in local commercial property with the primary aim of supporting local growth, regeneration and efficient use of local assets. The secondary aim is investment income that will be spent on local public services. Currently the Council only holds commercial investments within the district boundaries in line with these aims.

Table 3: Property held for investment purposes in £ millions

Property	31.3.2022 actual		31.3.2023 actual	
	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Industrial Units	-5.19	7.72	-0.32	7.4
Market Hall	0.26	0.45	0	0.45
Whitwick Business Centre	-0.01	1.82	-1.15	0.67
Land	0	0.26	0.08	0.34
<b>TOTAL</b>	<b>-4.94</b>	<b>10.25</b>	<b>-1.39</b>	<b>8.86</b>

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

5.3 **Risk assessment:** The Council 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.

5.4 **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 Council has minimised this risk by holding a minimal investment portfolio.

## 6. Proportionality

6.1 The Council generates income from 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 Council is dependent on achieving the expected net profit from investments over the lifecycle of the Medium-Term Financial Plan.

6.2 The below table outlines the investment income from commercial investments against the net service expenditure. A more appropriate measure would be the gross service expenditure as that figure would not already be adjusted for income and show a truer reflection of the extent to which income from these commercial investments support the Council's overall revenue expenditure. The gross expenditure figures are not currently available for this report. The below uses net service expenditure to give the reader an idea of the overall scale.

Table 4: Proportionality of Investments £'000

	<b>2022/23 Actual</b>	<b>2023/24 Forecast</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>2026/27 Budget</b>
Investment income	624	608	410	200	200
Net revenue expenditure	16,121	17,629	18,156	17,673	17,792
Proportion	4%	3%	2%	1%	1%

## 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 2024/25.

## 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 operations.

8.2 The Council will, therefore, seek to appoint individuals who are both capable and experienced and 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 Council'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 Council 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 aligned 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;

- Economic Impact – in particular; jobs, business growth and new housing;
- Impact on Market Towns – in terms of vibrancy, footfall and heritage;
- Financial Implications – value for money, affordability and return of investment; and
- Deliverability – the ability to deliver the proposals and the associated risks.

8.7 **Corporate governance:** It is important that the Council 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.

8.8 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 Council's website.

## 9. Investment Indicators

9.1 The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

9.2 **Total risk exposure:** The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third-party loans.

Table 5: Total investment exposure in £ millions

Total investment exposure	01.12.2023 Actual £m	31.03.2024 Forecast £m	31.03.2025 Forecast £m
Treasury management investments	55.5	35.9	31.6
Commercial investments: Property	10.0	8.5	8.5
<b>TOTAL INVESTMENTS</b>	<b>65.5</b>	<b>44.4</b>	<b>40.1</b>
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
<b>TOTAL EXPOSURE</b>	<b>65.5</b>	<b>44.4</b>	<b>40.1</b>

9.3 **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Council 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 Council's investments are funded by usable reserves and income received in advance of expenditure.

9.4 These figures have been worked out by using the actual and forecast percentage of the overall capital financing requirement (CFR) that is funded by external borrowing and applying that to the value of the investments in Table 5.

Table 6: Investments funded by borrowing in £ millions

<b>Investments funded by borrowing</b>	<b>31.03.2023 Actual £m</b>	<b>31.03.2024 Forecast £m</b>	<b>31.03.2025 Forecast £m</b>
Treasury management investments	4.9	2.9	2.7
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	1.8	1.1	1.0
<b>Total Funded by Borrowing</b>	<b>6.7</b>	<b>4.0</b>	<b>3.7</b>

9.5 **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)

<b>Investments net rate of return</b>	<b>2022/23 Actual</b>	<b>2023/34 Forecast</b>	<b>2024/25 Forecast</b>
Treasury management investments	2%	4%	4%
Commercial investments: Property	4%	4%	4%

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**  
**COUNCIL – THURSDAY 22 FEBRUARY 2024**



<b>Title of Report</b>	<b>GENERAL FUND BUDGET AND COUNCIL TAX 2024/25</b>	
<b>Presented by</b>	Councillor Nick Rushton Corporate Portfolio Holder	
<b>Background Papers</b>	<a href="#">General Fund Budget and Council Tax 2023/24 – Council 23 February 2023</a>  <a href="#">Draft General Fund Budget 2024/25 - Cabinet 9th January 2024</a>  <a href="#">Corporate Scrutiny Minutes – 4<sup>th</sup> January 2024</a>  <a href="#">General Fund Budget and Council Tax 2024/25 – Cabinet 31 January 2024</a>	<b>Public Report:</b> Yes
<b>Financial Implications</b>	This report sets out the General Fund, Special Expenses Revenue and Capital Programme for 2024/25 to 2028/29, which are needed for the Council to continue to deliver its services to residents, tenants and businesses. <b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	External legal advice has been sought on the legal position regarding the treatment of special expenses. This is reflected in section 4.5 of the report.  <b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	The report and its appendices set out plans to create new posts and remove vacant posts from the establishment. <b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To allow the Council to approve the 2024/25 budgets.	
<b>Recommendations</b>	<b>COUNCIL IS RECOMMENDED:</b>  1. TO APPROVE THE GENERAL FUND REVENUE BUDGET FOR 2024/25 AS SUMMARISED IN SECTION 2 OF THIS REPORT. THIS INCLUDES INCREASING THE DISTRICT COUNCIL'S SHARE OF COUNCIL TAX IN 2024/25 BY 2.75%  2. TO NOTE THE GENERAL FUND REVENUE INDICATIVE BUDGET FOR 2025/26 TO 2028/29 (APPENDIX 1).	

	<ol style="list-style-type: none"> <li>3. TO NOTE THE GENERAL FUND FEES AND CHARGES APPROVED BY CABINET ON 31 JANUARY 2024 (APPENDIX 3).</li> <li>4. TO APPROVE THE PROPOSED GENERAL FUND CAPITAL PROGRAMME (APPENDIX 4) FOR 2024/25 AND PLANNED FINANCING, AS SET OUT IN SECTION 3 OF THIS REPORT.</li> <li>5. TO NOTE THE REMAINING ELEMENTS OF THE GENERAL FUND CAPITAL PROGRAMME 2025/26 – 2028/29.</li> <li>6. TO APPROVE THE SPECIAL EXPENSES REVENUE BUDGET FOR 2024/25 (APPENDIX 6) AS SUMMARISED IN SECTION 4, INCLUDING SETTING THE SPECIAL EXPENSE BAND D COUNCIL TAX AT THE LEVELS DETAILED IN TABLE 4 OF THIS REPORT AND APPROVES THE REVISED SPECIAL EXPENSES POLICY SHOWN IN APPENDIX 10</li> <li>7. TO APPROVE THE CONTINUATION OF NWLDC IN THE LEICESTER AND LEICESTERSHIRE ENTERPRISE PARTNERSHIP (LLEP) BUSINESS RATES POOL IN 2024/25.</li> <li>8. TO APPROVE THE DRAWDOWN FROM RESERVES TO FUND THE ONE-OFF BUDGET PROPOSALS AS DETAILED IN THE GENERAL FUND BUDGET SUMMARY 2024/25 TO 2028/29 (APPENDIX 1).</li> <li>9. TO APPROVE THE CONTRIBUTION TO RESERVES AS DETAILED IN THE GENERAL FUND BUDGET SUMMARY 2024/25 TO 2028/29 (APPENDIX 1).</li> <li>10. DELEGATE RESPONSIBILITY TO THE CHIEF EXECUTIVE IN CONSULTATION WITH THE DIRECTOR OF RESOURCES (SECTION 151 OFFICER) AND THE RELEVANT PORTFOLIO HOLDER TO SPEND £500K FROM THE MEDIUM-TERM FINANCIAL PLAN (MTFP) RESERVE ON THE TRANSFORMATION PROGRAMME.</li> </ol>
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## **1.0 BACKGROUND AND DISCUSSION**

- 1.0.1 The Medium-Term Financial Plan (MTFP) sets out the financial strategic direction for the Council and is updated as it evolves and develops throughout the year, to form the framework for the Council’s financial planning.
- 1.0.2 The purpose of the MTFP is to set out the key financial management principles, budget assumptions and service issues. It is then used as the framework for the detailed budget setting process to ensure that resources are effectively managed and are able to deliver the aspirations of the Council, as set out in the Council Plan, over the medium term.

## 1.1 Context

1.1.1 The Council is setting its budget at a time when it faces a range of issues to contend with. In broad terms these can be split into three categories: economic, local government and locally in North West Leicestershire. Each of these is explored below:

## 1.2 Economic

1.2.1 The recent report by the Office of Budget Responsibility (OBR) in respect of the Economic and Fiscal Outlook describes how the economy has proved to be more resilient to the shocks of the Covid pandemic and energy crisis than anticipated. GDP stood nearly 2% above its pre-pandemic level and around 3% above the OBR March forecast but is now expected the economy will grow more slowly over the medium term.

1.2.2 Inflation was expected to fall below 5% by the end of the calendar year, which was achieved with the Consumer Prices Index (CPI) being confirmed at 4.0% in December 2023. However, it is not forecast to return to its 2% target until the first half of 2025.

## 1.3 Local Government

1.3.1 High inflation, energy prices and pay awards have put substantial financial pressure on councils. The Local Government Association has estimated that councils face a funding gap of £2.4bn in 2023/24 and £1.6bn in 2024/25. These gaps relate to funding needed to maintain services at their current level.

1.3.2 The Autumn Statement 2023 announced in November 2023 was silent on wider issues in respect of local government funding for 2024/25 and beyond, including council tax referendum principles, grant funding and total increase in spending power. However, there were announcements welcomed by district councils including:

- Increasing the Local Housing Allowance (LHA) rate to the 30<sup>th</sup> percentile of local market rents from April 2024, The LHA is designed to ensure that people receive enough housing benefit to cover the cost of renting a typical home in their area that is large enough for their needs.
- £120m funding for local authorities in England and the devolved administrations to invest in homelessness prevention, including to support Ukrainian households who can no longer remain in sponsorship.
- Extending 'thank you' payments for Homes for Ukraine sponsors into a third year.
- Creating the flexibility for Local Planning Authorities to charge a locally set premium fee for major planning applications, allowing them to recover the full cost.
- £110m Local Nutrient Mitigation Fund for councils to mitigate the impact of nutrient pollution in waterways and deliver thousands of homes that have been on hold. The Council would use monies secured from the Local Mitigation Fund to appoint specialist consultants to develop a detailed mitigation strategy and to identify short-, medium- and long-term potential mitigation measures that could enable phosphate nutrient neutrality to be achieved for anticipated new housing

and economic development in the River Mease Special Area of Conservation catchment.

- 1.3.3 Ahead of the Provisional Local Government Finance Settlement, the Government released a Policy Statement 2024 to 2025. It sets out the Government's intentions for the Local Government Finance Settlement 2024/25. It confirmed the Council Tax referendum principles for 2024/25, this being a principle of up to 3% or £5, whichever is higher, for shire district councils.
- 1.3.4 In addition, the Statement confirmed that all local authorities will see at least a 3% increase in their Core Spending Power before any decision they make about organisational efficiencies, use of reserves and Council Tax levels through a funding guarantee. Core Spending Power includes revenue from Council Tax, business rates, grants and other sources.
- 1.3.5 The Local Government Finance Settlement was announced on 6 February 2024 and has been incorporated into the budget position for 2024/25. There are no details of funding streams for 2025/26 onwards.

#### 1.4 Local – North West Leicestershire

- 1.4.1 North West Leicestershire District Council continues to face increased costs from high inflation and pay awards.
- 1.4.2 In recent years the Council has seen growth in its business rate income as new companies have moved into the area due to its location and excellent communication links. This has led to the Council being the largest beneficiary in England from the business rates growth retention scheme. The business rates growth has enabled the Council to fund services without increasing council tax.
- 1.4.3 This continues to present the Council's highest financial risk as government has indicated that it is looking to reset the business rates growth baseline and redistribute resources to councils across the country with a fair funding review which is expected to be implemented in 2026.
- 1.4.4 Recognising the wider context within which the budget is being set, the Council made improvements to financial management in the last 12 months and has continued to use processes to develop its budget plans for 2024/25 and over the medium term. This recognises the greater focus within the organisation on its finances. The process, coupled with that used in previous years, has involved:
  - Services completing budget proposals to justify the need for any changes to the budget.
  - Budget STAR Chamber sessions between Directors and Heads of Service.
  - Regular reporting to the Corporate Leadership Team on the Council's overall budget position.
  - Engagement with councillors through Portfolio Holder briefings, Strategy Group and an all-councillor budget briefing.
  - Further engagement through scrutiny and consultation with the public.

## 1.5 Principles Underpinning the Budget Strategy

1.5.1 The Council has a number of agreed principles as a basis for financial management and budget planning as follows:

Guiding Principles	Key Strategies for Developing Budget 2024/25 and MTFP 2024-29
Financial Stability and Sustainability	<ul style="list-style-type: none"> <li>Plan ahead for potential Government funding changes (including Business Rates Reset)</li> <li>Do not become overly reliant on Business Rates funding for on-going service provision</li> <li>Use future surpluses in Business Rates funding for future one off investment to reduce ongoing revenue costs or generate income</li> </ul>
Resources Focussed on Priorities	<ul style="list-style-type: none"> <li>Align resources to Council Delivery Plan objectives</li> </ul>
Maximising Our Sources of Income	<ul style="list-style-type: none"> <li>Fees and Charges maximised in accordance with the Corporate Charging Policy (increased by inflation)</li> </ul>
Managing our Risks	<ul style="list-style-type: none"> <li>Acceptable level of risk tolerance</li> <li>Review of reserves strategy and position</li> </ul>

## 1.6 Budget Assumptions

1.6.1 The following budget assumptions have been built into the forecast:

- Pay award – additional 2.75% for 2023/24 (4% had been included within the 2023/24 budgets), 3% in 2024/25 and 2% thereafter.
- Contracts have been linked to the CPI/Retail Prices Index (RPI) as per individual agreements.
- Inflation – fuel and utilities inflation are very volatile which was reflected in the large increases in the budget in 2023/24 (see table below). After reviewing the current prices and future indications based on the best information available, the decision has been taken that there is sufficient budget in 2024/25 to meet demand.

Cost	Increase in Budget 2023/24
Fuel	30%
Gas	86%
Electricity	100%

- Fees and charges – where relevant, budgets have been increased by 7% which was slightly higher than the September CPI of 6.7%. This is in line with the Corporate Charging Policy and supports cost recovery where the Council has not increased charges in previous years. There are also some charges where the charge has been increased above the 7% which are included in the budget options on Appendix 2. See section 2.4 for more detailed information on fees and charges.

- In broad terms other expenditure has not had any inflationary factor applied with a few exceptions where material costs have had to be increased to keep up with rising prices (e.g. Grounds Maintenance).

## 2.0 GENERAL FUND BUDGET 2024/25

### 2.1 General Fund Budget Summary

2.1.1 Appendix 1 shows the general fund budget position for 2023/24 and the budget for approval for 2024/25, as well as an indicative budget for 2025/26 to 2028/29.

2.1.2 Table 1 below highlights that in 2024/25 the net revenue expenditure has increased by £810k compared to 2023/24 and the anticipated funding has also increased by (£324k). However, it should be noted that £771k of the increase in the net revenue expenditure relates to one-off expenditure and will be funded from reserves.

**Table 1: Changes to the General Fund budget from the previous year**

	<b>2023/24</b>	<b>2024/25</b>	<b>Movement</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total Funding	(17,087)	(17,411)	(324)
Net Revenue Expenditure	17,353	18,163	810
<b>Funding (surplus)/deficit</b>	<b>266</b>	<b>752</b>	<b>486</b>
Contributions to/(from) reserves	(266)	(752)	(486)

2.1.3 To balance the budget in 2024/25, £752k is being met from reserves. Of this £771k is to fund one-off budget expenditure proposals which are discussed in further detail in section 2.2 below and is being met from the MTFP reserve. There is a contribution to reserves of £19k for the surplus funding over net revenue expenditure (excluding the one-offs funding from reserves).

2.1.4 The forecast financial position for the medium term is set out in Appendix 1. Although the Council currently has a balanced budget for 2024/25 with the small contribution to reserves of £19k, there is uncertainty for the future as the budget gap for 2025/26 is £385k, increasing to £1.9m in 2028/29. It is not part of the Council's financial strategy to continue to use the BRR to fund revenue expenditure as detailed above in section 1.5.1.

2.1.5 It should be noted that this is a much-improved position from last financial year when the budget gap for 2024/25 was £1.7m, increasing to £3.9m in 2027/28. The budget options proposed for 2024/25 have helped to reduce the base funding position. However, there is still a funding gap over the medium-term coupled with an uncertain economic climate and ambiguity in respect of the local government finance funding regime.

2.1.6 A robust corporate and financial plan is required to bridge the funding gap and ensure the Council can balance its budget for 2025/26 and over the medium term. This plan should initially focus on being more efficient with the aim of having the same service outcomes at a lower cost. However, it needs to be flexible enough to adapt to potential national changes to local government funding, which may require reductions in service



levels in the future. There is a Transformation Programme planned to support this which is detailed in section 2.3.1 below.

## 2.2 Budget Changes to the MTFP

2.2.1 Appendix 2 sets out the most significant planned changes to the general fund budgets for 2024/25 to 2028/29.

2.2.2 Looking at 2024/25 specifically, the total budget proposals show an overall saving of £561k and include:

- **Cost pressures totalling £1.2m.** The most significant cost pressures relate to:
  - pay related costs which are due to increase by £0.5m, due to a combination of funding the unbudgeted balance of the pay award for 2023/24 and incremental increases for 2024/25. These additional costs have been offset by an increase in the vacancy allowance saving of 1% (from 2% to 3%) which provides an additional £200k saving to offset the increased budgeted pay costs in 2024/25 of 3%. This is based on historical data and forecasted trends.
  - service pressures of £887k which includes £700k for one off-costs funded from reserves, the largest being £500k investment to provide capacity for the Transformation Programme. Other significant pressures include £40k increase on insurance costs due to the additional premiums mainly in relation to property and motor due to inflation and the Council's claim history, £60k for additional finance systems administration support required for the finance system and £32k for additional security costs required for Council premises.
- **Budget Options totalling (£273k)** – these are net savings which have been identified across all service areas and are detailed in Appendix 2. Heads of Service were tasked with trying to achieve 10% net saving across their services. These are discussed in further detail in section 2.3 below. The main areas of savings/increased income are:
  - **Housing £120k** – £50k reduction in temporary accommodation demand along with £70k increase in income from a change to the temporary accommodation charging policy.
  - **Property Services £68k** – achieved through the closure of the Council Offices at Whitwick Road.
  - **Planning £67k** – reduction in contribution to the Strategic Growth Plan.
- **Changes to income, which see a net income increase of £373k.** The largest increase in income relates to investment income of £275k due to higher interest rates and investment balances previously predicted, along with increased income of £90k from a 7% increase on fees and changes which is set out in paragraph 1.6.1 above. Other changes to income relate to changes to recharges to both the Housing Revenue Account (HRA) and Special Expenses. There are some changes to income which have been included as part of Budget Options.

- **Budget efficiencies totalling £46k.** This is where the Council has identified where some budgets can be decreased by identifying efficiencies from centralisation and removal of nominal budgets to achieve budget savings.
- **Technical Adjustments totalling £1m.** The main area adjusted is Financing Costs (cost of debt) which shows a reduction of £1m, due to the outturn of the 2022/23 being lower than originally predicted for the general fund capital programme and the 2023/24 programme being funded from the business rates reserve.

## 2.3 The Year Ahead by Service Area

### 2.3.1 Transformation

2.3.1.1 The transformation programme aims to improve the performance, efficiency and effectiveness of the Council. It may involve redesigning processes, systems and structures, as well as changing the culture, behaviours and skills of the workforce.

2.3.1.2 The benefits of the transformation programme include better outcomes for citizens, customers and stakeholders, as well as reduced costs and increased productivity. It will align with the priorities as set out in the Council Delivery Plan (CDP).

2.3.1.3 A transformation programme requires significant investment in terms of time, resources and money. This one-off investment is necessary to enable the changes to be implemented and sustained, as well as to overcome the challenges and risks that may arise during the transition. Therefore, it is important to justify the investment by demonstrating how it will contribute to the strategic objectives and priorities of the Council. One of the main priorities, as set out in the CDP, is to close the funding gap over the medium-term that has resulted from reduced central government grants, the planned business rates reset, increased demand for services and rising costs.

2.3.1.4 If the funding gap is left unaddressed, it could lead to financial instability, service deterioration and statutory failure. The transformation programme can help to close the funding gap by delivering efficiencies and savings across the Council. By streamlining processes, eliminating waste and duplication, and optimising resources, the programme can reduce the operational costs of delivering services. By enhancing quality, responsiveness and innovation, the programme can increase customer satisfaction, loyalty and retention, as well as generate new income streams.

2.3.1.5 By aligning services with needs, expectations and preferences, the programme can improve outcomes for citizens, communities and partners, as well as reduce demand for costly interventions. Therefore, investing in the transformation programme is not only desirable but essential for the future sustainability and success of the Council. It will enable the Council to achieve its vision of being a modern, efficient and customer-focused organisation that delivers value for money and excellent services for all.

2.3.1.6 The programme aims to achieve the following outcomes:

- Streamline processes and reduce duplication of work across departments and functions;
- Enhance collaboration and communication among staff, partners and stakeholders;
- Implement innovative solutions and best practices to deliver better outcomes for our customers; and
- Increase customer satisfaction and trust in the local government services.

2.3.1.7 The transformation programme requires an upfront investment to cover the costs of planning, designing and implementing the changes. However, this investment will be offset by the savings and benefits that will be generated by the programme in the long term.

2.3.1.8 One of the key aspects of the transformation programme is to ensure that the Council listens to and involves staff in the process. That is why several workshops and feedback sessions were recently held with senior leaders and staff where they had the opportunity to share opinions, concerns and suggestions about areas of focus for transformation. The feedback will help the Council to identify the main challenges and opportunities that it faces as an organisation, and to prioritise the actions and initiatives that will enable the Council to achieve our strategic goals.

2.3.1.9 The workshops focused on the following themes:

- Culture and Values
- Getting the Basics Right, Doing the Basics Well
- Delivering Our Priorities
- Customer Experience
- Value for Money
- Financial Sustainability

2.3.1.10 The initial feedback included the following:

- Ensuring visible leadership at every staff location
- Sharing knowledge
- Streamlining ICT systems
- Improving digital access for staff and customers
- Rolling programme of service reviews to optimise the customer experience
- Reviewing all assets
- Ensuring customer insight and feedback drives continuous improvement in process and provision
- Engaging customers consistently across the Council
- Reviewing current service providers and suppliers to prioritise key contracts for essential services
- Identifying and maximising commercial opportunities
- Ensuring fees and charges are aligned to the market.

2.3.1.11 The Council has already commenced work to review all of its contracts to establish where procurement savings can be made. There are also service reviews in train which include waste and housing.

2.3.1.12A Steering Group made up of senior officers will be a key governance mechanism that provides strategic direction, oversight and decision-making for the programme. The Group will:

- Define the vision, objectives, scope and benefits of the transformation programme;
- Approve the programme plan and priorities, budget, resources and the risk management strategy;
- Monitor and review the programme progress, performance and outcomes;
- Resolve any issues, conflicts or dependencies that arise during the programme;
- Ensure alignment and coordination with other programmes and projects within the Council;
- Communicate and engage with internal and external stakeholders to secure their support and feedback; and
- Manage any changes or deviations from the original programme plan.

2.3.1.13 It is proposed that an investment of £500k will be spent on the programme to provide the necessary resources to align with the programme's objectives and priorities. It is recommended that responsibility for spending the £500k is delegated to the Chief Executive, in consultation with the Director of Resources (Section 151 Officer) and relevant Portfolio Holder. The investment will be met from the Medium-Term Plan Reserve. Progress on the transformation work will be reported to Cabinet and Corporate Scrutiny Committee as part of the ongoing performance and budget monitoring.

## **2.3.2 ICT**

2.3.2.1 Moving to a hybrid/agile working operating model has meant that the service supports 350 officers, as well as councillors, which is a pressure on ICT services. There is a greater focus on IT audits, and this will continue over the short and medium term to ensure that the Council is compliant with ICT standards and practices.

2.3.2.2 There are a number of ICT systems which require upgrades as the software reaches end of life or end of contract.

2.3.2.3 There are likely to be several projects emerging from the Transformation Programme which will require ICT support.

2.3.2.4 The service will review the numerous ICT contracts in places across the Council with a view to reducing them, as well as ensuring that the systems deliver value for money.

## **2.3.3 Finance**

2.3.3.1 During 2024/25, the finance team will continue to develop the Unit 4 finance system which went live in April 2023. Further development will allow more tasks to be completed in the system, such as budget monitoring and forecasting and continue to automate processes. To aid the development, two service pressures have been requested, £60k in relation to enable Embridge Consulting to support with Systems Administration and £50k for additional resources for Phase 3 of the project.

2.3.3.2 Key objectives for the year will be to ensure that the team is fully resourced, and the Statutory Accounts and Returns are completed in a timely manner. The team will also be leading on the procurement of the corporate insurance contract which will be live from October 2024. A £40k budget pressure has been included in the budget for

the insurance contract until September 2024. The Council is looking for savings from the new contract commencing in October 2024.

### **2.3.4 Legal and Support Services**

2.3.4.1 A priority for the Democratic Services Team will be to manage the Local Government Boundary Commission Review of Electoral Arrangements. Additional capacity has been secured to support this work through the Association of Electoral Administrators. This cost has been managed through existing budgets within the service. The Democratic Services Team will also be managing elections (PCC and Parliamentary) in 2024. Strong project management is in place for forthcoming elections.

2.3.4.2 In terms of Legal Services, there remains a vacant post on the establishment which is currently filled with locum support. This cost is being met from existing budgets within the service. Work is ongoing with the Head of Human Resources and Organisational Development to review the approach to recruitment of this post.

2.3.4.3 The resources and structure of the Internal Audit team were reviewed in 2023 to ensure that appropriate audit coverage was provided to the Council, both in terms of General Fund and Housing Revenue Account (HRA). The number of Audit days per year was increased from 130 to 315. This was necessary to provide an appropriate level of audit assurance to managers and members of Audit and Governance Committee. It is necessary to review the level of recharges to the HRA to ensure that they are commensurate with the number of audit days provided to the Housing Service.

### **2.3.5 Organisational Development**

2.3.5.1 A key focus for the HR team in the next few years, as is the case both regionally and nationally in local government, will be recruitment and retention issues affecting parts of the workforce and ensuring the Council remains an attractive employer to both new applicants while retaining existing employees. The Council will also be seeking to achieve greater efficiency through the reduction of sickness absences.

### **2.3.6 Strategic Housing**

2.3.6.1 There continues to be increasing demand for the Council's statutory homelessness service. This has led to increasing expenditure in recent years, in particular in relation to emergency accommodation.

2.3.6.2 This year the Council has developed a new Homelessness Strategy and revised the allocations policy to place a greater emphasis on reducing demand for temporary accommodation and ensuring on those occasions that such provision is required it is delivered in the most cost-effective way possible. The budget has been adjusted to reflect the expected impact of that work.

### **2.3.7 Community Services**

2.3.7.1 As a front facing function within the Council incorporating waste, parks, car parks, toilets, burials, leisure, markets, licencing, environmental health, community safety,

community focus, environmental protection and fleet, the service continues to be affected by significant inflationary pressures related to contracts, fuel, materials, vehicle costs and utilities.

2.3.7.2 Other service changes anticipated focus on the service areas of Disabled Facilities Grants, public toilets, burials, trade waste, pest control and the parking service. Work is also underway to ensure that the new checks carried out on goods entering Great Britain from the EU are carried out on a full cost recovery basis at East Midlands Airport.

2.3.7.3 Work continues on zero carbon measures across the Council and new schemes will be rolled out as business cases are developed for the Council's fleet and buildings particularly in order that the Council can meet its aspiration to be zero carbon by 2030 for its own operations.

## **2.3.8 Planning and Development**

2.3.8.1 The Planning Skills Delivery Fund refers to the £24m of government funding available to local authorities over two years to help with the implementation of the proposed reforms in the Levelling Up and Regeneration Act. This fund has been allocated in recognition of the fact that support is needed to help planning services deal with a variety of issues currently facing the planning system. Local Authorities in England were given the opportunity to apply for funding of up to £100k to help support the processing of planning applications. The Planning and Development Team has been awarded a grant of £96k to contribute to some additional Urban Design and heritage resource and support with validation of planning applications.

2.3.8.2 With the recent cancellation of the eastern leg of HS2 from Birmingham to East Midlands Parkway, the existing budget of £25k for the consultants who have been supporting the Council (SLC Rail) support will no longer be required.

2.3.8.3 The key service issue for the Planning Policy team is to continue to progress the Local Plan Review. There are associated risks with this work, including any unanticipated requirement for additional evidential work over and above that currently budgeted for. As a result of upcoming changes to Regulations, the Local Plan will need to be submitted by the end of June 2025. If it is not possible to meet this deadline, then some of the existing evidence is at risk of being dated and so will need to be renewed at a significant cost to the Council. The new Regulation may also result in the need for new evidence or requirements which would add to the cost. Should this deadline be met there is a risk that the Local Plan Examination is longer and more contentious than might be anticipated and as such more expensive with the increased risk of the plan being found unsound.

2.3.8.4 The key service issue for the Planning and Development Team is to maintain the high level of performance achieved in meeting government targets for the determination of planning applications. Planning application fee income has dropped significantly so far in the first three quarters of 2023/24 because of the current economic situation and cost of living crisis. However, planning application fees increases of 35% for majors and 25% for all other applications came into force on 6 December 2023 and the impact of this in Quarter 4 of 2023/24 and also in 2024/25 will continue to be closely monitored. Officers are aware of a small number of major planning applications expected in 2024/25 which could secure up to half of the projected fee income for the year. Any additional fee income received over and

above the projected budget will be put in reserve to manage workload peaks and troughs and to balance the Planning and Development budget in future years.

### **2.3.9 Property Services and Economic Regeneration**

2.3.9.1 The Council's portfolio of properties suffers from a backlog of maintenance issues as a result of historic funding challenges within the public sector. The stock also continues to age, presenting increased maintenance needs. It will be necessary to continue to prioritise repair and refurbishment works going forward which will be assisted by the planned introduction of a new Asset Management system, alongside the development of an improvement planned preventative maintenance plan.

2.3.9.2 The Council's historic prioritisation of economic growth has delivered a local economy with higher employment rates and job availability than many comparable areas. The district is also a highly attractive area to potential inward investors. A priority set out in the Council Delivery Plan is to develop a district-wide regeneration framework which will help ensure that future activities are focused on the most important challenges or greatest opportunities.

### **2.4 Fees and Charges**

2.4.1 The Council provides a large number of services to local residents and businesses that incur a fee. Appendix 3(a) to 3(c) sets out key changes to fees and charges for 2024/25.

2.4.2 The fees and charges have been increased by 7% which is slightly higher than the September CPI of 6.7%. Where appropriate, it has been considered, areas where demand has changed which impacts on the income.

2.4.2 There have been some changes to the income targets for 2024/25 which are detailed as part of the Budget Options shown in Appendix 2.

### **2.5 Funding**

2.5.1 The funding position for the General Fund is based on the Final Local Government Finance Settlement (LGFS) announced in February 2024. The key funding changes are:

- **Reduction in New Homes Bonus** - Removal of the final legacy payment is now expected in 2025/26.
- **Minimum Funding Guarantee** - This has been confirmed as £1.7m in 2024/25 and £2.2m in 2025/26. This grant is to ensure the Council is not significantly affected by the reduced New Homes Bonus Grant and the loss of the Lower Tier Services Grant in 23/24.
- **Increase in Business Rates** – The amount of Business rate income used to fund the base budget has decreased by £100k. Business Rates growth has increased and it is recommended that the additional income is set aside within the business rates reserve to fund the capital programme. This is due to the risk North West Leicestershire faces from a potential business rates reset which could happen in

2026/27. North West Leicestershire has seen the biggest growth above its business rates baseline in all local authorities in England and therefore, could face a significant reduction in funding if and when such a policy is implemented.

- **Revenue Support Grant** – There is a small increase of £6k in this grant in 2024/25 to £96k but reducing to £80k in 25/26.
- **Reduction in Services Grant** - It has been confirmed that the grant will reduce from £93k in 2023/24 to £15k in 2024/25 and will cease after 2025/26.
- **Council Tax income is assumed to increase by £270k** - This is caused by growth in the district, a 2.75% increase in Council Tax and an increase in collection rate of 0.5%. This has been set based on the council tax base calculated for 2024/25.

## 2.6 General Fund Reserves

2.6.1 The MTFP reserve is to help manage deficits and funding volatility. The value of this reserve is forecast to be £7.9 million as at 31 March 2024.

2.6.2 In addition to these reserves, the Council also has earmarked reserves estimated to be £2.6m as at 31 March 2024, falling to £2m by 31 March 2025 and general balances of £1.5m. A summary of these reserves can be found in table 2 below.

**Table 2: Summary of estimated reserves 2024/25 – 2028/29**

Reserve Name	Estimated Balance as at 1/4/24 £	Commitments & Budget Proposals 24/25 £	Estimated balance as at 31/3/25 £	Future commitment incl budget proposals 25/26 to 28/29 £	Estimated Balance 31/3/29 £
Earmarked reserves - General Fund	2,639,807	(679,648)	1,960,159	(632,122)	1,328,037
MTFP Reserve	7,936,684	(680,552)	7,256,132	0	7,256,132
Business Rates Reserve	3,084,638	(34,543)	3,050,095	5,027,762	8,077,857
General Balance (minimum level of reserves) - General Fund	1,544,493	0	1,544,493	0	1,544,493
<b>TOTAL ALL RESERVES - GENERAL FUND</b>	<b>15,205,622</b>	<b>(1,394,743)</b>	<b>13,810,879</b>	<b>4,395,640</b>	<b>18,206,519</b>

2.6.3 Earmarked reserves are those reserves that have been earmarked for a specific purpose. The estimated balances include items currently committed and also £112k used to fund one off budget proposals over the four years from 2024/25 to 2027/28. A table showing details by service can be found in Appendix 5.

2.6.4 The MTFP reserve is expected to be £7.3m after taking into account the funding of one-off budgets for 2024/25. It will be used to mitigate unbudgeted pressures (including anticipated Government funding reduction), pump-priming invest to save opportunities and the transformation programme and funding the capacity to deliver a medium-term financial plan.

2.6.5 Contributions into the business rates reserve are expected to be £7.9m in 2024/25 and £8.5m in 2025/26. As mentioned above in 2.5.1, this is due to Business Rates



growth, Leicestershire Business Rates Pool allocations and Freeport allocations. It is proposed to use this reserve to fund the capital programme. The figures in Table 2 are net of forecast funding of the capital programme.

2.6.6 General balances are the minimum level of reserves that is prudent to hold.

### **3.0 CAPITAL PROGRAMME 2024/25 TO 2028/29**

#### **3.1 General Fund and Special Expenses Capital Programme**

##### **3.1.1 Capital Strategy**

3.1.2 The Capital Strategy includes a number of key changes and improvements for the 2024/25 and future years' programme.

3.1.3 A key change introduced in 2023/24 is a move away from using external borrowing to fund programmes. This eliminates the Council's exposure to increases in interest rates. Schemes would be funded from internal sources such as reserves, (mainly the MTFP and the Business Rates Reserves), capital receipts, and revenue contributions. External grant applications would be made for schemes which qualify for such funding.

3.1.4 The capital programme is divided into two parts – active projects and schemes in a development pool. The active projects are schemes which have been approved by Council (in-year or in previous years) and currently being delivered. Some new schemes have been added to the active pool as part of the budget process and these are proposed to be approved by Council when the budget is considered in February 2024.

3.1.5 Projects in the development pool are subject to a full business case being developed before moving to the active category. The business case is scrutinised by the Capital Strategy Group before going onto Cabinet or Council for full approval in line with the Constitution.

3.1.6 These planned improvements to managing schemes through their project lifecycle will contribute towards better financial management and governance.

3.1.7 The Capital Strategy is available within the Capital Strategy, Treasury Strategy and Prudential Indicators report on the same agenda.

##### **3.2.1 2024/25-2028/29 Capital Programme**

3.2.2 The proposed General Fund capital programme is outlined in Appendix 4. The five-year programme totals £22 million, a £3.8 million increase on the previous five-year programme.

- **Stenson Square public realm:** This is a £2m investment to create a new public realm. This scheme will invest in Council-owned land at Stenson square and London Road car park to create improved facilities for the general public.
- **Investment in Council-owned land:** Investment of £3.7m. Business cases will be developed to explore further developments to support regeneration and bring

employment to the district as well as generate income to support council services.

- **UK Shared Prosperity Investment Programme:** The Council has been awarded £1.3m capital grant from the Department of levelling-up, housing and communities to undertake various projects in the district. This is year three of a three-year programme to deliver schemes including refurbishment of Moira furnace, development at memorial square to provide new office accommodation and the creation of an eco-park among other schemes.
- **Fleet replacement programme:** A programme to replace old vehicles with environmentally friendly fleet for services such as waste, parks and housing. The old vehicles would be sold and the receipts from sales re-invested in the programme. This is year three of this programme. A business case is currently in progress for investment required for future years.
- **Marlborough Centre purchase and renovation:** The Council acquired the Marlborough centre property in 2022/23. The building will be redeveloped to provide residential apartment properties and commercial units. The residential units will be sold after completion to generate capital receipts and the commercial units will be let to businesses to generate income to support service provision.

### 3.3 Funding the Capital Programme

3.3.1 Each capital programme is funded from a variety of sources, including revenue, reserves and grants. Table 3 below summarises the current identified funding sources for each year of the general fund capital programme.

**Table 3: Sources of funding for the General Fund capital programme**

	<b>24/25 Budget £'000</b>	<b>25/26 Indicative £'000</b>	<b>26/27 Indicative £'000</b>	<b>27/28 Indicative £'000</b>	<b>28/29 Indicative £'000</b>
Capital Receipts	48	0	0	0	0
Government Grants	3,756	670	670	670	670
Reserves	8,078	4,845	2,229	301	0
Revenue Contributions	34	0	0	0	0
<b>Total</b>	<b>11,916</b>	<b>5,515</b>	<b>2,899</b>	<b>971</b>	<b>670</b>

3.3.2 The monies set out in the Reserves line in the table above will be drawn down from the Business Rates Reserve. As per paragraph 2.5.5, there is forecast to be sufficient monies in the reserve to finance the capital programme commitments in both 2024/25 and 2025/26.

### 4.0 SPECIAL EXPENSES 2024/25

4.1 During 2023/24, the Council operated ten special expense accounts where it provides additional services specific to some areas of the district. The Council has a special expense policy which sets out the criteria and services which are classed as special expenses. An updated policy is attached at Appendix 10 for consideration and approval by Council.

- 4.2 The special expenses budget includes a five-year Planned and Preventative Maintenance (PPM) programme which should provide sufficient budget to cover future planned maintenance along with a programme for play equipment replacement. The PPM programme has been reviewed and updated as part of the budget preparation.
- 4.3 It should be noted any increases in council tax for special expense areas are considered as part of the District Council's proportion of the council tax when calculating and considering the Referendum Principles for increases in Council Tax.
- 4.4 As part of the budget process the net expenditure requirements for each special expense area have been reviewed against the level of funding available through precepts, grants, S106 Funding and earmarked reserves. In line with statutory requirements for the Council it is important that each special expense area produces a balanced budget and is financially sustainable. A key element of good practice financial sustainability is to have a minimum level of balances for each special expense area, which is recommended at circa 10% of reoccurring expenditure.

#### **4.5 2024/25 Budget Setting**

- 4.5.1 As part of the process of setting the 2024/25 budget for special expenses and the requirement to set a balanced budget, the Director of Resources requested a root and branch review of all income and expenditure in relation to special expenses. The General Fund Budget Report 24/25 which was considered by Cabinet on 31 January 2024 stated that, during this review and following legal advice it has been identified that expenditure in relation to closed churchyards and the subsidy in relation to grounds maintenance at Owen Street Coalville had been incorrectly charged as a special expense, that further work would be done on this issue and reports taken to Scrutiny, Cabinet and Council (if necessary). Since that meeting, Counsel's advice has been sought in respect of the treatment of special expenses. The position is that the Council was able to treat these items as special expenses. The Council is now also able to review its position, based on local circumstances.
- 4.5.2 In summary, the Council cannot consider its performance of a function as a special expense under section 35(2)(d) Local Government Finance Act 1992 unless there is at least one parish, community council, or chairman of a parish meeting in its area also performing that same function.
- 4.5.3 If there is at least one such local authority performing a function that the Council is also performing, the Council must treat its performance of that function as a special expense, unless the Council explicitly decides not to do so.
- 4.5.4 In essence, this outlines the conditions under which the Council can categorise certain expenses as "special" based on shared functions with other local authorities. Following a detailed review of each special expense, it is proposed to exclude some functions from special expenses, details of which are outlined in paragraphs 4.5.6 to 4.5.10 below.
- 4.5.5 Therefore, the Council's Special Expenses Policy has been updated accordingly to reflect this.
- 4.5.6 The policy at Appendix 10 sets out some services that are special expenses but which it is proposed should not be treated as such due to the nature of the services. These

are set out below together with the reasons why it is proposed to exclude from special expenses This approach will be reflected in future years budgets.

- Closed churchyards – due to the nature/cost of maintenance, the Council will be responsible. The cost of liabilities associated with the boundary walls and structures with these closed churchyards can be extremely high and will not be able to be met from the special expense precepts as the increase required to fund from precepts would exceed the Council Tax referendum limits.
- Maintenance of leisure centres and football club pitches – typically used by multiple teams, clubs and community groups and serve a broad range of users and contribute to the overall well-being of the community in the District.
- War memorials, street furniture (including waste bins, bus shelters and public benches), urban forests/adventure parks/woodlands are not local to special expense areas and are for the wider benefit of residents across the district.

4.5.7 The special expenses areas affected are: Appleby Magna, Coalville, Coleorton, Hugglescote and Donington-le-Heath, Lockington-cum-Hemington, Measham, Ravenstone with Snibston, Stretton-en-le-field and Whitwick.

4.5.8 For 2024/25 the expenditure in relation to ‘Closed Churchyards’ has been removed from the special expenses and included in the General Fund. For four special expense areas (Appleby Magna, Lockington-cum-Hemington, Measham, Ravenstone with Snibstone, Stretton-en-le-field) this was the only expenditure. Therefore, the precept for 2024/25 has been removed. This will reduce the special expense areas to six.

4.5.9 For Coleorton, Hugglescote and Donington-le-Heath, Ravenstone with Snibston and Whitwick the expenditure for ‘Closed Churchyards’ has been removed from future budgets and the precept has been reviewed and reduced accordingly.

4.5.10 The subsidy in relation to grounds maintenance at Owen Street Coalville has been removed from future Coalville special expense budgets and included in the general fund.

4.5.11 Consideration of the whether an item should be treated as a special expense means that the Council needs to consider the issue of double taxation. Double taxation can occur when residents pay for a service via the parish or town council precept and a proportion of the cost of the same service via their council tax bill, along with other residents. This is a complex area and there is no single national approach to this as different councils have different powers and responsibilities, and they might provide different levels of service to different areas. Therefore, it is not possible to compare services and costs across different authorities.

