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

Time/Date 6.30 pm on THURSDAY, 19 FEBRUARY 2026
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
PRAYERS	
1. APOLOGIES FOR ABSENCE	
2. DECLARATION OF INTERESTS	
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	
3. CHAIRMAN'S ANNOUNCEMENTS	
4. LEADER'S AND PORTFOLIO HOLDERS' ANNOUNCEMENTS	
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.	

Item	Pages
5. QUESTION AND ANSWER SESSION	
To receive questions from members of the public under procedure rule no.10. The procedure rule provides that members of the public may ask members of the Cabinet any question on any matter in relation to which the Council has powers or duties which affect the District, provided that three clear days' notice in writing has been given to the Head of Legal and 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 any motions on notice under procedure rule no. 12.	
8. PETITIONS	
To receive petitions in accordance with the Council's Petition Scheme.	
9. MINUTES	
To confirm the minutes of the meeting of the Council held on 4 November 2025.	5 - 10
10. 2026/27 ROBUSTNESS OF BUDGET ESTIMATES	
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14. COUNCIL TAX RESOLUTION 2026/27	
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15. TREASURY MANAGEMENT ACTIVITY 2025/26 MID-YEAR REPORT	
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17.	ANNUAL REVIEW OF THE CODE OF CONDUCT COMPLAINTS ARRANGEMENTS	
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18.	INDEPENDENT CHAIR OF THE AUDIT & GOVERNANCE COMMITTEE	
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20.	PAY POLICY	
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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, 4 NOVEMBER 2025

Present: Councillor P Lees (Chair)

Councillors J G Simmons, M Ball, A Barker, C Beck, 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, K Horn, S Lambeth, J Legrys, K Merrie MBE, A Morley, R L Morris, P Moulton, E Parle, G Rogers, N J Rushton, R Sutton, A C Saffell, C A Sewell, S Sheahan, 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 Ms K Hiller

47. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor R Johnson.

48. DECLARATION OF INTERESTS

Councillor T Gillard declared an other interest in item 8, Petitions, as he had signed the petition being presented at the meeting.

49. CHAIR'S ANNOUNCEMENTS

With Remembrance Day approaching, the Chair of the Council had several services to attend and was looking forward to standing alongside his fellow councillors. He stressed the importance of remembering those in the armed forces who paid the greatest sacrifice and to celebrate those who serve today with bravery and courage.

The Chair of the Council provided an update on the events that himself and the Deputy Chair of the Council had attended around the district since the last Council meeting.

The Chair of the Council announced he had presented a certificate to Brooklyn Dooley, the winner of the staff Star Scheme, who was nominated for his outstanding contribution in his role.

To conclude, the Chair of the Council referred to a recent event as part of the South Derbyshire civic celebrations, at which he attended the High Sheriff's Justice Service. During which an important message was shared about the importance of unity, which he hoped to bring into the chamber.

50. LEADER'S AND PORTFOLIO HOLDERS' ANNOUNCEMENTS

Councillor R Blunt, Leader of the Council, made the following announcements:

An update was provided on the current position of the Local Government Reorganisation process. Officers were thanked for the work undertaken so far. He also thanked Members who attended the recent briefing and the Corporate Scrutiny Committee who contributed to the process, provided comments and supported the proposals.

An update was provided on progress of the demolition of the old council office building and the next step in the process including removal of the rubble. Members were informed that plans for the site were being developed and following public engagement it was expected for planning applications to be ready for 2026.

Several Members spoke in support of both the Local Government Reorganisation proposals and the removal of the trees on the site of the old council office building due to their poor health.

Councillor M Wyatt, Deputy Leader, made the following announcements:

Members were informed that following the additional budget created for improvements to CCTV monitoring, the cameras were now monitored live in both Ashby and Coalville including Sundays. An update was provided on the success of the service and the impact it has having, assisting the police in incidents that otherwise would have been missed.

Councillor A Woodman, Portfolio Holder, made the following announcements:

Members were provided with an update on some areas of the Housing Service including the positive progress made on the backlog within housing repairs, the work underway in upgrading homes to an EPC C rating and the reduction in the use of temporary accommodation.