4.5.12 In relation to the matters listed in para 4.5.6, the Section 151 officer has taken a balanced approach bearing in mind the Council’s responsibilities, costs, relative impact of double taxation and nature of the services.

4.5.13 A budget requirement covering the period 2024/25 to 2028/29 has been produced for each special expense area and is available at Appendix 6. The special expense budget requirements areas include a budget for PPM which should provide sufficient funding to cover future planned maintenance along with a programme for play equipment replacement (where applicable). The PPM programme has been updated as part of the budget preparation.

#### 4.6 Special Expense Precepts 2024/25

4.6.1 The Council is required to set a balanced budget for each special expenses account. It is good practice to have a minimum level of balances, which is recommended at circa 10% of reoccurring expenditure. With the exception of Oakthorpe, Donisthorpe and Acresford, all special expense accounts have sufficient balances forecast for 2024/25.

4.6.2 In relation to Oakthorpe, Donisthorpe and Acresford, there is a deficit balance brought forward from 2022 due to the replacement of fencing at the play area. The proposal is to increase the precept to enable the recovery of the deficit over the next three years.

4.6.3 Table 4 below shows the proposed Band D Council Tax for the special expense areas.

**Table 4 – Band D Annual Precept for each Special Expense Area**

Special Expense Area	Council Tax Band D 2023/24	Increase/ (Decrease)	Council Tax Band D 2024/25
Appleby Magna	7.08	-7.08	0.00
Coalville	73.81	5.17	78.98
Coleorton	10.63	-7.12	3.51
Hugglescote/Donington-le-Heath	15.27	-6.44	8.83
Lockington-Cum-Hemington	13.72	-13.72	0.00
Measham	1.87	-1.87	0.00
Oakthorpe, Donisthorpe & Acresford	6.10	6.10	12.20
Ravenstone with Snibston	1.29	-0.13	1.16
Stretton-en-le-field	73.11	-73.11	0.00
Whitwick	9.55	-2.90	6.65
Note: The table excludes funding from localised council tax support grant, Section 106 contributions, income (e.g. event or rents) and earmarked reserves.			

4.6.4 Special expense budgets, just like all Council budgets, are subject to the inflationary pressures of the current economic environment. To ensure a balanced budget is proposed and mitigate any funding gaps, action has been taken to minimise PPM expenditure. As well as seeking to increase income from Section 106 contributions and fees and charges.

4.6.5 There are potential risks in these mitigating actions. For example, minimising PPM expenditure in 2024/25 by deferring non-essential spend to future years, may lead to higher routine maintenance in the short term. This may take time to implement the impact of reductions in service levels which could lead to short term cost pressure on the wider general fund.

#### 5.0 KEY RISKS TO THE BUDGET

5.1 Table 5 below provides an assessment of the key risk areas to determine the robustness of the estimates and adequacy of reserves included in the General Fund budgets:

**Table 5: Key Risks to the Budget**

Area	Y/N	Comments
Is performance against the current year's budget on track and where variances are evident, ongoing and unavoidable, are they appropriately reflected in the plans?	Y	The 2023/24 financial monitoring is showing a projected overspend of £252k on the General Fund. Work is currently on-going within services to mitigate these pressures and minimise any drawdown from reserves. The on-going and unavailable pressures, alongside potential reductions in reserve levels, have been factored into budget plans for 2024/25 and the medium term.
Are arrangements for monitoring and reporting performance against the savings plans robust?	Y & N	In recent years the Council has not been required to make significant savings to maintain its financial position. Therefore, clear savings plans and delivery has not been required. With such a significant funding gap estimated for 2024/25, there are a range of budget options proposed for the General Fund Budget 2024/25. Where it is appropriate, delivery of savings/efficiencies will be monitored throughout the financial year and reported to stakeholders alongside the financial monitoring reports on a quarterly basis. As part of the Council's Transformation Programme, project management principles will be adopted with a suite of guidance and templates to support good practice, which, in turn will help the Council manage and monitor large scale transformation programmes.
The reasonableness of the underlying budget assumptions	Y	All budget proposals have been justified by service managers, reviewed by finance and subject to budget challenge sessions in the new process. External review has also been undertaken by the treasury advisers, Arlingclose, on the Treasury Management Strategy.
The alignment of resources with the Council's service and organisational priorities	Y	Resources are aligned to the current priorities of the Council. A new Council Delivery Plan (CDP) has been developed and was approved by Council on 14 November 2023. The CDP is aligned to the resources available and risks faced by the Council. The Council's ambition to be carbon neutral by 2030 is likely to require additional investment, however, the Council will look to maximise grant funding made available to it to support this priority. An exercise to identify the costs of getting to net zero will be completed in 2024/25.

Area	Y/N	Comments
A review of the major risks associated with the budget	Y	The major risks within the budget have been assessed and are set out in the budget report, including mitigations and strategies about how these are being managed.
The availability of un-earmarked reserves to meet unforeseen cost pressures	Y	<p>The Council has a minimum level of reserves for General Fund of (£1.5m). In the Audit Commission's 'Striking a Balance' report published in 2012, the majority of Chief Finance Officers at the national level regarded an amount of between three and five per cent of Council's net spending as a prudent level for risk-based reserves. Over the medium term the Council's forecast figure is between £264k and £1,556k.</p> <p>The General Fund position has been risk assessed to take account of potential unforeseen pressures.</p>
Have realistic income targets been set and 'at risk' external funding been identified?	Y	<p>An assessment of income targets has been undertaken as part of the development of the draft budget.</p> <p>The income areas which have the greatest risk (including business rates, council tax, planning and leisure) have had greater focus for this work and focus in the budget challenge sessions.</p> <p>Fees and charges have been increased, where it is appropriate to do so, in accordance with the Council's Corporate Charging Policy.</p>
Has a reasonable estimate of demand cost pressures been made?	Y	The enhanced budget process used in the development of the draft budget has improved the reasonableness of estimates.
Has a reasonable estimate of future income been made?	Y	The budget proposals presented by services were reviewed by finance and subject to budget challenge sessions.
Have one-off cost pressures been identified?	Y	All pressures have been reviewed to assess if they are one-off or ongoing in nature. One-off proposals are to be funded from reserves. Services will need to ensure exit plans exist for one off expenditure.
Are arrangements for monitoring and reporting performance against the budget plans robust?	Y	<p>For 2023/24, quarterly financial reporting to Cabinet and Scrutiny Committee has been introduced.</p> <p>The new finance system is intended to bring enhanced financial reporting for budget holders to support robust and regular monitoring of budgets.</p>

Area	Y/N	Comments
		The Council will also need to enhance its development, monitoring and delivery of its plans to deliver balanced budgets over the medium term.
Is there a reasonable contingency available to cover the financial risks faced by the Council?	Y	The Council has incorporated estimates for pay award, inflation and demand pressures into its budget. It has also made provisions for key income streams not materialising for business rates and council tax.
Is there a reasonable level of reserves, which could be used to mitigate any issues arising and are they reducing as the risks decrease?	Y	The Council has a range of earmarked, MTFP and minimum levels of reserves to ensure its financial stability.
The strength of the financial management function and reporting arrangements?	Y & N	The Council implemented a new financial system in April 2023 to improve its reporting. Further enhancements to the system are required in the short-term to deliver this.  A review of the Financial Procedures Rules is planned.
Have the previous years Accounts been signed off by external audit to verify balances?	N	The Council's Accounts for 2021/22 are currently being audited. The audit for the 2022/23 accounts will commence in Spring 2024.  Budget estimates and reserves balances for 2024/25 and beyond are based on the latest information incorporated into the 2021/22 and 2022/23 accounts.
Has there been a degree and quality of engagement with colleagues and councillors in the process to develop and construct the budget?	Y	There has been a continuation of the improvements introduced to the budget setting process last year.  This has included a series of budget challenge sessions between the Directors and Heads of Service, as well as engagement with Corporate Leadership Team, Portfolio Holders, Strategy Group and an all councillor briefing.

## 6.0 CONSULTATION

### 6.1 Consultation with Members

6.1.1 The Corporate Scrutiny Committee considered the draft general fund budget at the meeting on the 4 January 2024. 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.



6.1.2 There were also further questions which were taken away by officers to answer following the meeting which are detailed in Appendix 8 of this report.

## 6.2 Public Consultation

6.2.1 As part of the budget consultation, the Council launched an online survey on 10 until the 23 January 2024 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 changes. Residents could also provide additional comments if they wanted to.

6.2.2 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 in line with the timescales for the public consultation.

6.2.3 The budget consultation responses are detailed in Appendix 9.

## 7.0 CONCLUSIONS

7.1 Based on the assumptions made in the Budget 2024/25 and MTFP 2024-29 for income and expenditure, the Council can set a balanced proposed budget for 2024/25.

7.2 Further work will need to be carried out going forward on balancing the budget gap for future years from 2025/26 onwards.

7.3 There has been equality impact assessments conducted by services on relevant proposals during this period.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	The budget provides funding for the Council to deliver against all its priorities.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	There have been equality impact assessments conducted by services on relevant proposals during this period. These are available on request.
Customer Impact:	Customers are likely to be impacted by the changes to fees and charges and District and special expenses precepts set out in this report.
Economic and Social Impact:	The General Fund capital programme allocates £7.9m to investing in Coalville Regeneration Projects over five years. £3.7m is being invested in Council owned land to support regeneration and bring employment to the district. The Council has been awarded £1.3m in government grants to undertake regeneration

<b>Policies and other considerations, as appropriate</b>	
	projects in the district. This includes refurbishment of Moira Furnace and provision of office spaces.
Environment, Climate Change and Zero Carbon:	The budget sees investment of £1.5m in the replacement of council vehicles and reducing our carbon emissions. There is £0.8m investment in bins and recycling containers to increase recycling from households. The Council also has a permanent Climate Change Programme Manager post
Consultation/Community/Tenant Engagement:	Corporate Scrutiny Committee – 4 January 2024 Public consultation - 10 January to 23 January 2024 Parish and town councils, trade unions and the Federation of Small Businesses - 10 January to 23 January 2024. The results of the above consultations are 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. Key risks to the budget are discussed in further detail in section 5 of the report.
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## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL GENERAL FUND SUMMARY BUDGET 2024/25 to 2028/29

2023/24		2024/25	2025/26	2026/27	2027/28	2028/29
Budget £	Service	Indicative £	Indicative £	Indicative £	Indicative £	Indicative £
277,030	Chief Executive	201,490	201,490	201,490	201,490	201,490
740,310	Human Resources	732,700	734,780	737,270	739,930	739,930
1,654,930	Legal & Support Services	1,873,460	1,880,860	1,887,380	1,893,000	1,893,000
<b>2,672,270</b>	<b>Total Chief Executive's Directorate</b>	<b>2,807,650</b>	<b>2,817,130</b>	<b>2,826,140</b>	<b>2,834,420</b>	<b>2,834,420</b>
340,600	Strategic Director of Place	137,970	137,970	137,970	137,970	137,970
1,141,250	Property & Economic Regeneration	1,279,120	1,130,255	1,131,415	1,132,610	1,132,610
985,399	Planning & Infrastructure	1,070,580	1,073,730	1,073,730	1,081,585	1,081,585
9,080	Joint Strategic Planning	(2,890)	(4,600)	(6,340)	(8,120)	(9,930)
<b>2,476,329</b>	<b>Total Place Directorate</b>	<b>2,484,780</b>	<b>2,337,355</b>	<b>2,336,775</b>	<b>2,344,045</b>	<b>2,342,235</b>
6,321,690	Community Services	6,625,940	6,363,380	6,185,660	5,994,850	5,795,950
797,733	Strategic Housing	540,188	540,188	540,188	540,188	540,188
<b>7,119,423</b>	<b>Total Community Services Directorate</b>	<b>7,166,127</b>	<b>6,903,567</b>	<b>6,725,847</b>	<b>6,535,037</b>	<b>6,336,137</b>
114,980	Strategic Director of Resources	237,130	237,130	237,130	237,130	237,130
959,610	Customer Services	1,009,760	1,011,180	1,012,630	1,014,110	1,014,110
1,086,770	Finance	1,052,640	1,044,460	985,990	987,590	987,590
1,131,260	Revenues & Benefits	1,170,850	1,191,620	1,213,230	1,235,710	1,235,710
1,208,970	ICT	1,221,640	1,161,280	1,161,280	1,171,280	1,171,280
70,810	Business Change	570,090	0	0	0	0
<b>4,572,400</b>	<b>Total Resources Directorate</b>	<b>5,262,110</b>	<b>4,645,670</b>	<b>4,610,260</b>	<b>4,645,820</b>	<b>4,645,820</b>
107,530	Non Distributed - Revenue Expenditure on Surplus Assets	115,140	116,120	117,120	118,140	118,140
67,380	Non Distributed - Retirement Benefits	69,980	71,330	72,710	74,120	74,120
70,410	Corporate & Democratic Core	92,500	92,500	92,500	92,500	92,500
651,230	Estimated Pay Award	526,781	877,711	1,247,621	1,617,441	1,987,441
<b>17,736,972</b>	<b>NET COST OF SERVICES</b>	<b>18,525,068</b>	<b>17,861,383</b>	<b>18,028,973</b>	<b>18,261,523</b>	<b>18,430,813</b>
(1,827,750)	Net Recharges from General Fund	(1,859,136)	(1,859,136)	(1,859,136)	(1,859,136)	(1,859,136)
<b>15,909,222</b>	<b>NET COST OF SERVICES AFTER RECHARGES</b>	<b>16,665,932</b>	<b>16,002,247</b>	<b>16,169,837</b>	<b>16,402,387</b>	<b>16,571,677</b>
	<b>CORPORATE ITEMS AND FINANCING</b>					
	<b>Corporate Income and Expenditure</b>					
1,763,264	Net Financing Costs	1,906,878	1,876,250	1,827,678	1,790,447	1,761,552
(335,200)	Investment Income	(410,200)	(200,200)	(200,200)	(200,200)	(200,200)
15,871	Localisation of CT Support Grant - Parish & Special Expenses	0	0	0	0	0
<b>17,353,157</b>	<b>NET REVENUE EXPENDITURE</b>	<b>18,162,610</b>	<b>17,678,297</b>	<b>17,797,315</b>	<b>17,992,634</b>	<b>18,133,029</b>
(290,195)	Budget Proposals Funded from Reserves - One-Off	(770,805)	0	0	0	0
24,116	Contribution to/(from) Balances/Reserves	19,448	0	0	0	0
<b>17,087,078</b>	<b>MET FROM GOVT GRANT &amp; COUNCIL TAX</b>	<b>17,411,253</b>	<b>17,292,753</b>	<b>17,193,408</b>	<b>16,719,795</b>	<b>16,243,634</b>
	<b>ANTICIPATED BASELINE FUNDING GAP</b>		<b>385,544</b>	<b>603,907</b>	<b>1,272,840</b>	<b>1,889,395</b>

2023/24		2024/25	2025/26	2026/27	2027/28	2027/28
Budget £	Service	Indicative £	Indicative £	Indicative £	Indicative £	Indicative £
	<b>Financed By</b>					
1,219,692	New Homes Bonus	918,476	-	-	-	-
25,056	Transfer from/(to) Collection Fund - CT Prev Yrs Surplus/(Deficit)	11,470	0	0	0	0
5,771,361	Council Tax	6,041,652	6,316,254	6,603,504	6,903,678	7,217,545
8,715,943	National Non-Domestic Rates	8,619,604	8,673,565	4,899,552	4,984,281	5,076,051
1,171,479	Minimum Funding Guarantee	1,707,118	2,207,349	-	-	-
93,369	Services Grant	16,782	15,296	-	-	-
90,178	Revenue Support Grant	96,151	80,289	297,580	253,041	204,597
0	Transitional Relief	0	0	5,392,772	4,578,795	3,745,441
<b>17,087,078</b>	<b>TOTAL FUNDING AVAILABLE</b>	<b>17,411,253</b>	<b>17,292,753</b>	<b>17,193,408</b>	<b>16,719,795</b>	<b>16,243,634</b>

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## North West Leicestershire District Council

### General Fund Budget Amendments to the MTFP 2024/25 to 2028/29

Change to MTFP	Proposal Description & Service Impact	Directorate	2024/25	2025/26	2026/27	2027/28	2028/29
			£	£	£	£	£
Pay Award 23/24	Budget 4%, actual £1,925 per FTE	Various	367,830	0	0	0	0
Pay Award Future Years	Including NI & Pension & other minor amendments	Various	14,120	8,320	0	0	0
Other Pay	Other salary adjustments	Various	(52,848)	0	0	0	0
Incremental increases		Various	132,140	0	0	0	0
Vacancy Allowance Increase	Applied a consistent 2% across the general fund	Various	(195,960)	(10,860)	0	0	0
Members allowances - Pay Award	Pay award	Chief Executives	20,000	0	0	0	0
<b>Total Pay Related Costs</b>			<b>285,282</b>	<b>(2,540)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Increase in Legal Services Budget	Required for specialist legal advice	Chief Executives	5,000	0	0	0	0
Members allowances - Special Responsibility Allowance	Possible creation of a Scrutiny Commission SRA and levels of subsistence	Chief Executives	3,200	0	0	0	0
Local Resilience Forum	Increase in our contribution to the Local Resilience Forum	Chief Executives	2,000	0	0	0	0
Security costs	Additional costs for security required at Council Premises	Place	31,500	0	0	0	0
Insurance	Increased insurance costs net of recharge to HRA	Resources	40,000	40,000	0	0	0
ICT Firmstep Licences	Firmstep licences - entering into a 3 year contract which will mean a £5.5k increase from 23/24-25/26.	Resources	5,500	0	0	0	0
Finance System Admin Support	System admin support required for Unit 4	Resources	60,000	0	(60,000)	0	0
External Audit Fees	Increase in audit fees net of recharge to HRA	Resources	22,460	0	0	0	0
Transformation (one off costs)	Service Transformation Project Team - funded from the MTFP reserve	Resources	500,000	(500,000)	0	0	0
System Improvements (one off costs)	Finance System - Phase 3 - funded from the MTFP reserve	Resources	50,000	(50,000)	0	0	0
Feasibility Funding (one off costs)	Feasibility for Capital Projects - funded from the Business Rates Reserve	Place	150,000	(150,000)	0	0	0
Community Services	Community Safety Support Officer (focused upon significant ASB increases in the district)	Communities	17,000	0	0	0	0
<b>Total Service Pressures</b>			<b>886,660</b>	<b>(660,000)</b>	<b>(60,000)</b>	<b>0</b>	<b>0</b>
Audit Recharges to HRA	Review the HRA recharges to reflect the allocation of Audit days to HRA	Chief Executives	(29,000)	0	0	0	0
Project External Consultancy Support	This was originally set aside for corporate project support but has not been used as project support has been factored into the business cases assessment process where needed. This will continue to be the case in future projects.	Chief Executives	(20,000)	0	0	0	0
Emergency Planning	This is a highly unpredictable budget as it is difficult to predict emergency planning events, and as part of our Category 1 responder role we would be obliged to find any budget needed to support our communities in the event of a major incident. In quiet years the budget has not been spent historically.	Chief Executives	(2,000)	0	0	0	0
Corporate Training	Central training budget saving	Chief Executives	(15,000)	0	0	0	0
Housing Income	Charging policy for temporary accommodation	Communities	(5,000)	0	0	0	0
Housing Income	New temporary accommodation provision	Communities	(70,000)	0	0	0	0

Change to MTFP	Proposal Description & Service Impact	Directorate	2024/25	2025/26	2026/27	2027/28	2028/29
			£	£	£	£	£
Community Services	Increase pest control charges by 3% (7% inflation dealt with via fees and charges)	Communities	(500)		0	0	0
Community Services	Set new port health charges to ensure full cost recovery (new port health regime to be introduced in April 2024 following EU exit)	Communities	(23,000)	0	0	0	0
Community Services	Back-office administration Cost Savings - various	Communities	(24,600)	(1,400)	0	0	0
Community Services	Leisure Contract – net impact of costs associated with the contract	Communities	264,000	0	0	0	0
Community Services	Leisure Contract – net impact of income associated with the contract	Communities	13,170	1,940	1,370	2,370	(197,630)
Community Services	LED Lighting installations on council car parks	Communities	(4,000)	0	0	0	0
Community Services	Revise SLA with Castle Donington College meaning the school retain all the income with costs risk transfer	Communities	0	(1,000)	(1,000)	(1,000)	(1,000)
Housing	Reduction in temporary accommodation demand	Communities	(50,000)	0	0	0	0
Community Services	Adjust the budget to reflect the re-introduction of charges to use Ashby and Coalville public conveniences in early 2024 as well as operational savings as per the capital programme report approved at Full Council in September 2023	Communities	(27,000)	0	0	0	0
Community Services	Stop providing a toilet service in Ashby from April 25 and seek the asset and service transfer of Ashby public toilets	Communities	0	(21,000)	(5,000)	0	0
Community Services	Delete the Council's budget for the Free Tree Scheme. This would mean that the National Forest area will be the only part of the district benefiting from free trees fully funded by the National Forest Company	Communities	(9,000)	0	0	0	0
Community Services	Increase the charge for any additional garden waste bins to align with charges across Leicestershire. Inflation of 7% will be applied to this charge through fees and charges. (total increase from £45 pa to £57pa)	Communities	(13,000)	0	0	0	0
Community Services	No longer print and distribute annual waste collection calendars to every house in the district and instead promote Councils website. Savings amount to staff time, printing costs and travel costs which will all reduce carbon emissions	Communities	(15,000)	0	0	0	0
Community Services	Reduce the Council's Community Grant Funding budget: Age UK £21,990 reduce by a third each year over three years to zero. Citizens Advice £62,000 to remain and Small Grants Scheme £19,500 to be reviewed in 2025/26 following implementation of community lottery scheme	Communities	(7,330)	(7,330)	(7,330)	0	0
Community Services	Reduce the Council's contribution to the running of Ibstock Leisure Centre to Zero over three years. The grant in 23/24 is £15k	Communities	(5,000)	(5,000)	(5,000)	0	0
Planning Skills Grant	Planning Skills Grant (one-off) – bid to assist with validation of planning applications for urban design and conservation processes. Total grant £95k shown net of expenditure.	Place	(3,155)	3,155	0	0	0
HS2 Consultancy	HS2 – budget for consultants no longer required	Place	(25,000)	0	0	0	0
Closure of Council Offices	Council Offices Budget – to reflect closure of Whitwick Road Council offices	Place	(67,600)	0	0	0	0
Town Centre WiFi	Town Centre Wifi – service provider has decided to withdraw from the market	Place	(11,000)	0	0	0	0
Ashby Museum Grant	Ashby Museum – removal of grant	Place	0	(975)	(485)	0	0
Strategic Growth Plan	NWLDC contribution to work in connection with Strategic Growth Plan	Place	(67,000)	0	0	0	0
ICT	Resources to match demand and efficiencies from contracts	Resources	(51,800)	(60,400)	0	0	0
ICT	Increase costs due to SAN Network less maintenance savings	Resources	(5,000)				
<b>Total Budget Options</b>			<b>(272,815)</b>	<b>(92,010)</b>	<b>(17,445)</b>	<b>1,370</b>	<b>(198,630)</b>
Corporate Income	Investment Income	Corporate	(275,000)	200,000	0	0	0
Joint Strategic Planning	Additional income from partners	Place	(8,530)	90	100	90	1,810
Fees & Charges	Increase in fees and charges income across the authority by 7%	Various	(89,640)	0	0	0	0
Fees & Charges	Reduction in BDA charges for 1-3 items from £30 to £25	Communities	7,500	0	0	0	0
Recharge Income	Increased recharges to HRA - Grounds Maintenance	Communities	(44,850)	0	0	0	0

Change to MTFP	Proposal Description & Service Impact	Directorate	2024/25	2025/26	2026/27	2027/28	2028/29
			£	£	£	£	£
Recharge Income	Net reduction in other recharges to HRA (buildings, postage, printing, insurance, piperlife line)	Various	37,970	0	0	0	0
<b>Total Changes In Income</b>			<b>(372,550)</b>	<b>200,090</b>	<b>100</b>	<b>90</b>	<b>1,810</b>
Budget efficiencies	Removal of nominal budgets	Various	(37,300)	0	0	0	0
Budget efficiencies	Centralisation of budgets	Various	(9,080)	0	0	0	0
<b>Total Efficiencies</b>			<b>(46,380)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Special Expenses	Special Expenses overtime transferred back to General Fund	Communities	(6,100)	0	0	0	0
Special Expenses	Owen Street Maintenance transferred to General Fund reducing subsidy by 20% annually	Communities	12,800	(2,560)	(2,050)	(1,640)	(1,310)
Special Expenses	Transfer of Special Expenses (Closed Churchyards & Pitch Maintenance) to General Fund	Communities	100,120	(58,330)	(11,150)	940	1,040
Corporate	Various adjustments relating to recharges	Various	(129,506)	(2,100)	0	0	0
Financing Costs	Changes to the net financing costs following the budget proposals for capital and the forecast carried forwards for 23/24.	Corporate	(1,018,966)	40,286	(7,860)	(36,230)	(28,896)
<b>Total Technical Adjustments</b>			<b>(1,041,652)</b>	<b>(22,704)</b>	<b>(21,060)</b>	<b>(36,930)</b>	<b>(29,166)</b>
<b>TOTAL BUDGET AMENDMENTS TO MTFP</b>			<b>(561,455)</b>	<b>(577,164)</b>	<b>(98,405)</b>	<b>(35,470)</b>	<b>(225,986)</b>

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**North West Leicestershire District Council**  
**Proposed Fees & Charges 2024/25 - Place Directorate**

Service	Fee/Charge	Charging Policy	2023/24 Fees	Percentage Change in		Basis for Change
				2024/25 Proposed Fees	Fees	
Property	Rent of Commercial Property	Rent agreement	Negotiated with tenant dependant on size of building and market rates	No change	0%	
Property	Maintenance Charge for Commercial Property	% of rent	Currently 5% of rent, increasing to 10% on extension of lease and for new tenants.	Various	5%	Where new lease negotiated.
Property	Service Charges for Commercial Property	Actual cost	As per actual costs incurred	No change	0%	
Planning	Copy Planning/ Planning App Documents		£2.50 to £100	No change	0%	
Planning	Search fees LLC1	Trfd to Land Registry	£1 to £6	£ -	-100%	Transferred to Land Registry
Planning	Search fees CON29		£0 to £128	No change	0%	
Planning	Planning Application Fees	Set Nationally	Various	Various	25-35%	Set Nationally
Planning	Planning Conditions Discharge	Set Nationally	Various	Various	25-35%	Set Nationally
Planning	Pre-application fees	Individually determined	Various	Various	25-35%	

**North West Leicestershire District Council**  
**Proposed Fees & Charges 2024/25 - Communities Directorate**

Service	Fee/Charge	Charging Policy	2023/24 Fees	2024/25 Proposed Fees	Percentage Change in Fees	Basis for Change
Waste Services	Bulky Collections	Full Cost Recovery	£28 For 1-3 items, £5.80 for each additional item	£25 For 1-3 items, £6.20 for each additional item	7%/-11%	reduction for 1-3 items and inflationary/corporate increase for each additional item
Waste Services	POP's Collections	Full Cost Recovery	£35 For 1-3 items, £7.25 for each additional item up to a maximum of 6 items	£37.50 For 1-3 items, £7.80 for each additional item up to a maximum of 6 items	7%	inflationary/corporate increase
Waste Services	Trade Refuse	Full Cost Recovery	between £9.35 to £19.80 for 240l, 360l, 1100l bins (per bin per collection)	between £10.00 to £21.20 for 240l, 360l, 1100l bins (per bin per collection)	7%	inflationary/corporate increase
Waste Services	Trade Sacks	Full Cost Recovery	£3.20 per sack (min 50 sacks)	£3.40 per sack (min 50 sacks)	7%	inflationary/corporate increase
Waste Services	Trade Recycling	Full Cost Recovery	between £4.00 to £6.80 for 240l, 360l, 1100l bins (per bin per collection)	between £4.30 to £7.30 for 240l, 360l, 1100l bins (per bin per collection)	7%	inflationary/corporate increase
Waste Services	Additional Garden Waste bin collection	Subsidised/Full Cost Recovery	£45.00	£57.00	27%	inflationary/corporate increase of 7% plus additional 20% increase to bring inline with other districts average charge
Waste Services	Emptying of litter bins	Full Cost Recovery	between £3.50 to £6.30 (per bin per wk)	between £3.80 to £6.70 (per bin per wk)	7%	inflationary/corporate increase
Waste Services	MOT's - Staff vehicles	Subsidised	£37.00	£40.00	8%	inflationary/corporate increase & competitive rate
Waste Services	Air Con Service - Staff vehicles	Full Cost Recovery	£40.00	£43.00	7%	inflationary/corporate increase
Leisure Services	Football pitch fees	Subsidised	Per match - Junior £33.00, Adult £56.00. Per season - Junior £312.00, Adult £563.00	Per match - Junior £35.00, Adult £60.00. Per season - Junior £334.00, Adult £602.00	7%	inflationary/corporate increase
Leisure Services	3G Pitch fees (Hermitage Rec Grd)	Subsidised/Full Cost Recovery	between £31.75 to £79.30 depending on pitch size and Adult/Junior	between £34.00 to £85.00 depending on pitch size and Adult/Junior	7%	inflationary/corporate increase
Environmental Prot (Leisure Services -Special Expenses)	Burial fees	Full Cost Recovery	between £62 to £1,905	Fees vary from £79.00 to £2,244.00	between 17% - 27%	10% increase for Hugglescote and Whitwick to bring in line with Coalville, plus inflationary/corporate increase and further 10% increase to bring in line with other authorities
Environmental Protection	Public Conveniences - Ashby & Coalville	Full Cost Recovery	flat rate of £0.30p	flat rate of £0.30p	0%	
Environmental Protection	EV	Profit Generating	70p kwh	70p kwh	0%	
Environmental Protection	New Market	Full Cost Recovery	Fees vary from £17.50 to £60	Fees vary from £17.50 to £60	7%	inflationary/corporate increase
Environmental Protection	Private Sector Housing	Full Cost Recovery	From £106 to £475	From £113 to £508	7%	inflationary/corporate increase
Environmental Protection	Scrap Metal Dealers - Licenses	Full Cost Recovery	Fees vary from £38 to £553	Fees vary from £41 to £592	7%	inflationary/corporate increase
Environmental Protection	High Hedges	Full Cost Recovery	£553.00	£592.00	7%	inflationary/corporate increase
Environmental Protection	Noise surveys	Full Cost Recovery	£451.00	£483.00	7%	inflationary/corporate increase
Environmental Protection	Caravans/Mobile Homes	Full Cost Recovery	Fees vary from £79 to £412	Fees vary from £85 to £441	7%	inflationary/corporate increase

Service	Fee/Charge	Charging Policy	2023/24 Fees	2024/25 Proposed Fees	Percentage	
					Change in Fees	Basis for Change
Environmental Health	Licensing	Subsidised/Full Cost Recovery	Fees vary between £3 and £64,000	Fees vary between £3.21 and £64,000	0%	Statutory Fees
Environmental Health	Health and Food Safety	Full Cost Recovery	Fees vary between £5 and £160	Fees vary between £5.50 and £172	7%	inflationary/corporate increase
Environmental Health	Border Inspection Post	Full Cost Recovery	Fees vary between £26.00 and £196	Fees vary between £10 and £199	7%	New regulations coming in April 2024 - fees & charges still being reviewed
Environmental Health	Pest Control	Subsidised/Full Cost Recovery	Fees vary between £18 and £200	Fees vary between £19.80 and £220	10%	increase of 7% due to inflation and a further 3% to bring charge in line with private sector charges
GF Housing	Caravan Site Rental	Rental Agreement	£39.84 from April 2023 on anniversary of individual rental agreement	£43.39 from April 2023 on anniversary of individual rental agreement	8.9%	September RPI
GF Housing	Lifelines for Private Customers - Basic	Contract	£4.78 pw	£5.10 pw	6.7%	September CPI
GF Housing	Lifelines Private Customers - Enhanced	Contract	£7.20 pw	£7.68 pw	6.7%	September CPI
GF Housing	Lifelines for Registered Providers - Basic	Contract	£2.18 to £3.81 pw	£2.33 to £4.07 pw	6.7%	September CPI

**North West Leicestershire District Council**  
**Proposed Fees & Charges 2024/25 - Resources & Chief Executive Directorates**

Service	Fee/Charge	Charging Policy	2023/24 Fees		2024/25 Proposed Fees	Percentage	
						Change in Fees	Basis for Change
Legal	Legal fees various		Various hourly rates depending on grade of person doing the work		Various	0	No Change
			Data - per 1000 electors or part thereof £1.50 + handling fee £20	Data - per 1000 electors or part thereof £1.50 + handling fee £20			No Change on sale of register, but no longer allowed to charge for
			Printed copy per 1000 electors or part thereof £5 + handling fee £10	Printed copy per 1000 electors or part thereof £5 + handling fee £10			allowed to charge for
Democratic Services	Electoral Registration sale of register	Statutory	Certificate of Registration (subject to review) £10.	Certificate of Registration (subject to review) £0.		0	Certificate of Registration.
			Renaming existing property £42.25	Renaming existing Property £46.50.			
			Naming/numbering existing property £42.25	Naming/numbering existing property £46.50.			
			Naming/numbering a development of up to 5 plots £42.25 per Plot	Naming/numbering a development of up to 5 plots £46.50 per plot.			
			Naming/numbering a development of more than 5 plots £211.25 + £22.25 for each plot from 6 onwards	Naming/numbering a development of more than 5 plots £232.50 + £24.50 for each plot from 6 onwards.			
			Naming a street £158	Naming a street £174.			
			Change to development after notification: Admin £55.50 plus £28.25 per plot	Change to development after notification: Admin £61.25 plus £31.25 per plot			
			Street re-naming at residents request £276.50 plus all compensation met by applicant	Street re-naming at residents request £305 plus all compensation met by applicant			
			Confirmation of postal address details £28.25	Confirmation of postal address details £31.25			
Democratic Services	Address Management		Number a new flat complex £28.25 per flat	Number a new flat complex £31.25 per flat.		10%	
			Mono 6p + paper and finishing	Mono 7p + paper and finishing			
			Colour 7.5p + paper and finishing	Colour 8p + paper and finishing			
ICT	Print Room Sales	Cost plus 25%	+25% for external customers	+25% for external customers		6.67%-16.67%	Inflationary
Finance - Fin Planning	External charges (Insurance)	Cost			Cost	Various	As per cost

PROJECT	2024/25	2025/26	2026/27	2027/28	2028/29	Funding Source
	For Approval	Indicative	Indicative	Indicative	Indicative	
	£	£	£	£	£	
<b>ACTIVE PROJECTS</b>						
<b>Coalville Regeneration Projects</b>						
Marlborough Square Improvements	991,713					Reserves
Marlborough Centre Purchase and Renovation	2,238,028	1,152,923				
<b>Total Coalville Regeneration Projects</b>	<b>3,229,741</b>	<b>1,152,923</b>	-		-	
<b>Systems / ICT Schemes</b>						
Laptop replacements	8,727					Reserves
SharePoint	10,000					
<b>Total Systems / ICT Schemes</b>	<b>18,727</b>	-	-	-	-	
<b>Other Capital Schemes</b>						
Disabled Facility Grants	2,428,745					Grants and Reserves
CCTV	49,969					
Memorial Clock Tower	9,000					
<b>Total Other Capital Schemes</b>	<b>2,487,714</b>	-	-	-	-	
<b>TOTAL ACTIVE PROJECTS - MAIN PROGRAMME</b>	<b>5,736,182</b>	<b>1,152,923</b>	-	-	-	

PROJECT	2024/25	2025/26	2026/27	2027/28	2028/29	Funding Source
	For Approval	Indicative	Indicative	Indicative	Indicative	

## DEVELOPMENT POOL

### Coalville Regeneration Projects

Coalville Regeneration Framework	1,041,616	500,000				Reserves
Demolition of Council Offices	150,000					
<b>Total Coalville Regeneration Projects</b>	<b>1,191,616</b>	<b>500,000</b>	-	-	-	

### Systems / ICT Schemes

Laptop Replacements	49,000	92,000	49,000	49,000		Reserves
Firewall Replacement				50,000		
Hosted SBC to Cloud	15,000					
Replacement of NetApp Storage Solution	70,000					
<b>Total Systems / ICT Schemes</b>	<b>134,000</b>	<b>92,000</b>	<b>49,000</b>	<b>99,000</b>	-	

### Fleet Replacement and Infrastructure Programme

Fleet Replacement Programme	1,496,643					Capital receipts and Reserves
Solar Panels - Ashby Leisure Centre/Coalville Leisure Centre	195,000					
<b>Total Fleet Replacement and Infrastructure Programme</b>	<b>1,691,643</b>	-	-	-	-	

### Other Capital Schemes

Disabled Facility Grants		670,310	670,310	670,310	670,310	Grants and Reserves
UK Shared Prosperity Investment Plan Programme	292,690					
Moira Furnace (Phase 1)	230,000					
The Courtyard Roof repair	200,000					Reserves
Hermitage Rec Ground Demolition	96,068	50,000				
Hermitage Recreational Ground 3G Pitch			130,000			
Refuse Bins & Recycling Containers	194,000	200,000	200,000	202,000		
Electrical vehicle charging infrastructure/strategy	50,000					Grants
UKSPF - Moira Furnace (Phase 2)	300,000					
UKSPF - Memorial Workspace	350,000					
UKSPF - National Forest	171,000					
UKSPF - Kegworth Quiet-Way	150,000					
UKSPF - Mantle Lane Bridge	64,060					

PROJECT	2024/25	2025/26	2026/27	2027/28	2028/29	Funding Source
	For Approval	Indicative	Indicative	Indicative	Indicative	
Stenson Square Public Realm	1,000,000	1,000,000				Reserves
Nottingham road enterprise park - (business workspace development)		1,850,000	1,850,000			
Hermitage Play Area Fencing	18,000					
Parks depot electric gates	13,000					
<b>Total Other Capital Schemes</b>	<b>3,128,818</b>	<b>3,770,310</b>	<b>2,850,310</b>	<b>872,310</b>	<b>670,310</b>	
<b>TOTAL DEVELOPMENT POOL - MAIN PROGRAMME</b>	<b>6,146,077</b>	<b>4,362,310</b>	<b>2,899,310</b>	<b>971,310</b>	<b>670,310</b>	
<b>TOTAL - MAIN PROGRAMME</b>	<b>11,882,259</b>	<b>5,515,233</b>	<b>2,899,310</b>	<b>971,310</b>	<b>670,310</b>	

### SPECIAL EXPENSES PROGRAMME

#### DEVELOPMENT POOL

##### Cemeteries

Hugglescote cemetery - new burial area works	34,000					Revenue
<b>Total Cemeteries</b>	<b>34,000</b>	-	-	-	-	
<b>TOTAL DEVELOPMENT POOL</b>	<b>34,000</b>	-	-	-	-	
<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>	<b>11,916,259</b>	<b>5,515,233</b>	<b>2,899,310</b>	<b>971,310</b>	<b>670,310</b>	

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**North West Leicestershire District Council**  
**Estimated Reserves 2024/25 to 2028/29**

TEAM	Estimated Balance as at 1/4/24 £	Commitments & Budget Proposals 24/25 £	Estimated balance as at 31/3/25 £	Future commitment incl budget proposals 25/26 to 28/29 £	Estimated Balance 31/3/29 £
<b>Earmarked Reserves:</b>					
Chief Exec	334,000	0	334,000	0	334,000
Human Resources	30,000	0	30,000	0	30,000
Legal & Support Services	121,413	0	121,413	(121,413)	0
Property & Economic Regeneration	204,300	(204,300)	0	0	0
Planning	640,522	(12,250)	628,272	(111,817)	516,455
Joint Strategic Planning	91,017	0	91,017	0	91,017
Community Services	791,185	(392,293)	398,892	(398,892)	0
Strategic Housing	207,647	0	207,647	0	207,647
Finance	0	0	0	0	0
ICT	0	0	0	0	0
Customer Services	6,273	0	6,273	0	6,273
Revenues & Benefits	142,645	0	142,645	0	142,645
Business Change	70,805	(70,805)	0	0	0
MTFP Reserve	7,936,684	(680,552)	7,256,132	0	7,256,132
Business Rates Reserve	3,084,638	(34,543)	3,050,095	5,027,762	8,077,857
<b>Total earmarked reserves - General Fund</b>	<b>13,661,129</b>	<b>(1,394,743)</b>	<b>12,266,386</b>	<b>4,395,640</b>	<b>16,662,026</b>
<b>Other reserves General Fund:</b>					
General Balance (minimum level of reserves)	1,544,493	0	1,544,493	0	1,544,493
<b>Total other Reserves - General Fund</b>	<b>1,544,493</b>	<b>0</b>	<b>1,544,493</b>	<b>0</b>	<b>1,544,493</b>
<b>TOTAL ALL RESERVES - GENERAL FUND</b>	<b>15,205,622</b>	<b>(1,394,743)</b>	<b>13,810,879</b>	<b>4,395,640</b>	<b>18,206,519</b>
<b>Total earmarked reserves - Special Expenses</b>	<b>8,060</b>	<b>(8,060)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other reserves Special Expenses:</b>					
General Balance	64,649	28,742	93,391	0	93,391
<b>Total other Reserves - Special Expenses</b>	<b>64,649</b>	<b>28,742</b>	<b>93,391</b>	<b>0</b>	<b>93,391</b>
<b>TOTAL ALL RESERVES - SPECIAL EXPENSES</b>	<b>72,709</b>	<b>20,682</b>	<b>93,391</b>	<b>0</b>	<b>93,391</b>

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## SPECIAL EXPENSES BUDGET SUMMARY 2024/25-2028/29

COALVILLE	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget
Cemetery	(14,440)	(14,440)	(14,440)	(14,440)	(14,440)
Planned Preventative Maintenance (Cemetery)	12,090	116,740	7,670	7,980	8,300
Other Expenses	5,000	5,000	5,000	5,000	5,000
Parks, Recreation Grounds & Open Spaces	292,140	291,800	291,440	295,660	295,490
Planned Preventative Maintenance (Parks/Recreation Grounds)	24,400	123,860	234,390	20,740	342,760
Events	96,860	96,860	96,860	96,860	96,860
<b>Net Cost of Services</b>	<b>416,050</b>	<b>619,820</b>	<b>620,920</b>	<b>411,800</b>	<b>733,970</b>
Service & Committee Management	90,030	90,030	90,030	90,030	90,030
<b>Net Cost of Services after Recharges</b>	<b>506,080</b>	<b>709,850</b>	<b>710,950</b>	<b>501,830</b>	<b>824,000</b>
<b>Funded By:</b>					
Contribution To/ (From) Reserves	34,696	(164,023)	(160,025)	54,240	(262,736)
Precept (Council Tax)	(540,776)	(545,827)	(550,925)	(556,070)	(561,264)
Localisation of Council Tax Support Grant	0	0	0	0	0
<b>Total Funding</b>	<b>(506,080)</b>	<b>(709,850)</b>	<b>(710,950)</b>	<b>(501,830)</b>	<b>(824,000)</b>

<b>WHITWICK</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>2026/27 Budget</b>	<b>2027/28 Budget</b>	<b>2028/29 Budget</b>
Cemetery	(4,440)	(4,440)	(4,440)	(4,440)	(4,440)
Open Space and Car Park	4,220	4,220	4,220	4,220	4,220
Planned Preventative Maintenance	4,730	3,280	3,610	5,270	4,370
<b>Net Cost of Services</b>	<b>4,510</b>	<b>3,060</b>	<b>3,390</b>	<b>5,050</b>	<b>4,150</b>
Service Management	14,130	14,130	14,130	14,130	14,130
<b>Net Cost of Services after Recharges</b>	<b>18,640</b>	<b>17,190</b>	<b>17,520</b>	<b>19,180</b>	<b>18,280</b>
<b>Funded By:</b>					
Contribution To/ (From) Reserves	(299)	1,188	896	(727)	211
Precept (Council Tax)	(18,341)	(18,378)	(18,416)	(18,453)	(18,491)
Localisation of Council Tax Support Grant	0	0	0	0	0
<b>Total Funding</b>	<b>(18,640)</b>	<b>(17,190)</b>	<b>(17,520)</b>	<b>(19,180)</b>	<b>(18,280)</b>

<b>HUGGLESCOTE &amp; DONINGTON-LE-HEATH</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>2026/27 Budget</b>	<b>2027/28 Budget</b>	<b>2028/29 Budget</b>
Cemetery	(190)	(190)	(190)	(190)	(190)
Planned Preventative Maintenance	9,980	36,750	7,430	3,330	3,660
<b>Net Cost of Services</b>	<b>9,790</b>	<b>36,560</b>	<b>7,240</b>	<b>3,140</b>	<b>3,470</b>
Service Management	14,770	14,770	14,770	14,770	14,770
<b>Net Cost of Services after Recharges</b>	<b>24,560</b>	<b>51,330</b>	<b>22,010</b>	<b>17,910</b>	<b>18,240</b>
<b>Funded By:</b>					
Contribution To/ (From) Reserves	(1,372)	(27,446)	2,592	7,431	7,862
Precept (Council Tax)	(23,188)	(23,884)	(24,602)	(25,341)	(26,102)
Localisation of Council Tax Support Grant	0	0	0	0	0
<b>Total Funding</b>	<b>(24,560)</b>	<b>(51,330)</b>	<b>(22,010)</b>	<b>(17,910)</b>	<b>(18,240)</b>

<b>COLEORTON</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>2026/27 Budget</b>	<b>2027/28 Budget</b>	<b>2028/29 Budget</b>
Open Space	1,010	1,010	1,010	1,010	1,010
Planned Preventative Maintenance	1,300	880	970	1,070	1,180
<b>Net Cost of Services</b>	<b>2,310</b>	<b>1,890</b>	<b>1,980</b>	<b>2,080</b>	<b>2,190</b>
Service Management	0	0	0	0	0
<b>Net Cost of Services after Recharges</b>	<b>2,310</b>	<b>1,890</b>	<b>1,980</b>	<b>2,080</b>	<b>2,190</b>
<b>Funded By:</b>					
Contribution To/ (From) Reserves	(239)	197	124	40	(53)
Precept (Council Tax)	(2,071)	(2,087)	(2,104)	(2,120)	(2,137)
Localisation of Council Tax Support Grant	0	0	0	0	0
<b>Total Funding</b>	<b>(2,310)</b>	<b>(1,890)</b>	<b>(1,980)</b>	<b>(2,080)</b>	<b>(2,190)</b>

<b>OAKTHORPE, DONISTHORPE &amp; ACRESFORD</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>2026/27 Budget</b>	<b>2027/28 Budget</b>	<b>2028/29 Budget</b>
Play Areas	4,250	4,250	4,250	4,250	4,250
Planned Preventative Maintenance	1,660	0	0	0	50,200
<b>Net Cost of Services</b>	<b>5,910</b>	<b>4,250</b>	<b>4,250</b>	<b>4,250</b>	<b>54,450</b>
Service Management	0	0	0	0	0
<b>Net Cost of Services after Recharges</b>	<b>5,910</b>	<b>4,250</b>	<b>4,250</b>	<b>4,250</b>	<b>54,450</b>
<b>Funded By:</b>					
Contribution To/ (From) Reserves	5,424	7,241	7,401	7,563	(42,473)
Precept (Council Tax)	(11,334)	(11,491)	(11,651)	(11,813)	(11,977)
Localisation of Council Tax Support Grant	0	0	0	0	0
<b>Total Funding</b>	<b>(5,910)</b>	<b>(4,250)</b>	<b>(4,250)</b>	<b>(4,250)</b>	<b>(54,450)</b>

<b>RAVENSTONE</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>2026/27 Budget</b>	<b>2027/28 Budget</b>	<b>2028/29 Budget</b>
Open Space	480	480	480	480	480
Planned Preventative Maintenance	640	700	770	850	940
<b>Net Cost of Services</b>	<b>1,120</b>	<b>1,180</b>	<b>1,250</b>	<b>1,330</b>	<b>1,420</b>
Service Management	0	0	0	0	0
<b>Net Cost of Services after Recharges</b>	<b>1,120</b>	<b>1,180</b>	<b>1,250</b>	<b>1,330</b>	<b>1,420</b>
<b>Funded By:</b>					
Contribution To/ (From) Reserves	117	70	13	(53)	(129)
Precept (Council Tax)	(1,237)	(1,250)	(1,263)	(1,277)	(1,291)
Localisation of Council Tax Support Grant	0	0	0	0	0
<b>Total Funding</b>	<b>(1,120)</b>	<b>(1,180)</b>	<b>(1,250)</b>	<b>(1,330)</b>	<b>(1,420)</b>



**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL  
GENERAL FUND SUMMARY BUDGET RECONCILIATION  
DRAFT BUDGET 2024/25 TO PROPOSED BUDGET 2024/25**

Service	2024/25			Reason for Change
	Draft £	Proposed £	Variance £	
Chief Executive	207,370	201,490	(5,880)	Pay award held corporately
Human Resources	748,990	732,700	(16,290)	Pay award held corporately
Legal & Support Services	1,921,310	1,873,460	(47,850)	Pay award held corporately
<b>Total Chief Executive's Directorate</b>	<b>2,877,670</b>	<b>2,807,650</b>	<b>(70,020)</b>	
Strategic Director of Place	147,730	137,970	(9,760)	Virement £6k/Pay award held corporately £4k
Property & Economic Regeneration	1,313,220	1,279,120	(34,100)	Pay award held corporately
Planning & Infrastructure	1,028,040	1,070,580	42,540	Skills grant £95k/Pay award held corporately -£52k
Joint Strategic Planning	8,440	(2,890)	(11,330)	Increased income from partners/Pay award held corporately
<b>Total Place Directorate</b>	<b>2,497,430</b>	<b>2,484,780</b>	<b>(12,650)</b>	
Director of Communities	1,036,771	0	(1,036,771)	Customer Services transferred to Resources
Community Services	6,764,095	6,625,940	(138,155)	Pay award held corporately -£249k Closed Churchyards/Memorial Square transfer to GF +£97k Reduced Bulky income £7.5k
Strategic Housing	697,669	540,188	(157,481)	Car allowances virement - Head of Comm Services £3k Virement -£134k/Pay award held corporately -£17k/Piper lifelines -£9k
<b>Total Community Services Directorate</b>	<b>8,498,535</b>	<b>7,166,128</b>	<b>(1,332,407)</b>	
Strategic Director of Resources	242,730	237,130	(5,600)	Pay award held corporately
Customer Services	0	1,009,760	1,009,760	Customer Services transferred from Communities/Pay award held corporately
Finance	1,075,180	1,052,640	(22,540)	Pay award held corporately
Revenues & Benefits	1,196,330	1,170,850	(25,480)	Pay award held corporately
ICT	1,237,390	1,221,640	(15,750)	Pay award held corporately
Business Change	567,990	570,090	2,100	-
<b>Total Resources Directorate</b>	<b>4,319,620</b>	<b>5,262,110</b>	<b>942,490</b>	
Non Distributed - Revenue Expenditure on Surplus Assets	115,140	115,140	0	-
Non Distributed - Retirement Benefits	69,980	69,980	0	-
Corporate & Democratic Core	92,570	92,500	(70)	-
Estimated Pay Award	0	526,781	526,781	Pay award moved from services
<b>NET COST OF SERVICES</b>	<b>18,470,945</b>	<b>18,525,069</b>	<b>54,124</b>	
Net Recharges from General Fund	(1,834,456)	(1,859,136)	(24,680)	Strategic Housing Virement £134k/Changes to recharges - £167k/Piper lifelines £9k
<b>NET COST OF SERVICES AFTER RECHARGES</b>	<b>16,636,489</b>	<b>16,665,933</b>	<b>29,444</b>	
<b>CORPORATE ITEMS AND FINANCING</b>				
<b>Corporate Income and Expenditure</b>				
Net Financing Costs	2,158,138	1,906,878	(251,260)	Change of funding from internal borrowing to funded by the Business Rates Reserve.
Investment Income	(410,200)	(410,200)	0	
Localisation of CT Support Grant - Parish & Special Expenses	0	0	0	
<b>NET REVENUE EXPENDITURE</b>	<b>18,384,427</b>	<b>18,162,610</b>	<b>(221,817)</b>	
Budget Proposals Funded from Reserves - One-Off	(849,655)	(770,805)	78,850	Removed double counted Climate Change reserve
Contribution to/(from) Balances/Reserves	(176,294)	19,448	195,742	
<b>MET FROM GOVT GRANT &amp; COUNCIL TAX</b>	<b>17,358,479</b>	<b>17,411,253</b>	<b>52,774</b>	
<b>ANTICIPATED BASELINE FUNDING GAP</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Service	2024/25			Reason for Change
	Revised Draft £	Proposed £	Variance £	
<b>Financed By</b>				
New Homes Bonus	1,219,692	918,476	(301,216)	As per Local Government Settlement announcement
Transfer from/(to) Collection Fund - CT Prev Yrs Surplus/(Deficit)	0	11,470	11,470	Surplus now calculated
Council Tax	6,121,420	6,041,652	(79,768)	
National Non-Domestic Rates	8,619,604	8,619,604	0	
Minimum Funding Guarantee	1,220,492	1,707,118	486,626	As per Local Government Settlement announcement
Services Grant	81,120	16,782	(64,338)	As per Local Government Settlement announcement
Revenue Support Grant	96,151	96,151	0	
Transitional Relief	0	0	0	
<b>TOTAL FUNDING AVAILABLE</b>	<b>17,358,479</b>	<b>17,411,253</b>	<b>52,774</b>	

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## Corporate Scrutiny Committee 4 January 2024 – Response to Questions Raised

	Question	Response
1	In respect of Local Nutrient Mitigation Fund – was this addressing existing problems or future problems?	Both as it will address existing problems preventing new development coming forward and with nutrient pollution, and address future problems to allow development to come forward in the future and with future nutrient pollution issues.
2	What is the Liability Benchmark?	<p>The Liability Benchmark is effectively the Net Borrowing Requirement of a local authority plus a liquidity allowance. In its simplest form, it is calculated by deducting the amount of investable resources available on the balance sheet (reserves, cash flow balances) from the amount of outstanding external debt and then adding the minimum level of investments required to manage day-to-day cash flow.</p> <p>CIPFA recommends that the optimum position for external borrowing should be at the level of the Liability Benchmark (i.e., all balance sheet resources should be used to maximise internal borrowing). If the outputs show future periods where external loans are less than the Liability Benchmark, then this indicates a borrowing requirement thus identifying where the authority is exposed to interest rate, liquidity and refinancing risks. Conversely where external loans exceed the Liability Benchmark then this will highlight an overborrowed position which will result in excess cash in the organisation requiring investment thus exposing the authority to credit and reinvestment risks and a potential cost of carry. The treasury strategy should explain how the treasury risks identified by the Liability Benchmark are to be managed over the coming years.</p>
3	Further details of assumptions used in the MTFP to provided?	<ul style="list-style-type: none"> <li>• Place Directorate decreased due to one-off £150k capital feasibility.</li> <li>• Joint Strategic Planning decreased due to increased income from partners to cover pay inflation that is shown within Corporate.</li> </ul>

		<ul style="list-style-type: none"> <li>Finance decreased due to one-off £110k new finance system consultancy in 2024/25 (now amended to £50k removed in 25/26 and £60k in 26/27).</li> <li>ICT decreased due to development options.</li> <li>Business change decreased due to funding for these posts to be found from savings. Most of these are funded from reserves.</li> <li>Community Services decreased due to increased fees from leisure contract</li> </ul>																				
4	What was the forecast outturn for 2022/23?	<table border="1"> <thead> <tr> <th><b>GENERAL FUND REVENUE</b></th> <th><b>2022/23 Revised Budget £'000</b></th> <th><b>Provisional Outturn £'000</b></th> <th><b>Variance £'000</b></th> </tr> </thead> <tbody> <tr> <td>Net Revenue</td> <td>15,811</td> <td>16,121</td> <td>312</td> </tr> <tr> <td>Expenditure</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Funding</td> <td>17,006</td> <td>17,030</td> <td>24</td> </tr> <tr> <td>General Fund Surplus/(Deficit)</td> <td>1,195</td> <td>909</td> <td>(288)</td> </tr> </tbody> </table> <p>Link to report: <a href="#">NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL</a></p>	<b>GENERAL FUND REVENUE</b>	<b>2022/23 Revised Budget £'000</b>	<b>Provisional Outturn £'000</b>	<b>Variance £'000</b>	Net Revenue	15,811	16,121	312	Expenditure				Total Funding	17,006	17,030	24	General Fund Surplus/(Deficit)	1,195	909	(288)
<b>GENERAL FUND REVENUE</b>	<b>2022/23 Revised Budget £'000</b>	<b>Provisional Outturn £'000</b>	<b>Variance £'000</b>																			
Net Revenue	15,811	16,121	312																			
Expenditure																						
Total Funding	17,006	17,030	24																			
General Fund Surplus/(Deficit)	1,195	909	(288)																			
4	Sensitivity analysis on the pay awards of 4%, 5% and 6%	The additional cost per 1% above the current estimate of 3% in 2024/25 would be an additional £175k in the budget for 2024/25. Therefore, an estimated pay award of 5% would require an additional £350k and 6% an additional £525k in the budget.																				
5	Request for details of headroom on the HRA.	Until 2018 the HRA for NWLDC was subject to a debt cap of £90.262m. Following the removal of the debt cap in 2018, Councils are able to set their own limit and borrow prudentially. In NWLDC, the maximum debt is now set taking into account the total value of loans outstanding and the level of borrowing required to fund the proposed capital programme. This is subject to the HRA being able to pay the financing costs over the term of the borrowing. This can be explored or future years in the work being undertaken for the Asset Management and Business Plan for the HRA.																				

<b>6</b>	Further detail requested on Stenson Square	A meeting was held on 17 January 2024 with Cllrs Blunt, Rushton, Sheahan, Lambeth, Moulton and Wyatt with officers in attendance.																		
<b>7</b>	The £3.7m investment in Council owned land – how much of the £3.7m has been allocated	As above.																		
<b>8</b>	Discrepancies in the HRA report – e.g. questioned the brought forward balances.	These will be corrected for the Final Budget Report to be presented to Cabinet on 31 January 2024.																		
<b>9</b>	What are the assumptions for Council Tax increases over the medium term?	<p>There is an assumed Council taxbase increase in each of the years of MTFP based on historical data and forecasts provided by external advisers. The taxbase increases assumed are set out in the table below:</p> <table border="1"> <thead> <tr> <th></th> <th><b>2024/25</b></th> <th><b>2025/26</b></th> <th><b>2026/27</b></th> <th><b>2027/28</b></th> <th><b>2028/29</b></th> </tr> </thead> <tbody> <tr> <td>%</td> <td>2.7%</td> <td>2.1%</td> <td>2.4%</td> <td>2.2%</td> <td>2.3%</td> </tr> <tr> <td>Band D</td> <td>1,174</td> <td>789</td> <td>921</td> <td>864</td> <td>923</td> </tr> </tbody> </table> <p>In addition, a Council Tax increase of 2.75% is assumed for each of the above years.</p>		<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	%	2.7%	2.1%	2.4%	2.2%	2.3%	Band D	1,174	789	921	864	923
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%	2.7%	2.1%	2.4%	2.2%	2.3%															
Band D	1,174	789	921	864	923															
<b>10</b>	Why has the increase for Ashby public conveniences gone in 2024/25 when the increase was agreed this year?	Income budget for 2023/24 was only £5k, therefore the budget increased by £11k to reflect increased charges at both sites and operational savings from vacant posts of £16k.																		
<b>11</b>	Why is the contribution to the strategic growth plan being cut by £67k?	This is the North West Leicestershire share of Joint Strategic Planning projects. The budget was increased in 2023/24, but there is nothing in the pipeline for 2024/25 and so is no longer required.																		
<b>12</b>	Further detail required of the £264k net cost of the leisure contract	These are the estimated costs of utilities benchmarking under the leisure contract and increased cost of business rates at Whitwick and Coalville Leisure centres. Members of the Committee have had previous briefings on this issue.																		
<b>14</b>	What are the efficiencies on the £1.8m in the HRA?	£1.2m Responsive Repairs £0.5m Domestic Renewable Heat Initiative																		

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# Budget Consultation Report

# Who has responded?

There were 117 Responses in total

## 1. Please tell us your age

[More Details](#)

Below 18

18 - 24

25 - 34

35 - 44

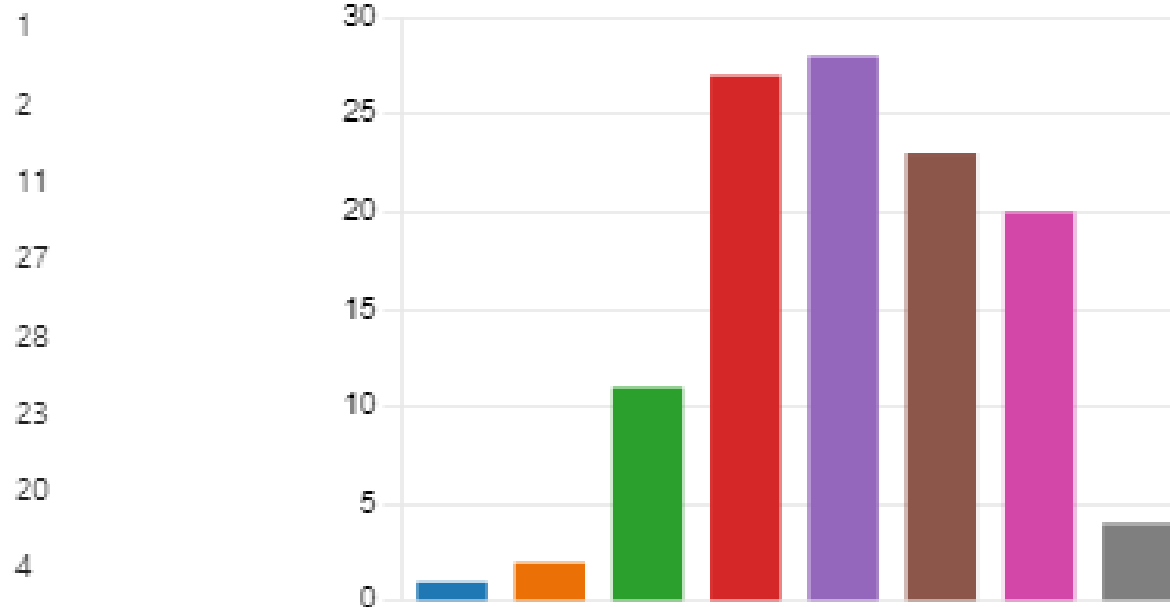
45 - 54

55 - 64

Above 65

Prefer not to say

132





# What is the ethnic breakdown of the respondents?

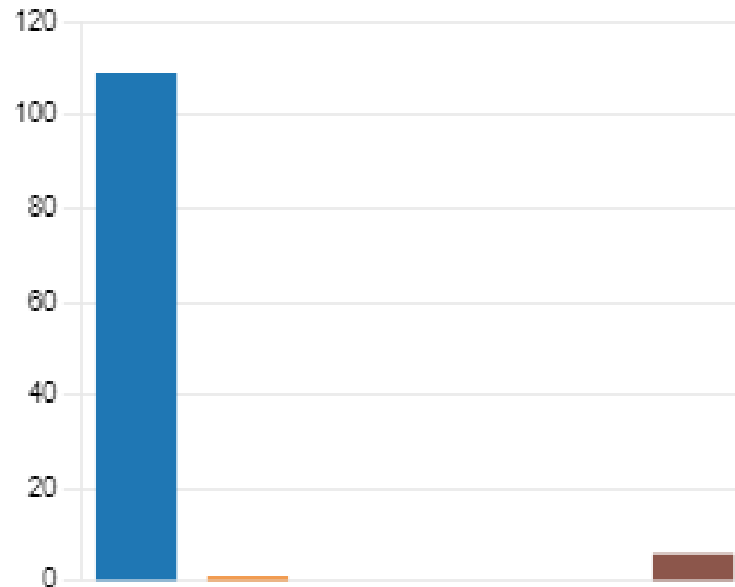
T

## 2. Please tell us your ethnic group

[More Details](#)

[Insights](#)

White/Caucasian	109
Asian/Asian British	1
Black/African/Caribbean/Black B...	0
Mixed/Multiple ethnic groups	0
Other ethnic group	0
Prefer not to say	6



# What is the gender breakdown of the respondents?

## 3. Please tell us your gender

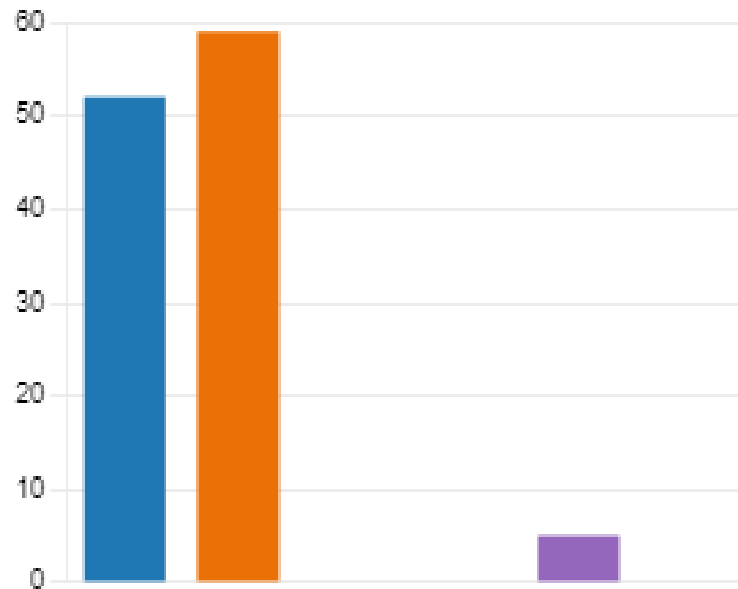
[More Details](#)

[Insights](#)

134

- Male
- Female
- Trans-gender
- Non-binary
- Prefer not to answer
- Other





52  
59  
0  
0  
5  
0



# In what Capacity were people responding?

5. Please tell us in what capacity you are completing this survey

[More Details](#)

 As an individual	109
 As a business	3
 As a Representative of a group	2
 Other	0



# When asked for their postcode..

65 respondents (61%) answered LE67 for this question.

Le65 2nr

LE67 4RT

De12

De74

**LE67**

DE74 2RH

LE65 1HX

LE65

Le67 6jh

LE67 4JL



# The Proposal to raise Council Tax.

## 7. We're proposing to increase council tax by 2.75% (an increase of £4.36 a year or less for most households to pay for district council services)

This is the first increase for the NWLDC part of the bill in 15 years

It will help towards closing our funding gap

Do you agree with this proposal?

[More Details](#)

[Insights](#)

<span style="color: blue;">●</span> Completely agree	45
<span style="color: orange;">●</span> Somewhat agree	29
<span style="color: green;">●</span> Neither agree nor disagree	8
<span style="color: red;">●</span> Somewhat disagree	11
<span style="color: purple;">●</span> Completely disagree	22



# The Proposal to raise charges on Some Services

## 8. We're proposing to increase what we charge for some services by 7%






e.g. 3G pitch hire will go up by between 60p and £2.25

This will help to close our funding gap

Do you agree with this proposal?

[More Details](#)

[Insights](#)

	Completely agree	41
	Somewhat agree	23
	Neither agree nor disagree	15
	Somewhat disagree	17
	Completely disagree	19



# The Proposal to spend £2.2 Million to renovate the Marlborough Centre.

## 9. We're proposing to invest £2.2 million to renovate the 'Marlborough Centre' in Coalville

This will transform the look of the row of shops and flats on Marlborough Square and Belvoir Road

It will complement the work we're doing to redesign Marlborough Square, improve the retail spaces and create good quality housing in the centre of town.

Do you agree with this proposal?

[More Details](#)

[Insights](#)

● Completely agree	17
● Somewhat agree	29
● Neither agree nor disagree	7
● Somewhat disagree	24
● Completely disagree	39



# The Proposal to spend £50,000 in improving CCTV in the District.

## 10. We're proposing to spend almost £50,000 improving CCTV in the district

Do you agree with this proposal?

[More Details](#)

[Insights](#)

● Completely agree	43
● Somewhat agree	37
● Neither agree nor disagree	15
● Somewhat disagree	7
● Completely disagree	14





# The Proposal to demolish the former Council offices building in Coalville.






## 11. We're proposing the demolition of the former Council Offices building in Coalville

This will cost £150,000 but will mean we can sell the land and invest any money received in council services

Do you agree with this proposal?

[More Details](#)

[Insights](#)

	Completely agree	42
	Somewhat agree	26
	Neither agree nor disagree	13
	Somewhat disagree	13
	Completely disagree	22



# The Proposal to invest in key buildings and land.

## 12. We're proposing investment in some of our key buildings and land






Moira Furnace - £230,000 (phase 1 improvement work)

The Courtyard, in Coalville – £200,000 (roof repair to extend the life of the building)

Do you agree with this proposal?

[More Details](#)

 Insights

 Completely agree	16
 Somewhat agree	46
 Neither agree nor disagree	24
 Somewhat disagree	18
 Completely disagree	12



# The Proposal to spread the UK Shared prosperity fund money Districtwide.

## 13. We're proposing to spend our UK Shared Prosperity Fund money across the district

Moira Furnace – £300,000 (phase 2 improvement work)

Memorial Workspace, Coalville - £350,000 (creating a business workspace in the former public toilet building)






National Forest - £171,000 (To support Heart of the Forest work)

Kegworth - £150,000 (creation of a 'quiet-way', a special lane designed to promote walking and cycling)

Do you agree with this proposal?

[More Details](#)

 Insights

 Completely agree	21
 Somewhat agree	41
 Neither agree nor disagree	12
 Somewhat disagree	21
 Completely disagree	21



# The Proposal to create a public space at Stenson Square.






## 14. We're proposing to spend £1 million to create a public space at Stenson Square on London Road, Coalville

This will improve one of the main gateways into the town

Do you agree with this proposal?

[More Details](#)

 Insights

	Completely agree	5
	Somewhat agree	16
	Neither agree nor disagree	14
	Somewhat disagree	26
	Completely disagree	55



15.

Do you have any more comments on the draft budget?

82 responses **82** Responses

ID	Name	Responses
1	anonymous	We are being told that the council needs to meet a deficit of over £3m in the next few years and needs to make savings but it feels like Coalville is getting an awful lot of funding to improve and I am not sure this is a wise use of money (for example the work at Marlborough square). I don't feel that the footfall in Coalville is enough to justify this and the money could be spent on lots of smaller projects that benefit more people from the district. I work in Coalville town centre but live in Ashby and I appreciate that Ashby is more affluent but I think the money could be spent more wisely.
2	anonymous	To save money, why not discontinue expenses and allowances for councillors. If they are paid allowances, then why expenses? Even better, reduce the number of councillors. Mine is Tony Gillard and a waste of time, fails to turn up site meeting, no apology, also emails unanswered.
3	anonymous	Proposal to stop funding public toilets in Ashby is disgusting. Forces people to use cafes instead and cause them more expenditure. Stopping grant to Ashby Museum: a useful source for locals and tourists.
4	anonymous	There appears to be little focus being paid to the crumbling housing stock in the district. Some properties suffer from damp. Some properties have very inefficient electric storage heating systems which are causing significant increases in running costs. Some properties have crumbling external brickwork.
5	anonymous	Budget spend seems heavily biased towards Coalville. Let's not forget small but important facilities such as Ashby museum. Keeping them going takes relatively small budget.
6	anonymous	There is a distinct lack of spaces for young people. They have nowhere to exist other than hanging out on the parks. Increasing 3G pitch hire by up to £2.25 (the suggested increase is suspiciously broad) does nothing to help that.
7	anonymous	Where are the details of the breakdown of the costs for the building works. No description of what is actually being done. What are the proposals and where are the plans.
8	anonymous	Must NOT cut funding to the Museum in Ashby!
9	anonymous	Lots of regeneration happening in Coalville but nothing planned for Ashby? Seems like the town gets forgotten when it comes to District council level.
10	anonymous	While I agree the council rates need to increase and the above investment I feel the somewhat small figure for the Museum in Ashby of £1500 per year could easily be maintained at a very limited cost to rate payers and maintain a tourist attraction in the area. Maybe not used by many (I do not know the figures) but staffed by volunteers and at £1500 pa will be cost effective.

ID	Name	Responses
11	anonymous	The majority of areas listed seem to be focussed on Coalville. More emphasis needs to be placed on the villages within the district and perhaps more to support the Parish Councils or investment into the villages.
12	anonymous	Must fund ashby museum. Essential archives and tourist hub (especially now tourist info is gone). Time to get rid of free wifi in town. Most people have phone data, or buisnesses have their own customer wifi.
13	anonymous	I chose to recently move to Ashby de la Zouch because I believed that Leicestershire does more and in a broader way to make a bigger difference to the quality of life for all residents. In particular using common sense and understanding the needs of different communities. For example the Smart Libraries is most useful. I would be very disappointed and disillusioned should a mistake be made by deciding to remove the essential (and relatively small investment) of financial support for the Museum. To risk losing such a wide reaching asset would impact on the community both short and long term and lessen the attractiveness of the town and wider area. I have been a Museum Volunteer previously in Nuneaton and have first hand experience of the value both personally and for communities for outreach and sense of community identity. I was thinking of offering to share my skills and experience to the benefit of my new home town. Please give me the opportunity to support Leicestershire.
14	anonymous	The questions on this survey relate to relatively large amounts of money your proposing to spend. You're not mentioned any cuts. I understand that there's a proposal to cut £1500 grant for the Ashby Museum, arguably a negligible amount for NWLDC. This is huge for the Museum and would cause budgetary issues for them. I think the councillors should reconsider this cut and remove it from their budget, ensuring that the Museum continues to receive this small amount. In addition there doesn't appear to be any mention in this survey regarding any spending within Ashby. Some people might question why this is.
15	anonymous	Maybe what we already pay should be looked at paying for potholes ro be filled and look at what's in coalville already and help people that are already in the shops not waste money like you already are. People can't afford to live has it is but you want to increase our fees.
16	anonymous	Instead of spending more money on Marlborough Square area, and making a public place, Stenson square, so close to our lovely park, why not spend that money towards reinstating a train station in Coalville?
17	anonymous	I strongly disagree with removal of the small grant to Ashby Museum. I also disagree with the planned closure of the public toilets in Ashby, especially having spent money on charging changes. These savings should be met from some of the other expenditure I disagree with. I am also particularly concerned about the poor level of service for carriageway and footways sweeping and cleansing, particularly in Ashby where I live.
18	anonymous	I strongly disagree on proposal to end £1500 grant to Ashby Museum and proposal to end funding for Ashby Public Toilets in 2025. Instead of spending £300000 on Moira Furnace for example you could spend £298500 and still spend £1500 on Ashby Museum.

ID	Name	Responses
19	anonymous	<p>I appreciate the difficult situation you are in. However I gather that you propose to completely remove your regular grant to Ashby Museum. None of you can understand the amount of work and effort by volunteers in Ashby which has gone on in the last 50 years to set up the Museum collection, acquire items, archive them, mount exhibitions and improve Museum buildings. I would suggest that all of the NWLDC councillors have a tour of the museum and see what it is and does. If, after the tour, any of you would be happy to have on your conscience seeing the entire contents of the Museum and the archive in a skip outside on the car park, I would be shocked and surprised, for that is a scenario you are voting for. A tiny fraction of the million pounds you are proposing for Stenson Square (for example) could be diverted to keep paying the Museum £1500 per year. Certainly we could crowd fund to raise the money, but that's not the point. The money would be raised by a small number of people who see the value of the museum. The Museum organisers need to have the security of knowing that this relatively small amount of money will be given regularly. The Council should be leading the way and showing the whole population of NWL that this is a priceless shared resource which is vital to the community now and in the future.</p>
20	anonymous	<p>It is clear the Council House will be demolished to gain revenue for housing. There are other sites within the County that can be used for this purpose. As there will be no COUNCIL House once demolished to maintain the council tax bill should be reduced to reflect the running cost reduction. There will be less costs even with the use of Customer service Office in Coalville and the use of proposed site in Whitwick. It reflects the same purpose as the demolition of the Leisure Centre and the Real reasons that was demolished.... To console the residents and then sell the land for housing or development in the future and then further reducing costs by permitting Private company to run their own leisure facility. The Council need to be more transparent and not take the residents for idiots. Services and facilities cut or stopped and even removed yet residents are still being billed for them irrespective of the supposed increase in everyday costs. Do we need a revamp of Malborough square. NO. Given the mess of what transpired in Coalville precinct we all wonder what shambles will be presented as a completed project in Malborough Square. COALVILLE is dying and it's Thanks to the shambolic running by the Council. People have short memories of how huge plans were made to bring Superstore Tesco to town and monies used to support that plan. However what happened to that plan... The land still remains boarded off with historical pictures to try and make it nice and then Asda move to the old Netto location. POLICE station demolished and used for housing. That building was allowed to run down in order to be realised for housing. Now resisted out of the town centre and no access to the building to speak to anyone in person rather than on a telephone. It is easier to gain access to a prison or Bank vault. It appears the only way to get to see a police officer in person is to do wrong and even then they may or may not turn up. Do we even have any officers in Coalville or do they prefer to hang around within the building that no one can gain access to or sit in their cars hidden behind the bushes in the industrial estate in Whitwick. What are they doing there. Day after day Police cars are parked where they believe they cannot be seen. Officers just sat in them doing nothing? Why are postal queries never answered, despite acknowledgements of correspondence? Countless queries ignored, shamefully. Roads and overgrown bushes and trees allowed to become a hazard and danger to public road users and pedestrians. Drains not cleared causing roads to be flooded. No action against companies employed by the council to carry out road repairs pouring cement down drains which has hardened and now blocked the drain system causing flooding on major road.</p>

ID	Name	Responses
		<p>No action against drivers who cause obstruction by parking cars at busy junctions and outside schools. Roads crumbling, street lighting hardly ever on even though money spent on replacing the lights. Reliance upon Wombles to do the job you are charging to provide within the council tax. Hedge rows uncut and unkept causing danger to fear of using especially at times when the streets lights are off when they should be on.... Not at the times they are scheduled to be off.... How can you maintain a council service when employees work from home and have no idea as to the state of services when they live outside of the area. Where is the funding provided by new residential sites being used. It's definitely not for the purposes as stated on the BOARDS SITED outside the new developments in the area. Why is planning allowing new developments with roads that do not meet standard minimum sizes and therefore cannot be adopted. This will be a huge scandal in due course as it shows planning knowingly agreed to such developments which puts the maintenance on the residents rather than potential costs to the council and leaves the initial I costs to the developer until they leave site. Disgraceful and a council con.</p>
21	anonymous	<p>Marlboro sq and Stinson to me are a waste of money the cctv no one looks at them Not even police that money could be spent bringing a cinema back to bring people in</p>
22	anonymous	<p>Majority of work seems to focus on or around Coalville. Please consider other areas and their needs. As a resident in Coalville, I have very engagement with the Coalville area and, whilst I do not oppose the upgrades / changes, I would like to see the Council ensure money is spent on other areas too, that can benefit more people in the area.</p>
23	anonymous	<p>Why is it all Coalville centric. Ashby should also get its fair share of budget.</p>
24	anonymous	<p>Happy for an increase, but don't want money wasted on pointless projects. There's plenty of empty shops in the Belvoir centre. I think a slightly smaller increase than what is proposed would be better, and maybe look at doing another increase next year. All these projects are unlikely to be completed in 12 months so spreading the increase would be better. CCTV has been improving and needs more, more cameras across all the district not just Coalville and Ashby Town. Cameras in Measham, Ibstock, Castle Donington, Whitwick, Thringstone and Agar Nook/Greenhill. These places are a minimum could benefit 2-3 camera each. The spending on places like Moira Furnace would depend on what the view of increased tourism would be. The UK Shared Prosperity Fund seems like a lot of money on things that are unlikely to be overly used, also money is already being spent from other budgets to improve some of those areas. It's also important to think that although the increase is small I bet the County Council, Fire, Police and other services etc are all going to have a small increase which makes it overall a big increase. More investment in housing in places other than Castle Donington and Hugglescote, more houses is more money into the budget.</p>
25	anonymous	<p>We need more shops so more people spend in coalville</p>
26	anonymous	<p>Where money is needed is for additional dog and litter bins across the county. There is a tremendous amount of litter picking work completed by the NW Leicestershire Wombling group via Facebook and this is being done at no charge to the council. Areas of high fly tipping need to be reviewed and asked "why". There is a huge shortage of bins which could be a small step to a large improvement.</p>



ID	Name	Responses
27	anonymous	Quite a lot of money being spent in the Coalville area , the public transport system from the hub in Ashby along the Moira Road is non existent. There is quite a lot of elderly people like ourselves who have bus passes and do not use them because of the distance the public transport systems that are available are from our area of residence I am new to the area,nearly 90 years old,my wife is nearly 85 years old and has dementia. We came to Ashby to be near family ,but the lack of a public transport system,does preclude us from getting around, and at the moment TAXIS are the only means of getting into Ashby for the local facilities.
28	anonymous	The council seem to move between buildings, costing the public huge amounts of money to renovate said buildings. Funding should be to benefit the public as a priority. The proposal to demolition the old council buildings (which aren't very old) is to allow yet more housing to be built despite the area being completely saturated with new houses. Services unfortunately have not kept pace with this & are overwhelmed. I disagree with the development around Stenson House as this is away from the town centre; the focus should be on the town centre & making that a more pleasant area for people. Again, it feels as if this development is for the benefit of the council.
29	anonymous	Your contractor merrisons should be stripe of all contracts
30	anonymous	Lighting is terrible on Coalvilles car park by old market hall. Most of the lights are out on the road signs which is especially hazardous by the crossing for staff leaving the Belvoir shopping centre. Rather than creating a public space on London Road Coalville which will then be costly to maintain could you just maintain the planted areas we already have? The planted area with National Forest wooden sign on it on Broom Leys Ave and area with seat at end of Devana Ave to name two?
31	anonymous	where are the details of the projects you mention, Marlborough Sq, Stenson house park, Moira Furnace upgrade. Kegworth Green way, support for the National Forest How can anyone agree / disagree when you have not provided details of the projects. Or if you have no made them easy to find. I notice a political spin has been put in the first rates increase in 15 years, maybe you should have increased it more often so better services are provided throughout the district. I presume the UK shared prosperity fund is from Central Government and is not actually from our rates Still no cinema Areas full of litter, reliant on voluntary groups to keep areas clean Grass cutting in public areas done to a minimum standard Planning department with minimum enforcement and developers taking advantage of poor decisions. All we have had is building more warehouses and houses ( no bungalows) and no provision of extra public services. NWLDC are responsible for traffic enforcement in Ashby, but no one is about from 6pm to enforce no parking at the top of the High street near all the takeaways. :
32	anonymous	I agree with most of the proposals apart from Stenson House. Your spending to improve and create a public space within Marlborough Square. Stenson House is in the outskirts of the town centre, the building is utilised by few, I agree it needs improvements as it is an eye sore but not more than some landscaping and resurfacing. I cannot believe how much the council.spends on production of waste calendars which only alter around 1 month of the year due to Christmas. We need to accept the switch into a digital age provide access alternatives for people without connection but that will be at a reduced rate. What if like to see is an app residents could usutilise and the council could communicate through. Let's

ID	Name	Responses
		face ut you can't order a coffee now without the companies app. QR codes could be a great way for instant access.
33	anonymous	Can you sort out the parking in Ashbymain carpark, it's not tourist friendly. At the leisure centre the signs showing the regulations are inconsistent and too small to read until you have parked, when it's too late. At least one part of the carpark is covered by 4 different regulations signs with different times and info. The tourist information staff have no idea where the long stay places are. This is no good for people trying to spend a day in Ashby. 3 of us ended up walking round the whole carpark trying to work it out, after we'd google long stay before setting out and spent an hour driving round queueing for places then finding they were short Stay. 😊. We stopped other drivers to ask and not a single person knew. We now know ALL the parking regs for the whole area, it definitely needs a bit of cash spending to make signs bigger and take down the ones that are wrong and make some proper long stay places which you can charge a bit more for. And yes we did have a lovely time once we'd parked 😊
34	anonymous	Disagree with removing the grant from Ashby Museum and the proposed closure of Ashbys public toilets.
35	anonymous	I realise Coleville needs help to rejuvenate but feel there is too much focus on this.
36	anonymous	Boring no initiative no improvement
37	anonymous	Significant proportion of funds allocated to two locations - Moira Furnace and memorial workspace with little indication of benefit to the community or recouping funds invested. Unclear why a public space is proposed for Stenson Square when footfall is low in this area. Funds could be put to better use. Supportive of funds allocated to the national forest, but due to the way the consultation has been structured it's not possible to provide feedback on individual investment plans
38	anonymous	Would like to see services delivered we already pay for example Donisthorpe woodland park we pay an extra charge for which included a ranger to empty the dog poo bins, most are now broken with a black bin bag left, often overflowing. I recently saw the ranger pick up a full bag but leave a virtually full bag meaning it would be overflowing within days, then for volunteers to complain that people aren't respecting the park. If it was collected more frequently in full and the bins replaced the issue wouldn't exist
39	anonymous	The purpose of the 'public square' needs to be explained more; we have a 'public square' at Memorial Square, and will have much of one in Marlborough square too: what will the one at Stenson House actually do? What will we expect it be used for, and how will this be of benefit? The old 'four squares' project may have been slightly too aspirational!!
40	anonymous	Please review a nappy waste bin for households!!!! People would much rather this than new roofs.
41	anonymous	Little detail or breakdown in the costs of these estimates or what work is actually being carried out. Vague to say the least.