Members were reminded of the recent housing inspection that was undertaken, the outcome of which was due to be published in the coming weeks and would be reported to Cabinet.

To conclude, the new Head of Housing, Gary Hall was introduced and welcomed to the authority.

In relation to the housing repairs backlog, a Member asked how long it would take to complete all outstanding repairs. Councillor A Woodman agreed to consult with officers and to provide a response outside of the meeting.

51. QUESTION AND ANSWER SESSION

There were no questions received.

52. QUESTIONS FROM COUNCILLORS

One question was asked which is set out below with the response. The Member was invited by the Chair of the Council to ask a supplementary question which is also set out together with the response.

Question from Councillor D Bigby

'In the light of Kemi Badenoch's recent statements that she believes the UK's 2050 net zero target is "impossible" to achieve and that, if ever elected again to government, the Conservative Party plans to repeal the Climate Change Act, as Council Leader and Leader of the Conservative Group, can you confirm the Administration's continued commitment to the Council's current net-zero policies including working towards a net-zero council by 2030 and a net zero district by 2050.'

Response from Councillor R Blunt

'The Council declared a climate emergency on 25 June 2019 and adopted its Zero Carbon Roadmap and Action Plan on 31 March 2020. The Action Plan recommends activity to achieve the ambition of working towards a net Zero Carbon Council by 2030 and a net Zero Carbon district by 2050.'

Whilst I share the view that these targets are challenging, the Administration remains committed to doing all it can in addressing climate change.

There is no change in the Council's position and commitment. "Clean green and zero carbon district" remains a Council Delivery Plan priority with the aim to be carbon neutral as a council by 2030 and as a district by 2050.

The Council's emissions are predominantly driven by utilities and fuel. We have transitioned fifteen vehicles to electric and there is a long-term commitment to use HVO instead of diesel for all other fleet, driving significant emissions benefits. Costs to decarbonise the Council's property portfolio, across both the general fund and HRA, however, may prove unaffordable, however, without additional government funding.'

Supplementary question and response

The commitment to the zero emissions target was welcomed and it was hoped that the budget provision would continue. It was acknowledged that online training on Zero Carbon was available for Members, however it was noted that not all councillors had completed it. Councillor R Blunt confirmed his commitment to the target and continued budget provision.

53. MOTIONS

The Chair of the Council referred Members to the motion as amended in the additional papers and invited Councillor M Wyatt, who made the submission, to speak.

Councillor M Wyatt spoke and then formally moved the motion. It was seconded by Cllr A Woodman.

A debate ensued in which Members spoke both in support and against the motion.

The motion was put to the vote and CARRIED. As a recorded vote was requested, the voting was as detailed below.

RESOLVED THAT THE COUNCIL:

- 1) Formally oppose the Labour Government's Digital ID plans;
- 2) Requests the Leader of the Council and the Chief Executive write to the Home Secretary, the local Members of Parliament representing NWL and the Minister for Digital Infrastructure expressing this council's firm opposition to Labour's mandatory Digital ID System and calling for plans to be scrapped.

Motion submitted by Councillor M Wyatt (Motion)	
Councillor Paul Lees	For
Councillor Jenny Simmons	For
Councillor Mike Ball	For
Councillor Anthony Barker	Against
Councillor Catherine Beck	Against
Councillor Dave Bigby	Against
Councillor Murrae Blair-Park	Against
Councillor Richard Blunt	For
Councillor Russell Boam	For
Councillor Morgan Burke	For
Councillor Rachel Canny	For
Councillor Doug Cooper	Against

Councillor David Everitt	Against
Councillor Dr Terri Eynon	Against
Councillor Marie French	For
Councillor John Geary	Against
Councillor Tony Gillard	For
Councillor Kenny Horn	For
Councillor Simon Lambeth	Against
Councillor John Legrys	Against
Councillor Keith Merrie MBE	For
Councillor Alison Morley	Against
Councillor Ray Morris	For
Councillor Peter Mout	Against
Councillor Elizabeth Parle	Against
Councillor Guy Rogers	Against
Councillor Nicholas Rushton	For
Councillor Ray Sutton	Against
Councillor Tony Saffell	For
Councillor Carol Sewell	Against
Councillor Sean Sheahan	Against
Councillor Nigel Smith	For
Councillor Avril Wilson	Against
Councillor Jake Windram	For
Councillor Lee Windram	For
Councillor Andrew Woodman	For
Councillor Michael Wyatt	For
Carried	

54. PETITIONS

The Chair of the Council referred Members to the petition as detailed within the agenda papers and invited the Petition Organiser to come forward and speak to the petition.