ID	Name	Responses
42	anonymous	What proposals to tackle the following issues: • Traffic (e.g. on Grange Road at the junction with Central/Station Road) • Entertainment options. Bowling, Cinema etc • With the huge influx of new families, how to address the short and long term needs for spaces at nurseries, primary and secondary schools? • Improve the general appearance of buildings along the High Street.
43	anonymous	I disagree with the spend at Stenson house, this is part of the conservation area and the look could be improved with changes to the planting. If you are selling the land to build yet more houses then as a condition of building the developers can pay for the space to be developed. The houses developers in this area are doing just as they wish!
44	anonymous	More wasted money and opportunity. It doesn't matter how much we the public tell you that you're wrong, you won't listen.
45	anonymous	What is the Quiet way proposed for Kegworth? Is there any consideration for Castle Donington , as this ha the highest taxes , please answer these questions
46	anonymous	There is nothing in this proposal for Castle Donington, Lockington or Hemington. What about some money to finish the sports pavilion in Hemington?
47	anonymous	Anything for Ashby, or villages besides Castle Donington? SPF money should be for the community, not to prop up the council operations.
48	anonymous	I haven't the read the documents as I don't have time but spending £1 million on public space seems excessive so does moira furnace funding.
49	anonymous	Fund ashby and Measham museum. Put money into villages like Measham.
50	anonymous	You need to improve disabled parking also bring rates and rents down so more shops can thrive in town , also need a cinema, places for kids to go
51	anonymous	Drop the plans for a public space and don't increase the price of services.
52	anonymous	£350k to improve the toilets into a workspace. You must be joking. Everything is now working remotely company's rely on the likes of zoom or teams or webex but this £350k is absolutely necessary in order to keep things functioning in coalville. Shocking. Hang your heads in shame for even applying for this.
53	anonymous	I think you schould be helping with transport links in the local area to encourage shoppers and people working as the buses are useless
54	anonymous	Each investment should have its own option to agree or disagree, grouping them all into one isn't giving people a true list of options. Whilst I no longer live in CV I own multiple properties in the town.
55	anonymous	Every single thing suggested is a complete waste of time and money. We were promised the completion of a cinema by the council yet instead of renovating one of the properties described above its suggested they are demolished? People need an incentive to come to coalvile Town centre yet the suggested refurbishment is just going to create a few more

ID	Name	Responses
		flats that will be overpriced and the people who actually need the housing won't be able to afford. I highly suggest having a public consultations, perhaps even multiple over a week at different times so all people can attend so you can get peoples honest opinions. This is a chance for you to listen and to actually action what people want. Then I believe your suggestion of increasing prices would be justified and people wouldn't be so angry.
56	anonymous	Absolute waste of time seeking residents views as the council budgeting processes will already be well developed and no time or appetite to amend. The funding gap has been caused by years of poor financial management and council tax freezes. Small increase year on year would have meant we werent in the position we are now. Complete waste of money on some of the renovation projects particularly Marlborough Square a complete white elephant, Stenson Square???? It would be interesting to see if there have been any assessments of the environmental impact a building demolition will have. How much if the building materials will be reused? No money earmarked for Ellistown, always the same money thrown at Coalville, Ashby and Measham??? Sort out the poor services ie street cleaning, street enforcement, dog fouling before you put up silly, irrelevant showboating projects that no one really wants.
57	anonymous	Stop wasting public money, ask the local community what they want and stop wasting money on projects that will continue to lose further money in the future
58	anonymous	Coalville, was is, and always will be a lost cause. What about the west side of NWL??
59	anonymous	Most of the ideas in here are pointless. Give the building in Marborough Square a fresh coat of paint it won't cost millions then. What's happening with the bowling alley that was getting built? That's come to a stand still with plans. Can you give us an update?
60	anonymous	Need to look at getting quality retail into the town to encourage all of the new residents in the new developments to use the town
61	anonymous	The youth and families need local entertainment as a priority,a lick of paint and new signage should come secondary to the actual needs of the community.
62	anonymous	Proposals should be split so that you can clearly see what projects local people support, to group them together skews the results and gives no option for comment individually. A public space isn't needed at the former council offices. Anything that increases green space is to be applauded but perhaps the money would be better invested in Coalville Park and upgrading and enhancing the existing facilities there. The nature of the Shared Prosperity Fund and the fact that the money will have been awarded to the council based on a bid detailing projects would suggest that you are already quite far down the line with these proposals already and consultation is a fait accompli. £350,000 for the Memorial Workspace seems rather a high cost for little return. The Marlborough Centre is not a cost effective use of taxpayer money during a cost of living crisis and I totally disagree with it.
63	anonymous	COALVILLE NEEDS A TRAIN STATION!!!
64	anonymous	£1 million for a public space what about leisure facilities entertainment new shops not more charity shops or cafes the shopping centre is a joke the slabs are up level and the new seating is cheap shoddy and the wood is warped and yes I know it's owned by a

ID	Name	Responses
		private company, also the car park road (again owned by private company)is full of pot holes which could cause damage to cars or pedestrians walking. What's happening to Iceland/co-op building probably being knocked down for flats/housing with no parking. What happening about a possible train station we need good transport inks. There are small villages that have train stations, Quorn, Littlethorpe but Coalville a large town rubbish transport network. Council think about the bigger picture not filling your pockets.
65	anonymous	memorial workspace - workspace for who? and why, there are loads of empty offices/buildings in the area. stenson square - again why? we already have public space around the clock tower, which is mostly unused. you have already invested 2 million in marlborough square, supposedly to encourage people to hang out in the area (?) PLEASE stop wasting money on unnecessary, ill conceived schemes. If you have £2 million to spare, I suggest you re-visit your budget and see what is affecting/concerning people the most. If we want to regenerate the town, why not use it to subsidise the exorbitant rental rates, support start ups and encourage small business. Or use the money to provide or improve current services, instead of running everything on a shoestring and making excuses. You cannot talk about deficits leading to hikes in the council tax and in the next breath try and justify spending all that money on something so frivolous. Having worked as a manager in a corporate firm - I understand the red tape and politics only too well - however what I see consistently in councils and governments is a lack of common sense and basic comprehension of what is required. I fully accept you cannot 'please all the people etc'. but PLEASE don't waste anymore money.
66	anonymous	The increase is too low given the challenges you will face over the next 12 months which includes incorporating another 9.5% pay increase in April and the money required to reduce business rates to encourage sustainable retailing within coalville. Let alone finding the money for grounds maintenance flowers etc.... The ex council offices can be sold as is.... There is no value in the demolition costs to the publics money... Whitwick leisure centre (hermitage) demolition wasted half a million when coalville can, Ashby angling and the football clubs would have taken that on and had the ability given time to support community projects going forward.... The district council has to start thinking along financially sustainable lines and stop spending what amounts to millions of tax payers money on failed projects because they can't maintain sensible and productive communication with local constituents or businesses!
67	anonymous	Please consider allocating money for a swimming pool in Castle Donington
68	anonymous	The council desperately need to employ competent a quantity surveyors practice when it comes to their projects. As a professional quantity surveyor, I'm highly dubious of the Marlborough Square works in terms of cost. I don't think there is a proper process for managing this - I don't see how there can be given the exorbitant cost. If a quantity surveyor is present on the councils side, they absolutely should be looked at as to why this project is costing what it is. And then trying to recoup the lost monies from the public through tax is absolutely terrible. The existing offices do not appear close to end-of-life, and detailed information on why they will be being demolished should be presented. This is a poor expenditure of public funds, and a significant blow to the councils green credentials. I personally specialise in refurbishment, and do not see the benefit in demolition in this case.

ID	Name	Responses
69	anonymous	Train services, improved bus networks so they don't take over an hour to get to Leicester, a cinema, better funding for smaller businesses to open shops (cheaper rent), less recycling bins and just put in one bin.
70	anonymous	As a representative of LiFE Multi Academy Trust, I am commenting on the reduction of the £15,000 grant to Ibstock Leisure Centre over the next 3 years. This partnership between the school/Trust and NWLDC is key to the success of this facility and given the cost of energy and running pools and facilities such as this, has trebled in the last 2 years, this grant is fundamental to this partnership. Within this partnership we are collectively spending public money and the responsibilities that go with this. With the pressures on education budgets and local government funding, we need to work together to ensure that we keep facilities for the community, like Ibstock, open. This £15,000 grant is significant at this time to support this facility, particularly around the pool costs. The reduction of this to zero over 3 years, will have a significant impact on the resources to open this as fully as we currently do thereby potentially reducing opening times and access for our most vulnerable groups. Given the scale of the Local Government budget, this grant is minimal, but the impact on Ibstock would be significant if it was cut. We ask that this reduction be reconsidered.
71	anonymous	You need to breathe more life into the town like they have in Loughborough it looks totally transformed also we need more to do in Coalville like reopening the cinema putting in a bowling alley there is nothing to do in The town spend the million pounds on that not by creating an open space Coalville needs revitalising not an open space with benches give us something to do !!!
72	anonymous	One aspect of the budget proposal is a reduction in support funding to Ibstock Leisure Centre - reducing the £15000 contribution over the next 3 years to zero. The leisure centre is part of the Ibstock Community College site & over the last 3 years, due to significant increasing utility costs has presented additional budget pressures for the site. A reduction in contribution would mean the school would have to review operating hours to reduce costs, which would in turn impact on the community facility. £15,000 is a relatively small amount given the size of the overall budget but reduction of it to this facility has potential to be detrimental to the community including use by the vulnerable groups that have access.
73	anonymous	no
74	anonymous	Reference the CCTV If it is monitored then perhaps it could be used for driving offences IE: vehicles parking outside shops on the main roads, Vehicles going the wrong way along one way streets and general poor driving offences, as well as spotting criminal activity
75	anonymous	Several of your proposals are quite extravagant for a council that is cutting back on many services that people use and want continuing. A small saving here and there makes very little difference to the overall budget but impacts tremendously on the people it affects. You can save a few quid by not cutting the grass on the park as often or by cutting funding to Ashby museum but you do not consider the impact of these changes. At a time of increasing childhood obesity you have reduced cutting grassy areas to an extent where children can no longer play. Surely the pittance you currently provide for Ashby Museum is an investment that is rewarded several times over by increased interest in the area and

ID	Name	Responses
		increased visitor numbers. With regard to Marlborough Square, who owns these buildings that are going to received all this money for regeneration? Why is the taxpayer increasing the value of their property? Who is gaining from this investment - not the people who are paying the bill that's for sure. I am equally sure that the taxpaying public of Coalville are clambering for a million pounds to be spent on the front garden of the council offices. Is this a joke or is it just a lost leader so the public concentrate on this ridiculous proposal so that when it is rejected the council can say they have listened to what people want. Can you please concentrate on the basics and get them right. I know it's not as sexy as getting involved in new projects and spending lots of dosh but for once give us what we want and spend our money wisely. You then might get our respect.
76	anonymous	Spend less on knocking things down and building on the remaining land we have left and turning every part of our greenbelt into housing estates. Invest into what we have and make NWLeics cleaner and greener. Less litter, no pesticides, invest in green spaces, allotments, nature areas.
77	anonymous	I see no direct evidence of intentions to support the cultural/arts life of the local communities.
78	anonymous	I wholeheartedly disagree with the suggested planned reduction of the £15,000 grant currently supporting Ibstock Leisure Centre to provide a rich and diverse community programme. The planned reduction over the next 3 years to zero makes no sense given the recent enormous price hikes in energy costs. With many public swimming pools closing and leisure centres reducing their hours, the dual use Leisure Complex is providing a much needed leisure provision for the local area. £15,000 is a minimal amount given the size of the LA budget but reduction of it to this facility would be detrimental to the community and the vulnerable groups that access this.
79	anonymous	How come there is going to be 1 million pound spent on a public space which there is no information on what it might be ,I think rather it could be spent on more houses also might be worth considering buying the precinct from the current owners as there is no point in having a gym there
80	anonymous	£3.8 million on vanity projects in Coalville? I'd hardly consider that a wise investment decision.
81	anonymous	It's nice your improving buildings but we need to encourage businesses to rent them more restaurants, bars, cafes. Shops that are not charity shops. I don't know anyone who bothers to drive to Coalville centre. Look at Hinckley they really improved their area. The old Council building is actually a really nice building to look at driving in why replace it with something else. Rent part of it out to a restaurant etc.
82	anonymous	Complete waste money on toilet building and Stenson sq why not spend it on hotel street to improve look of shops

**Age UK Leicester Shire & Rutland Budget Response**

After being told about the Council's proposed budgetary cuts, I met with officers from the council to talk about the impact of those cuts on Age UK Leicester Shire & Rutland if applied, and very importantly, the many older people we serve through the Befriending Service we deliver in your area..

It seems the Council wish to reduce the funding we currently receive for the service, year on year, for the next three years, when no funding will be made available at all.

I appreciate the financial pressures on NWL District Council, but I ask that the Council review the decision which, if applied, will greatly impact on the lives of many vulnerable older people, resulting in some perhaps having to go into residential care.

Thanks to the support of the Council, Age UK Leicester Shire & Rutland has been able to provide befriending support to older Northwest Leicestershire residents for over thirty years. In more recent years, and as a sign of Age UK Leicester Shire & Rutland's commitment to the local older population, the charity has subsidised the service. This year we anticipate a £2,500 subsidy.

The service is currently supporting 45 vulnerable older people who are socially isolated with other needs as well.

The Befriending Coordinator also hosts a weekly coffee morning at Coalville Library where older people can access information on local services, receive benefit advice, and be signposted to other agencies if required.

The majority of Befriending referrals come from social prescribers (attached to local GP surgeries), social care, mental health teams and individuals themselves.

33 volunteers undertake the Befriending work.

If there is any reduction in funding for the financial year beginning April 1<sup>st</sup> 2024, the Charity will have no choice but to close the service down placing more pressure on statutory services including our local NHS service.



## Ashby de la Zouch Town Council Budget Response

In response to the NWLDC budget consultation for 2024 Ashby de la Zouch town Council comments as follows:

Ashby de la Zouch Town Council calls upon NWLDC to remove the following items, which directly affect our residents, from its draft General Fund Revenue budget:

- **Withdrawal of grant to Ashby Museum (£1500).**  
This is a very small sum for the District Council, but a vital source of funding for the Museum. Ashby Town Council already pays the Museum's rent of £9000 pa. The museum plays an important role in attracting tourism to the whole District and provides a fantastic resource to our community on all aspects of local history. It is entirely staffed by a dedicated team of volunteers.
- **Increase in charge for public conveniences to 30p.**  
This represents a 200% increase from the maximum pre-Covid fees. We would not object to a proportionate, inflationary increase.
- **Stop providing a toilet service in Ashby from April 25 and seek an asset and service transfer of Ashby public toilets.**  
This is a policy decision that has not been debated, scrutinised or agreed by NWLDC; nor has Ashby Town Council been consulted. This budget line has no impact on the 2024/25 budget and so should be deleted until a decision is made by the council on the underlying policy through the proper procedures. We understand that an assurance has been given that a paper will be presented to the NWLDC Community Scrutiny Committee before any final policy decision.

We are also concerned about the equity of moving expenditure on Closed Churchyards from Special Expenses to the General Fund. This would leave Ashby Council Tax payers funding the whole of the cost of closed churchyards in Ashby and a proportion of the costs of closed churchyards across the rest of the District. We urge NWLDC to treat the whole of the District equitably in this respect and request further discussions with the District Council on this.

Ashby Town Council also urges NWLDC to reconsider the following items in its budget which affect the whole of the District, including Ashby residents.

- **General Fund - Revenue: No longer print and distribute annual waste collection calendars to every house in the District.**  
This is a valued service which allows all residents to easily check which type of recycling will be collected on any particular day and is particularly useful for reference during bank holiday periods when there can be a significant level of confusion. The small cost saving of £15,000 pa is disproportionate to the value of the service to our community.
- **General Fund - Revenue: Removal of freephone number for homelessness enquiries (£2,500).**  
The claimed justification for this is a customer service centre in Coalville. Whilst this may be convenient for those made homeless in Coalville, it is of little help to those finding themselves homeless in Ashby or other areas outside Coalville. This is a valuable lifeline for people when at their most vulnerable and should be retained

at least until customer service hubs are opened in the main population centres around the District.

- **General Fund - Revenue: Council's Community Grant Funding budget to Age UK reduced by a third for each of next 3 years (£7,330 per year)**

This cut is likely to affect our most vulnerable residents, unless the Council are certain that Age UK are able to obtain similar funding from other sources.

- **HRA Capital: Reduced zero carbon budget for council housing. (Now £2.5m).**

Two years ago, the MTFP forecast for this item in 2024/25 was £4.1m. It reduced to £3.1m last year. It has now been reduced again and is slated to be lower than previously forecast next year. Whilst we accept that NWLDC urgently needs to complete a stock condition survey in order to prioritise its net zero programme and properly identify the works required across its whole housing stock, we suggest that the scale and urgency of the net zero task means that these issues should not prevent the Council from proceeding with the most urgent carbon reduction works to its housing stock and applying for match funding at every opportunity, particularly with respect to improving insulation. We are concerned that the reduced budget and resulting delay in the programme will lead to higher than necessary energy bills and exacerbate the cost of living for many of Ashby's council housing tenants.

- **HRA Capital: Reduced New Supply Budget (Now £3.4m).**

Over the three years spanning 2020/21 to 2022/23, the Ashby Town Council area lost 22 council homes to Right To Buy with only two replacements. It is important that the Council at least replaces its stock lost through RTB. The HRA New Supply budget has been reduced for 2024/25 by £400k from last year's MTFP forecast and we suspect that only a small amount, if any, of the current year's budget has been spent.

We would encourage restoring the 2024/25 budget to at least that envisaged in last years MTFP (£3.8m) and speeding up replacement of lost RTB council housing in Ashby and across the District. We acknowledge that the budget over 5 years has increased but currently this is heavily weighted to year five.

**Ashby Museum Budget Consultation Response**

The museum is a vital part of our community.

It seems petty to withdraw the grant which means so much to the survival of the museum.

The volunteers work so hard to keep our history alive and provide great educational resources for both young and old.

School children gain great knowledge from a visit and groups from near and far come to visit. The memory boxes provide excellent aids for the elderly.

Bringing visitors to Ashby is to be regarded as highly essential. We need to maintain footfall to keep our town busy and sustain business.

I urge the district council to continue to provide the grant and show a commitment to keeping our museum for the people of Ashby and much wider community.

I truly hope all concerned take this issue seriously and make a sensible decision.

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North West Leicestershire District Council

# Special Expenses Policy

Version 2 – February 2024

## **1. Overview**

- 1.1 Special expenses are applied when North West Leicestershire District Council (NWLDC) provides a service in a parish or unparished area which is provided in other parishes by a town or parish council.
- 1.2 The cost of providing such services has to be met by the council taxpayers of the area or areas where NWLDC is providing that service, so a special expense is charged to the council taxpayers of that area or those areas.
- 1.3 It should be noted that special expenses are not additional spending over and above the budget set by the Council but a classification within the overall budget. NWLDC's budget includes Special Expenses, and some Council Tax calculations are based on the total including Special Expenses.
- 1.4 The district consists of 31 parished areas and one unparished area. Parish councils exercise certain functions in their respective areas that NWLDC exercises directly in the unparished area. These are known as concurrent functions.

## **2. Legislation**

- 2.1 Section 35 of the Local Government Finance Act 1992 (the "Act") specifies the items which are to be treated as special items for the purposes of calculating the Council Tax. For the Council's purposes, the only special expenses that it applies under the Act are those where the whole of the expenses (or only some) are incurred by the Council in performing in a part of its area a function performed elsewhere in its area by a parish council.
- 2.2 The above provision under the Act does not apply if the Council passes a resolution to no longer treat those expenses as a special expense.

## **3. Special Expense Items**

- 3.1 NWLDC levies Special Expenses in respect of the following services that it has identified are being delivered elsewhere by one or more parish or town councils - within the district:
  - i. Cemeteries and burial grounds
  - ii. Closed cemeteries and burial grounds
  - iii.
    - Open spaces
    - Parks and playgrounds/play areas (including any facilities provided on site);
    - Bowling greens and pavilions.
  - iii. Events and decoration that make the area attractive to visitors, for example:
    - The provision of floral displays, local events
    - Christmas Lights and Trees
  - iv. Maintenance of highway land (including grass cutting and flower beds)
  - v. Recreation grounds

3.2 NWLDC has also identified some services that do fall under the definition of special expenses under the Act but it has resolved to not treat them as special expenses, which are as follows:

- Closed churchyards;
- Maintenance of leisure centres and football club pitches;
- War memorials;
- Street furniture (including waste bins, bus shelters and public benches); and
- Urban forests/adventure parks/woodlands.

3.3 Those expenses that are not treated as a special expense under paragraph 3.2 above, shall be charged to either the Council's general fund or housing revenue account, as appropriate.

#### **4. Calculation of Special Expenses**

4.1 NWLDC will calculate an average council tax across the whole of its area under section 31B of the Local Government Finance Act 1992. Included in that will be the amounts payable to parish councils under their precepts, plus the amounts NWLDC will spend on performing functions which are performed in parts of its area by parish or town councils.

4.2 Under section 34 of the Local Government Finance Act 1992, NWLDC must then deduct the total of any special items. For each part of its area, NWLDC must then add back amounts for any relevant special items for that part of its area. The amount added back is calculated by dividing the special item (i.e. the authority's estimated cost of performing the function in that part of its area) by the tax base for the part of the area in which the authority performs the function.

4.3 Treating expenses as special expenses does not affect the overall amount that NWLDC needs to raise through council tax, and does not, therefore, affect the average amount of council tax across the whole of the district. It simply means that, compared with what would happen if the expenses were not treated by NWLDC as special expenses, the council tax is:

- relatively lower for areas where the parish council performs the concurrent function, as it includes the parish's costs but not NWLDC's costs of performing the function elsewhere; and
- relatively higher for areas where NWLDC performs the concurrent function, as all NWLDC's costs of performing the concurrent function must be met by taxpayers in the area where NWLDC performs it.

4.4 Special Expenses are estimated for the year approaching (in line with all other budget estimates). Special Expenses budgets in future years include previous under or overspends.

4.5 When calculating special expenses, the whole of the net expense (inclusive of any income) is to be calculated.

4.6 If work is undertaken through the Authority's capital programme, any effect from depreciation and funding does not have any effect in the revenue budget until the following year where an estimate is included where the capital expenditure is known, otherwise there is a time lag, and

it falls into the year after. If the item falls within the special expenses policy, then the special expenses budget for future years is amended to include the relevant costs.

- 4.7 Those debt charges will be included for all projects which fall within a special expense only to the extent that it would be for prudential borrowing, capital receipts or revenue finding, and debt charges on historic capital expenses would not be included.

## 5. **Review**

- 5.1 This policy will be reviewed annually through the budget-setting process to ensure that the position in relation to what can be charged as a special expense remains the same.



**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**  
**COUNCIL – THURSDAY, 22 FEBRUARY 2024**



<b>Title of Report</b>	<b>HOUSING REVENUE ACCOUNT (HRA) BUDGET AND RENT SETTING 2024/25</b>	
<b>Presented by</b>	Councillor Andrew Woodman Housing, Property and Customer Services Portfolio Holder	
<b>Background Papers</b>	<a href="#">Housing Revenue Account Budget and Rents 2023/24</a> – Council 23 February 2023  <a href="#">Draft Housing Revenue Account (HRA) and Rents 2024/25</a> – Cabinet 9 January 2024  <a href="#">Draft Minutes of the Corporate Scrutiny Committee</a> – 4 January 2024  <a href="#">Housing Revenue Account (HRA) Budget and Rents 2024/25</a> – Cabinet 31 January 2024	<b>Public Report: Yes</b>
<b>Financial Implications</b>	<p>This report sets out the Housing Revenue Account (HRA) budget including both capital and revenue for 2024/25 to 2028/29.</p> <p>It also sets out the proposed increase in rents for 2024/25 along with other planned changes to the fees and charges levied by the Council for some services delivered within the scope of the HRA.</p> <p><b>Signed off by the Section 151 Officer: Yes</b></p>	
<b>Legal Implications</b>	<p>No direct legal implications arising from this report.</p> <p><b>Signed off by the Monitoring Officer: Yes</b></p>	
<b>Staffing and Corporate Implications</b>	<p>No direct Staffing and Corporate implications arising from this report.</p> <p><b>Signed off by the Head of Paid Service: Yes</b></p>	
<b>Purpose of Report</b>	To allow the Council to approve the 2024/25 Housing Revenue Account budget and rents.	
<b>Recommendations</b>	<p><b>COUNCIL IS RECOMMENDED:</b></p> <p><b>1. TO APPROVE THE HOUSING REVENUE ACCOUNT (HRA BUDGET FOR 2024/25 (APPENDIX 1) AS SUMMARISED IN SECTION 2 OF THIS REPORT, INCLUDING THE</b></p>	

	<p><b>INCREASING OF RENTS BY 7.7%.</b></p> <p><b>2. TO NOTE THE FEES AND CHARGES APPROVED BY CABINET ON 31 JANUARY 2024 (APPENDIX 3).</b></p> <p><b>3. TO NOTE THE HRA BUDGET FOR 2025/26 TO 2028/29 (APPENDIX 1).</b></p> <p><b>4. TO APPROVE THE PROPOSED HRA CAPITAL PROGRAMME FOR 2024/25 (APPENDIX 4) AND PLANNED FINANCING, AS SET OUT IN SECTION 3 OF THIS REPORT.</b></p> <p><b>5. TO NOTE THE HRA CAPITAL PROGRAMME FOR 2025/26 TO 2028/29 (APPENDIX 4).</b></p>
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## **1.0 BACKGROUND**

1.1.1 The Housing Revenue Account (HRA) Medium Term Financial Plan (MTFP) sets out the financial strategic direction for the HRA and is updated as it evolves and develops throughout the year, to form the framework for financial planning.

1.1.2 The purpose of the HRA MTFP is to set out the key financial management principles, budget assumptions and service issues. It is then used as the framework for the detailed budget setting process to ensure that resources are effectively managed and are able to deliver the aspirations of the Council, as set out in the Council Plan, over the medium term.

### **1.2 Context**

1.2.1 The Council is setting the HRA budget at a time when it and residents face a range of issues to contend with. In broad terms these can be split into two categories: economic and housing. Each of these is explored below:

#### Economic

1.2.2 The recent report by the Office of Budget Responsibility (OBR) in respect of the Economic and Fiscal Outlook describes how the economy has proved to be more resilient to the shocks of the Covid pandemic and energy crisis than anticipated. GDP stood nearly 2% above its pre-pandemic level and around 3% above the OBR March forecast but it is now expected the economy will grow more slowly over the medium term.

1.2.3 Inflation is expected to fall below 5% by the end of the calendar year but not returning to its 2% target until the first half of 2025.

#### Housing

1.2.4 In response to health and safety issues which came in to focus following the 2017 Grenfell tragedy as well as several disrepair cases and fatalities highlighted in the media, the Social Housing Act (2023) has received royal assent. The Act gives greater enforcement powers to the Regulator for Social Housing on breaches of consumer standards.

1.2.5 Recognising the wider context within which the budget is being set, the Council made improvements to financial management in the last 12 months and has continued to use processes to develop its draft budget plans for 2024/25 and over the medium term. This

recognises the greater focus within the organisation on its finances. The process, coupled with that used in previous years, has involved:

- Services completing budget proposals to justify the need for any changes to the budget.
- A zero-based approach to budgeting in the HRA. Each line has been reviewed and amended based on expected levels of activity etc.
- Budget STAR Chamber sessions between Directors and Heads of Services.
- Regular reporting to the Corporate Leadership Team on the Council's overall budget position.
- Engagement with councillors through Portfolio Holder briefings, Strategy Group and an all councillor briefing,
- Further engagement has taken place through Scrutiny and consultation with the public.

### 1.3 **Budget Assumptions**

1.3.1 The following budget assumptions have been built into the forecast:

- Pay award – additional 2.75% for 2023/24 (4% had been included within the 2023/24 budgets), 3% in 2024/25 and 2% thereafter.
- Each budget line for the HRA has been reviewed to reflect the forecast actual value for future years, taking into account contract values, expected activity levels and previous years' expenditure. With inflation added as per contracts.
- Staffing requirements have been considered to ensure the delivery of an effective housing service with best outcomes for tenants.
- Contracts have been linked to the Consumer Price Index (CPI)/ Retail Price Index (RPI) as per individual agreements.
- Inflation – fuel and utilities inflation are very volatile which was reflected in the large increases in the budget in 2023/24 of between 30% and 100%. After reviewing the current prices and future indications based on the best information available, the decision has been taken that there is sufficient provision in the 2024/25 budget in to meet demand.
- Fees and charges – there have been some fees and charges increased by inflation and where appropriate these have been taken into account where demand has changed (please see section 2.4 for more detailed information on fees and charges).
- Rents are assumed to increase as per the rent standard at the 12-month CPI from September 2023 which was 6.7% plus 1%, a total increase of 7.7%.
- Number of properties sold through Right to Buy is assumed to reduce from previous years' estimate of 44 down to 20 per year. Lower numbers of homes have been sold through Right to Buy so far in the current financial year. This can be viewed in the context of cost-of-living increases and high interest rates.

- Future borrowing is assumed to cost 4.65% in interest.

## 2.0 HOUSING REVENUE ACCOUNT (HRA) BUDGET AND MTFP 2024/25 TO 2028/29

### 2.1 HRA Budget Summary

2.1.1 Appendix 1 shows the HRA budget position for 2023/24 and the budget for 2024/25 to 2028/29.

2.1.2 Table 1 below highlights that in 2024/25 the budgeted operating expenditure has increased by £3.2m compared to 2023/24 with the anticipated income increasing by £1.5m.

**Table 1: Changes to the Housing Revenue Account budget from previous year**

	2023/24	2024/25	Movement
	£'000	£'000	£'000
Income	-20,139	-21,613	-1,474
Operating Expenditure	17,077	20,226	3,149
<b>Operating (surplus)/deficit</b>	<b>-3,062</b>	<b>-1,387</b>	<b>1,675</b>
Appropriations	7,541	4,005	-3,536
<b>Net (surplus)/deficit</b>	<b>4,479</b>	<b>2,618</b>	<b>-1,861</b>

2.1.3 The appropriations in the table are the use of the HRA working balance to fund the capital programme as well as contributing to the loan repayment reserve. These appropriations are significantly lower in 2024/25 as the HRA balance has a lower capacity to fund capital.

### 2.2 Rents

2.2.1 As a self-financing account, the HRA's main source of income is the rents tenants pay for their homes. From 2016/17 to 2020/21 the Welfare Reform Act (2016) required all social rents to be reduced by 1% each year. This negatively impacted on the budget and the Council's ability to fund improvements. In 2023/24 a rent cap was imposed which capped rent increases at 7% which was 3.1% below inflation. This real terms rent cut further impacted on available funding.

2.2.2 For 2024/25 the Council proposes to increase the rents by 7.7% which is in line with the Rent Standard of CPI +1% for 2024/25. (The rent standard is a policy that registered providers of social housing in England must comply with and is overseen by the Regulator of Social Housing.) The increase is expected to result in a total rental income of £20.2 million in 2024/25.

2.2.3 The average weekly rent for the 3,965 Social Rent properties, will increase from £92.98 to £99.28, an average increase of £6.30 per week. Those tenants who are more vulnerable are protected via benefits increases above this level, meaning that the worst off in the district will be no worse off.

## 2.3 Budget Amendments

2.3.1 Appendix 2 summarises the most significant proposed changes to the HRA budgets. Looking at 2024/25 specifically, the total amendments of £1.68m include:

- **Net increase in income totalling £1.47m.** This is largely due to the increased rental income of £1.1m described in paragraph 2.2.2 and also includes income of £0.3m from grant for use of lower carbon heating.
- **Cost pressures totalling £3.68m.** The most significant cost pressures relate to:
  - repairs backlog costs totalling £2m.
  - Inflation of £0.37m which is mainly £0.34m inflation on recharges from the general fund.
  - pay related costs are due to increase by £0.3m, to ensure staffing matches the demand for the service.
  - corporate pressures totalling £0.77m which is mainly the increase in depreciation costs which increase due to inflation and the changing number of properties and works.
- **Other Amendments overall reducing expenditure by £0.39m.** This is a result of the comprehensive review of all budget lines ensuring all income and all expenditure is budgeted for at the correct level. The main item is Responsive Repairs £0.40m.

## 2.4 Fees and Charges

2.4.1 In addition to the rental charged for dwellings, there are a number of other fees and charges in relation to services provided within the HRA. Some properties have service charges, on top of the rent, to pay for specific services relevant to their properties. The proposed fees and charges for 2024/25 are listed in Appendix 3. The main changes are listed below:

- Most service charges increased by 6.7%, September CPI in line with the corporate charging policy.
- A new charge for storage of and charging for mobility scooters. The amount of charge depends on the scheme.

## 3.0 HRA CAPITAL PROGRAMME 2024/25 TO 2028/29

### 3.1 Summary HRA Capital Programme

3.1.1 The proposed HRA capital programme is outlined in Appendix 4. In 2023/24 governance improvements were made via the Capital Strategy for managing capital programmes through their life cycle. In 2024/25, the programme has again been split into Approved and Development Pool to allow development schemes in early stages to go through further governance before being allocated a budget appropriate to complete each stage of development. A summary of the capital programme is shown in Table 2.

**Table 2: Summary Capital Programme**

	2024/25 Budget £'000	2025/26 Indicative £'000	2026/27 Indicative £'000	2027/28 Indicative £'000	2028/29 Indicative £'000	Total £'000
Stock Investment	10,425	7,800	7,800	7,800	7,800	41,625
Estate Improvements	670	500	500	500	500	2,670

	2024/25 Budget £'000	2025/26 Indicative £'000	2026/27 Indicative £'000	2027/28 Indicative £'000	2028/29 Indicative £'000	Total £'000
Fleet Replacement	0	100	300	0	0	400
Other Capital	1,430	600	600	600	600	3,830
Total Approved Programme	12,525	9,000	9,200	8,900	8,900	48,525
Total Development Pool	3,400	5,810	2,640	1,190	4,660	17,700
<b>Housing Revenue Account Total</b>	<b>15,925</b>	<b>14,810</b>	<b>11,840</b>	<b>10,090</b>	<b>13,560</b>	<b>66,225</b>

3.1.2 Over the five-year period, the total programme comes to £66.23m, an increase of £3.7m over the previous five-year programme. The difference is mainly due to a £3.8m increase in New Supply, a new budget of £2m over five years to tackle asbestos, £2m increase in Home Improvement Programme. These are offset by a £1.6m reduction on Major Aids and Adaptations, a £1.3m reduction in the Zero Carbon budget and a £1.2m reduction across the Estate Improvement budgets.

- **New Supply:** The programme has been extended to include sites being initially developed by registered providers.
- **Home Improvement Programme:** The increase of £2m is to cover the cost of a backlog of works.

3.1.3 Work has commenced on a revised Asset Management and Business Plan for the HRA. This will be completed during 2024/25 and will inform the future programming of the HRA in future years.

## 3.2 Funding the Capital Programme

3.2.1 The capital programme is funded from a variety of sources, including revenue, grants, capital receipts and borrowing. Table 3 below summarises the funding sources identified for each year of the proposed HRA capital programme.

**Table 3: Sources of funding for the capital programme**

	2024/25 Budget £'000	2025/26 Indicative £'000	2026/27 Indicative £'000	2027/28 Indicative £'000	2028/29 Indicative £'000
Reserves	4,349	3,996	3,601	3,360	3,072
Capital Receipts	6,230	2,968	2,452	2,001	3,389
Revenue contributions	1,513	245	315	351	414
External Borrowing	3,833	7,601	5,472	4,378	6,685
<b>Housing Revenue Account Total</b>	<b>15,925</b>	<b>14,810</b>	<b>11,840</b>	<b>10,090</b>	<b>13,560</b>

3.2.2 Table 3, above, shows a borrowing requirement of £28m over five years to fund the programme. This has increased by £3.6m compared to the five-year plan from 2023/24. The increase is due to a combination of reserves being used to fund 2023/24 as well as the impact of inflation and other service pressures on the availability of revenue

contributions to capital.

#### 4.0 DEBT

- 4.1 The loan balance for the HRA is forecast to be £51.1m at the end of 2023/24. There are annuity loan repayments of approximately £1.2m to make each year, these repayments are usually funded from working balances but once working balances reach the £1m minimum, they will be funded from other capital resources.
- 4.2 There are also loans to be repaid at maturity. The next of these to repay is a £10m repayment in 2036/37. In accordance with the strategy agreed in 2012 when self-financing for the HRA was introduced, the Council sets aside funding each year in a Debt Repayment Reserve to ensure there is sufficient funding to repay debt when it matures. The budget assumes £2.5m is set aside in 2024/25 from capital resources in order to make the scheduled repayments at maturity, this increases each year as there is further borrowing to finance the capital programme.
- 4.3 The HRA business plan is to be reviewed over the next few months and it will be investigated whether the approach of using a debt repayment reserve presents the best approach for a well-funded HRA and best use of resources. The findings will be presented to Scrutiny and Cabinet.

#### 5.0 RESERVES

- 5.1 The Council has a number of reserves for the use of the HRA. Most of the reserves are used for capital financing as shown in 3.2.1. Table 4 shows the projected reserve balances over the MTFP period.

**Table 4: Reserve balances**

<b>Reserve</b>	<b>31.3.25</b>	<b>31.3.26</b>	<b>31.3.27</b>	<b>31.3.28</b>	<b>31.3.29</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Major Repairs Reserve	0	0	0	0	0
Capital Receipts	3,544	2,276	2,550	3,274	2,610
Debt Repayment Reserve	4,591	7,275	10,339	13,677	17,233
<b>Total Capital Reserves</b>	<b>8,135</b>	<b>9,551</b>	<b>12,889</b>	<b>16,951</b>	<b>19,843</b>
HRA Reserve	1,000	1,000	1,000	1,000	1,000
Earmarked Reserves	510	510	510	510	510
<b>Total Revenue Reserves</b>	<b>1,510</b>	<b>1,510</b>	<b>1,510</b>	<b>1,510</b>	<b>1,510</b>

#### 6.0 KEY RISKS TO THE BUDGET

- 6.1 Table 5 provides an assessment of the key risk areas to determine the robustness of the estimates and adequacy of reserves included in the HRA budgets:

**Table 5: Key Risks to the Budget**

Area	Y/N	Comments
Is performance against the current year's budget on track and where variances are evident, ongoing and unavoidable, are they appropriately reflected in the plans?	Y	The 2023/24 financial monitoring is showing a projected overspend of £0.436m on the HRA. Work is currently on-going within services to mitigate these pressures and minimise any drawdown from reserves. The on-going and unavailable pressures, alongside potential reductions in reserve levels, have been factored into budget plans for 2024/25 and the medium term.
The reasonableness of the underlying budget assumptions	Y	External review has also been undertaken by the treasury advisers, Arlingclose, on the Treasury Management Strategy.
The alignment of resources with the Council's service and organisational priorities	Y	Resources are aligned to the current priorities of the Council. A new Council Delivery Plan (CDP) has been developed and was approved by Council on 14 November 2023. The CDP is aligned to the resources available and risks faced by the Council.
A review of the major risks associated with the budget	Y	The major risks within the budget have been assessed and are set out in the budget report, including mitigations and strategies about how these are being managed.
The availability of un-earmarked reserves to meet unforeseen cost pressures	Y	The Council has a minimum level of reserves for HRA (£1m). This level is to be reviewed as part of the HRA business planning process.
Have realistic income targets been set and 'at risk' external funding been identified?	Y	An assessment of income targets has been undertaken as part of the development of the draft budget.  The most significant area of income is from dwelling rents. The budget for this is produced with reference to current stock levels and expected stock loss, reconciling data and changes from previous year to current year.  Fees and charges have been increased, where it is appropriate to do so, in accordance with the Council's Corporate Charging Policy.
Has a reasonable estimate of demand cost pressures been made?	Y	The enhanced budget process used in the development of the draft budget has improved the reasonableness of estimates.



## 7.0 CONSULTATION

### 7.1 Consultation with Members

7.1.1 The Corporate Scrutiny Committee considered the draft HRA budget at the meeting on the 4 January 2024. 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.

7.1.2 There were also further questions which were taken away by officers to answer following the meeting which are detailed in Appendix 8 of the General Fund Budget and Council Tax 2023/24 report also presented at this meeting.

### 7.2 Public Consultation

7.2.1 As part of the budget consultation, the Council launched an online survey on 10 until the 23 January 2024 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 changes. Residents could also provide additional comments if they wanted to.

7.2.2 At the time of writing the report, the public consultation has not ended. This section of this report will be updated prior to the Council meeting and an addendum will be provided to the Cabinet meeting on 31 January 2024.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	The budget provides funding for the Council to deliver against the priorities for the HRA.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	There have been equality impact assessments conducted by services on relevant proposals during this period.
Customer Impact:	Customers are likely to be impacted by the changes to rents, fees and charges.
Economic and Social Impact:	The HRA capital programme allocates £41.6m over five years to improve homes and in the same period, £17.7m on new homes to give home to more people.
Environment, Climate Change and zero carbon:	The budget includes a capital programme of Zero Carbon works to dwellings worth £12.5m.
Consultation/Community Engagement:	Draft Budget: Corporate Scrutiny Committee – 04/01/24 Cabinet – 09/01/24 Public consultation between 10 January and 23 January 2024 Parish and town councils, trade unions and the Federation of small business between 10 January and 23 January 2024 Final Budget: Cabinet – 31/01/24

Risks:	The budgets will be monitored throughout the year to ensure the Council remains within its funding envelope and planned budget savings are delivered. Key risks to the budget are discussed in further detail in section 6 of the report.
Officer Contact	Anna Crouch Head of Finance <a href="mailto:anna.crouch@nwleicestershire.gov.uk">anna.crouch@nwleicestershire.gov.uk</a>

## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL HRA SUMMARY BUDGET 2024/25 to 2028/29

2023/24 Revised Budget	HOUSING REVENUE ACCOUNT SUMMARY	2024/25 Requested Budget	2025/26 Indicative	2026/27 Indicative	2027/28 Indicative	2028/29 Indicative
£		£	£	£	£	£
	<b>Expenditure</b>					
7,693,445	Repairs & Maintenance	9,749,113	8,779,584	8,963,955	9,107,379	9,289,526
3,995,193	Supervision & Management	4,314,095	4,403,756	4,495,153	4,565,988	4,656,206
100,000	Provision for Doubtful Debts	100,000	100,000	100,000	100,000	100,000
3,466,317	Depreciation	4,161,536	4,327,682	4,417,848	4,530,456	4,619,880
1,822,113	Capital Financing & Debt Management	1,901,309	2,136,569	2,411,197	2,614,176	2,856,580
<b>17,077,068</b>	<b>Total Expenditure</b>	<b>20,226,053</b>	<b>19,747,591</b>	<b>20,388,153</b>	<b>20,917,999</b>	<b>21,522,192</b>
	<b>Income</b>					
-19,791,781	Rent & Service Charges	-21,004,680	-21,825,330	-22,466,877	-22,960,971	-23,418,331
-41,000	Non-Dwelling Rents	-38,900	-38,900	-38,900	-38,900	-38,900
-20,147	Other Income	-283,252	-253,252	-180,252	-84,252	-29,252
-286,000	Investment Income	-286,000	-228,000	-265,000	-352,000	-459,000
<b>-20,138,928</b>	<b>Total Income</b>	<b>-21,612,832</b>	<b>-22,345,482</b>	<b>-22,951,029</b>	<b>-23,436,123</b>	<b>-23,945,483</b>
<b>-3,061,860</b>	<b>Net Operating Expenditure/-Surplus</b>	<b>-1,386,779</b>	<b>-2,597,891</b>	<b>-2,562,876</b>	<b>-2,518,124</b>	<b>-2,423,291</b>
	<b>Appropriations</b>					
3,726,138	Transfer to/from reserves	2,492,444	2,352,728	2,248,235	2,167,064	2,008,925
3,814,898	Revenue Contribution to Capital	1,512,544	245,163	314,641	351,060	414,366
<b>7,541,036</b>	<b>Total Appropriations</b>	<b>4,004,988</b>	<b>2,597,891</b>	<b>2,562,876</b>	<b>2,518,124</b>	<b>2,423,291</b>
<b>4,479,176</b>	<b>NET (SURPLUS)/DEFICIT</b>	<b>2,618,209</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
-6,576,920	Balance brought Forward	-3,618,209	-1,000,000	-1,000,000	-1,000,000	-1,000,000
4,479,176	-Surplus/Deficit In Year	2,618,209	0	0	0	0
-2,097,744	Balance Carried Forward	-1,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000

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## North West Leicestershire District Council

### Housing Revenue Account- Proposed Amendments to Budgets 2024/25 to 2028/29

Proposal Title	Proposal Description & Service Impact	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Restructure	Change in staffing cost due to restructure (including pay award)	302,506	0	0	0	0
Pay awards	Change in staffing costs due to pay awards	0	307,895	110,842	113,059	115,319
<b>Total Pay Related Costs</b>		<b>302,506</b>	<b>307,895</b>	<b>110,842</b>	<b>113,059</b>	<b>115,319</b>
Heating contract	9.7% inflation on heating maintenance contract	46,090	0	0	0	0
Recharges from the General Fund	Inflation on services provided by the General Fund to the HRA	330,962	0	0	0	0
General inflation			115,761	167,631	103,552	159,751
<b>Total Inflation Increases</b>		<b>377,052</b>	<b>115,761</b>	<b>167,631</b>	<b>103,552</b>	<b>159,751</b>
"Right sizing" of budgets	Every budget line set for level of expected activity.	(400,848)	0	0	0	0
	1 proposal below 15k	13,860	(1,020)	(1,060)	(1,070)	(1,080)
<b>Other Budget Adjustments</b>		<b>(386,988)</b>	<b>(1,020)</b>	<b>(1,060)</b>	<b>(1,070)</b>	<b>(1,080)</b>
Repairs Backlog	Additional expenditure to tackle repairs backlog	2,000,000	(1,250,000)	0	0	0
Subscription to Regulator	Regulator of Social Housing subscription to cover costs of greater regulation	32,000	0	0	0	0
Change Consultant	Change Consultant to advise and assist with service transformation in 24/25	50,000	(50,000)	0	0	0
<b>Cost Pressures</b>		<b>2,082,000</b>	<b>(1,300,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Investment Income	Investment income on HRA balances	0	58,000	(37,000)	(87,000)	(107,000)

## North West Leicestershire District Council

### Housing Revenue Account- Proposed Amendments to Budgets 2024/25 to 2028/29

Proposal Title	Proposal Description & Service Impact	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Loan interest	Changes in loan interest due to capital financing requirements	79,197	235,173	274,570	202,935	242,347
Depreciation	Depreciation changes due to inflation and changing number of properties.	695,219	166,145	90,167	112,607	89,424
<b>Total Other Corporate Amendments</b>		<b>774,416</b>	<b>459,318</b>	<b>327,737</b>	<b>228,542</b>	<b>224,771</b>
Dwellings Rents	Dwellings Rent Increase	(1,137,219)	(797,000)	(626,000)	(482,000)	(442,000)
Service Charges	Service Charge Increase	(26,320)	(23,650)	(15,547)	(12,094)	(15,359)
Central heating charges	Central heating charges	(49,360)	0	0	0	0
Grant Income	Domestic Renewable Heat Incentive	(254,000)	30,000	73,000	96,000	55,000
Income	Two proposals below £15k	(7,005)	0	0	0	0
<b>Total Changes In Income</b>		<b>(1,473,904)</b>	<b>(790,651)</b>	<b>(568,547)</b>	<b>(398,094)</b>	<b>(402,359)</b>
<b>Total Budget Amendments</b>		<b>1,675,081</b>	<b>(1,208,696)</b>	<b>36,603</b>	<b>45,989</b>	<b>96,402</b>

## North West Leicestershire District Council

### Proposed Fees & Charges 2024/25 - Housing Revenue Account

Fee/Charge	2023/24 Fees	2024/25 Proposed Fees	Percentage Change in	
			Fees	Basis for Change
Central Heating	0 Bed: £8.58pw 1 Bed: £10.36pw 2 Bed: £11.88pw 3 Bed: £13.68pw	0 Bed: £9.01pw 1 Bed: £10.88pw 2 Bed: £12.47pw 3 Bed: £14.36pw	5%	Energy cost inflation
Garage and Site Rent	Garage: £8.09pw Garage Site: £5.18pw	Garage: £8.63pw Garage Site: £5.53pw	6.7%	Sept CPI
<b>Service charges:</b>				
Cleaning & Window Cleaning	£0.65 to £10.09	£0.69 to £10.77	6.70%	Sept CPI
Grounds Maintenance	£0.35 & £7.38 pw	£0.37 to £7.87	6.75%	Sept CPI
Repairs to common parts	£0.02 & £0.39 pw	£0.02 to £0.42	6.70%	Sept CPI
Repairs/replacement of items in Laundry	£0.09 to £8.01 pw	£0.10 to £8.55	6.70%	Sept CPI
Admin Fee	15% of chargeable services	15% of chargeable services	0.00%	
Cleaning Blocks £0.87 to £11.55 pw	£0.87 to £11.55 pw	£0.93 to £12.32	6.70%	Sept CPI
Fire Extinguishers	£0	£0	0.00%	No charge, majority removed.
Control Centre Link Equipment	£3.18 pw	3.39 pw	6.70%	Sept CPI
Door Entry Systems	£0.03 to £0.12 pw	£0.03 to £0.13	6.70%	Sept CPI
Heating (Electricity)	£8.58 to £13.11 pw	£9.15 to £13.99	6.70%	Sept CPI
Utility Cost of Shared/Common Parts	As per bill			As per cost
Older Persons Service Management Fee (incl. 15% management Fee~)	£3.71pw	3.58 pw	8.9%	Sept RPI
Scooter Store	New charge	£0.45 to £1.11pw		

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PROJECT	2024/25	2025/26	2026/27	2027/28	2028/29	Total	Major Repairs Reserve	Capital Receipts	RCCO	Prudential Borrowing	Total
	For Approval	Indicative	Indicative	Indicative	Indicative						
	£	£	£	£	£	£					

**Stock Investment**

Home Improvement Programme	6,500,000	4,500,000	4,500,000	4,500,000	4,500,000	24,500,000	18,378,770	-	2,837,773	3,283,457	24,500,000
Asbestos	400,000	400,000	400,000	400,000	400,000	2,000,000	-	-	-	2,000,000	2,000,000
Roofs	550,000	250,000	250,000	250,000	250,000	1,550,000	-	-	-	1,550,000	1,550,000
Commercial Boilers	150,000	150,000	150,000	150,000	150,000	750,000	-	-	-	750,000	750,000
Stock Condition Surveys	325,000	-	-	-	-	325,000	-	-	-	325,000	325,000
Zero Carbon	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	12,500,000	-	8,753,000	-	3,747,000	12,500,000
<b>Total Stock Investments</b>	<b>10,425,000</b>	<b>7,800,000</b>	<b>7,800,000</b>	<b>7,800,000</b>	<b>7,800,000</b>	<b>41,625,000</b>	<b>18,378,770</b>	<b>8,753,000</b>	<b>2,837,773</b>	<b>11,655,457</b>	<b>41,625,000</b>

**Estate Improvements**

Off-Street Parking	300,000	300,000	300,000	300,000	300,000	1,500,000	-	300,000	-	1,200,000	1,500,000
Estate Projects	200,000	100,000	100,000	100,000	100,000	600,000	-	200,000	-	400,000	600,000
Garage Demolition	70,000	50,000	50,000	50,000	50,000	270,000	-	70,000	-	200,000	270,000
Footpaths and Unadopted Roads	100,000	50,000	50,000	50,000	50,000	300,000	-	100,000	-	200,000	300,000
<b>Total Estate Improvement</b>	<b>670,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>2,670,000</b>	<b>-</b>	<b>670,000</b>	<b>-</b>	<b>2,000,000</b>	<b>2,670,000</b>

**Fleet Replacement**

Vehicles	-	100,000	300,000	-	-	400,000	-	-	-	400,000	400,000
<b>Total Fleet Replacement</b>	<b>-</b>	<b>100,000</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400,000</b>	<b>400,000</b>

**Other Capital**

Sheltered Scheme Improvements	350,000	100,000	100,000	100,000	100,000	750,000	-	350,000	-	400,000	750,000
Passive Fire Safety	300,000	300,000	300,000	300,000	300,000	1,500,000	-	300,000	-	1,200,000	1,500,000
Scheme Lighting	250,000	200,000	200,000	200,000	200,000	1,050,000	-	250,000	-	800,000	1,050,000
Tunstall System	30,000	-	-	-	-	30,000	-	30,000	-	-	30,000
Major Aids and Adaptations	400,000	-	-	-	-	400,000	-	400,000	-	-	400,000
Housing Management IT System	100,000	-	-	-	-	100,000	-	-	-	100,000	100,000
<b>Total Other Capital</b>	<b>1,430,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>3,830,000</b>	<b>-</b>	<b>1,330,000</b>	<b>-</b>	<b>2,500,000</b>	<b>3,830,000</b>
<b>Total Active Projects</b>	<b>12,525,000</b>	<b>9,000,000</b>	<b>9,200,000</b>	<b>8,900,000</b>	<b>8,900,000</b>	<b>48,525,000</b>	<b>18,378,770</b>	<b>10,753,000</b>	<b>2,837,773</b>	<b>16,555,457</b>	<b>48,525,000</b>

**DEVELOPMENT POOL**

New Supply	3,400,000	5,810,000	2,640,000	1,190,000	4,660,000	17,700,000	-	6,287,316	-	11,412,684	17,700,000
<b>Total Development Pool</b>	<b>3,400,000</b>	<b>5,810,000</b>	<b>2,640,000</b>	<b>1,190,000</b>	<b>4,660,000</b>	<b>17,700,000</b>	<b>-</b>	<b>6,287,316</b>	<b>-</b>	<b>11,412,684</b>	<b>17,700,000</b>

<b>TOTAL HRA CAPITAL PROGRAMME</b>	<b>15,925,000</b>	<b>14,810,000</b>	<b>11,840,000</b>	<b>10,090,000</b>	<b>13,560,000</b>	<b>66,225,000</b>	<b>18,378,770</b>	<b>17,040,316</b>	<b>2,837,773</b>	<b>27,968,141</b>	<b>66,225,000</b>
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**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL  
HOUSING REVENUE ACCOUNT SUMMARY BUDGET RECONCILIATION  
DRAFT BUDGET 2024/25 TO FINAL BUDGET 2024/25**

	2024/25			Reason for Change
	Draft	Final	Variance	
	£	£	£	
<b>Expenditure</b>				
Repairs & Maintenance	8,803,262	9,749,113	945,851	Increased to ensure required budget for stock size
Supervision & Management	3,802,933	4,314,095	511,162	Income was allocated to this heading in error.
Provision for Doubtful Debts	100,000	100,000	0	
Depreciation	4,161,536	4,161,536	0	
Capital Financing & Debt Management	1,970,558	1,901,309	-69,249	Capital financing revised to cater for amended capital programme and preserve minimum balance
<b>Total Expenditure</b>	<b>18,838,289</b>	<b>20,226,053</b>	<b>1,387,764</b>	
<b>Income</b>				
Rent & Service Charges	-20,955,320	-21,004,680	-49,360	Central Heating income increase now included
Non-Dwelling Rents	-38,900	-38,900	0	
Other Income	-20,147	-283,252	-263,105	DRHI grant now included
Investment Income	-286,000	-286,000	0	
<b>Total Income</b>	<b>-21,300,367</b>	<b>-21,612,832</b>	<b>-312,465</b>	
<b>Net Operating Expenditure/-Surplus</b>	<b>-2,462,078</b>	<b>-1,386,779</b>	<b>1,075,299</b>	
<b>Appropriations</b>				
Transfer to/from reserves	3,927,595	2,492,444	-1,435,151	Capital financing revised to cater for amended capital programme and preserve minimum balance
Revenue Contribution to Capital	1,018,132	1,512,544	494,412	Capital financing revised to cater for amended capital programme and preserve minimum balance
<b>Total Appropriations</b>	<b>4,945,727</b>	<b>4,004,988</b>	<b>-940,739</b>	
<b>NET (SURPLUS)/DEFICIT</b>	<b>2,483,649</b>	<b>2,618,209</b>	<b>134,560</b>	
Balance brought Forward	-3,618,209	-3,618,209	0	
-Surplus/Deficit In Year	2,483,649	2,618,209	134,560	
Balance Carried Forward	-1,134,560	-1,000,000	134,560	

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## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COUNCIL – THURSDAY, 22 FEBRUARY 2024



<b>Title of Report</b>	<b>COUNCIL TAX RESOLUTION 2024/25</b>	
<b>Presented by</b>	Councillor Nick Rushton Corporate Portfolio Holder	
<b>Background Papers</b>	<a href="#">Council Tax Base 2024/25</a> Cabinet – 9 January 2024	<b>Public Report:</b> Yes
<b>Financial Implications</b>	This is a statutory report which is required to set the total level of Council Tax for North West Leicestershire. It includes the precepts for Leicestershire County Council, Leicestershire Police and Crime Commissioner, Leicestershire Combined Fire Authority, North West Leicestershire District Council, Parish/Town Councils and Special Expenses.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	There are no direct legal implications arising. The Council Tax resolution has been drafted to comply with legal requirements.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	There are no direct staffing and corporate implications arising from this report.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To enable Full Council to comply with the Local Government Finance Act 1992 and the Localism Act 2011 in respect of setting Council Tax.	
<b>Recommendations</b>	<b>COUNCIL IS RECOMMENDED TO APPROVE THE COUNCIL TAX RESOLUTION 2024/25 AS SET OUT IN SECTION 2.</b>	

**1.0 BACKGROUND**

- 1.1 This report ask Council is approve the rate of Council Tax for 2024/25. Although the legal requirement is that the Council must have set a balanced budget and Council Tax charge by 11 March, it is important the Council Tax rates are approved at this meeting to allow sufficient time to produce and post Council Tax bills and meet all statutory deadlines.
- 1.2 This report sets out the resolution based on the assumption that the budget as set out in the General Fund Budget 2024/25 report are approved.
- 1.3 Members are reminded that the individual Council Tax bill is comprised of six elements – the amount levied by North West Leicestershire District Council, the amount precepted by Leicestershire County Council, Leicestershire Police and Crime Commissioner, Leicestershire Combined Fire Authority and for properties in a parished area of the district, the amount precepted by the individual Town or Parish Council and Special Expenses.
- 1.4 The Localism Act 2011 requires the billing authority to calculate a Council Tax requirement for the year. This is to help the Council determine if it has set an excessive Council Tax increase that would in turn a local referendum. Principles set by the Secretary of State for

Levelling Up, Housing and Communities determines that an increase in a Council's basic rate of Council Tax of 3% is excessive.

- 1.5 The Council's net revenue budget and capital programme were recommended by the Cabinet on 31 January 2024 for approval by Council. Details appear earlier on the agenda.
- 1.6 Members are reminded that the Council must word the resolution in precise language, as directed by legislation.
- 1.7 At the time of writing this report, the precept for Leicestershire County Council is awaiting final approval at their Council meeting on the 21 February 2024 and the precept for the Combined Fire Authority at its meeting on 14 February 2024. Therefore, if any changes are approved, these will be tabled at the meeting. The precept for the Police and Crime Commissioner was approved at the Leicester, Leicestershire and Rutland Police and Crime Panel meeting on the 1 February 2024.

## **2.0 COUNCIL TAX RESOLUTION 2024/25**

- 2.1 That it be noted that the Council Tax base for 2024/25 has been calculated:
  - a) for the whole Council area as 37,079 [Item T in the formula in Section 31B(3) of the Local Government Act 1992, as amended (the "Act")] and,
  - b) for dwellings in those part of its areas to which a Parish precept as in Appendix A.
- 2.2 That the Council Tax requirement for the Council's own purposes for 2024/25 (excluding Special Items) is calculated as £6,041,652.
- 2.3 That the following amounts be calculated for the year 2024/25 in accordance with Sections 31 to 36 of the Act:
  - a) £64,891,017 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act (gross expenditure including parish precepts, the Housing Revenue Account and the additions to reserves).
  - b) £55,206,472 being the aggregate of the amounts which the Council estimates for the items set out in 31A(3) (a) to (d) of the Act (gross income including the Housing Revenue Account and use of reserves).
  - c) £9,684,545 being the amount by which the aggregate at 2.3(a) above exceeds the aggregate at 2.3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (net expenditure to be met from Council).
  - d) £266.10 being the amount calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (average Council Tax for a Band D property for the District including Parish/Town Council Precepts and Special Expenses).
  - e) £3,642,893 being the aggregate amount of all special items referred to in Section 34(1) of the Act (Parish/Town Council Precepts and Special Expenses).
  - f) £162.94 being the amount calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates (average Council Tax for a

Band D property for the District excluding Parish/Town Councils Precepts and Special Expenses), the amounts being for each of the categories of dwellings shown in Table 1.

- g) In accordance with Section 34(3) of the Act, the basic amount of Council Tax for the year for dwellings in those parts of its area to which a special item relates are shown by addition of the amounts for Band D for the District Council in Table 1 and Appendix C.
- h) In accordance with Section 36(1) of the Act, the amounts to be taken into account for the year in respect of the categories of dwellings listed in different valuation bands are shown by adding the amounts for each band n Table 1 and Appendix C.

2.4 That it be noted that for the year 2024/25 Leicestershire County Council, Leicestershire Police and Crime Commissioner and the Leicestershire Combined Fire Authority have stated the following amounts in precepts to the Council, in accordance with Section 40 of the Local Government Act 1992, for each category of dwellings in the Council's area indicated in Table 1.

Table 1: Council Tax Precepts 2024/25

	<b>Band A</b> £	<b>Band B</b> £	<b>Band C</b> £	<b>Band D</b> £	<b>Band E</b> £	<b>Band F</b> £	<b>Band G</b> £	<b>Band H</b> £
County Council (main element)	913.28	1,065.49	1,217.71	1,369.92	1,674.35	1,978.77	2,283.20	2,739.84
County Council (social care)	154.44	180.18	205.92	231.66	283.14	334.62	386.10	463.32
<b>County Council</b>	<b>1,067.72</b>	<b>1,245.67</b>	<b>1,423.63</b>	<b>1,601.58</b>	<b>1,957.49</b>	<b>2,313.39</b>	<b>2,669.30</b>	<b>3,203.16</b>
<b>District Council</b>	<b>108.63</b>	<b>126.73</b>	<b>144.84</b>	<b>162.94</b>	<b>199.15</b>	<b>235.36</b>	<b>271.57</b>	<b>325.88</b>
<b>Police and Crime Commissioner</b>	<b>190.82</b>	<b>222.62</b>	<b>254.43</b>	<b>286.23</b>	<b>349.84</b>	<b>413.44</b>	<b>477.05</b>	<b>572.46</b>
<b>Combined Fire Authority</b>	<b>54.44</b>	<b>63.51</b>	<b>72.58</b>	<b>81.65</b>	<b>99.80</b>	<b>117.94</b>	<b>136.09</b>	<b>163.31</b>

- 2.5 That the Council, in accordance with Sections 30(2) of the Local Government Finance Act 1992, hereby sets the amounts shown in Appendix C as the amounts of council tax for 2024/25 for each of the categories of dwellings shown in Appendix C.
- 2.6 The Council determines that the Council's basic amount of Council Tax for 2024/25 is not excessive in accordance with principles approved under Section 52ZB and 52zY Local Government Finance Act 1992 and Section 4ZA Local Government Finance Act 1992: Referendums relating to Council Tax increases.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	The Council Tax provides funding for the Council to deliver all of its priorities.
Policy Considerations:	<p>The Council has agreed a Local Council Tax Reduction Scheme and the effect of the scheme, in particular the effect on the Council Tax Base, is taken into account in determining the District's Council Tax.</p> <p>The Council Tax Requirement of this Council includes the impact of Parish/Town Council precepts, although the Council does not have any role in the setting of these, other than determining the Tax Base for each parish.</p> <p>The Council does not have any role in the setting of Council Tax for Leicestershire County Council, Leicestershire Police and Crime Commissioner and the Leicestershire Combined Fire Authority. Their decisions do, however, feed into the overall Council Tax Resolutions.</p>
Safeguarding:	None
Equalities/Diversity:	Not applicable
Customer Impact:	Council Tax payers within the district are likely to be impacted by the increase in Council Tax.
Economic and Social Impact:	Not applicable
Environment, Climate Change and zero carbon:	There are no environmental implications arising directly from the report.
Consultation/Community Engagement:	Not applicable
Risks:	<p>Failure to agree the Council Tax Resolution would delay the preparation of Council Tax bills and the collection of the payments from residents. The cost of such delay would be borne solely by the Council.</p> <p>There is a risk that one of the precepting bodies may amend their precept requirement after the issue of this report and that the figures quoted may differ from the provisional figures provided. Should this happen revised appendices will be circulated for approval.</p>
Officer Contact	Anna Crouch Head of Finance <a href="mailto:anna.crouch@nwleicestershire.gov.uk">anna.crouch@nwleicestershire.gov.uk</a>



APPENDIX A

COUNCIL TAX BASE 2024/25

PARISH / SPECIAL EXPENSE AREA	COUNCIL TAX BASE
APPLEBY MAGNA	547
ASHBY DE LA ZOUCH	6,363
ASHBY WOULD'S	1,417
BARDON	10
BELTON	311
BREEDON-ON-THE-HILL	510
CASTLE DONINGTON	2,949
CHARLEY	78
CHILCOTE	58
COALVILLE	6,847
COLEORTON	590
ELLISTOWN & BATTLEFLAT	837
HEATHER	368
HUGGLESCOTE & DONINGTON LE HEATH	2,626
IBSTOCK	2,349
ISLEY WALTON-CUM-LANGLEY	31
KEGWORTH	1,345
LOCKINGTON CUM HEMINGTON	246
LONG WHATTON and DISEWORTH	822
MEASHAM	1,715
NORMANTON-LE-HEATH	70
OAKTHORPE, DONISTHORPE and ACRESFORD	929
OSGATHORPE	218
PACKINGTON	410
RAVENSTONE	1,066
SNARESTONE	147
STAUNTON HAROLD	62
STRETTON-EN-LE-FIELD	19
SWANNINGTON	472
SWEPSTONE	277
WHITWICK	2,758
WORTHINGTON	632
<b>TOTAL</b>	<b>37,079</b>

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## COUNCIL TAX 2024/25 - SPECIAL ITEMS (PARISH/TOWN COUNCILS) AND SPECIAL EXPENSES

PARISH / AREA	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
APPLEBY MAGNA	34.13	39.81	45.50	51.19	62.57	73.94	85.32	102.38
ASHBY DE LA ZOUCH	83.20	97.07	110.93	124.80	152.53	180.27	208.00	249.60
ASHBY WOULD'S	61.75	72.04	82.33	92.62	113.20	133.78	154.37	185.24
BARDON	-	-	-	-	-	-	-	-
BELTON	64.31	75.02	85.74	96.46	117.90	139.33	160.77	192.92
BREEDON-ON-THE-HILL	40.49	47.23	53.98	60.73	74.23	87.72	101.22	121.46
CASTLE DONINGTON	108.63	126.73	144.84	162.94	199.15	235.36	271.57	325.88
CHARLEY	104.96	122.45	139.95	157.44	192.43	227.41	262.40	314.88
CHILCOTE	-	-	-	-	-	-	-	-
COALVILLE	52.65	61.43	70.20	78.98	96.53	114.08	131.63	157.96
COLEORTON	31.17	36.36	41.56	46.75	57.14	67.53	77.92	93.50
ELLISTOWN & BATTLEFLAT	62.95	73.45	83.94	94.43	115.41	136.40	157.38	188.86
HEATHER	28.99	33.82	38.65	43.48	53.14	62.80	72.47	86.96
HUGGLESCOTE & DONINGTON LE HEATH	51.31	59.86	68.41	76.96	94.06	111.16	128.27	153.92
IBSTOCK	70.95	82.78	94.60	106.43	130.08	153.73	177.38	212.86
ISLEY WALTON-CUM-LANGLEY	9.10	10.62	12.13	13.65	16.68	19.72	22.75	27.30
KEGWORTH	65.47	76.39	87.30	98.21	120.03	141.86	163.68	196.42
LOCKINGTON CUM HEMINGTON	63.37	73.93	84.49	95.05	116.17	137.29	158.42	190.10
LONG WHATTON and DISEWORTH	33.98	39.64	45.31	50.97	62.30	73.62	84.95	101.94
MEASHAM	56.37	65.76	75.16	84.55	103.34	122.13	140.92	169.10
NORMANTON-LE-HEATH	-	-	-	-	-	-	-	-
OAKTHORPE, DONISTHORPE and ACRESFORD	74.69	87.14	99.59	112.04	136.94	161.83	186.73	224.08
OSGATHORPE	41.56	48.49	55.41	62.34	76.19	90.05	103.90	124.68
PACKINGTON	40.26	46.97	53.68	60.39	73.81	87.23	100.65	120.78
RAVENSTONE	68.31	79.70	91.08	102.47	125.24	148.02	170.78	204.94
SNARESTONE	46.29	54.01	61.72	69.44	84.87	100.30	115.73	138.88
STAUNTON HAROLD	2.14	2.50	2.85	3.21	3.92	4.64	5.35	6.42
STRETTON-EN-LE-FIELD	-	-	-	-	-	-	-	-
SWANNINGTON	57.06	66.57	76.08	85.59	104.61	123.63	142.65	171.18
SWEPSTONE	54.15	63.18	72.20	81.23	99.28	117.33	135.38	162.46
WHITWICK	79.65	92.93	106.20	119.48	146.03	172.59	199.13	238.96
WORTHINGTON	24.26	28.30	32.35	36.39	44.48	52.56	60.65	72.78

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## COUNCIL TAX 2024/25 - COUNTY PRECEPT, FIRE PRECEPT, POLICE PRECEPT, DISTRICT, TOWN/PARISH COUNCIL AND SPECIAL EXPENSES

PARISH / AREA	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
APPLEBY MAGNA	1,455.74	1,698.34	1,940.98	2,183.59	2,668.85	3,154.07	3,639.33	4,367.19
ASHBY DE LA ZOUCH	1,504.81	1,755.60	2,006.41	2,257.20	2,758.81	3,260.40	3,762.01	4,514.41
ASHBY WOULD'S	1,483.36	1,730.57	1,977.81	2,225.02	2,719.48	3,213.91	3,708.38	4,450.05
BARDON	1,421.61	1,658.53	1,895.48	2,132.40	2,606.28	3,080.13	3,554.01	4,264.81
BELTON	1,485.92	1,733.55	1,981.22	2,228.86	2,724.18	3,219.46	3,714.78	4,457.73
BREEDON-ON-THE-HILL	1,462.10	1,705.76	1,949.46	2,193.13	2,680.51	3,167.85	3,655.23	4,386.27
CASTLE DONINGTON	1,530.24	1,785.26	2,040.32	2,295.34	2,805.43	3,315.49	3,825.58	4,590.69
CHARLEY	1,526.57	1,780.98	2,035.43	2,289.84	2,798.71	3,307.54	3,816.41	4,579.69
CHILCOTE	1,421.61	1,658.53	1,895.48	2,132.40	2,606.28	3,080.13	3,554.01	4,264.81
COALVILLE	1,474.26	1,719.96	1,965.68	2,211.38	2,702.81	3,194.21	3,685.64	4,422.77
COLEORTON	1,452.78	1,694.89	1,937.04	2,179.15	2,663.42	3,147.66	3,631.93	4,358.31
ELLISTOWN & BATTLEFLAT	1,484.56	1,731.98	1,979.42	2,226.83	2,721.69	3,216.53	3,711.39	4,453.67
HEATHER	1,450.60	1,692.35	1,934.13	2,175.88	2,659.42	3,142.93	3,626.48	4,351.77
HUGGLESCOTE & DONINGTON LE HEATH	1,472.92	1,718.39	1,963.89	2,209.36	2,700.34	3,191.29	3,682.28	4,418.73
IBSTOCK	1,492.56	1,741.31	1,990.08	2,238.83	2,736.36	3,233.86	3,731.39	4,477.67
ISLEY WALTON-CUM-LANGLEY	1,430.71	1,669.15	1,907.61	2,146.05	2,622.96	3,099.85	3,576.76	4,292.11
KEGWORTH	1,487.08	1,734.92	1,982.78	2,230.61	2,726.31	3,221.99	3,717.69	4,461.23
LOCKINGTON CUM HEMINGTON	1,484.98	1,732.46	1,979.97	2,227.45	2,722.45	3,217.42	3,712.43	4,454.91
LONG WHATTON and DISEWORTH	1,455.59	1,698.17	1,940.79	2,183.37	2,668.58	3,153.75	3,638.96	4,366.75
MEASHAM	1,477.98	1,724.29	1,970.64	2,216.95	2,709.62	3,202.26	3,694.93	4,433.91
NORMANTON-LE-HEATH	1,421.61	1,658.53	1,895.48	2,132.40	2,606.28	3,080.13	3,554.01	4,264.81
OAKTHORPE, DONISTHORPE and ACRESFORD	1,496.30	1,745.67	1,995.07	2,244.44	2,743.22	3,241.96	3,740.74	4,488.89
OSGATHORPE	1,463.17	1,707.02	1,950.89	2,194.74	2,682.47	3,170.18	3,657.91	4,389.49
PACKINGTON	1,461.87	1,705.50	1,949.16	2,192.79	2,680.09	3,167.36	3,654.66	4,385.59
RAVENSTONE	1,489.92	1,738.23	1,986.56	2,234.87	2,731.52	3,228.15	3,724.79	4,469.75
SNARESTONE	1,467.90	1,712.54	1,957.20	2,201.84	2,691.15	3,180.43	3,669.74	4,403.69
STAUNTON HAROLD	1,423.75	1,661.03	1,898.33	2,135.61	2,610.20	3,084.77	3,559.36	4,271.23
STRETTON-EN-LE-FIELD	1,421.61	1,658.53	1,895.48	2,132.40	2,606.28	3,080.13	3,554.01	4,264.81
SWANNINGTON	1,478.67	1,725.10	1,971.56	2,217.99	2,710.89	3,203.76	3,696.66	4,435.99
SWEPSTONE	1,475.76	1,721.71	1,967.68	2,213.63	2,705.56	3,197.46	3,689.39	4,427.27
WHITWICK	1,501.26	1,751.46	2,001.68	2,251.88	2,752.31	3,252.72	3,753.14	4,503.77
WORTHINGTON	1,445.87	1,686.83	1,927.83	2,168.79	2,650.76	3,132.69	3,614.66	4,337.59

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**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**  
**COUNCIL – THURSDAY, 22 FEBRUARY 2024**



<b>Title of Report</b>	<b>STATEMENT OF ACCOUNTS 2021/22 AND 2022/23 UPDATE</b>	
<b>Presented by</b>	Councillor Nick Rushton Corporate Portfolio Holder	
<b>Background Papers</b>	<a href="#">Statement of Accounts 2021/22 and 2022/23 Update - Audit Committee 27 July 2022</a>	<b>Public Report:</b> Yes
<b>Financial Implications</b>	There are no direct financial implications arising from this report.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	There are no direct legal implications arising from this report.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	There are no staffing and corporate implications arising from this report.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To provide Council with an updated position regarding the completion and audits of the Council's Statement of Accounts 2021/22 and 2022/23.	
<b>Recommendations</b>	<b>THAT COUNCIL:</b> <ol style="list-style-type: none"> <li><b>1. NOTES THE PROPOSED TIMETABLE FOR THE COMPLETION AND AUDIT OF THE STATEMENT OF ACCOUNTS 2021/22 AND 2022/23</b></li> <li><b>2. NOTES THE DETAILS OF THE GOVERNMENT'S PROPOSALS IN ADDRESSING THE AUDIT BACKLOGS IN THE SECTOR.</b></li> </ol>	

## **1.0 BACKGROUND**

- 1.1 The Accounts and Audit Regulations 2015 set out detailed requirements on a relevant authority, other than a health service body, in relation to its annual audit and accounting processes. These include the preparation, approval and publication of the statement of accounts (the Accounts), the annual governance statement and the narrative statement, as well as the inspection and objection rights of local electors and other interested persons.
- 1.2 The Accounts and Audit (Amendment) Regulations 2021 amended the 2015 Regulations to extend some of the deadlines for the publication and audit of accounts relating to the financial years beginning 2020 and 2021. This was in response to the challenges posed by the COVID-19 pandemic on the audit process. The amendments also required a relevant authority to publish a notice if it was not able to commence the period for the exercise of public rights as required by the 2015 Regulations.

- 1.3 The 2021 Regulations state that the draft Accounts for 2021/22 must be prepared and certified by the responsible finance officer (Section 151 Officer) by 31 July 2022 following the end of the financial year, and audited statement of accounts must have been approved and published by 30 November 2022. For the 2022/23 Accounts the draft and publication of audited Accounts deadlines were 31 May 2023 and 30 September 2023 respectively. The draft 2023/24 Accounts deadline will revert to the pre-Covid deadline of 31 May 2024. However, the deadline for audit and publication of the Accounts has been extended to 30 September 2024, reflecting the developing audit delays. This extended audit and final draft publication deadline will apply for Accounts up to and including the 2027/28 financial year.

## **2.0 NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL STATEMENT OF ACCOUNTS 2021/22 AND 2022/23**

- 2.1 The publication of the draft 2021/22 Accounts was delayed due to the ongoing issues with the 2020/21 Accounts, which meant that the statutory deadline was missed. A notice was placed on the Council's website to that effect. Details of this delay were reported to Audit and Governance Committee on 27 July 2022.
- 2.2 The delay in the publication of the Statement of Accounts 2020/21 were largely due to the Council concluding responses to queries from the external auditors regarding the Council's Property, Plant and Equipment (PPE) records.
- 2.3 The Council's external auditors, Mazars, completed the audit of the 2020/21 Accounts in April 2023, details of which were reported to Audit Committee on 26 April 2023.
- 2.4 At the same meeting, Mazars, reported its approach and timetable for completion of the 2021/22 Statement of Accounts. The estimated time for completion of the audit was September 2023. However, this has not been possible due to vacancies in the Council's Finance Team, priorities of focusing on the Council's in-year budget position, preparation of the 2024/25 budget and continuing implementation of the Council's new finance system. This is also coupled with the availability of external auditors to undertake final audit work.
- 2.5 The Council has recently agreed a revised timetable for completion with Mazars for both the 2021/22 and 2022/23 Accounts. It is proposed that the audit of 2021/22 Accounts will be completed in the coming weeks with the 2021/22 Accounts being presented to the Audit Committee meeting scheduled for 13 March 2024.
- 2.6 Following this, work will then commence on the preparation of the 2022/23 Statement of Accounts with the audit due to take place in July/August 2024, before final sign-off of the Accounts at the Audit Committee in September 2024.
- 2.7 In light of the conflicting priorities seen in recent years, additional short-term resource is being sought to enhance the capacity in the Council's Finance Team to ensure that the Council is meeting not only its financial reporting requirements but also ensuring good financial management through regular budget monitoring.

## **3.0 LOCAL AUDIT**

- 3.1 According to a report by the National Audit Office (NAO) published in October 2020, only 45% of local authorities received an audit opinion by 31 July 2019, compared with 87% in 2017-18. The main reasons for the delays were the complexity of accounting for property, plant and equipment, changes in audit standards, quality issues identified by audit regulators, and capacity constraints within audit firms.



- 3.2 In a recent Parliamentary briefing published in January 2024, it cited that, as of October 2023, a total backlog existed of 918 delayed audit opinions.
- 3.3 The government has recognised the need to reform the local audit system and launched a consultation on various proposals in December 2020. These included strengthening audit quality and standards, improving transparency and accountability, enhancing auditor reporting and recommendations, simplifying fee setting and procurement arrangements, and ensuring effective oversight and regulation of local audit.
- 3.4 In June 2023, a Public Accounts Committee report highlighted an unacceptably high backlog of audit opinions for local government, commenting it might get worse before it gets better if not addressed. Only 12% of local government bodies received audit opinions on their finances in time to publish accounts for 2021/22 at that time.
- 3.5 The report highlighted the main concerns of local audit, these being:
- Staff shortages – a limited number of staff, and senior partners, in audit firms with sufficient expertise to carry out local audits.
  - Valuation difficulties – from the late 2010s, auditors have reported difficulty in valuing non-investment properties and pension funds.
  - Decline in firms in the local audit market – the number of audit firms bidding for local audit contracts has declined since the abolition of the Audit Commission.
  - Audit Fees – audit fees are charged according to a scale that is set each year. Fees fell substantially after the abolition of the Audit Commission in 2015. However, for 2023/24 they rose by approximately 150%.
- 3.6 In July 2023, local government minister, Lee Rowley appeared before a Commons Committee citing that the aim was to spend the summer recess finalising the process to clear the audit backlog with sector bodies. This included exploring how to mitigate any unintended consequences of the measures. He stated that once statutory deadlines had been set for outstanding audits, auditors will be “*required to provide as much assurance as possible for these outstanding years*”. He went on to state that “*Where necessary, it is intended that auditors would need to limit their opinion and make clear to the users of the accounts those aspects or sections of a set of accounts which are not supported by sufficient, appropriate evidence, and which the auditor is unable to provide assurance over*”.
- 3.7 These deadlines may lead to qualifications and disclaimers for some sets of Accounts, with auditors instructed to focus on the most recent set of accounts.
- 3.8 On 9 January 2024, the Department for Levelling Up, Housing and Communities wrote to local authorities confirming that it supports the proposals set out in the Public Accounts Committee Report from July 2023 and will be launching consultation on these proposals. This includes an initial backstop date for local authorities and auditors of 30 September 2024 for all local authorities up to and including financial year 2022/23. It is recognised that in setting the backstop date may result in some qualifications of the accounts and disclaimers of opinion in the short term.
- 3.9 As a result of the delays in signing-off the 2021/22 and 2022/23 Statement of Accounts, the Accounts for the financial year 2023/24 will not be completed by the statutory deadlines. The Council will liaise with its new external auditors, Azets, to develop a suitable timetable for completion which will be reported to Audit Committee in due course.

## 4.0 CONCLUSION

- 4.1 The Council is committed to signing off its Statement of Accounts 2021/22 and 2022/23 and to ensure it meets the deadlines outlined above.
- 4.2 Additional resource in the Council's Finance Team will help to support this process and ensure that the Accounts are prepared in accordance with the relevant standards and regulations. The Council will continue working closely with its external auditors to resolve any outstanding issues and provide the necessary evidence and supporting information to expedite the completion of the Accounts.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	A well-run council
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	None.
Economic and Social Impact:	None.
Environment, Climate Change and zero carbon:	None.
Consultation/Community Engagement:	Where appropriate to do so, the Council will respond to the Government's consultation in respect of the proposed backstop to address the delays to local audits.
Risks:	<ul style="list-style-type: none"> <li>- Loss of public trust and confidence in the Council's financial management and governance.</li> <li>- Reduced transparency and accountability to the council's stakeholders, including taxpayers, service users, creditors, grant providers and regulators.</li> <li>- Increased scrutiny and intervention from external bodies, such as the Department for Levelling Up, Housing and Communities and Local Government, the National Audit Office, the Local Government Association and the Public Sector Audit Appointments.</li> <li>- Potential legal challenges or claims from aggrieved parties who may rely on the accuracy and timeliness of the financial information in the Statement of Accounts.</li> <li>- Additional costs and resources required to resolve the audit issues and complete the audit process.</li> </ul>
Officer Contact	Paul Stone Director of Resources <a href="mailto:Paul.stone@nwleicestershire.gov.uk">Paul.stone@nwleicestershire.gov.uk</a>

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**  
**COUNCIL – THURSDAY, 22 FEBRUARY 2024**



<b>Title of Report</b>	<b>ANNUAL REVIEW OF THE COUNCIL'S CONSTITUTION</b>	
<b>Presented by</b>	Councillor Nicholas Rushton Corporate Portfolio Holder	
<b>Background Papers</b>	Current Constitution Audit and Governance Report (24.01.24)	<b>Public Report: Yes</b>
<b>Financial Implications</b>	There are no direct financial implications arising.	
	<b>Signed off by the Section 151 Officer: Yes</b>	
<b>Legal Implications</b>	The Monitoring Officer has reviewed the Constitution to ensure that members and officers can make robust effective decisions. The proposed changes are based on legal advice and best practice.	
	<b>Signed off by the Monitoring Officer: Yes</b>	
<b>Staffing and Corporate Implications</b>	There are no direct staffing or corporate implications arising.	
	<b>Signed off by the Head of Paid Service: Yes</b>	
<b>Purpose of Report</b>	To explain the outcome of the Monitoring Officer's review of the Constitution and present proposed changes.	
<b>Recommendations</b>	<b>THE COUNCIL ADOPT THE PROPOSED CHANGES TO THE CONSTITUTION AS SET OUT IN APPENDICES A &amp; B WITH EFFECT FROM 7 MAY 2024.</b>	

## **1.0 BACKGROUND**

- 1.1 The Local Government Act 2000 requires each local authority to prepare, keep up to date and publicise the document known as the Constitution.
- 1.2 The Constitution should be logical, integrated and accessible to members, officers, the public and anyone else interested in the way a local authority makes its decisions. There is also a statutory requirement on the Council's Monitoring Officer to keep the Constitution up to date, and accordingly the update of the Constitution is an on-going process.
- 1.3 Full Council regularly considers items relating to updates to the Constitution. The updates are generally required due to legislative and organisational changes or to clarify and improve processes within the Council to reflect best practice.

## **2.0 METHOD OF REVIEW**

- 2.1 The review of the Constitution was led by legal services and involved consultation with officers on areas of the document which needed to be updated/amended for the purposes of clarity, to reflect any changes in the law and incorporating any feedback raised by

members. The Monitoring Officer has also engaged with the Leader and Deputy Leader of the Alliance and Leader and Deputy Leader of the Opposition to ensure that they were kept up to date on the progress of the review.

2.2 As with the 2022/23 review and following interest expressed by members in this area of work, a cross party member working group was established to feed into the work on the Constitution. The Constitution Member Working Group comprised of Councillors Everitt, Rogers, Simmons (Chair), Smith and Sutton, and met on the following dates:

- 19 September 2023
- 1 November 2023
- 6 December 2023

2.3 At its first meeting, the working group agreed its terms of reference, timetable for the review and the way that it wished to see information presented to it. The appendices to this report reflect the approach agreed by the working group. Appendix A shows the proposed changes in a summary schedule of changes. Appendix B takes extracts from each relevant section of the Constitution and shows the proposed changes as tracked changes. This enables Members to see the proposed changes in one place and in the context of the Constitution document.