Several questions of clarity were asked by Members, and responses provided by the Petition Organiser.

Councillor N Rushton, Infrastructure Portfolio Holder, addressed the meeting and raised the difficulties facing the Local Plan Committee in allocating sites and the importance of addressing the shortfall in housing provision in the Coalville Urban Area.

Councillor L Windram moved that the matter be placed on the next convenient meeting of the Local Plan Committee. The motion was seconded by Councillor T Gillard.

The motion was put to the vote and CARRIED.

RESOLVED THAT:

The subject matter of the petition be placed on the next convenient meeting of the Local Plan Committee.

55. MINUTES

Consideration was given to the minutes of the meeting held on 16 September 2025.

It was moved by Councillor P Lees, seconded by Councillor J Simmons and

RESOLVED THAT:

The minutes of the meeting held on 16 September 2025 be approved and signed by the Chair as a correct record.

56. CAPITAL UPDATE

Councillor K Merrie, as Corporate and Finance Portfolio Holder, presented the report and moved the recommendations. It was seconded by Councillor N Rushton.

RESOLVED THAT:

The revised Capital Programme as detailed in appendix A of the report be approved.

57. COMMUNITY GOVERNANCE REVIEW

Councillor N Rushton, as Infrastructure Portfolio Holder presented the report and moved the recommendations. It was seconded by Councillor M Wyatt.

RESOLVED THAT:

- 1) The terms of reference for the Community Governance Review be approved for publication and consultation.
- 2) Authority be delegated to the Monitoring Officer, in consultation with the Chair of the Electoral Review Working Party, to make any changes to the terms of reference following the consultation process and consideration by the working party.

58. APPOINTMENT OF REPRESENTATIVE TO AN OUTSIDE BODY

Councillor N Rushton, as Infrastructure Portfolio Holder presented the report and moved the recommendations. It was seconded by Councillor T Gillard.

Members discussed how seats on boards such as the Safer North West Leicestershire Community Partnership were appointed. Some felt that more consideration should be taken on the distribution of the seats so that more opportunity was available to all groups. It was suggested that options such as observing roles be considered.

RESOLVED THAT:

The Housing, Property and Customer Services Portfolio Holder be appointed to represent the Council on the Safer North West Leicestershire Community Partnership.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.31 pm

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
COUNCIL – THURSDAY, 19 FEBRUARY 2026



Title of Report	2026/27 ROBUSTNESS OF BUDGET ESTIMATES	
Presented by	Cllr Keith Merrie MBE Finance and Corporate Portfolio Holder	
Background Papers	<p>Council 20 February 2025: Capital Strategy, Treasury Management and Prudential Indicators</p> <p>General Fund Budget and Council Tax 2025/26</p> <p>Housing Revenue Account HRA Budget and Rent Setting</p> <p>Corporate Scrutiny Committee 22 January 2025: Draft Budget 2026/27</p>	Public Report: Yes
Financial Implications	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.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The Council's Section 151 Officer is required to prepare this report under Section 25(1) Local Government Act 2003.	
	Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications	None.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To advise Cabinet on the robustness of the estimates in the budget and the adequacy of the proposed financial reserves.	
Recommendations	<p>THAT COUNCIL:</p> <p>NOTES THE S151 OFFICER'S ADVICE SET OUT IN SECTION 7 OF THIS REPORT AND CAREFULLY CONSIDERS THE CONTENT OF THIS REPORT AS PART OF APPROVING THE GENERAL FUND BUDGET REPORT 2026/27, THE HOUSING REVENUE ACCOUNT BUDGET 2026/27 REPORT AND THE CAPITAL STRATEGY AND TREASURY MANAGEMENT STRATEGY 2026/27.</p>	