2.4 Any feedback from the group has been taken into account in updating the relevant sections. Members have provided invaluable insight and constructive challenge to the review process and are thanked for their time and work on this project.

### **3.0 SUMMARY OF MAIN CHANGES PROPOSED**

3.1 The summary schedule of changes to the Constitution is provided at Appendix A. The updated extract from the Constitution is provided at Appendix B. A hyperlink on the first page helps navigate to the relevant sections. The proposed changes cover the following:

#### **1. Planning Call in**

New wording has been drafted on how conflicts of interest are dealt with. The proposed wording does not change the circumstances for when call-in is used or the procedure but clarifies how call-in will be dealt with when the Chair or Vice-Chair are unable to act to call-in an application where they have a conflict of interest. The new wording also introduces the Portfolio holder as decision maker where the Chair and Deputy Chair are both conflicted in making a decision on a call-in request.

Following feedback from Members, the call-in process has been separated out of the functions of the Planning Committee and given its own section and heading. This enables the provisions to be more easily found in the Constitution.

The proposed changes were considered by the Planning Cross Party Working Group at its meeting on 22 November 2023 along with an update to the operational process for call-in. The Group did not express any concerns with the new wording for the Constitution, and were content that the process behind it was consistent with this new wording. The comments of the Planning Cross Party Working Group were fed back to the meeting of the Constitution Working Group on 9 December 2023.

#### **2. Definition of Political Balance**

The definition of Political Balance within the glossary has been amended to cross

reference to the annual appointments report which is considered by Council at its annual meeting. It is planned to update the annual appointments report to provide more detail on how proportionality is calculated and appointments to committees are made.

### **3. Right to Buy Delegation**

Where the value of a land disposal exceeds £30,000 the decision to make the disposal lies with Cabinet. Additional wording has been added to preclude property being sold under the right to buy scheme.

Applications made by Council tenants under the right to buy legislation are assessed against a set criterion. If the applicant is deemed eligible then the Council is obliged to sell the property, it has no discretion. Given this, it is reasonable, therefore, that this be dealt with at officer level without the need to seek approval of Cabinet every time a disposal is made.

### **4. Civic Council and awards element**

New wording has been added to the Responsibilities for Functions section of Full Council to enable Council to use its discretion to make civic awards. Full Council may choose the number of awards, what for, when to give them out or choose not to make any awards at all.

### **5. Definition of Quorum**

The definition of Quorum within the glossary has been amended to clarify the position that members have to be physically present in a meeting and entitled to vote when calculating quorum.

### **6. Ability for Strategic Directors to act on each other's behalf**

Prior to 2022, the constitution contained wording which enabled Strategic Directors to step in and exercise the delegated powers of one another. These provisions have been carried forward in the new Constitution but limited only to emergency or urgent situations.

It has been requested that the previous provisions be reinstated for operational consistency, save for those matters which are delegated to the Section 151 Officer which will remain exercisable only by the S151 Officer or their Deputy.

### **7. Community bodies**

References to Community Bodies also include national and regional bodies including the airport, LGA and East Midlands Councils. It is more appropriate to call them Outside Bodies, and it is proposed that all references are changed.

### **8. Disposal Delegation and Annual Rental Delegation**

The Chief Executive suggested to reduce the limit on Delegated Disposals of land/property from £30,000 to £10,000. This is to enable Cabinet to manage the Council's property estate and, in the context of the Council's financial situation, allow transparency and Cabinet understanding the implications of disposing of assets corporately.

The second change in this section of the Constitution relates to the value of the delegations for dealing with leases of the Council's commercial property estate. As currently drafted, the granting of leases would be caught by the above delegation limit (currently £30,000 but proposed to be reduced to £10,000). The previous scheme of delegation had a specific delegation permitting the grant of a lease where the annual rental does not exceed £40,000.

The Council has a large portfolio of commercial properties for let and, for the majority of these, the total rent for the term of the lease will exceed £30,000.

It leaves the Council in a situation where Cabinet Approval is required for each individual lease. This impacts the Council's ability to efficiently operate commercial lettings.

The Head of Economic Regeneration, with the support of the Strategic Directors and the Chief Executive, has suggested to revert back to the previous position. A delegation permitting the grant of leases where the annual rental income does not exceed £40,000 but with the additional safeguards of Market Rent being achieved, a maximum lease of 15 years and only applying to the Council's Commercial Portfolio. Definitions of Market Rent and Council's Commercial Portfolio would be added to the glossary so that it is clear when this delegation can be used. This strikes the balance of member oversight whilst maintaining an efficient commercial letting operation.

## **9. Planning Code of Conduct**

It is proposed to change references to Disclosable Interest and Disclosable Pecuniary Interests in the planning code of conduct to Registerable and Other Registrable interests to provide consistency with the Councillors Code of Conduct.

## **10. Dispensations in the Councillors Code of Conduct**

It is proposed to reword the reference to dispensations in the Councillors Code of Conduct. The revised wording will clarify the intentions and true meaning behind the ability to give dispensations. As currently written, it reads as though the granting of a dispensation only allows a Member to stay in the room (and not vote) but this is not the intention of a dispensation. The granting of a dispensation allows a member to also participate and vote on a matter.

Additional wording is also suggested to the glossary in relation to the definition of dispensations, to include reference to the Monitoring Officer being able to grant them. This provides consistency and accuracy to the provisions of the constitution.

Amended wording is also suggested to the Access to Information Procedure Rules, amending reference from Chief Executive to Monitoring Officer or the Audit and Governance Committee as it is in fact these who have the power to grant dispensations and not the Chief Executive.

## **11. Independent Persons**

There are two types of Independent Persons referred to in the Constitution. The first are those whose role it is to sit on the Audit and Governance Committee. The second are those who are involved in Councillor Code of Conduct matters.

In relation to the former, it is proposed to add wording to the Audit and Governance Committee form and structure section to make it clear that Independent Persons for

the Committee will be appointed by the Committee. In practice, the Committee may delegate this function to the Chair and/or a smaller number of members of the Committee.

This follows recent CIPFA guidance that "...recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise."

In relation to the latter, it is proposed that wording is included to specifically identify that the appointment of IP's to the pool, for the purpose of Councillor Code of Conduct matters, will be a function of Full Council. IP's terms of office in this context run for four years.

## **12. Ordinary Meetings of the Council**

A minor change is proposed which clarifies the current wording of what will happen at Ordinary Meetings of full council by adding "any" into all the functions. The consistent use of the word any throughout the paragraph means that each function is not mandatory at every ordinary meeting but should be considered where relevant.

## **13. Supplementary Estimates**

A supplementary estimate is an addition to the Council's agreed budget. Supplementary estimates can be one-offs, or recurring. It is proposed to include a new threshold £0-£9,999 so that the s151 officer can approve low value supplementary estimates to avoid these needing to go to Cabinet.

Cabinet approved this delegation at their meeting on 21 November 2023 and the intention here is to formalise this within the Constitution.

## **14. Access to Information Rules**

It is proposed that all references to the council offices/offices/designated office shall be updated to 'Council Offices' to maintain consistency.

A definition of the term "Council Offices" will also be included in the glossary that's covers Whitwick Business Centre, Stenson House and the Customer Contact Centre as appropriate.

In addition, new wording is proposed to ensure that the legislation is reflected in the Constitution. Where the legislation specifically states that a notice is to be published on both the Council's website and at the offices, this shall be spelt out specifically and consistently throughout the access to information rules. Previously the language had been used intermittently which was not an accurate reflection of the requirements of the legislation.

- 3.2 In addition to the main changes, a cold read of the entire Constitution will be undertaken to correct any inconsistencies.
- 3.3 It is proposed that the changes are adopted from the new civic year, on 7 May 2024.

#### 4.0 AUDIT AND GOVERNANCE COMMITTEE

4.1 The Audit and Governance Committee considered the proposed changes to the constitution on the 24 January 2024. They made a recommendation that Council adopt these with effect from 7 May 2024. No further comment was made in relation to the proposals.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	A well-run council
Policy Considerations:	The constitution sets out how the council makes decisions and its governance arrangements
Safeguarding:	N/A
Equalities/Diversity:	N/A
Customer Impact:	A clear yet comprehensive constitution will enable customers to understand the functions and responsibilities of the Council and hold the Council to account.
Economic and Social Impact:	N/A
Environment, Climate Change and zero carbon:	N/A
Consultation/Community Engagement:	N/A
Risks:	An up to date Constitution is a legal requirement
Officer Contact	Elizabeth Warhurst Head of Legal and Commercial Services <a href="mailto:elizabeth.warhurst@nwleicestershire.gov.uk">elizabeth.warhurst@nwleicestershire.gov.uk</a>



Table of Proposed Changes to the Constitution

For ease, please find [link](#) to the current Constitution

	Item for Review	Current Wording	Proposed Wording	Change
1	Planning Call-in	See para 2.4, page 37 of the Constitution	See Appendix B	<p>The new wording does not change the circumstances for when call in is used nor does it change the procedure. It simply clarifies the old wording.</p> <p>The new wording does introduce the Portfolio holder as decision maker where the Chair and Deputy Chair are conflicted out of a making a decision.</p> <p>Following the Planning Cross Party Working Group changes were agreed to the Call in process and the wording for the constitution. See appendix B.</p> <p>The changes to the Call in process do not need to be implemented into the constitution as the process is the action taken in order to achieve the constitutional requirements.</p> <p>The suggested amended wording in relation to conflicts of</p>

				interests can be seen in red at Appendix A.
2	Political Balance	The Glossary includes a definition of political balance at page 351 which refers to the relevant legislation that applies.	Definition of Political Balance in the glossary to include additional sentence at the end "Further information is contained in the annual appointments report."  See Appendix B	New wording minor amendment to cross reference to the annual appointments report.
3	Right to Buy Delegation	"...the power to dispose of any land or property with a capital value up to or equal to £30,000 is reserved to the Chief Executive and the Strategic Directors in consultation with the relevant Portfolio Holder."	"...the power to dispose of any land or property with a capital value up to or equal to £30,000 is reserved to the Chief Executive and the Strategic Directors in consultation with the relevant Portfolio Holder. For clarity, this clause 8.4 does not apply to disposals under Part V Of the Housing Act."  See Appendix B	Additional wording to preclude property being sold under the right to buy scheme. Applications made by council tenants under the right to buy legislation are assessed against a set criterion. If the applicant is deemed eligible than the Council is obliged to sell the property, they have no discretion. It is correct, therefore, that this be dealt with at officer level and not seek approval of Cabinet every time a disposal is made. Clause 8.4 of the Scheme of Delegation is potentially ambiguous, so the new wording removes this ambiguity.
4	Civic Council and awards element	There is currently nothing in the Constitution that recognises Civic Awards	New para 38. at Part 2 Responsibilities for Functions Section C Full Council (page 27):  "to make discretionary Civic Awards."	This will enable to Council to see its discretion to make civic awards. They may choose the amount of awards, what for,

			See Appendix B	when to give them out or choose not to make any awards at all.
5	Definition of Quorum	Definition in the Glossary Quorum -The minimum number of people who have to be present before a meeting can take place.	Quorum -The minimum number of people who have to be present and entitled to vote before a meeting can take place.  See Appendix B	This clarifies the position that members have to be physically present in a meeting and entitled to vote when calculating quorum.
6	Ability for Strategic Directors to act on each others' behalf	Currently the Strategic Directors can step in and make decisions on each other's areas but only in limited emergency circumstances.	New clause 14 at section G1 Introduction to the officer scheme of delegation  "The functions delegated to the Strategic Directors under this scheme of delegation are those functions, which fall within their areas of responsibility. However, save where powers are conferred in accordance with the Strategic Directors position as section 151 officer, Strategic Directors can exercise the powers of other Strategic Directors."  See Appendix B	The constitution prior to 2022 contained wording which enabled SD's to step in and exercise the delegated powers of one another. These provisions have been carried forward in the new constitution but limited only to emergency or urgent situations.  It has been requested that the previous provisions be reinstated for operational consistency
7	Community bodies	Section E – Roles and Responsibilities for Councillors Part C (page 282) "To actively channel grievances, needs and aspirations of your constituents and community bodies into the scrutiny process"  Section G – Planning Code of Conduct para 3.7.3 (page 297) "from membership of other public or community bodies;"	"To actively channel grievances, needs and aspirations of your constituents and outside bodies into the scrutiny process"  "from membership of other public or outside bodies;"  See Appendix B	In practice, references to Community Bodies also include national and regional bodies including the airport, LGA and East Midlands Councils. It is more appropriate to call them Outside Bodies.

8	Disposal Delegation and Annual Rental Delegation	<p>“Subject to the agreement of the S151 Officer, the power to dispose of any land or property with a capital value up to or equal to £30,000 is reserved to the Chief Executive and the Strategic Directors in consultation with the relevant Portfolio Holder. Disposal of any land or property with a capital value over £30,000 is reserved to Cabinet.”</p> <p>“...the power to dispose of any land or property with a capital value up to or equal to £30,000 is reserved to the Chief Executive and the Strategic Directors in consultation with the relevant Portfolio Holder.”</p>	<p>Both amendments occur to clause 8.4 in G2.</p> <p>In relation to the Disposal Delegation change reducing £30,000 to £10,000.</p> <p>In relation to the Annual Rental Delegation, an explanation that leasehold disposals are not covered under the delegation 8.4 and instead shall be dealt with using the new clause 8.6: <i>“Subject to the agreement of the Section 151 Officer, the power to grant a lease or licence at <b>Market Rent</b> of any land or property that is part of the <b>Council’s Commercial Portfolio</b> for any period up to a maximum of 15 years where the rent is up to £40,000 per annum is reserved to the Chief Executive and the Strategic Directors in consultation with the relevant Portfolio Holder.”</i></p> <p><i>New definitions added to Glossary: <b>“Council’s Commercial Portfolio</b> means Industrial units we hold purely for letting out on a commercial basis. <b>Market Rent</b> a value confirmed by the Council’s valuer as market rent.”</i></p> <p>See Appendix B</p>	<p>In relation to the Disposal Delegation, reducing the limit on delegated disposals of land/property from £30,000 to £10,000 to enable cabinet to manage the Council’s property estate and in the context of the current financial situation allowing transparency and Cabinet understanding the implications of disposing of assets corporately.</p> <p>In relation to the Annual Rental Delegation, the previous scheme of delegation had a specific delegation permitting the grant of a lease where the annual rental does not exceed £40,000. The Council has a large portfolio of commercial properties for let and for the majority of these, the total rent for the term of the lease will exceed £30,000. It leaves officers in a situation where Cabinet approval is required for each individual lease which impacts the ability to efficiently operate the commercial lettings.</p>
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9	Planning Code of Conduct	See Part 4 Codes and Protocols Section G Planning Code of Conduct	Turning bold all references to defined terms. <b>Disclosable Pecuniary Interests</b> and <b>Other Registerable interest</b> . Changing all references to Disclosable Interest to Registerable interest and Disclosable Non Pecuniary Interest to say Other Registerable Interest.  See Appendix B	These changes provide consistency to the newly adopted Councillor Code of Conduct.
10	Dispensations	See Appendix B – Interests at Councillors Code of Conduct  “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.”  Definition of Dispensation “Where Councillors have an interest in a matter, the Audit and Governance Committee may, in some circumstances, grant a Councillor a dispensation to speak, and	“c. must not remain in the room unless you have been granted a Dispensation”  In relation to the Definition of Dispensation “Where Councillors have an interest in a matter, the Monitoring Officer or the Audit and Governance Committee may, in some circumstances, grant a Councillor a dispensation to speak, and sometimes to vote, depending upon the nature of the interest.”	There are three identical changes at this section, 3.1, 3.2 and 3.3. It currently reads as though the granting of a dispensation only allows a member to stay in the room but this is not the intention. The granting of a dispensation allows a member to also participate and vote on the matter. By dropping the wording “unless you have been granted a dispensation down a line, the addresses grammatically the intention of the wording.  In relation to the definition of dispensations, including Monitoring Officer as someone who is able to grant them. This is currently omitted but by adding provides consistency and accuracy to the provisions of the constitution.

		<p>sometimes to vote, depending upon the nature of the interest.</p> <p>At clause 18.6 of Section c – access to information procedure rules “(f) a note of any relevant dispensation granted by the Chief Executive.”</p>	<p>In relation to section 18.6 Section c – access to information procedure rules “(f) a note of any relevant dispensation granted by the Monitoring Officer or the Audit and Governance Committee.”</p> <p>See Appendix B</p>	<p>In relation to section 18.6 Section c – access to information procedure rules, amending reference from Chief Executive to Monitoring Officer or the Audit and Governance Committee as it is in fact these who have the power to grant dispensations and not the Chief Executive.</p>
11	Independent Persons	<p>See para 1.7 Section D7 – Audit and Governance Committee. “1.7 Two Independent Persons may be co-opted as required to the Audit and Governance Committee to advise on finance matters or to a Sub-Committee of the Audit and Governance Committee in relation to standards matters but will not be entitled to vote at meetings.”</p>	<p>Change to 1.7 and new 1.8 “1.7 Two Independent Persons may be co-opted as required to the Audit and Governance Committee to advise on finance matters provide appropriate technical expertise or to a Sub-Committee of the Audit and Governance Committee in relation to standards matters but will not be entitled to vote at meetings. It shall be a function of the Audit and Governance Committee to appoint any Independent Person for this purpose.”</p> <p>“1.8 An Independent Person may be co-opted as required to a Sub-Committee of the Audit and Governance Committee in relation to Councillors Code of Conduct matters. Full Council appoint a pool of Independent Persons which can be drawn on for this purpose.”</p> <p>See Appendix B</p>	<p>Within the first change, 1.7, the addition of a wording within the A&amp;G committee form and structure section to make it clear that Independent Persons for A&amp;G Committee will be appointed by the Committee.</p> <p>This follows recent CIPFA guidance that “...recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.”</p> <p>Within the second change, 1.8, identifying that the appointment of IP’s to the pool, for the purpose of Councillor Code of Conduct matters, will be a function of Full Council.</p>

12	Ordinary Meetings of the Council	Section A2 – Procedure rules	See Appendix B	Inclusion of the words ‘any’ at clauses 2.4.9, 2.4.10 and 2.4.11 to ensure consistency with the other clauses within 2.4.																															
13	Supplementary Estimates	<p>Section F Financial Procedure Rules A.27</p> <table border="1" data-bbox="472 480 974 699"> <thead> <tr> <th rowspan="2">Value</th> <th colspan="2">Approval Level Required</th> </tr> <tr> <th>Fully Externally Funded</th> <th>Requires Council Funding</th> </tr> </thead> <tbody> <tr> <td>Between £0 and £99,999</td> <td>Head of Service (then reported to Cabinet at next meeting)</td> <td>Cabinet</td> </tr> <tr> <td>Between £100,000 and £249,999</td> <td>Cabinet</td> <td>Cabinet</td> </tr> <tr> <td>£250,000</td> <td>Full Council</td> <td>Full Council</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> <li>In all circumstances Supplementary Estimates require approval by the S151 Officer.</li> <li>Council funding includes (but is not limited to) revenue budget, reserves, Section 106, capital receipts and borrowing. S151 Officer decision will <u>undertaken</u> an assessment.</li> <li>Supplementary Estimates should not be artificially disaggregated.</li> <li>Supplementary Estimates rules apply to capital and revenue</li> </ol>	Value	Approval Level Required		Fully Externally Funded	Requires Council Funding	Between £0 and £99,999	Head of Service (then reported to Cabinet at next meeting)	Cabinet	Between £100,000 and £249,999	Cabinet	Cabinet	£250,000	Full Council	Full Council	<p>See Appendix B</p> <table border="1" data-bbox="1010 443 1597 703"> <thead> <tr> <th rowspan="2">Value</th> <th colspan="2">Approval Level Required</th> </tr> <tr> <th>Fully Externally Funded</th> <th>Requires Council Funding</th> </tr> </thead> <tbody> <tr> <td>Between £0 and £9,999</td> <td>S151 Officer-Head of Service (then reported to Cabinet at next meeting)</td> <td>S151 Officer-Cabinet</td> </tr> <tr> <td>Between £10,000 and £99,999</td> <td>Head of Service (then reported to Cabinet at next meeting)</td> <td>Cabinet</td> </tr> <tr> <td>Between £100,000 and £249,999</td> <td>Cabinet</td> <td>Cabinet</td> </tr> <tr> <td>£250,000 and over</td> <td>Full Council</td> <td>Full Council</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> <li>In all circumstances Supplementary Estimates require approval by the S151 Officer.</li> <li>Council funding includes (but is not limited to) revenue budget, reserves, Section 106, capital receipts and borrowing. S151 Officer decision will <u>undertaken</u> an assessment.</li> <li>Supplementary Estimates should not be artificially disaggregated.</li> <li>Supplementary Estimates rules apply to capital and revenue.</li> </ol>	Value	Approval Level Required		Fully Externally Funded	Requires Council Funding	Between £0 and £9,999	S151 Officer-Head of Service (then reported to Cabinet at next meeting)	S151 Officer-Cabinet	Between £10,000 and £99,999	Head of Service (then reported to Cabinet at next meeting)	Cabinet	Between £100,000 and £249,999	Cabinet	Cabinet	£250,000 and over	Full Council	Full Council	<p>A supplementary estimate is an addition to the Council's agreed budget. Supplementary estimates can be one-offs, or recurring. Inclusion of a new bracket £0-£9,999 so that the s151 officer can approve low value supplementary estimates to avoid these needing to go to Cabinet.</p> <p>Cabinet approved this delegation on 21 November and the intention here is to formalise this within the constitution.</p>
Value	Approval Level Required																																		
	Fully Externally Funded	Requires Council Funding																																	
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14	Access to Information Rules	See Part 3 Section C Access to Information	See Appendix B	<p>The current wording of this section has been identified to have an inconsistency of language.</p> <p>All references to the council offices/offices/designated office updated to ‘Council Offices’ to maintain consistency.</p> <p>No definition of the Council Offices stipulated to enable discretion between Whitwick</p>																															

				<p>business Centre, Stenson house and the customer Contact Centre as appropriate.</p> <p>Para 5.3, 12.1.2, 12.2.2(c) and 15.3 updated to include publication at the Council's offices and on the Councils website to provide consistency with other paragraphs and reflect the legislation. Previously they had only stated that certain notices needed to be published on the Council's website when in fact they also need to be published at the Councils Offices.</p>
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| 1. Planning Call-in

## SECTION D4 - PLANNING COMMITTEE

### 1 COMMITTEE FORM AND STRUCTURE

#### Committee scope

- 1.1 The majority of planning applications are dealt with by Officers under delegated powers from the **Planning Committee**, as they are relatively straightforward. Consequently, the determination of all non-executive decisions under the Planning Acts is delegated to the Strategic Directors, apart from those matters reserved to the Planning Committee under this Section D4.
- 1.2 Where development control functions are discharged by the **Planning Committee**, the meeting will consider applications and related planning matters which are being determined or considered by the Council as the Local Planning Authority.
- 1.3 Without prejudice to the generality of paragraph 1.1 above, the Planning Committee has delegated responsibility for determining the following to the Strategic Directors:
- Agricultural Prior Approval
  - East Midlands Airport Informal Notification
  - Certificate of Alternative Appropriate Development
  - Certificate of Lawful Development – Existing
  - Certificate of Lawful Development – Proposed
  - County Council Consultation
  - Demolition Prior Approval
  - Discharge of Conditions
  - Habitat Regulations Assessment
  - Hedgerow Removal Notice
  - Neighbouring Authority Consultation
  - Non-Material Amendment
  - Overhead Lines Notification
  - Pre-Application Advice
  - Pre-Application Advice - Major
  - Applications querying whether Planning Permission is required
  - Prior Approval for Householder development
  - Works to trees in a conservation area

### **Composition**

- 1.4 The **Planning Committee** will comprise 11 Councillors in **Political Balance**.
- 1.5 The Chair will be appointed by **Full Council** annually.

### **Quorum**

- 1.6 The **Planning Committee Quorum** will be 3 **Councillors**.

### **Substitutes**

- 1.7 Each group may appoint substitutes in accordance with the **Councillors' Substitute Scheme Procedure Rules** in **Part 3**.

## **2 MATTERS RESERVED FOR THE PLANNING COMMITTEE**

- 2.1 The determination of an application that is contrary to the provisions of an approved or draft development plan policy and is recommended for permission, which in the opinion of the relevant Strategic Director the application is likely to:

- (a) be potentially controversial; or
- (b) be of significant public interest; or
- (c) have a significant adverse impact on the environment; or
- (d) raise matters which should be referred to the Planning Committee.

- 2.2 The determination of an application that is submitted by or on behalf of the Council for its own development, except for the approval of development which is unlikely to have any major impacts and to which no material planning objections (in the opinion of the relevant Strategic Director) have been received.

- 2.3 The determination of an application where a legal agreement (S106 or similar) is required, except in the case of minor non-contentious agreements or minor amendments to existing legal agreements.

- 2.4 Excluding those types of applications detailed at paragraph 1.3 above, the determination of an application where [the effective use of the Call-in procedure has been executed in accordance with paragraph 3.-](#)

~~(a) a ward member of the ward to which the application relates or the ward member of an adjoining ward (if that adjoining ward is materially impacted by the application) has notified the relevant Strategic Director (in writing or by email within 4 weeks of being notified of the application) that the application should be determined by the Planning Committee; and~~

~~(b) in the opinion of the Chair having consulted the relevant Strategic Director (or his~~

~~nominated officer);~~

~~(i) the notification is supported by one or more material planning grounds; and~~

~~(ii) the item relates to a matter of local concern;~~

~~Provided that where the relevant ward member or neighbouring ward member has a disclosable pecuniary interest in the application in question, this "call in" shall automatically be triggered for consideration by the Chair under (b) above.~~

~~Where the Chair decides that an application does not satisfy (b)(i) or (ii) above, written reasons shall be given to the requesting member.~~

2.5 The determination of an application that is recommended for approval by officers and is submitted by:

(a) a serving member or officer of the Council; or

(b) the close relative of a serving member or officer of the Council

except for the approval of an application which in the opinion of the relevant Strategic Director (or a nominated officer) is unlikely to have any major impacts and to which no objections have been received.

2.6 The determination of any application or matter that the relevant Strategic Director refers to the Planning Committee, including (but not limited to) any consultation on an executive function, provided that where the matter referred to the Committee relates to an executive function, the Committee's view shall be subject to being agreed with the relevant portfolio holder or agreed by Cabinet.

2.7 The making of orders to revoke or modify planning permissions, to impose conditions to remove buildings or repair listed buildings.

2.8 To consider objections or other representations in relation to making tree preservation orders.

2.9 Serving Building Preservation Notices or Listed Building Repair Notices, except where it is necessary to serve a notice in an emergency.

2.10 To determine matters referred to it following the receipt of objections or other representations in relation to:

(a) Public Footpath Orders under the Town and Country Planning Act 1990;

(b) Footpath Diversion Orders under the Highways Act 1980.

### 3. Call in procedure

3.1 Call -in for the purpose of Para 2.4 is when the Chair of Planning Committee, in consultation with the Strategic Director (or his nominated officer), is satisfied that the following requirements are met:

- 3.1.1 the notification is supported by one or more material planning grounds; and
- 3.1.2 the item relates to a matter of local concern.
- 3.2 If a decision is made that the application does not satisfy 3.3.1 and/or 3.3.2, written reasons shall be given.
- 3.3 The Chair of Planning Committee shall have cause to consider a request for Call-in if:
- 3.3.1 a ward member of the ward to which the application relates or the ward member of an adjoining ward (if that adjoining ward is materially impacted by the application) has notified the relevant Strategic Director (in writing or by email within 28 days of being notified of the application) that the application should be determined by the Planning Committee; or
- 3.3.2 a ward member of the ward to which the application relates or the ward member of an adjoining ward (if that adjoining ward is materially impacted by the application) has not notified the relevant Strategic Director but has a conflict of interest which would result in them being unable to take part in the application in question.
- 3.4 If the Chair of Planning Committee is the ward member at (3.3.1) or (3.3.2) above, or the Chair has some other conflict of interest (provided that where the interest falls under para 2.5, the requirements of 2.5 are engaged) then the duty to consider the request for Call-in shall pass to the Deputy Chair.
- 3.5 If both the Chair and Deputy Chair have a conflict of interest (provided that where the interest falls under para 2.5, the requirements of 2.5 are engaged) then the duty to consider the request for Call-in shall pass to the Planning Portfolio Holder.
- 3.6 For the purpose of this clause 3 a conflict of interest is where a member has a registerable interest which would prevent them from making a decision in accordance with the Councillors Code of Conduct.



| 2. Political Balance

<p><b>Political Balance</b></p>	<p>Political balance means: (i) That not all seats on the committee, sub-committee or relevant joint authority or joint committee ("the body") are allocated to the same political group; (ii) That the majority of seats on the body are allocated to a political group holding the majority of seats on the Council; (iii) That, subject to (i) and (ii) above, the total number of seats held by each political group on all committees of the Council taken as a whole is proportionate to that group's membership of the authority; and (iv) That, subject to (i) and (iii) above, the number of seats held by each political group on individual bodies is proportionate to that group's membership of the Council. <a href="#">Further information is contained in the annual appointments report.</a></p>
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3. Right to Buy Delegation

8. Disposal Delegation and Annual Rental Delegation

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## **SECTION G2 - GENERAL DELEGATIONS TO DESIGNATED OFFICERS**

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### **1 General**

- 1.1 To exercise any functions, powers and duties of the Council to secure the effective management of their service areas including the authorisation of any procedures or contracts within the framework of **Financial Procedure Rules** in **Part 3** and **Contract Procedure Rules** in **Part 3**, and taking and implementing decisions to maintain the operational effectiveness of their service areas where these fall within a policy decision made by the Council or Cabinet.
- 1.2 To implement and develop initiatives within the strategic policy framework and other Council plans and policy documents.
- 1.3 To carry out, or authorise the carrying out, of the functions of the **Proper Officer** of the Council in any legislation relating to those areas of responsibility assigned to **Designated Officers**.
- 1.4 To exercise the general power of competence under the Localism Act 2011 where appropriate.

### **2 Incidental powers**

- 2.1 In addition to any of their general and/or specific delegated functions and powers set out below, to enter into arrangements or do anything else which is calculated to facilitate, or is conducive or incidental to, the discharge of such delegated functions.

### **3 Service Performance**

- 3.1 To make arrangements to secure value for money in respect of their service areas, to secure continuous improvement in the way functions are exercised having regard to a combination of economy, efficiency and effectiveness, and to maximise economic, environmental and social value.
- 3.2 To arrange consultation with ~~tax payer~~taxpayers, non-domestic rate-payers, service users and other local representatives about fulfilment of the best value duties and to involve representatives of local persons in the exercise of Council functions.
- 3.3 To meet business critical and key performance indicator targets.
- 3.4 To enter into any agreement with any other public body for the supply of goods and/or services subject to this being in accordance with the Council's **Budget and Policy Framework**, the **Financial Procedure Rules** in **Part 3** and the **Contract Procedure Rules** in **Part 3**.
- 3.5 To make arrangements for co-ordinating the activities of the Council and those of any charity established for purposes similar or complementary to services provided by the Council in the interests of persons who may benefit from those services or from the charity and to disclose to any such charity any information obtained in connection with the services provided by the Council.
- 3.6 To approve any severance payment to any Officer up to £20,000 in consultation with the **S151 Officer** and **Monitoring Officer**, provided that any proposed severance payment to the **Head of Paid Service** will be dealt with either by the **Investigatory Committee** or **Full Council** (dependent on the value of the proposed severance payment).

### **4 Legal**

- 4.1 To recommend to the **Head of Legal and Support Services**, where it is necessary to give effect to a decision of the Council, the need to institute, prosecute, defend, conduct, participate in, withdraw or settle any legal proceedings brought by or against the Council, to make any necessary applications and to take steps to enhance or protect the Council's legal position or interest.
- 4.2 To recommend to the **Head of Legal and Support Services**, the negotiation and settling of claims and disputes without recourse to court proceedings including the use of alternative dispute resolution.
- 4.3 Subject to the agreement of the **Head of Legal and Support Services**, to authorise Officers to appear on the Council's behalf in proceedings before any Court or Tribunal.
- 4.4 To prepare, issue and serve any statutory notice, demand, certificate, order, or requisition for information in respect of functions in their area, including the authentication of such documents save that the authentication of documents necessary for any legal procedure or proceedings is reserved to the **Head of Legal and Support Services**.
- 4.5 To authorise Officers to enter and/or inspect any land or premises in respect of which the Council has a statutory power or duty to enter or inspect including the obtaining and enforcement of a search warrant.
- 4.6 To authorise any Officer exercising a power to enter and/or seize items found on premises to exercise the powers of seizure, to give the required notice and to perform the duties to return certain items seized and to secure certain items seized.
- 4.7 To apply, or to authorise other Officers to apply, to a Court for a warrant to enter any land or premises, in exercise of his/her responsibilities.
- 4.8 To certify that any document forms part of the records of the Council for the purpose of admitting that document as evidence in civil proceedings.
- 4.9 To authorise the recovery of sundry debts of any sum to which the Council is entitled.
- 4.10 To take the action necessary to comply with any court order made against the Council.
- 4.11 To appoint Officers as authorised Officers for any statutory purpose.
- 4.12 To accept, hold and administer any property on trust (in consultation with the **Head of Legal and Support Services** and **S151 Officer**).
- 4.13 To supply photocopies of documents to the general public subject to making such charges as may be agreed in an approved scheme in accordance with the provisions of the Copyright, Designs and Patents Act 1988.
- 5 **Administrative Matters**
  - 5.1 Power to deal with requests for access to Council premises by the media.
  - 5.2 Power to waive charges, where justified in exceptional circumstances and where this is legally permissible.
- 6 **Finance**

6.1 Officers are referred to the **Financial Procedure Rules** in **Part 3** of the **Constitution**.

## 7 **Contracts**

7.1 Officers are referred to the **Contract Procedure Rules** in **Part 3** of the **Constitution**.

## 8 **Property Matters**

8.1 Any decision concerning the management or use of land held for the operational requirements of the Officers of a service area, subject to the following provisions.

8.2 Powers to take any action or sign any document under the Land Registration Rules, including the release of mortgages or charges; and powers to give any undertaking are reserved to the **Head of Legal and Support Services**.

8.3 Subject to the agreement of the **S151 Officer**, the power to acquire any land or property with a capital value up to or equalling £100,000 except by use of compulsory powers is reserved to the **Chief Executive** and the **Strategic Directors** in consultation with the relevant Portfolio Holder. The power to acquire any land or property with a capital value over £100,000 is reserved to Cabinet.

8.4 Subject to the agreement of the **S151 Officer**, the power to dispose of any land or property with a capital value up to or equal to £30,000 is reserved to the **Chief Executive** and the **Strategic Directors** in consultation with the relevant Portfolio Holder. Disposal of any land or property with a capital value over £30,000 is reserved to Cabinet. [For clarity, this clause 8.4 does not apply to disposals under Part V Of the Housing Act or disposals made by way of lease of 7 years or greater. This is provided for under paragraph 8.6.](#)

8.5 Subject to the agreement of the **S151 Officer**, the power to take a lease or licence of any land or property for any period where the rent is up to £100,000 per annum is reserved to the **Chief Executive** and the **Strategic Directors** in consultation with the relevant Portfolio Holder. Taking a lease or licence of any land or property for any period where the rent is over £100,000 per annum is reserved to Cabinet.

8.6 [Subject to the agreement of the Section 151 Officer, the power to grant a lease or licence at Market Rent of any land or property that is part of the Council's Commercial Portfolio for any period up to a maximum of 15 years where the rent is up to £40,000 per annum is reserved to the Chief Executive and the Strategic Directors in consultation with the relevant Portfolio Holder](#)

## 9 **Emergencies (e.g. flooding, power failure etc.)**

9.1 Where an emergency or disaster involving destruction of or danger to life or property occurs or is imminent or there is reasonable ground for apprehending such an emergency or disaster, all **Designated Officers** may:

9.1.1 incur such expenditure as is considered necessary in taking action (either by the Council itself or jointly with any other person or body and either in their area or elsewhere in or outside the United Kingdom) which is calculated to avert, alleviate or eradicate in the **District** or among its inhabitants the effects or potential effects of the event; and

9.1.2 make grants or loans to other persons or bodies in respect of any such action taken by those persons or bodies, subject to ratification where necessary, as soon as possible,

and subject to agreement of a **Strategic Director** or the **Chief Executive**.

- 9.2 The preparation of Civil Emergency Plans for the Council, in consultation with all necessary outside bodies and organisations.

## 10 **Responding to consultations and proposals**

- 10.1 To respond to consultations and to make comments and representations on matters notified to the Council by third parties including (but not limited to) Government Departments, statutory undertakers and local authorities, in consultation with the relevant Strategic Director and **Portfolio Holder**.

## 11 **Submission of grant funding bids**

- 11.1 To submit bids for grant funding and/or other financial assistance to Government departments and other organisations and bodies for projects and initiatives consistent with Council policies, following consultation with the relevant Strategic Director and **Portfolio Holder**, and to enter into any such agreements and arrangements as necessary to secure such funding, in accordance with the **Contract Procedure Rules** in **Part 3** and the **Financial Procedure Rules** in **Part 3**.

## 12 **Complaints**

- 12.1 To take action regarding complaints received.

- 12.2 To settle any Ombudsman / Complaint Cases:

12.2.1 cases of alleged maladministration where there has not been a finding of maladministration by the Ombudsman; and

12.2.2 complaints that have been brought against the Council under any of its internal complaints' procedures in conjunction with the **Head of Legal and Support Services**.

- 12.3 To approve compensation payments to remedy complaints in accordance with the Council's Complaints Procedure and **Financial Procedure Rules** in **Part 3**.

## 13 **Attestation of the Common Seal of the Council**

- 13.1 A decision of the Council, Cabinet, a Committee, or any Officer with delegated authority, will be sufficient authority for sealing any document necessary to give effect to the decision.

- 13.2 The Common Seal will be affixed to those documents which in the opinion of the **Head of Legal and Support Services** should be sealed or where required by the **Contract Procedure Rules** in **Part 3**.

- 13.3 The affixing of the Seal on documents shall be attested by the **Head of Legal and Support Services** or any Officer authorised by him/her.

4. Civic Council and Awards Element



## SECTION C - FULL COUNCIL

### ONLY THE FULL COUNCIL SHALL HAVE RESPONSIBILITY:

1. to approve, adopt and agree changes to the **Constitution** (subject to paragraph 3.12 of Section G3 of Part 2);
2. to approve, adopt and agree changes to the **Budget and Policy Framework**;
3. to approve, adopt and agree changes to the Council's [Pay Policy Statement](#);
4. to approve, adopt and agree changes to the **Councillors' Allowance Scheme in Part 5**, following a report from the Independent Remuneration Panel;
5. to approve, adopt and agree changes to any applications to the Secretary of State for a **Housing Land Transfer**;
6. for the appointment of an Electoral Registration Officer;
7. for the appointment of a Returning or Acting Returning Officer for Parliamentary, local and Police and Crime Commissioner elections and referenda;
8. for Parishes including:
  - 8.1. dealing with any issues relating to the establishment and any community governance review of parish councils and their consequent electoral arrangements;
  - 8.2. dissolving small parish councils under section 10 of the Local Government Act 1972;
  - 8.3. making orders for grouping parishes, dissolving groups and separating parishes from groups under section 11 of the Local Government Act 1972;
  - 8.4. dividing electoral divisions into polling districts at local government elections under;
  - 8.5. making temporary appointments to parish councils;
  - 8.6. changing the name of a parish.
9. for the name and status of areas and individuals including:
  - 9.1. changing the name of the **District**;
  - 9.2. conferring the title of Honorary Alderman or admission to be and Honorary Freeman.
10. for agreeing the basis on which appointments to outside bodies should be made and appointing to outside bodies except where appointment to those bodies is an **Executive Function** or has been otherwise delegated;

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11. to agree the appointment of **Councillors to Committees in Political Balance**;
12. in the absence of any express statutory prohibition, every Board or Committee appointed by the Council may appoint **Sub-Committees** for purposes and duration to be specified by the Board or Committee. They may also make specific delegations to Officers;
13. to elect the Chair and appoint the **Deputy Chair of the Council**;
14. to elect the Leader of the Council for a one-year term and to remove the Leader of the Council;
15. to determine annually the revenue and capital budgets (the Medium Term Financial Strategy) and levying Council Tax and the capital programme along with the **Treasury Management Strategy**, Investment Strategy and any Prudential Indicators;
16. to take decisions which would represent a departure from the strategies and budgets previously agreed in the **Budget and Policy Framework** including determining supplementary estimates which are outside the authority spend available to the **Cabinet**;
17. agreeing and/or amending the terms of reference for Non-Executive Committees and working groups (save those constituted by the **Scrutiny Committee**) and deciding on their composition;
18. to make, amend, revoke, re-enact or adopt by-laws and promoting or opposing the making of local legislation or personal Bills;
19. confirming the appointment or dismissal of the **Head of Paid Service**;
20. to designate the appropriate Officer posts as the **Monitoring Officer** and the **S151 Officer**;
21. to appoint **Independent Person(s)** under the Localism Act 2011 in relation to the **Councillors' Code of Conduct in Part 4** and Statutory Officer discipline;
22. to appoint Chairs of **Committees** (though Committees may appoint to fill a casual vacancy);
23. to determine any matter which is properly referred to it for determination by a **Committee** or **Sub-Committee** in relation to **Non-Executive Functions**;
24. to determine whether functions which are classified as "Local Choice" functions should be reserved to the Council or exercised by Cabinet;
25. to designate streets for street trading under the Local Government (Miscellaneous Provisions) Act 1982;
26. to discharge all licensing functions and such other matters which must be reserved to the **Full Council** as specified in the Licensing Act 2003 (the "Act"), or any Regulations published in relation to the Act or any other legislation or any statute or regulations amending, consolidating or replacing them including approving, reviewing and revising any Statement of Licensing Policy in relation to the Licensing Act 2003;

27. to discharge all functions which must be reserved to **Full Council** as specified in the Gambling Act 2005, or any other ancillary regulations or legislative provisions amending, consolidating or replacing the same, including:
  - 27.1. approving and revising any Statement of Gambling Policy;
  - 27.2. resolving not to issue any casino premises licences in the next three years;
28. subject to the urgency procedure contained in the **Access to Information Procedure Rules** in **Part 3**, making decisions about any matter in the discharge of an Executive Function which is covered by the policy framework or the budget where the decision maker is minded to make it in a manner which would be contrary to the policy framework or contrary to/or not wholly in accordance with the budget;
29. determining senior management structure of the organisation;
30. agreeing procedure rules, standing orders and financial regulations;
31. proposals relating to district boundaries, electoral wards and the number of district councillors;
32. agreeing an annual schedule of meetings for **Full Council** and **Committees**;
33. adopting and amending the **Council's Councillors' Code of Conduct** in **Part 4** and other codes and protocols comprising the ethical framework;
34. accepting the delegation of **Non-Executive Functions** from another local authority;
35. power to promote or oppose local or personal Bills
36. agree payments in relation to termination of employment of statutory Officers and any severance package exceeding £100,000; and
37. all other matters which, by law, must be reserved to Council.
- [38. to make discretionary Civic Awards](#)

| 5. Definition of Quorum

<b>Quorum</b>	The minimum number of people who have to be present <a href="#">and entitled to vote</a> before a meeting can take place.
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6. Ability for Strategic Directors to act on each others behalf

## SECTION G1 - INTRODUCTION TO THE OFFICER SCHEME OF DELEGATION

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- 1 “Officers” is the term used to refer to the people employed, retained or appointed by the Council to advise and support Councillors and implement their decisions. The term “Officers” in this **Constitution** includes all the people who operate in this capacity including contractors, consultants and agency staff.
- 2 The Council operates a “cascade” principle of delegation to ensure that decisions are taken at the most appropriate level closest to those who will be affected. This means that the majority of the Council's decisions and actions will fall into the category of operational day to day decisions taken by its Officers.
- 3 In order to ensure the smooth functioning of the Council and the efficient delivery of services, **Full Council** and the **Cabinet** have delegated to Officers the powers that they need to perform their roles.
- 4 Certain Officers have specific legal duties to ensure that the Council acts within the law, uses its resources wisely and exercises its powers properly. These Officers are known as “Statutory” or “Proper” Officers and some have specific legal titles in addition to their job titles.
- 5 The way the Council structures its services and its officer arrangements changes from time to time to reflect changes in service delivery and best practice. The current arrangements include a **Chief Executive** (as the most senior officer of the Council) supported by the other senior roles which are set out below and which together are referred to as the “**Senior Officers**”:
  - 5.1 **Strategic Directors** one of whom will be the **S151 Officer**;
  - 5.2 Head of Legal and Support Services (**Monitoring Officer**); and
  - 5.3 Heads of Service.
- 6 The **Head of Paid Service**, the **S151 Officer** and the **Monitoring Officer** are also called “**Statutory Officers**” (because every Council is required by statute - the law - to have these posts).
- 7 It is possible (subject to any legal restrictions) for the roles of the **S151 Officer** and/or the **Monitoring Officer** to be combined with another of the **Senior Officer** posts (or with other Officer posts in the Council).
- 8 There are also a number of formal functions which the Council has to allocate to named Officers called “**Proper Officers**”.
- 9 **Section A** of this Part 2 shows the current management structure of the Council, showing more detail about the roles and responsibilities of the **Chief Officers** and the Officers supporting them to deliver all the Council's services.  
**General Principles Relating to Officer Delegation**
- 10 For the purposes of Officer delegated powers, both within this part and any other part of the **Constitution**, the term “**Designated Officers**” shall include the following Officers:
  - 10.1 The **Chief Executive**;

- 10.2 The **Strategic Directors**;
- 10.3 Head of Legal and Support Services (**Monitoring Officer**); and
- 10.4 All **Heads of Service**.
- 11 This scheme gives the power for the **Designated Officers** to take decisions and institute any process or take any steps in relation to all the functions in their areas of responsibility except where:
- 11.1 a matter is prohibited by law from being delegated to an **Officer**, or
- 11.2 a matter has been specifically reserved to **Councillors** or excluded from delegation by this scheme, by a decision of the **Full Council**, the **Cabinet/Executive** or a **Committee** or **Sub-Committee**.
- 12 No Officer may take **Key Decisions** unless specifically provided for within the **Constitution** or specifically delegated by the **Leader**, the **Cabinet**, a Committee of Cabinet or a **Cabinet Member**.
- 13 The cascade principle under which this Scheme operates means that any Officer given powers under this scheme can further delegate those powers to other Officers either:
- 13.1 through a Local Scheme of Delegation (which sets out all the standing delegations given to specific Officers in defined areas of the Council's service areas). There is a list of the Local Schemes of Delegation; or
- 13.2 through a Specific Delegation in relation to an individual decision which must be evidenced in writing using the agreed standard form, dated and signed by the Officer delegating the power and saved on the register of Specific Delegations. A Specific Delegation does not need to be given where an Officer is given delegated powers to action a particular decision by Council, Cabinet or a Committee or Sub-Committee.
14. [The functions delegated to the Strategic Directors under this scheme of delegation are those functions, which fall within their areas of responsibility. However, save where powers are conferred in accordance with the Strategic Directors position as section 151 officer, Strategic Directors can exercise the powers of other Strategic Directors.](#)

#### **General limitations on exercise of powers**

4415. Any matters falling within the scope of the Scheme will be subject to any limitation, imposed by statute, by the **Full Council** or **Cabinet** and/or any duly authorised Committee. In addition, in exercising these powers each **Designated Officer**:
- 13.3 Will comply with relevant Procedure Rules including the **Financial Procedure Rules** in **Part 3** and **Contract Procedure Rules** in **Part 3**. In the event of any inconsistency or conflict between the **Financial Procedure Rules** and/or **Contract Procedure Rules** and these delegations then the former shall prevail. In the event that the inconsistency or conflict cannot be resolved by the application of this rule then the matter shall be settled by the **Chief Executive** with advice, where necessary and appropriate, from the **S151 Officer** and/or the **Monitoring Officer**;



- 13.4 Will not depart from any approved policies, scheme, or, any direction of the **Full Council** or **Cabinet** and/or appropriate Committee;
  - 13.5 Will have due regard to the Public Sector Equality Duty;
  - 13.6 Will consult the appropriate professional or technical Officer of the Council, in particular the **Monitoring Officer** and **S151 Officer**, in any case involving professional or technical consideration not within the capacity of the Officer concerned; and
  - 13.7 Will take account of any Council Strategy and the **Budget and Policy Framework** approved by Council in relation to the management functions for which he/she is authorised.
- [4516](#). The exercise by Officers of the powers delegated under this **Constitution** involving the incurring of any expenditure is subject to there being sufficient approved provision within the budget to cover that expenditure.
- [4617](#). Any delegation under the Scheme will be without prejudice to the overriding right of the **Council** or **Cabinet** and any duly authorised **Committee** to withdraw or amend the powers or to decide any matter and, in particular, any **Designated Officer** may, in any case, instead of exercising their powers under the Scheme, refer any matter to the **Council**, the **Cabinet** or **Committee** for decision.
- [4718](#). The Scheme will also be subject to the right of the **Council** or **Cabinet** and/or any duly authorised Committee to rescind the Scheme or any part or parts of the Scheme.

| 7. Community Bodies

## **SECTION E - ROLES AND RESPONSIBILITIES FOR COUNCILLORS**

### **Part A - All Councillors**

#### **Standards of Behaviour**

1. To adhere to the Nolan principles of Standards in Public Life and the Council's Code of Conduct for Councillors.
2. To respond to communications from or on behalf of your constituents within a reasonable time. To complete and return any questionnaires you may receive from the Council.
3. To uphold the Council's reputation by promoting its policies, values and achievements and to refrain from making comment to the media or other audiences which would be damaging to the image of the Council as a whole.
4. To uphold the office of Councillor and to do nothing which would bring such into disrepute.
5. To treat members of staff with respect and to develop sound, professional relationships with them.
6. To respect the political impartiality of members of staff.
7. To uphold the right of other Councillors who do not necessarily share your views, the right to express their own views and to have the courtesy to listen to those views.
8. To comply with the Council's Standing Orders and to do nothing as an individual which would commit the Council to a particular course of action or leave the Council open to a charge of maladministration.
9. To observe confidentiality.

#### **Commitment to the Council**

10. To demonstrate commitment to and work towards achieving the Council's corporate objectives.
11. To demonstrate commitment to the local government modernisation **Agenda** and the principles of Best Value.

#### **Training – Developing**

12. Subject to personal circumstances, to set aside time to undergo appropriate training and development.

#### **Seeking Support and Advice**

13. To take advice from Officers on any matter of Council business.
14. To seek support from Officers where necessary to develop your representational role.
15. To seek appropriate advice concerning your dealings with the press and public in your representational role.

#### **Communications**

16. To develop effective channels of communication with Officers and other Councillors.

#### **Representational Role**

17. To bring forward constituents' views and concerns and grievances and to have in place appropriate methods to be available to local constituents and organisations e.g. via holding surgeries, canvassing (other than at election time), making oneself available.

To have contact with constituents and community groups and to represent the people to the Council rather than defending the Council's actions.

To actively reviews steps taken to listen to all the different communities within the ward and to bring forward improvements to ensure that you reach socially excluded groups and minorities.

To actively review steps taken to listen to all the different communities within the ward and to bring forward improvements to ensure that you reach the parts previously missed.

To help and assist local communities and groups in accessing services provided by the Council.

#### **Meetings**

18. Upon appointment as a representative of the Council on a community or other body, to regularly attend meetings of that body and to report back to the Council the deliberations of that outside body and to distribute relevant written information.

To regularly attend any internal meetings as required and to participate effectively representing the views of the people at those meetings.

#### **Scrutiny Function**

19. To accept that the scrutiny process means that the Council recognises that you have to allow colleagues to publicly question each other.

To co-operate and take part in the scrutiny process of the Council when required.

#### **Part B - The Executive Councillor**

To actively build partnerships with outside bodies.

To actively represent the Council at a strategic level where appropriate.

In dealing with resource allocation priorities and the preparation of policy plans, to do such in an impartial and proper manner.

#### **Part C - The Non-Executive Councillor**

To carry out the scrutiny function in a proper manner having regard to approved protocols and to seek and take advice from Officers as appropriate.

In formulating proposed changes and in submitting proposals to the Cabinet to do so in a constructive way.

To actively channel grievances, needs and aspirations of your constituents and [community outside](#) bodies into the scrutiny process.

To adhere to the protocols and processes agreed by the Council for operation of the scrutiny function.

#### **Part D - The Chair of the Council**

To provide the civic leadership for the Council.

To preside at all meetings of the Council.

To represent the Council in the community at major civic and ceremonial functions.

#### **Part E - The Deputy Chair of the Council**

To assist the **Chair** in providing the civic leadership for the Council.

To deputise for the **Chair** in fulfilling the duties set out above in the key tasks for the **Chair**.

#### **Part F - The Leader of the Council**

To provide the political leadership for the Council and to take the lead in ensuring that the Council's policies and strategies are progressed.

To ensure that the work of the executive and non-executive Councillor is co-ordinated and progressed effectively.

To take the lead for overseeing the implementation of the changes to the political management and Officer structures.

To represent the Council in discussions and negotiations with county, regional and national organisations and others as appropriate in pursuing the interest of the Council and its communities.

To act as the Council's principal political spokesman.

To have regular meetings and communication with the Chief Executive and the Management Team and to work with the Chief Executive to fulfil the Council's objectives.

Where appropriate to act in the case of disputes between Councillors and Officers.

#### **Part G - Deputy Leader of the Council**

To assist the Leader in providing the political leadership for the Council.

To deputise for the Leader in fulfilling the responsibilities set out above.

#### **Part H - Chair of the Cabinet**

To respond to questions at Council meetings during the public question and answer session when required.

To chair meetings of the Cabinet.

To attend **Agenda** briefing meetings.

To lead Board consideration of the budget for approval by the Council.

To report as required on the work of the Board in implementing the Council's policy programme.

**Part J - Chairmen of the Scrutiny Committees**

To respond to questions at Council meetings during the public question and answer session when required.

To chair meetings of the relevant **Scrutiny Committee**.

To attend **Agenda** briefing meetings.

To lead consideration of the Council's scrutiny function in so far as the relevant **Scrutiny Committee** is concerned.

To report, as required, on the work of the relevant **Scrutiny Committee** in implementing the Council's scrutiny function.

**Part K - Deputy Chairmen of the Scrutiny Committees**

To deputise for the relevant **Chair** and to assist him/her in carrying out the specified responsibilities.

**Part L - Chairmen of Committees**

To chair meetings of the Committee.

To attend **Agenda** briefing meetings as required.

**Part M - Deputy Chairmen of Committees**

To deputise for the **Chair** and to assist him/her in carrying out the specified responsibilities.

## SECTION G - PLANNING CODE OF CONDUCT

This Code of Practice supplements the **Council's Councillors' Code of Conduct** and where appropriate Councillors should refer to the Councillors' Code of Conduct. The Council's Monitoring Officer's advice may be sought on the interpretation of the Councillors' Code of Conduct or this Code.

### 1. INTRODUCTION

- 1.1 Planning affects land and property interests, including the financial value of land and the quality of their settings. It is not an exact science. It is often highly contentious because decisions affect the daily lives of everyone and the private interests of members of the public, landowners and developers. Opposing views are often strongly held by those involved. A key role of the planning process is balancing the needs and interests of individuals and the community.
- 1.2 The planning system can only function effectively if there is trust among those involved. There must be trust between Councillors and Officers and between the public and the Council. The Third report of the Committee on Standards in Public Life (the Nolan Committee) (1997) recommended that each local authority's practices and procedures were set out in a local code of planning conduct to avoid allegations of malpractice in the operation of the planning system.
- 1.3 The general principles that underlie the Council's **Councillors' Code of Conduct** and apply to this Code of Practice are:
  - 1.3.1 Councillors should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.
  - 1.3.2 Councillors should not place themselves in situations where their honesty or integrity may be questioned.
  - 1.3.3 Councillors should make decisions on merit.
  - 1.3.4 Councillors should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.
  - 1.3.5 Councillors may take account of the views of others but should reach their own conclusions on the issues before them and act in accordance with those conclusions.
  - 1.3.6 Councillors should respect the impartiality and integrity of Officers.

- 1.4 The Council is committed to open, fair and transparent decision-making. Planning decisions should be made impartially, with sound judgement and for justifiable reasons.
  - 1.5 This Code of Practice sets out practices and procedures that Councillors and Officers of the Council shall follow when involved in planning matters. Planning matters include the consideration of planning applications, the preparation of development plans and other planning policy and the enforcement of planning control.
  - 1.6 Failure to follow this Code without good reason, could be taken into account in investigations into possible maladministration against the Council, or have implications for the position of individual Councillors and Officers. Breaches of this Code may also amount to breaches of the Council's **Councillors' Code of Conduct**. If in doubt about what course of action to take, a Councillor or Officer should seek the advice of the Council's Monitoring Officer.
  - 1.7 This Code of Practice sets out principles to guide Councillors and Officers in determining planning applications and making other decisions within the terms of reference of **Planning Committee**. Although of particular relevance to members of Planning Committee it applies to all **Councillors** who may become involved in planning and development matters.
  - 1.8 Members of **Planning Committee** are required to be impartial at all times and should refrain from wearing any item that indicates a political affiliation, stance, lobby or similar influence (such as clothing in party colours party, party emblems etc) in the course of site visits conducted by the Planning Committee. Similarly, Councillors shall not make political statements whilst on any business concerned with the functions of Planning Committee.
2. **THE ROLE AND CONDUCT OF COUNCILLORS AND OFFICERS**
- 2.1 Councillors and Officers have different, but complementary roles. Both serve the public but Councillors are responsible to the electorate, while Officers are responsible to the Council as a whole.
  - 2.2 The role of a member of the **Planning Committee** is to make planning decisions openly, impartially, with sound judgement and for justifiable reasons.
  - 2.3 Whilst Councillors have a special duty to their ward constituents, including those who did not vote for them, their overriding duty is to the whole community. This is particularly pertinent to Councillors involved in making a planning decision. A key role of the planning system is the consideration of development proposals in the wider public interest.
  - 2.4 Councillors' decisions shall not discriminate in favour of any individuals or groups and they alone have the responsibility to decide what view to take. Councillors must, therefore, consider all of the material issues in the light of



Development Plan policies, Government advice and their own individual judgement and make a decision in the interests of the area as a whole.

- 2.5 Whilst Councillors should take account of all views expressed, they shall not favour any person, company, group or locality, nor put themselves in a position where they appear to do so.
- 2.6 Officers who are Chartered Town Planners are guided by the Royal Town Planning Institute's (RTPI) Code of Professional Conduct. Breaches of that code may be subject to disciplinary action by the Institute.
- 2.7 Officers in their role of advising Councillors shall provide:
  - 2.7.1 Impartial and professional advice;
  - 2.7.2 Consistency of interpretation of planning policy; and
  - 2.7.3 Complete written reports covering all necessary information for a decision to be made.
- 2.8 The Council endorses the statement in the RTPI code that, 'RTPI members shall not make or subscribe to any statements or reports which are contrary to their own professional opinions'; and extends it to apply to all Officers in the authority advising on planning matters.
- 2.9 That the Council may not always follow the advice of their professional planning Officers is perfectly proper. The professional Officer too, may have a change of opinion, but this must be on the basis of professional judgement, and not because an authority, it's Councillors or other Officers, have prevailed upon the Officer to put forward his/her professional view as something other than it really is. If the **Planning Committee** is minded to refuse or grant an application contrary to Officer recommendation, it should consider whether to defer the application to the next available Committee, before making the final decision. This will allow Councillors to obtain further legal advice on the proposed reasons for acting contrary to the recommendation based on material planning considerations. If such a decision is made it must be clearly minuted, expressed clearly and be based upon sound planning reasons supported by evidence.
- 2.10 The Council shall have a designated head of the planning service, who is qualified for election to membership of the RTPI and who has direct access to Councillors as their professional adviser on planning matters. Officers shall follow the guidance on their standards of conduct as set out in the Code of Conduct for Employees in the **Constitution** and any National Code of Conduct for Local Government Officers issued by the Secretary of State under Section 82 of the Local Government Act 2000.
- 2.11 Councillors shall follow the advice in the **Councillors' Code of Conduct** about accepting gifts and hospitality. Councillors should treat with extreme caution

any offer which is made to them personally; the normal presumption should be that such offers must be courteously declined. Similarly, Officers shall politely decline offers of hospitality from people with an interest in a planning proposal. If receipt of hospitality is unavoidable, Officers shall ensure it is of a minimal level and declare it in the hospitality book as soon as possible.

### 3. INTERESTS OF COUNCILLORS

- 3.1 Where Councillors have interests which may be thought likely to influence their decision, the fact should be declared at the meeting.
- 3.2 Where the interest is such that Councillors of the public may feel that the Councillor will not be able to approach matters with an open mind and consider the application on its planning merits, Councillors should consider withdrawing from the Committee for that item.
- 3.3 These principles apply equally to Councillors who are not members of **Planning Committee**. Councillors who have such interests should consider whether it is appropriate for them to participate in the planning process, and in any event, should declare such interest at any meeting which they may attend or in any letter which they may write.
- 3.4 In all cases Councillors shall not sit on **Planning Committee** to determine applications that relate to land:
  - 3.4.1 that is in their ward; or
  - 3.4.2 that is in the ward neighbouring their ward where the application materially impacts their ward,and Councillors in such cases shall be replaced on **Planning Committee** by a substitute for the duration of that application.
- 3.5 Councillors should seek guidance from Officers.
- 3.6 Members of **Planning Committee** and Officers who attend Planning Committee regularly must complete the Annual Return required for this purpose.
- 3.7 The **Councillors' Code of Conduct** provides guidance as to personal and prejudicial interests which may affect a Councillor's ability to take part in the decision-making process. However, Councillors may have other interests which may influence their decision which will not amount to personal or prejudicial interests for the purposes of the Code. In order to maintain the integrity of the planning system, Councillors should be careful to ensure that such interests do not unduly influence their decisions. Examples of such interests are:-
  - 3.7.1 from ward concerns;
  - 3.7.2 from membership of other **Committees** of the **Council**;
  - 3.7.3 from membership of other public or [community outside](#) bodies;
  - 3.7.4 from membership of voluntary associations and trusts (including where appointed by the Council);

- 3.7.5 from a connection with a particular policy initiative of the Council;
  - 3.7.6 from membership of clubs, societies and groups; and
  - 3.7.7 from hobbies and other leisure interests.
- 3.8 Such interests may mean that a Councillor is involved with a planning application before the matter comes before the **Planning Committee**. Such involvement need not on its own debar a Councillor from participating in making the planning decision when the matter is considered by Planning Committee provided that the Councillor has not already decided how they will vote on the matter before the Committee. Councillors should, however, always consider carefully whether in any particular case they could reasonably be seen to approach the planning merits of the application with an open mind. If the Councillor considers that this is not possible, the Councillor should withdraw from consideration of that item.
- 3.9 As a minimum, the integrity of the planning system requires openness on the part of Councillors; it must operate fairly and be seen to operate fairly.

**8. Disposal Delegation and Annual Rental Delegation**

<b><u>Council's Commercial Portfolio</u></b>	<u>Industrial units we hold purely for letting out on a commercial basis.</u>
<b><u>Market Rent</u></b>	<u>A value confirmed by the Council's valuer as market rent</u>

**9. Planning Code of Conduct**

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- 2.9 That the Council may not always follow the advice of their professional planning Officers is perfectly proper. The professional Officer too, may have a change of opinion, but this must be on the basis of professional judgement, and not because an authority, it's Councillors or other Officers, have prevailed upon the Officer to put forward his/her professional view as something other than it really is. If the **Planning Committee** is minded to refuse or grant an application contrary to Officer recommendation, it should consider whether to defer the application to the next available Committee, before making the final decision. This will allow Councillors to obtain further legal advice on the proposed reasons for acting contrary to the recommendation based on material planning considerations. If such a decision is made it must be clearly minuted, expressed clearly and be based upon sound planning reasons supported by evidence.
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- 3.1 Where Councillors have interests which may be thought likely to influence their decision, the fact should be declared at the meeting.
- 3.2 Where the interest is such that Councillors of the public may feel that the Councillor will not be able to approach matters with an open mind and consider the application on its planning merits, Councillors should consider withdrawing from the Committee for that item.
- 3.3 These principles apply equally to Councillors who are not members of **Planning Committee**. Councillors who have such interests should consider whether it is appropriate for them to participate in the planning process, and in any event, should declare such interest at any meeting which they may attend or in any letter which they may write.
- 3.4 In all cases Councillors shall not sit on **Planning Committee** to determine applications that relate to land:
  - 3.4.1 that is in their ward; or
  - 3.4.2 that is in the ward neighbouring their ward where the application materially impacts their ward,and Councillors in such cases shall be replaced on **Planning Committee** by a substitute for the duration of that application.
- 3.5 Councillors should seek guidance from Officers.
- 3.6 Members of **Planning Committee** and Officers who attend Planning Committee regularly must complete the Annual Return required for this purpose.
- 3.7 The **Councillors' Code of Conduct** provides guidance as to personal and prejudicial interests which may affect a Councillor's ability to take part in the decision-making process. However, Councillors may have other interests which may influence their decision which will not amount to personal or prejudicial interests for the purposes of the Code. In order to maintain the integrity of the planning system, Councillors should be careful to ensure that such interests do not unduly influence their decisions. Examples of such interests are:-
  - 3.7.1 from ward concerns;
  - 3.7.2 from membership of other **Committees** of the **Council**;
  - 3.7.3 from membership of other public or community bodies;
  - 3.7.4 from membership of voluntary associations and trusts (including where appointed by the Council);

3.7.5 from a connection with a particular policy initiative of the Council;

3.7.6 from membership of clubs, societies and groups; and

3.7.7 from hobbies and other leisure interests.

3.8 Such interests may mean that a Councillor is involved with a planning application before the matter comes before the **Planning Committee**. Such involvement need not on its own debar a Councillor from participating in making the planning decision when the matter is considered by Planning Committee provided that the Councillor has not already decided how they will vote on the matter before the Committee. Councillors should, however, always consider carefully whether in any particular case they could reasonably be seen to approach the planning merits of the application with an open mind. If the Councillor considers that this is not possible, the Councillor should withdraw from consideration of that item.

3.9 As a minimum, the integrity of the planning system requires openness on the part of Councillors; it must operate fairly and be seen to operate fairly.

#### 4. **DUAL-HATTED COUNCILLORS AND COUNCILLORS ON OTHER BODIES**

4.1 **Planning Committee** members who are members of parish or town councils may find they are expected to express a view at a parish or town council meeting, or vote on whether or not the parish or town council should object or comment on a proposal from that parish or town council's point of view.

4.2 They may then have to consider the same matter as a District Council Councillor if it is determined by the Planning Committee.

4.3 Councillors are also appointed to outside public bodies or internal boards or groups, who may then act as consultees or interested parties and are of course permitted to join interest groups which reflect areas of interest such as a local civic society, CPRE, etc.

4.4 Where Councillors have dual parish/town and District Council membership, or are members of other consultee bodies or interested parties, they may find themselves having to vote differently on a matter when they consider it at District level, having heard the technical and legal background from Officers.

4.5 This is not inconsistency, but the consequence of having to fulfil totally separate and different roles.

4.6 Where Councillors have dual parish/town council/District Council membership or sit on consultee bodies and issues come up for discussion at different levels, Councillors can take part at the lower/consultee level provided that they have not already made up their mind on the matter and are not biased, and they:

(a) make it clear at the lower level that their views are expressed on the limited information before them;

(b) they will reserve their judgement and independence to make up their own mind on the separate proposal, based on their overriding duty to the whole community and not just to the people in that area ward or parish, as and when it comes before the District and when they have heard all of the relevant

information; and

- (c) they will not in any way commit themselves as to how they or others may vote when the proposal comes before the **Planning Committee** at District level.

4.7 Membership of a parish or town council, consultee body or pressure group (and participation in its debates and votes) will not constitute a [Disclosable Registerable Interest](#) ~~interest~~ in a matter within its area or upon which it may or may not have commented on when it is considered at District level unless:

- (a) The business being considered substantially affects the wellbeing or financial standing or purpose of the relevant body.
- (b) The Councillor or the body has taken a leading role in supporting or opposing the matter, within the area or elsewhere.

4.8 In (a) or (b) above a Councillor is likely to have a [Disclosable Pecuniary Interest](#) where the business relates to the financial position of the body or a planning application or matter made by or relating to it.

4.9 However, Councillor must give the above careful consideration, and remain bound by the other parts of the **Councillors' Code of Conduct** and this Code in relation to the matter.

4.10 Councillors who are a trustee or company director of a body whose matter is under consideration and where appointed by the Council should always disclose this as a [Disclosable Pecuniary Interest](#) where any financial benefit may accrue.

Note: The above advice represents a pragmatic approach to the participation of dual-hatted Councillors in planning matters. As Councillors are aware, the risk under the Code of Conduct and declaration of interests rests with the individual Councillor. For that reason, Councillors are further advised to consider the facts of each case before making a decision on their level of participation. This is particularly important in controversial/high profile matters and/or where the Councillor may play a prominent role in the determination at District level. If a Councillor is in doubt they are reminded to seek advice from the Monitoring Officer at an early stage.

## 5. COUNCILLORS WHO ARE NOT MEMBERS OF THE COMMITTEE

5.1 **Councillors** who are not on the **Planning Committee** may make written representations to the **Strategic Director** about a planning application in the same way that any other interested person may do so and may address the Planning Committee provided that they do not have a [Disclosable Pecuniary Interest](#) in the application being considered and that their involvement would not amount to a breach of any other obligations of the Code i.e., seeking to unduly influence the outcome of a planning application. For the avoidance of doubt where that interest is a [Disclosable Pecuniary Interest](#), they are not permitted to participate in the planning process in their official capacity as a Councillor.

5.2 When a **Councillor** who is not a member of the **Planning Committee** speaks at a meeting they shall disclose at the earliest opportunity any [Disclosable Registerable Interest or Non-Registerable Interest if appropriate](#), the fact that they have been in contact with the applicant, agent, advisor or an interested party if this is the case, and make it clear whether they are speaking on behalf of such persons or any other

particular interest. A councillor who has ~~an Disclosable Non-Pecuniary~~ [Other Registerable Interest](#) in a matter may attend a meeting of the Planning Committee at which that application is considered in order to speak, make representations, answer questions or give evidence in accordance with the Code of Conduct.

- 5.3 Any councillor who is not on the **Planning Committee** but who is at one of its meetings should sit separately from the Committee, so as to demonstrate clearly that they are not taking part in the discussion, consideration or vote.
- 5.4 They should not communicate in any way with members of the **Planning Committee** or pass papers or documents to them before or during the meeting.

10. Dispensations

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**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.

<b>Subject</b>	<b>Description</b>
<b>Employment, office, trade, profession or vocation</b>	Any employment, office, trade, profession or vocation carried on for profit or gain.
<b>Sponsorship</b>	Any payment or provision of any other financial benefit (other than from the Council) made to the Councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as Councillor, 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.
<b>Contracts</b>	Any contract made between the Councillor or his/her spouse or civil partner or the person with whom the Councillor 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.
<b>Land and Property</b>	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 Councillor or his/her spouse or civil partner or the person with whom the Councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.
<b>Licenses</b>	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer

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<b>Corporate tenancies</b>	Any tenancy where (to the Councillor's knowledge) – (a) the landlord is the council; and (b) the tenant is a body that the Councillor, or his/her spouse or civil partner or the person with whom the Councillor 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.
<b>Securities</b>	Any beneficial interest in securities* of a body where— (a) that body (to the Councillor'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 (ii) 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 Councillor, or his/her spouse or civil partner or the person with whom the Councillor 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.

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\* '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.

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**"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 unpaid directorships;
- b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority; or
- c) 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 Councillor, or a person connected with the Councillor, 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 Councillor or your re-election or reappointment 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.~~

[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.~~

[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 Councillor'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 Councillor'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.~~

[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 [3.3.33-3.3](#) and [3.3.43-3.4](#) should be applied.

3.3.3. Where a matter under paragraph [3.3.23-3.2](#) **affects** the financial interest or wellbeing 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 [3.3.23-3.2](#) does not **affect** the financial interest or wellbeing 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 [3.3.23-3.2](#).

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**Dispensation**

Where Councillors have an interest in a matter, [the Monitoring Officer or the](#) Audit and Governance Committee may, in some circumstances, grant a Councillor a dispensation to speak, and sometimes to vote, depending upon the nature of the interest.

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11. Independent Persons

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## SECTION D7 - AUDIT AND GOVERNANCE COMMITTEE

### 1 COMMITTEE FORM AND STRUCTURE

#### Committee scope

- 1.1 The Audit and Governance Committee has specific responsibility for governance issues, including audit functions.
- 1.2 The Committee's scope is to:
  - 1.2.1 provide independent assurance to those charged with governance of the adequacy of the risk management framework and the internal control environment;
  - 1.2.2 provide independent review of the Council's governance, risk management and control frameworks and oversee the financial reporting and annual governance process;
  - 1.2.3 oversee internal audit and external audit arrangements, helping to ensure efficient and effective assurance mechanisms are in place.
- 1.3 The success of the Audit and Governance Committee in exercising its audit functions depends upon its ability to remain apolitical. It must adopt a non-political approach to its meetings and discussions at all times. Remaining apolitical also places a duty on Councillors not to make inappropriate use of information provided to the Committee for other purposes.

#### Composition

- 1.4 The Audit and Governance Committee will comprise 10 Councillors in Political Balance.
- 1.5 Members of the Committee should not be members of Cabinet or Scrutiny.
- 1.6 The Chair will be appointed by Full Council annually.
- 1.7 Two Independent Persons may be co-opted as required to the Audit and Governance Committee to ~~advise on finance matters~~ provide appropriate technical expertise ~~or to a Sub-Committee of the Audit and Governance Committee in relation to standards matters~~ but will not be entitled to vote at meetings. It shall be a function of the Audit and Governance Committee to appoint any Independent Person for this purpose.
- 1.8 An Independent Person may be co-opted as required to a Sub-Committee of the Audit and Governance Committee in relation to Councillors Code of Conduct matters. Full Council appoint a pool of Independent Persons which can be drawn on for this purpose.
- 1.89 At least one parish councillor may be present when matters relating to parish councils or their Councillors are being considered. Parish councillors are co-opted to the Audit and Governance Committee as required and will not be entitled to vote at meetings

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12. Ordinary Meetings of the Council

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## SECTION A2 - PROCEDURE RULES

### 1. Annual Meeting of the Full Council

#### Timing and Business

- 1.1 The **Annual Meeting** of the **Full Council** shall be held at the Council Offices.
- 1.2 In a year when there is an ordinary election of **Councillors**, the **Annual Meeting** will take place within 21 days of the retirement of the outgoing Councillors.
- 1.3 In any other year, the **Annual Meeting** will take place in March, April or May.
- 1.4 The **Annual Meeting** will:
  - 1.4.1 elect a person to preside if the **Chair of Council** is not present;
  - 1.4.2 elect the **Chair of the Council**;
  - 1.4.3 appoint the **Deputy Chair of the Council**;
  - 1.4.4 approve the minutes of the last meeting of **Full Council** as a correct record;
  - 1.4.5 receive any announcements from the **Chair of the Council** and/or **Chief Executive**;
  - 1.4.6 elect the **Leader** of the Council for a period of one year;
  - 1.4.7 receive any declarations of interest (the **Councillor** must comply with the **Councillor's Code of Conduct** in relation to whether they are able to remain in the room and/or vote);
  - 1.4.8 receive the report of the **Leader** setting out the size and membership of his/her **Cabinet** and how he/she intends executive powers to be exercised over the ensuing municipal year;
  - 1.4.9 allocate seats on **Committees** and **Sub-Committees** in accordance with the principles of **Political Balance** where required;
  - 1.4.10 receive nominations and appoint **Councillors** to serve on all relevant **Committees** as the Council considers appropriate to deal with matters which are neither reserved to the Council nor are **Executive Functions** as set out in this **Constitution**;
  - 1.4.11 appoint at least one **Scrutiny Committee**, an **Audit and Governance Committee** and such other **Committees** as the **Council** considers appropriate to deal with matters which are neither reserved to the Council nor are **Executive Functions** (as set out in **Part 2** of this **Constitution**);
  - 1.4.12 decide the size and terms of reference for those **Committees**;
  - 1.4.13 receive nominations and appoint **Councillors** to serve as representatives to



outside bodies for **Non-Executive Functions**;

- 1.4.14 receive nominations of **Councillors** to serve on each board or **Committee** and outside body and appoint to those boards, Committees and outside bodies except where appointment to those bodies has been delegated by the Council or is exercisable only by the **Cabinet** (provided always that this is without prejudice to the right of the Council at any time to establish or dissolve any board or Committee or to review its size and terms of reference);
- 1.4.15 agree the Scheme of Delegation set out in **Part 2** of this **Constitution**;
- 1.4.16 approve a programme of ordinary meetings of the Council for the year;
- 1.4.17 conduct items 2.4.1 to 2.4.12 of the business of an ordinary meeting of Council; and
- 1.4.18 consider any business set out in the notice convening the meeting.

## 2. **Ordinary Meetings of the Full Council**

- 2.1 Ordinary meetings of the Council will take place in accordance with a programme decided by **Full Council**.
- 2.2 The **Chief Executive** is responsible for convening all **Committee** meetings in accordance with the programme set under Rule 2.1.
- 2.3 A meeting of the **Full Council** will take place each year in order to calculate the budget requirement and set the council tax. This is known as the **Budget Council meeting**.
- 2.4 Ordinary meetings will:
  - 2.4.1 select a person to preside if the **Chair of the Council** and Deputy Chair are not present;
  - 2.4.2 approve the minutes of the last meeting of **Full Council** as a correct record;
  - 2.4.3 receive any declarations of interest (the **Councillor** must comply with the **Councillor's Code of Conduct** in relation to whether they are able to remain in the room and/or vote);
  - 2.4.4 receive any announcements from the Chair, the **Leader**, **Cabinet Members** or the **Chief Executive**;
  - 2.4.5 receive any petitions in accordance with the Council's petition scheme or deputations;
  - 2.4.6 receive any questions from, and provide answers to, the public;
  - 2.4.7 receive any questions from Councillors;
  - 2.4.8 deal with any business from the last Council meeting;

- 2.4.9 receive [any](#) reports from the **Cabinet** and the **Council's** boards or **Committees** and receive questions and answers on any of those reports as required by law or specifically referred by those bodies;
  - 2.4.10 receive [any](#) reports about, and receive questions and answers on, the business of joint arrangements and external organisations;
  - 2.4.11 consider [any](#) motions; and
  - 2.4.12 consider any business specified in the summons to the meeting.
- 2.5 In making any announcements from the **Leader** and **Cabinet Members** under paragraph 2.4.4 above, the Leader and not more than 2 Cabinet Members may indicate to the Chair and then address the Council for not more than 5 minutes each on a topic of current importance to the Council, its area or the inhabitants of its area.

### 3. **Extraordinary Meetings of the Full Council**

#### **Calling extraordinary meetings**

- 3.1 Those listed below may request the **Chief Executive** to call meetings of the **Full Council** in addition to ordinary meetings:
- 3.1.1 the **Full Council** by resolution;
  - 3.1.2 the **Chair of the Council**;
  - 3.1.3 the **Monitoring Officer**; and/or
  - 3.1.4 any five **Councillors** if they have signed a requisition presented to the **Chair of the Council** and he/she has refused to call a meeting or has failed to call a meeting within seven days of the presentation of the requisition.
- 3.2 When requested, the **Chief Executive** shall call a meeting of the Council unless he/she is of the opinion that the business to be discussed at the proposed meeting can conveniently wait until the next ordinary meeting of the Council.
- 3.3 The only item which may be considered at an extraordinary meeting is the matter for which the meeting has been called. No questions or notices on motion in addition to this item will be permitted.
- 3.4 The requisition to which rule 3.1.4 above applies shall set out the nature of the item to be considered at the proposed meeting and why this is urgent.

13. Supplementary Estimates

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## SECTION F – FINANCIAL PROCEDURE RULES

### 1. Introduction

#### 1.1 What are the Financial Procedure Rules?

- 1.1.1 Section 151 of the Local Government Act 1972 states that “every authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their Officers has responsibility for the administration of those affairs”.
- 1.1.2 Financial Procedure Rules provide the framework for managing the Council’s financial affairs and are supported by more detailed Financial Management Standards which set out how the procedures will be implemented.
- 1.1.3 The procedures identify the financial responsibilities of **Full Council**, the **Cabinet** and **Officers**.
- 1.1.4 To avoid the need for regular amendment due to changes in post titles generic terms are included for Officers as follows:
- a) The term, “**S151 Officer**,” refers to the Section 151 Officer who is currently the Council’s Strategic Director for Resources.
  - b) The term, “**Chief Officers**”, refers to the Council’s **Chief Executive** and **Strategic Directors**.
  - c) The term, “**Monitoring Officer**”, refers to the Head of Legal and Support Services.
  - d) The term, “Chief Internal Auditor”, refers to the Audit Manager.
  - e) The term “Budgetholder” refers to any Officer with designated responsibility for a revenue and/or capital cost centre in the annually agreed revenue budget and capital programme. The budgetholder is responsible for financial management and compliance with these rules. This might include **Chief Executive**, **Strategic Directors**, Heads of Service and **Team Managers**.

#### 1.2 Why are they important?

- 1.2.1 To conduct its business effectively, the Council needs to ensure that sound financial management arrangements are in place and that they are strictly adhered to in practice. Part of this process is the establishment of Financial Procedure Rules which set out the financial responsibilities of the Council. These rules have been devised as a control to help the Council manage its financial matters properly in compliance with all necessary requirements.
- 1.1.2 Good, sound financial management is a key element of corporate governance which helps to ensure that the Council is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 1.1.3 Good financial management secures value for money, controls spending,

ensures due probity of transactions and allows decisions to be informed by accurate accounting information.

1.1.4 Good financial management requires secure and reliable records and systems to process transactions and information and substantiate the effective use of public money.

1.1.5 These Financial Procedure Rules should not be seen in isolation but rather as part of the overall regulatory framework of the Council as set out in this **Constitution**.

### 1.3 Who do Financial Procedure Rules apply to?

1.3.1 These Financial Procedure Rules apply to every **Councillor** and **Officer** of the Council and anyone acting on its behalf. Councillors and Officers have a general responsibility for taking reasonable action to provide for the security and use of the resources and assets under their control and for ensuring that the use of such resources and assets is legal, is consistent with Council policies and priorities, is properly authorised, provides value for money and achieves best value.

1.3.2 These Financial Procedure Rules shall apply in relation to any partnership for which the Council is the accountable body, unless the Council expressly agrees otherwise.

1.3.3 Failure to observe these Financial Procedure Rules may result in action under the Council's disciplinary procedures.

### 1.4 Who is responsible for ensuring that they are applied?

1.4.1 **Chief Officers** and Heads of Service are ultimately responsible to the Council for ensuring that these Financial Procedure Rules are applied and observed by his/her staff and contractors providing services on the Council's behalf and for reporting to the **S151 Officer** any known or suspected breaches of the procedures.

1.4.2 The **S151 Officer** is responsible for maintaining a continuous review of the Financial Procedure Rules and submitting any additions or changes necessary to the Council for approval. The S151 Officer is also responsible for reporting, where appropriate, breaches of the Financial Procedure Rules to the Council and/or to the **Cabinet Members**.

1.4.3 The **S151 Officer** is responsible for issuing advice and guidance to underpin the Financial Procedure Rules which **Councillors**, **Chief Officers** and others acting on behalf of the Council are required to follow.

1.4.4 Any person charged with the use or care of the **Council's** resources and assets should inform him/herself of the Council's requirements under these Financial Procedure Rules. If anyone is in any doubt as to their obligations, then they should seek advice.

1.4.5 Where any **Chief Officer** considers that complying with these Financial Procedure Rules in a particular situation might conflict with the achievement of value for money or the principles of Best Value or the best interests of the Council, he/she shall raise the issue with the **S151 Officer** who will, if he/she considers necessary and appropriate, seek formal approval from the Council for a specific waiver of the procedures, or an amendment to the procedures themselves.

## 2. **Financial Regulation A: Financial Management**

### **Introduction**

A.1 Financial management covers all financial accountabilities in relation to the running of the Council, including the policy framework and budget.

#### **The Full Council**

A.2 **Full Council** is responsible for adopting the **Constitution** and the **Councillors' Code of Conduct** in **Part 4** and for approving the policy framework and budget within which the Cabinet operates. It is also responsible for approving and monitoring compliance with the Council's overall framework of accountability and control. The framework is set out in its Constitution. Full Council is also responsible for monitoring compliance with the agreed policy and related Cabinet decisions.

A.3 **Full Council** is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council and its Boards. These delegations and details of who has responsibility for which decisions are set out in the **Constitution**.

#### **The Cabinet**

A.4 The Cabinet is responsible for proposing the policy framework and budget to the **Full Council** and for discharging **Executive Functions** in accordance with the policy framework and budget.

A.5 Cabinet decisions can be delegated to a **Sub-Committee** of the Cabinet, an individual **Cabinet Member** or an **Officer**.

A.6 Where A.5 occurs, the **Cabinet** is responsible for establishing protocols to ensure that individual **Cabinet Members** consult with relevant Officers before taking a decision within his, her or their delegated authority. In doing so, the individual Cabinet Member must take account of legal and financial liabilities and risk management issues that may arise from the decision.

#### **Scrutiny Committees**

A.7 The **Scrutiny Committees** are responsible for scrutinising executive decisions before or after they have been implemented and for holding the **Cabinet** to account. The Scrutiny Committees are also responsible for making recommendations on future policy options and for reviewing the general policy and service delivery of the Council.

#### **Audit and Governance Committee**

A.8 The **Audit and Governance Committee** is established by the **Full Council** and is responsible for promoting and maintaining high standards of conduct amongst **Councillors**. In particular, it is responsible for advising the **Council** on the adoption and revision of the **Councillors' Code of Conduct** in **Part 4**, and for monitoring the operation of the code. It may also make recommendations to the Full Council on the **Constitution**.