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.
- 2.2 The current economic climate presents significant challenges for the Council in formulating robust and sustainable budget estimates for 2026/27. Nationally, the UK continues to experience economic uncertainty stemming from moderate GDP growth, persistent inflationary pressures, and fluctuating interest rates.
- 2.3 The cost-of-living crisis, driven by elevated energy and food prices, continues to impact both households and the Council’s own operating costs. In addition, public sector pay settlements and supply chain disruptions remain key factors contributing to financial pressures across local government.
- 2.4 These economic headwinds have a direct effect on the Council’s income streams, including council tax and business rates, as well as on the demand for local services. The Council is also facing increased costs in service delivery, particularly in areas such as contract price increases, waste management and homelessness support.
- 2.5 At the same time, local authorities have now faced over a decade without a multi-year financial settlement. In 2025, there was considerable uncertainty regarding the Council’s future funding position, particularly in light of the scheduled business rates reset for 2026/27 and the extensive consultation taking place as part of the Government’s Fair Funding Review. Consequently, the budget estimates have been prepared with prudent assumptions to ensure the Council’s financial resilience and its continued ability to deliver essential services to the community.

- 2.6 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.
- 2.7 This presented the Council's highest financial risk as the Government indicated that it would reset the business rates growth baseline and redistribute resources to councils across the country with a fair funding review implemented in 2026. However, the provisional finance settlement 2026/27, published on 17 December 2025, demonstrates that the Council has benefited from growth in business rates, reflecting the positive impact of new businesses moving into the area and its strategic location with excellent communication links. Further details on this are provided in a later section of this report.
- 2.8 Given the uncertainty prior to the publication of the Provisional Settlement, the financial projections and financial modelling which took place over the summer/autumn 2025 indicated that the Council would have a funding gap over both the short and medium term. On this basis, the Council sought to identify areas of savings to support a balanced budget, details of which are set out in the General Fund Budget and Council Tax 2026/27 report.
- 2.9 In the period immediately preceding the announcement of the provisional finance settlement, the Council's financial modelling indicated that North West Leicestershire would emerge as a principal beneficiary of funding under the revised funding distribution model. This positive outlook has been underpinned by a prudent approach, with the Council adjusting its forecasts to reflect identified savings and ensuring that budget growth remains sustainable, particularly beyond 2028/29.
- 2.10 It is important to note that all transitional funding will be withdrawn over the next three years; therefore, restraint must be exercised to avoid over-investment in services that could lead to financial difficulties in future years.
- 2.11 The funding available for the next three financial years provides the Council with the means to respond to rising cost and service demand pressures, especially in areas such as homelessness and waste management, whilst also replenishing reserves earmarked for the capital programme and reducing the need for borrowing.
- 2.12 Furthermore, there are opportunities to pursue additional economic investment beyond the current capital programme, including the proposal of a legacy grant scheme to support community projects. Allocations have also been made to cover transitional costs associated with potential local government reorganisation and to provide additional short-term service capacity, enabling delivery of the Council Delivery Plan objectives.
- 2.13 The Provisional Finance Settlement, set along with the work the Council has undertaken on its transformation programme to make budget savings and efficiencies over the last three years, indicates that there is sufficient funding to enable the Council to set a balanced budget not only for 2026/27, but also for the following two financial years, 2027/28 and 2028/29. The Council Delivery Plan target to be financially sustainable by 2028 should, therefore, be achieved. It should be noted that the 2028/29 financial year may fall under the jurisdiction of a new strategic authority, depending on future local government restructuring. This provides a degree of stability and confidence over the medium term, despite the evolving landscape of local government finance and structures.

3.0 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 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 processes 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 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 GENERAL FUND BUDGET 2026/27

4.1 High levels of inflation, recruitment and retention, and high interest rates present a challenging and uncertain economic environment.

4.2 The Government's announcement of a multi-year settlement at the time of the Provisional Local Government Finance Settlement 2026/27 provides the Council with much-needed stability and certainty in its financial planning. This longer-term approach enables the Council to align its resources more effectively and deliver on its key priorities as outlined in the Council Delivery Plan. With improved visibility over future funding, the Council is better positioned to make strategic investments, manage risks, and maintain essential services for residents, despite ongoing financial pressures and increasing demand for services.