#### **Other Regulatory Committees**

A.9 Planning and licensing are not **Executive Functions** but are exercised through the multiparty **Planning** and **Licensing Committees** under powers delegated by the **Full Council**. The Planning and Licensing Committees report to the Full Council.

#### **The Statutory Officers**

##### **Head of Paid Service (Chief Executive)**

A.10 The Head of Paid Service is responsible for the corporate and overall strategic management of the Council as a whole. He/she must report to and provide information for the Cabinet, the **Full Council**, the **Scrutiny Committees** and other **Committees**. He/she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Head of Paid Service is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the Full Council's decisions (see below).

#### **Monitoring Officer**

A.11 The Monitoring Officer is responsible for promoting and maintaining high standards of financial conduct and therefore provides support to the **Audit and Governance Committee**. The Monitoring Officer is also responsible for reporting any actual or potential breaches of the law or maladministration to the **Full Council** and/or to the Cabinet, and for ensuring that procedures for recording and reporting key decisions are operating effectively.

A.12 The **Monitoring Officer** must ensure that executive decisions and the reasons for them are made public. He/she must also ensure that **Councillors** are aware of decisions made by the Cabinet and of those made by **Officers** who have delegated executive responsibility.

A.13 The **Monitoring Officer** is responsible for advising all councillors and Officers about who has authority to take a particular decision.

A.14 The **Monitoring Officer** is responsible for advising the Cabinet or **Full Council** about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.

A.15 The **Monitoring Officer**, together with the **Chief Executive**, is responsible for advising the **Cabinet** or **Full Council** about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:

initiating a new policy

committing expenditure in future years to above the budget level

incurring transfers contrary to virement rules and limits

causing the total expenditure financed from council tax, grants and corporately held reserves to increase, or to increase by more than a specified amount.

A.16 The **Monitoring Officer** is responsible for maintaining an up-to-date **Constitution**.

**S151 Officer (See A Statement on the Role of the Finance Director in Local Government (CIPFA))**

A.17 The **S151 Officer** has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from:

Section 151 of the Local Government Act 1972  
The Local Government Finance Act 1988  
The Local Government and Housing Act 1989  
The Accounts and Audit Regulations 2003 and 2015.

A.18 The **S151 Officer** is responsible for:

the proper administration of the Council's financial affairs;  
setting and monitoring compliance with financial management standards;  
advising on the corporate financial position and on the key financial controls necessary to secure sound financial management;  
providing financial information;  
preparing the revenue budget and capital programme;  
**Treasury Management** and prudential indicators.

A.19 The **S151 Officer** shall:

- i. report to the **Cabinet** with respect to the level of financial resources estimated to be available in each financial year;
- ii. report to the Cabinet quarterly with an annual outturn on the Council's financial position and performance;
- iii. report to the Cabinet in respect of the Medium Term Financial Strategy.

A.20 Section 114 of the Local Government Finance Act 1988 requires the **S151 Officer** to report to **Full Council**, Cabinet and the External Auditor if the Council or one of its Officers:

has made, or is about to make, a decision which involves incurring unlawful expenditure;



has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council;

is about to make an unlawful entry in the Council's accounts.

Section 114 of the 1988 Act also requires:

the S151 Officer to nominate a properly qualified member of staff to deputise should he/she be unable to perform the duties under Section 114 personally;

the Council to provide the S151 Officer with sufficient staff, accommodation and other resources - including legal advice where this is necessary - to carry out the duties under Section 114.

#### **Other Officers**

##### **Budget holders**

- A.21 The Budget holders are responsible for ensuring that Heads of Service and the relevant **Strategic Director** are advised of the financial implications of all proposals and that the financial implications have been agreed by the S151 Officer. The Strategic Director shall then in turn advise **Cabinet**.
- A.22 It is the responsibility of the Budget holder to consult with the **S151 Officer** and seek approval on any matter liable to affect the Council's finances materially, before any commitments are incurred.
- A.23 Budget holders are responsible for the control and accountability of resources consumed and generated by their service areas.

##### **Other Financial Accountabilities**

##### **Virement**

- A.24 **Full Council** is responsible for agreeing procedures for virement of expenditure between budget headings. The definition of a virement is set out in Section 5 of the Policy & Budget Framework as follows:

*Steps taken by the Cabinet, a Cabinet Member, a group of the Cabinet, or Officers, or joint arrangements to implement Council policy shall not exceed the budgets allocated to each relevant budget head. However, such bodies or individuals shall be entitled to vire across budget heads within such limits as shall be laid down in the Financial Procedure Rules. Beyond those limits, approval to any virement across budget heads shall require the approval of the **Full Council**.*

*A virement is defined as where one or more budget(s) are reduced to fund an increase in another budget(s). There is no net change in the total budget agreed by Council arising from a virement.*

A.25 The table below sets out the approval level required based on the value of the virement.

Value	Approval Level Required		
	Within a Budget Head	Between Budget Heads in same Directorate	Between Directorates
Between £0 - £4,999	Heads of Service	Heads of Service	Heads of Service
Between £5,000 and £24,999	Heads of Service and Strategic Directors	Strategic Directors and Portfolio Holder(s)	Strategic Directors and Portfolio Holder(s)
Between £25,000 and £99,999	Strategic Directors and Portfolio Holder(s)	Strategic Directors and Portfolio Holder(s)	Strategic Directors and Portfolio Holder(s)
Between £100,000 and £249,999	Cabinet	Cabinet	Cabinet
£250,000 and over	Full Council	Full Council	Full Council
Notes:			
<ol style="list-style-type: none"> <li>1. In all circumstances virements require approval by the S151 Officer.</li> <li>2. All relevant parties listed above must be in agreement.</li> <li>3. Virements should not be artificially disaggregated.</li> <li>4. Virement rules apply to capital and revenue.</li> </ol>			

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### Supplementary Estimates

A.26 A supplementary estimate is an addition to the Council's agreed budget. Supplementary estimates can be one-offs, or recurring. In either case, supplementary estimates should only be considered after all other options, such as virements, or savings, have been considered. Supplementary estimates include budgets fully funded by external grant or contribution.

A.27 The table below sets out the approval level required based on the value of the supplementary estimates.

Value	Approval Level Required	
	Fully Externally Funded	Requires Council Funding
Between £0 and £9,999	S151 Officer-Head of Service [then reported to Cabinet at next meeting]	S151 Officer-Cabinet
Between £10,000 and £99,999	Head of Service [then reported to Cabinet at next meeting]	Cabinet
Between £100,000 and £249,999	Cabinet	Cabinet
£250,000 and over	Full Council	Full Council

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**Notes:**

1. In all circumstances Supplementary Estimates require approval by the S151 Officer.
2. Council funding includes (but is not limited to) revenue budget, reserves, Section 106, capital receipts and borrowing. S151 Officer decision will undertaken an assessment.
3. Supplementary Estimates should not be artificially disaggregated.
4. Supplementary Estimates rules apply to capital and revenue.

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A.28 Where in exceptional or unexpected circumstances a Directorate is faced with a material increase in its net expenditure, which cannot reasonably be contained within its resource allocation figure for the year, the **Chief Executive** or **Strategic Directors** must (wherever possible, prior to incurring the expenditure) submit a request to **Cabinet** or **Council** for a supplementary estimate to cover the additional expenditure. The Cabinet or Council will also decide how the expenditure will be funded, e.g. from grant, revenue, reserve, loan or otherwise.

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#### **Monitoring of Expenditure**

A.29 The **Chief Executive**, **Strategic Directors** and Heads of Service shall monitor revenue expenditure and the Asset Management Group shall monitor Capital expenditure on a regular basis. Significant matters will be reported to the Cabinet as necessary.

#### **Treatment of Year-end Balances**

A.30 **Full Council** is responsible for agreeing procedures for carrying forward under and overspendings on budget headings.

#### **Accounting Policies**

A.31 The **S151 Officer** is responsible for selecting accounting policies and ensuring that they are applied consistently.

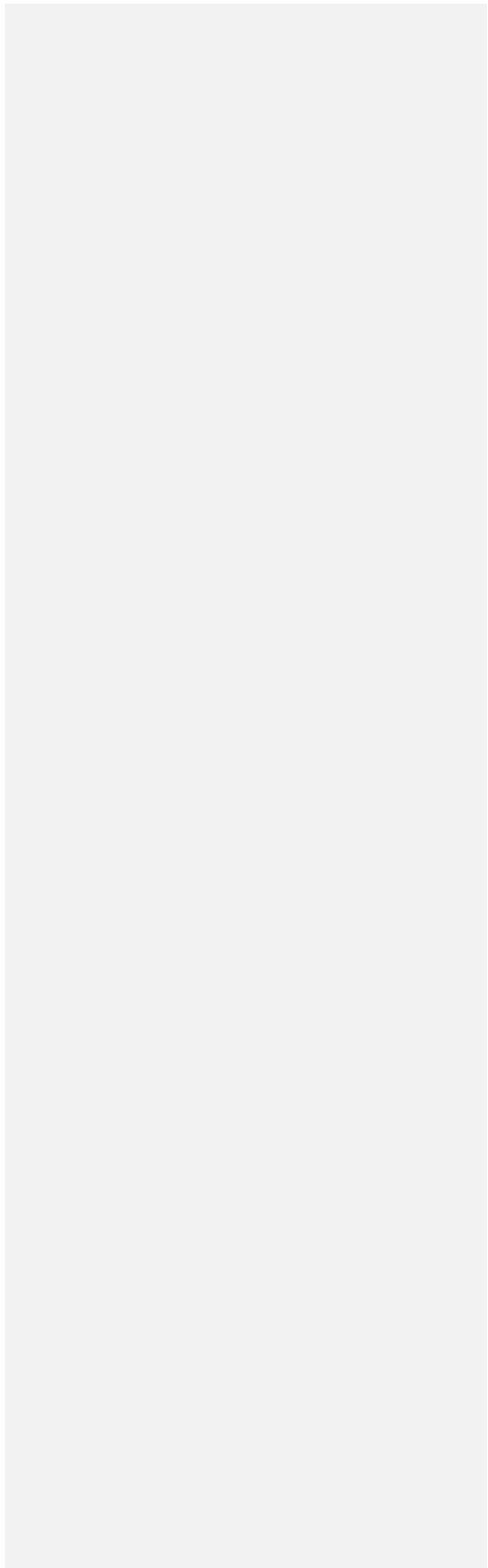
#### **Accounting Records and Returns**

A.32 The **S151 Officer** is responsible for determining the accounting procedures and records for the Council.

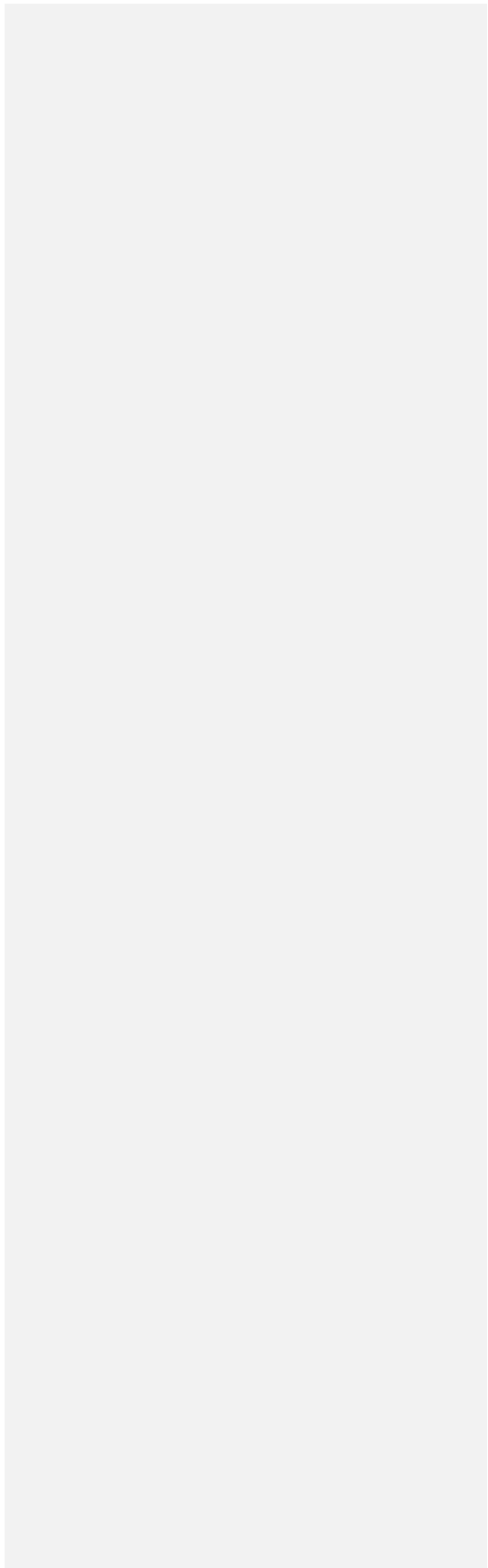
#### **The Annual Statement of Accounts**

A.33 The **S151 Officer** is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC). Approving the annual statement of accounts is a **Council** function that has been delegated to the **Audit and Governance Committee**.

|



| 14. Access to Information Rules



## SECTION C – ACCESS TO INFORMATION PROCEDURE RULES

### 13. **Scope**

- a. These rules apply to all meetings of the **Full Council** and its Non-Executive Committees and **Sub-Committees** and the **Cabinet** (together called meetings) and (where specified) executive decisions made by **Cabinet Members** and key decisions made by Officers. These rules also cover **Councillors'** rights of **Access to Information**.

### 14. **Additional Rights to Information**

These Rules do not affect any more specific rights to information contained elsewhere in this **Constitution** or in law.

### 15. **Rights to Attend Meetings**

Members of the public may attend any of the meetings subject only to the exceptions contained in these Rules.

### 16. **Notices of Meeting**

- a. The Council will give at least five **Clear Days'** notice of any meeting, except that where a meeting is convened at shorter notice, notice shall be given at the time the meeting is convened. Notice shall be given by posting details of the meeting at the Council Offices (~~“the Designated Office”~~).
- b. **Councillors** entitled to attend a meeting, will receive a summons giving five **Clear Days'** notice to attend and specifying the business proposed to be transacted at the meeting. Except in the case of business required by law to be transacted at the **Annual Meeting** of the **Full Council**, or other business brought before the meeting as a matter of urgency in accordance with the **Constitution**, no business shall be transacted at a meeting other than that specified in the summons.
- c. Where a meeting will include the taking of a confidential executive decision or a key decision, the Council will give at least 28 **Clear Calendar Days'** notice of the intention to take the decision together with details of the meeting at which such a decision will be made.

### 17. **Public Access to Agenda and Reports Before the Meeting**

- a. The Council will make copies of the **Agenda** and reports open to the public available for inspection online and at the [Designated Council Offices](#) and on its [website](#) at least five **Clear Days** before the meeting, except that where a meeting is convened at shorter notice, the copies of the Agenda and reports shall be open to inspection from the time the meeting is convened. If an item is added to the Agenda later, the revised Agenda will be open to inspection and published ~~at~~ [the Council's Offices and on its website](#) from the time the item was added to the Agenda. Where reports are prepared after the summons has been sent out, the Democratic Services Team shall make each such report available to the public as soon as the report is completed and sent to **Councillors**.

- b. An item may be added to an **Agenda** after it has been published provided that the **Chair** of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency and the urgency reasons are recorded in the minutes.
- c. Details of late items and associated reports will be made available to **Councillors** and the public as soon as this is made available for inspection [at the Council Offices](#) and published on the Council's [website](#).
- d. This Rule 5 does not require the publication of exempt or confidential information.

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18. **Supply of Copies**

- a. The Council will in the first instance direct an interested person to the Council's [website](#), and [Council Offices](#) where such information is available, but where copies are required the Council will supply copies of:
  - i. any **Agenda** and reports which are open to public inspection;
  - ii. any further statements or particulars necessary to indicate the nature of the items in the **Agenda**; and
  - iii. if the **Monitoring Officer** thinks fit, copies of any other documents supplied to **Councillors** in connection with an item.
- b. Copies of the digital **Agendas** of **Cabinet** meetings will be circulated to all **Councillors**.
- c. The Council will make available for the use of members of the public present at meetings, a reasonable number of copies of the **Agenda** and of those reports which are open to the public.

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19. **Public Access to Minutes After the Meeting**

- a. The Council will make available copies of the following for six years after a meeting or an individual **Cabinet Member** decision:
  - i. the minutes of the meeting excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information (as defined in Rule 9);
  - ii. a summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;
  - iii. the **Agenda** for the meeting; and
  - iv. reports relating to items when the meeting was open to the public.

20. **Public Access to Background Papers and Summary of Rights**

- a. **List of background papers**
  - i. The report author will set out in every report a list of those documents

(called background papers) relating to the subject matter of the report which in his/her opinion:

1. disclose any facts or matters on which the report or an important part of the report is based; and
2. which have been relied on to a material extent in preparing the report;

but does not include published works or those which disclose exempt or confidential information (as defined in Rule 9) and in respect of **Cabinet** reports, the advice of a political advisor.

**b. Public inspection of background papers**

- i. The Council will make available for public inspection for six years after the date of the meeting or an individual **Cabinet Member** decision one copy of each of the documents on the list of background papers.

**c. Summary of Public's Rights**

- i. A written summary of the public's rights to attend meetings and to inspect and copy documents will be available to the public at the Council [eOffices](#).

**21. Exclusion of Access by the Press and Public to Meetings**

**a. Confidential information - requirement to exclude the press and public**

The press and public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

**b. Exempt information - discretion to exclude press and public**

The press and public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed, provided:

- i. the meeting resolves so to exclude the press and public, and that resolution identifies the proceedings or part of the proceedings to which it applies;
- ii. that resolution states, by reference to the descriptions in Schedule 12A to the Local Government Act 1972 (Rule 9.4 below), the description of the exempt information giving rise to the exclusion of the public; and
- iii. in all the circumstances of the case, that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.



Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

**c. Meaning of confidential information**

Confidential information means information given to the Council by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by reason of a court order or any enactment.

**d. Meaning of exempt information**

Exempt information means information falling within the following 7 descriptions (subject to any qualifications) (as defined by Schedule 12A of the Local Government Act 1972 (as amended)):

	Description	Interpretation	Qualification
1.	Information relating to any individual.		Information within paragraph 1 is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
2.	Information which is likely to reveal the identity of an individual.		Information within paragraph 2 is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
3.	Information relating to the financial or business affairs of any particular person (including the authority holding that information).	<p>The authority is a reference to the principal council or, as the case may be, the board, Committee or Sub-Committee in relation to whose proceedings or documents the question whether information is exempt or not falls to be determined</p> <p>Financial or business affairs includes contemplated, as well as past or current activities</p> <p>Registered in relation to information required to be registered under the Building Societies Act</p>	<p>Information within paragraph 3 is not exempt information if it is required to be registered under-</p> <ul style="list-style-type: none"> <li>(a) the Companies Act 2006;</li> <li>(b) the Friendly Societies Act 1974;</li> <li>(c) the Friendly Societies Act 1992;</li> <li>(d) the Co-operative and Community Benefit Societies Act 2014;</li> <li>(e) the Building Societies Act 1986; or</li> <li>(f) the Charities Act 2011.</li> </ul> <p>Subject to the above, information within paragraph 3 is exempt information if and so long, as in all the circumstances of the case, the</p>

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		1986, means recorded in the public file of any building society (within the meaning of the Act)	public interest in maintaining the exemption outweighs the public interest in disclosing the information.
4.	Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority	<p>The authority is reference to the principal council or, as the case may be, the board, Committee or sub-Committee in relation to whose proceedings or documents the question whether information is exempt or not falls to be determined</p> <p><u>Employee</u> means a person employed under a contract of service</p> <p><u>Labour relations matter</u> means:</p> <p>(a) any of the matters specified in paragraphs (a) to (g) of Section 218 of the Trade Union and Labour Relations (Consolidation) Act 1992 (matters which may be the subject of a trade dispute, within the meaning of the Act); or</p> <p>any dispute about a matter falling within paragraph (a) above (applies to trade disputes relating to office holders as well as employees)</p>	Information within paragraph 4 is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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		<p><u>Office holder</u> in relation to the authority, means the holder of any paid office appointments to which are or may be made or confirmed by the authority or by any joint board on which the authority is represented or by any person who holds any such office or is an employee of the authority</p>	
5.	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.		Information within paragraph 5 is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
6.	Information which reveals that the authority proposes – to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or to make an order or direction under any enactment.	The authority is a reference to the principal council or, as the case may be, the board, Committee or sub-Committee in relation to whose proceedings or documents the question whether information is exempt or not falls to be determined	Information within paragraph 6 is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
7.	Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.		Information within paragraph 7 is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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Information is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to regulation 3 of the Town and Country Planning General Regulations 1992.

22. **Exclusion of Access by the Public to Reports**

If the **Monitoring Officer** thinks fit, the Council may exclude access by the public to reports which in his/her opinion relate to items during which, in accordance with Rule 9, the meeting is likely not to be open to the public. Such reports will be marked "Not for Publication" together with the category of information likely to be disclosed.

23. **Application of these Procedure Rules to the Executive**

- a. All decisions of the **Executive** (that is, of the **Leader**, the **Cabinet**, individual **Cabinet Members** or a Committee of the Cabinet) will be public and the press and public shall only be excluded as provided by Rule 9 where confidential or exempt information would otherwise be disclosed.

**Key Decisions**

- b. Where a **Key Decision** is to be made by the **Executive** (that is, the **Leader**, the **Cabinet**, individual **Cabinet Members** or a Committee of the Cabinet) or the **Chief Executive** under urgency as set out in the **Cabinet (Executive) Procedure Rules** in **Part 3**, Rules 12 – 23 shall apply.

24. **The Executive Decision Notice**

a. **Period of the Executive Decision Notice ("The Notice")**

- i. The Notice will be prepared by the Leader to cover decisions that are to be taken no sooner than 28 **Clear Calendar Days** following publication of the Notice.
- ii. The Notice must be published [at the Council's Offices and on the Council's website](#) at least 28 **Clear Calendar Days** before the proposed executive decision is taken. If an item is not on notice, the decision cannot be taken unless Rules 16 or 17 apply. Any outstanding matters from the previous Notice will be included in the latest Notice.
- iii. The most recent Notice shall be taken to have superseded any earlier Notice, or as the case may be, each earlier Notice.

b. **Contents of Executive Decision Notice**

12.2.1 The **Executive Decision Notice** will contain matters which the Leader has reason to believe will be subject of an executive or **Key Decision** to be taken by the **Cabinet**, or one of its groups, or Officers, or under joint arrangements, in the course of the discharge of an **Executive Function** during the period covered by the Notice. It will also contain notice of decisions to be taken confidentially. It will describe the following particulars in so far as the information is available or might reasonably be obtained:

- (a) the matter in respect of which a decision is to be made;

- (b) where the decision-taker is an individual, his/her name and title, if any and where the decision taker is a body, its name and details of membership;
- (c) the date on which, or the period within which, the decision is to be made;
- (d) the procedure for requesting documents connected to the decision;
- (e) that other documents can be submitted;
- (f) the steps any person might take who wishes to make representations to the **Cabinet** or decision-taker about the matter in respect of which the decision is to be made, and the date by which those steps must be taken;
- (g) a list of the documents submitted to the decision-taker for consideration in relation to the matter about which the decision is to be made; and
- (h) the address where documents are available.

#### 12.2.2 **Additional Requirements for Key Decisions**

- (a) The **Executive Decision Notice** must specify if a decision to be taken is a **Key Decision**
- (b) Where a decision-maker intends to make a Key Decision, that decision must not be made until a notice of the Key Decision has been published on the Executive Decision Notice which contains:
  - i. that a Key Decision is to be made;
  - ii. the matter in respect of which the decision is to be made;
  - iii. where the decision-maker is an individual, the name of the individual;
  - iv. where the decision-maker is a body, its name and a list of its members;
  - v. a list of the documents submitted for consideration;
  - vi. the address from which copies or extracts of documents are available;
  - vii. that other documents may be submitted for consideration; and
  - viii. the procedure for requesting documents.
- (c) The Notice specifying what Key Decisions are to be taken must be

published [at the Council's Offices and on the Council's website](#) at least 28 **Clear Calendar Days** before the decision is to be taken. The public may be excluded from the meeting at which a key decision is to be taken if information is likely to be disclosed which is confidential or exempt under Schedule 12A.

### 12.2.3 Additional Requirements for Private Meetings

- (a) The **Executive Decision Notice** must specify if a meeting or any part of the meeting at which an executive decision is to be taken will be in private.
- (b) The steps any person might take who wishes to make representations to the decision-making body or decision-taker about whether the matter should be held in public and the date by which those steps must be taken.
- (c) At least five **Clear Calendar Days** before a private meeting, the decision-making body must:
  - i. confirm the decision to hold the meeting in private or not;
  - ii. make available at the Council Offices a further notice of its intention to hold the meeting in private or public if appropriate; and
  - iii. publish that notice on the Council's [website](#).
- (d) The notice must include:
  - i. a statement of reasons for the meeting to be held in private;
  - ii. details of any representations received by the decision-making body about why the meeting should be open to the public; and
  - iii. a statement of its response to any such representations.
- (e) Where the date by which a meeting must be held makes compliance with section (d) impracticable, the meeting may only be held in private where the decision-making body has obtained agreement from:
  - i. the chair of one of the **Scrutiny Committees**;
  - ii. if the Chair of one of the **Scrutiny Committees** are unable to act, the **Chair of the Council**; or
  - iii. where there is no **Chair** of either of the **Scrutiny Committees** or of the Council, the **Deputy Chair of the Council**, that the meeting is urgent and cannot reasonably be deferred.
- (f) As soon as reasonably practicable after the decision-making body

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has obtained agreement to hold a private meeting, it must:

- i. make available at the Council Offices a notice setting out the reasons why the meeting is urgent and cannot reasonably be deferred; and
  - ii. publish that notice on the Council's [website](#).
- (g) Cabinet Members will be entitled to receive five **Clear Calendar Days**’ notice of a meeting to which they are summoned, unless the meeting is convened at shorter notice as a matter of urgency.

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25. **Publicity**

- a. The **Monitoring Officer** will make available a copy of the Executive Decision Notice (“the Notice”) and publish the Notice on the Council's [website](#). The Notice will state:
- (a) that **Key Decisions** are to be taken on behalf of the Council;
  - (b) the particulars of the matters on which decisions are to be taken;
  - (c) the Notice will contain details of the key decisions to be made by or on behalf of the Executive, no sooner than **28 Clear Calendar Days** after publication;
  - (d) that each Notice will be available for inspection at reasonable hours free of charge at the Council Offices;
  - (e) that each Notice will contain a list of the documents submitted to the decision takers for consideration in relation to the Key Decisions on the Notice;
  - (f) the address from which, subject to any prohibition or restriction on their disclosure, copies of, or extracts from, any document listed in the Notice is available;
  - (g) that other documents may be submitted to decision-takers; and
  - (h) the procedure for requesting details of documents (if any) as they become available.
- b. Exempt information need not be included in the Executive Decision Notice and confidential information cannot be included.

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26. **General Exception**

- a. If a matter which is likely to be a **Key Decision** has not been included in the Executive Decision Notice, then subject to Rule15 (Special Urgency), the decision may still be taken if:
- i. the decision must be taken by such a date that it is impracticable to defer the decision;

- ii. the **Monitoring Officer** has informed the Chair of a relevant **Scrutiny Committee**, or if there is no such person, each member of that Committee in writing, by notice, of the matter to which the decision is to be made;
  - iii. The Monitoring Officer has made copies of that notice available to the public at ~~the offices of~~ the Council Offices and on the website for inspection; and
  - iv. at least five **Clear Calendar Days** have elapsed since the Monitoring Officer complied with 14.1.2 and 14.1.3.
- b. Subject to Rule 9, where such a decision is taken collectively, it must be taken in public unless it involves consideration of exempt or confidential information.
  - c. As soon as reasonably practicable, the Monitoring Officer must:
    - (a) make available at the Council Offices a notice setting out the reasons why it was impracticable to defer the decision until it has been included on the next **Executive Decision Notice**; and
    - (b) publish that notice on the Council's website.

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## 27. **Special Urgency**

- a. If by virtue of the date by which a decision must be taken Rule 14 (General Exception) cannot be followed, then the decision can only be taken if the decision-taker (if an individual) or the **Chair** of the body making the decision, obtains the agreement of the Chair of a relevant **Scrutiny Committee** that the taking of the decision is urgent and cannot be reasonably deferred.
- b. If there is no Chair of a relevant **Scrutiny Committee**, or if the Chair of the relevant Scrutiny Committee is unable to act, then the agreement of the **Chair of the Council**, or in his/her absence the Deputy Chair will suffice.
- c. As soon as reasonably practicable after agreement has been given, the Monitoring Officer shall make available a notice setting out the reasons for urgency and why the decision cannot be reasonably deferred and publish that notice at the Council's offices and on the Council's website.
- d. The Leader will submit a quarterly report to the Council on the executive decisions taken under this Rule in the preceding three months. The report will include the number of decisions taken and a summary of the matter about which each decision was made.

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## 28. **Private Meetings**

- a. Subject to Rule 16.2, a **private meeting** may not take place unless:
  - i. At least 28 **Clear Calendar Days** before the scheduled meeting a



notice (the **Executive Decision Notice**) has been made available for inspection by the public at the [designated Council's Offices](#) and on the [website](#) of the intention to hold the **Cabinet** or Cabinet Committee meeting in private; and

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- ii. At least five **Clear Calendar Days** before the scheduled meeting, a further notice has been made available for inspection by the public at the [Designated Council's Offices](#) and on the website which shall include any representations made as to why any item specified in the notice given under Rule 16.1.1 above should be open to the public together with the Council's response.
- b. Where the date by which a meeting must be held makes compliance with Rule 16.1 impracticable, the meeting may only be held where the decision-making body has obtained agreement from the Chair of a relevant **Scrutiny Committee** that the meeting is urgent and cannot reasonably be deferred. If there is no Chair of a relevant Scrutiny Committee, or if the Chair of each relevant Scrutiny Committee is unable to act, then the agreement of the **Chair of the Council**, or in his/her absence the Deputy Chair will suffice.
- c. As soon as reasonably practicable after the decision-making body has obtained agreement under Rule 16.2 to hold a private meeting, the Monitoring Officer shall publish a notice setting out why the meeting is urgent and cannot reasonably be deferred and shall make that notice available to the public at the [designated Council's Offices](#) and on the [website](#).
- d. All **Cabinet Members** are entitled to attend a private meeting of any group of the Cabinet and be allowed to speak with the consent of the **Chair** of that group.
- e. Notice of private meetings of the **Cabinet** and its groups will be served on all **Non-Executive Members**, at the same time as notice is served on **Cabinet Members**.
- f. Where a matter under consideration at a private meeting of the **Cabinet**, or a group of it, is within the remit of a monitoring body any Councillor may attend that private meeting and speak with the consent of the person presiding.
- g. A private meeting of the **Cabinet** may not take any decisions unless the **Head of Paid Service**, the **S151 Officer** or the **Monitoring Officer**, or their nominees, are present or have waived their entitlement to attend. A private Cabinet meeting may only take a decision if there is an Officer present with responsibility for recording and publicising the decisions.

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**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**COUNCIL – THURSDAY, 22 FEBRUARY 2024**

<b>Title of Report</b>	<b>PAY POLICY STATEMENT 2024/25</b>	
<b>Presented by</b>	Councillor Richard Blunt Leader of the Council	
<b>Background Papers</b>	Personal files of employees (confidential) and information held on the I-Trent software system.	<b>Public Report: Yes</b>
<b>Financial Implications</b>	There are no direct financial implications. The salaries of Senior Officers are set out in the Pay Policy Statement 2024/25.	
	<b>Signed off by the Section 151 Officer: Yes</b>	
<b>Legal Implications</b>	The report is produced in line with the requirements of section 38 of the Localism Act 2011. The Council is required to adopt its annual pay policy statement by 31 March each year (section 39(3) Localism Act 2011)	
	<b>Signed off by the Monitoring Officer: Yes</b>	
<b>Staffing and Corporate Implications</b>	This report contains the pay arrangements for the most senior employees of the Council.	
	<b>Signed off by the Head of Paid Service: Yes</b>	
<b>Purpose of Report</b>	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.	
<b>Recommendations</b>	<b>THAT COUNCIL APPROVES THE COUNCIL'S PAY POLICY STATEMENT 2024/25, AS ATTACHED AT APPENDIX 1 OF THIS REPORT.</b>	

**1.0 BACKGROUND**

- 1.0 Under Section 38 of the Localism Act 2011, the Council is required to produce a Pay Policy Statement (the 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
- 1.2 For the purposes of this Statement, 'pay' includes basic salary, bonuses and all other allowances arising from employment.

- 1.3 The proposed Statement (as shown in Appendix 1) 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.
- 1.4 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).

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	The senior management team is key to the delivery of all the Council's priorities. <ul style="list-style-type: none"> <li>- Communities and Housing</li> <li>- Planning and Regeneration</li> <li>- Clean and Green</li> <li>- A Well-run Council.</li> </ul>
Policy Considerations:	Pay policy for senior officers.
Safeguarding:	None
Equalities/Diversity:	No direct considerations.
Customer Impact:	The Corporate Leadership team is responsible for the Customer impacts of the Council's work.
Economic and Social Impact:	None
Environment and Climate Change:	None
Consultation/Community Engagement:	The report has been provided to the recognised trade unions.
Risks:	Detailed in the corporate risk register.
Officer Contact	Mike Murphy Head of Human Resources and Organisation Development <a href="mailto:mike.murphy@nwleicestershire.gov.uk">mike.murphy@nwleicestershire.gov.uk</a>

## **Pay Policy Statement 2024/25**

### **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.
  - 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 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 twelve 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 three 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 – (3), (One Director is the S151 Officer)
- Head of Legal and Support Services (Monitoring Officer),
- Head of Finance (Deputy 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).
- The Head of Revenues and Benefits is also at this level but is employed directly by Hinckley and Bosworth Borough Council as part of a shared service arrangement under that Council's terms and conditions of employment.

3.4 There have been changes to the senior team during 2023/24. The Head of Finance was appointed in May 2023 (an internal appointment), the Strategic Director of Resources joined the Council in September 2023 and the Head of Housing commenced in April 2023. All these appointments followed a selection process conducted by the Members Appointments Committee.

3.5 It should be noted for completeness that one additional post at Service Manager Level is a Deputy Chief Officer within the definition applied to the Council's Constitution because of their function within the Council as Deputy Monitoring Officer. Their information has not been included within this statement because they are not engaged on Chief Officer terms and conditions of service.

3.6 The Heads of Service are all located within a salary range £62,674 to £72,707 (9 incremental points), The Director salary range is £85,410 to £95,456 (6 incremental points) and the Chief Executive Salary range is £131,096 to 140,210 (4 incremental points). In addition, the Head of Legal and Support Services receives a payment of £5,319 per annum for undertaking the role of Monitoring Officer.

The cost-of-living increase for the 2023/24 financial year was agreed at national level for Chief Executive and Chief Officers pay bands at a percentage increase of 3.5% on all salary points. The cost-of-living rise for other employees in the workforce was varied due to the lump sum "bottom loading" of the pay award which led to employees in the lower pay grades having a higher percentage pay award.

Negotiations are currently underway at national level to determine the pay awards for the financial year 2024/25.

- 3.7 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 recruit to the post in 2017 and again in 2022.
- 3.8 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 a continuous appraisal process and are required to report on their progress against the Council Delivery Plan and performance indicators to Cabinet and the Corporate and Community Scrutiny Committees on a quarterly basis.
- 3.9 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. The Council's policy is to appoint senior officers at the minimum point of the salary band unless experience or market factors and conditions necessitate an appointment at a higher incremental point on the scale. The overriding consideration is to appoint the best person for the job.

#### **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 provides for 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 £3,003 and £3,188 per annum (for the Senior Officers in this Statement).
- 4.4 All Officers 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 2023/24 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 (LGPS) is an optional benefit. If senior officers are members of the scheme the employee contribution rates range between 8.5% and 11.4%. The Council also contributes to the LGPS if officers join at a rate of 22.7% of salary.

## **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 Section 35 of the [Representation of the People Act 1983](#) Chief Executive and some of the senior officers in this statement are 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 or similar election support roles.

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 and are separate employment contracts filled by the Returning Officer. The fees received by the Council are set externally by legislation and based on a formula linked to the number of electors.

The election fees do not apply to all the officers in this statement, but where applicable, they cover a range of duties from Election count supervisors to the Returning officer for elections.

## **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 forty-five. 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 three 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 and would be subject to the necessary approvals in line with the Council's constitution.

## **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 2021 applies to Senior Officers subject to the minimum requirements.

## **10.0 Other Benefits**

- 10.1 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 October 2023 to £22,682 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 January 2024 (including overtime payments) was £29,777 per annum which, when compared to the salary of the most highly paid Senior Officer at £134,064 per annum, produces a pay ratio multiple of 4.50. The ratio has decreased slightly from last year when the ratio was 4.54. This change is due in part to the bottom-loaded pay award agreed at national level which had the effect of providing a higher percentage increase for employees in the lower bands of the salary scales. This meant the average increase in the median pay was 6.92% across the workforce which compares with an overall increase for the highest earner of 5.84% (including an increment progression)

## **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.

12.3 Interim chief officers are recruited through an executive search provider. Their appointment is delegated to the Head of Paid Service (the Chief Executive) in the Constitution. The pay arrangements are set according to market conditions at the time, and may include direct employment by the Council, or engagement through an employment agency, or via an approved HMRC umbrella company. Interims are engaged for short term periods to support the work of the Corporate Leadership Team when posts are temporarily vacant. Currently no interim chief officers are engaged by the Council.

## **13.0 Review and Changes**

- 13.1 The Council will review this Statement annually, or if amendments need to be made before the date of the scheduled review, a further report will be submitted to Full Council in-year. 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.

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COUNCIL – 22 FEBRUARY 2024

<b>Title of Report</b>	<b>GENDER PAY GAP REPORT 2023</b>	
<b>Presented by</b>	Councillor Richard Blunt Leader of the Council	
<b>Background Papers</b>	Held on the I-Trent HR/Payroll system. Some of the papers are confidential because they relate to individual employees	<b>Public Report:</b> Yes
<b>Financial Implications</b>	There are no direct financial implications arising for the Council in this report.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	This report is in line with the requirements of S78 Equality Act 2010 and the Gender pay gap (Info) Regs 2017.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	No direct staffing or corporate Implications.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	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.	
<b>Recommendation</b>	<b>THAT THE REPORT BE NOTED AND THE RELEVANT INFORMATION OUTLINED IN PARAGRAPH 1.2 IS REPORTED TO GOVERNMENT.</b>	

## 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 a specific reference date (snapshot date) of **31 March 2023**.

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 Council’s results is as follows:

- **Mean Gender Pay Gap** – The females’ mean hourly rate was 1.83% lower than males on 31/03/2023.
- **Median Gender Pay Gap** – The females’ median pay hourly rate was 1.04% higher than males on 31/03/2023.

	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
2022	1.96	0.01
2023	1.83	-1.04

The table shows the changes to the mean and median pay gaps for the Council over a seven-year period. After a period of decline in the pay gaps over the three-year period between 2017 and 2019 inclusive, and a rise in 2020 the rates have declined again for three successive years. 2023 marks the first occasion since the Council began reporting gender pay data where the median pay for female staff members has exceeded that of males.

It is important to emphasise the gender pay data is calculated at a moment in time, so is a snapshot.

It is a requirement under the reporting regulations to state the Council’s position in relation to the following factors:

- **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 by pay quartile:

	2023			2022			2021	
<b>Quartile</b>	<b>Male (%)</b>	<b>Female (%)</b>		<b>Male (%)</b>	<b>Female (%)</b>		<b>Male (%)</b>	<b>Female (%)</b>
Lower	62	38		60	40		62	38
Lower Middle	40	60		45	55		40	60
Upper Middle	57	43		54	46		58	42
Upper	50	50		52	48		52	48

Commentary on the table and changes over the three-year period:

- The Lower quartile comprises of the apprentice pay scales, grades A, B and C.
- The percentage of females in the lower quartile has decreased by 2%, consequently, in 2023, there is a higher percentage of males in the lower quartile than the previous year.
- The percentage of males in the lower middle quartile has decreased to 40% - down from 45% in 2022 This quartile includes employees on grades C and D (see Appendix 2 for the salary band structure).
- The Upper middle quartile includes those on salary grades E and some in band F. This quartile also includes most craft employees such as plumbers, electricians etc.
- The upper quartile includes employees on salary grade F and above, which is the majority of professional officers and those in management roles.
- Since the previous report, two females have been appointed to a Head of Service post and a team manager post. These appointments have positively impacted the percentage representation of females in the upper quartiles, as well as improving the mean and mode values mentioned earlier.
- There are no specific areas or events which have significantly impacted the change in any figures; rather they are the result of general staffing changes throughout the year.

2.3 It is important to note that all of the Council's 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 very small gender pay gap, the Council can be confident that men and women are paid equally for doing the equivalent jobs across the Council. A more detailed breakdown of the percentages of females and males by grade is provided at Appendix 1.

## 3.0 ANALYSIS

3.1 The Council continues to employ a number of different strategies and measures to minimise the gender pay gap, such as:

- The voluntary Living wage was introduced by the Council in 2014. This had a significant impact on the (largely female) employees engaged in part-time roles in the lower pay scales. This increased to £12.00 per hour in October 2023.
- Options for flexible working are provided for all employees across the Council wherever possible. In addition, there are a significant number of employees undertaking a mix of home and office-based working in accordance with the hybrid working scheme. 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.
- The Council offers enhanced (national conditions of service) maternity and paternity schemes to support parents to more easily facilitate returns after the birth or adoption of a child.
- A scheme is in place that allows employees to buy additional (unpaid) leave to facilitate more flexibility around caring responsibilities. Employees can also purchase additional leave to supplement their annual leave entitlement.
- Where this fits with the customer needs, employees have been allowed 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.
- The Council is working with its apprenticeship providers to try to encourage females into traditionally male work areas of the workforce as apprentices.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	Links to being a Well-run Council priority.
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.
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## Appendix 1

Split of males and females in each pay grade

<b>Grade</b>	<b>Female (%)</b>	<b>Male (%)</b>
Apprentices	67	33
A	100	0
B	23	77
C	66	34
D	50	50
E	64	36
Bricklayer	0	100
Carpenter	5	95
Electrician	0	100
Painter	0	100
Plumber	0	100
F	49	51
G	42	58
H	50	50
I	44	56
Head of Service	33	67
Director	0	100
CEO	100	0
Coach	58	42

Salary Grades

<b>Salary Band</b>	<b>Minimum Point</b>	<b>Maximum point</b>
<b>A</b>	22,682	23,114
<b>B</b>	23,500	23,893
<b>C</b>	24,294	25,979
<b>D</b>	26,421	29,777
<b>E</b>	30,296	33,945
<b>F</b>	34,834	38,223
<b>G</b>	39,186	43,421
<b>H</b>	44,428	48,474
<b>I</b>	49,498	53,589
<b>Heads of service</b>	62,674	72707
<b>Directors</b>	85,410	95456
<b>Chief Executive</b>	131,096	140,210