- 4.3 It is important to note that, despite previously paid grants such as the New Homes Bonus now being rolled into the Council's mainstream funding arrangements, this does not provide additional resources but rather consolidates existing grant streams into the core settlement. As a result, the Council must continue to manage its finances prudently, recognising that these grant allocations no longer represent extra income but are now embedded within the overall funding total moving forward.
- 4.4 The Council is in a strong financial position, with sufficient funding available over both the short and medium term to set a balanced budget each year. This means that there is no requirement for additional savings measures or cuts to services, ensuring the continued delivery of essential support to residents. Furthermore, this robust financial outlook enables the Council to introduce a legacy grant funding scheme, providing an opportunity for local communities to bid for funding to support projects of both a revenue and capital nature. This approach not only secures the ongoing sustainability of Council services but also encourages community-led initiatives that can have a lasting positive impact across the area. In addition, the Council can build up its business rates reserve to support the funding of the capital programme.
- 4.5 Between 2013/14 and 2025/26 business rates pools have been successful across the country, as local authorities were able to collect more business rates than targets set by the Ministry of Housing, Communities and Local Government (MHCLG). Pooling allowed more of this "growth" to be retained locally, as authorities combined to reduce the levy that would normally have been paid across to central government. The reset of the business rates retention scheme for 2026/27 will see revised target amounts for each authority; with the new amounts increased in line with what will be collected and therefore growth removed. With no growth, there is no levy to pay and therefore no gains to be made from pooling. It is expected there will be no business rates pools in England in 2026/27. This view has been backed by the Council's external advisors, with MHCLG also expecting no pools.
- 4.6 However, while the Council maintains a strong financial position, it is important to note that it will receive transitional funding to support the changes arising from the business rates reset and the fair funding review. A substantial proportion of the Council's funding in the 2028/29 financial year is transitional, and this support will be withdrawn after that year, resulting in a significant 'cliff edge' reduction in funding. This transitional period is intended to allow local authorities to build up business rates growth to help sustain essential services beyond 2028/29.
- 4.7 The forecast outturn position for the general fund revenue budget 2025/26, as reported to Cabinet on 16 December 2025 is a forecast underspend of £496k. This demonstrates that the Council is managing its budgets effectively. This prudent approach, combined with robust financial planning and the implementation of targeted strategies, reflects sound budget management and supports the ongoing delivery of essential services to the community.
- 4.8 In setting the budget for 2026/27, key strategies were applied to budget development and these have continued for the budget process for 2024/25. These include:

Guiding Principles	Strategies for Developing Budget 2026/27 and MTFP 2026-30
Financial Stability and Sustainability	<ul style="list-style-type: none"> Do not become overly reliant on Business Rates funding for on-going service provision Use future surpluses in Business Rates funding for future one off investment to reduce ongoing revenue costs or generate income Ensure a balanced budget over the short-medium term utilising government funding available Prepare for the loss of transitional funding beyond 2028/29
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"> Acceptable level of risk tolerance Review of reserves strategy and position

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

	2026/27 £	2027/28 £	2028/29 £
Net Revenue Expenditure	19,697,602	19,164,101	20,120,796
Funding	(34,293,046)	(34,185,225)	(34,068,593)
Contribution to Reserves	14,595,443	15,021,124	13,947,797

4.10 The position shows a balanced budget for the next three years, providing sufficient financial support to meet inflationary and demand pressures.

4.11 The Council will continue to use the guiding principles set out in paragraph 4.8 to manage its budgets accordingly.

4.12 At the time of publishing the final budget for 2026/27, 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 which has been the case since the 2023/24 capital budget.
- 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 government grants (£4.8m), business rates reserve (£13.2m) and revenue contributions (£324k).
- 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 budget is based on the Council having the following levels of reserves.

	Estimated Balance 1/4/26 £'000	Change during 2026/27 £'000	Estimated Balance 31/3/27 £'000
General Fund - Minimum Level of Reserves	1,544	0	1,544
Earmarked Reserves	4,155	(580)	3,576
MTFP Reserve	7,418	(264)	7,154
Business Rates Reserve	11,341	(267)	11,074
Legacy Reserve	0	1,000	1,000
Total	24,459	(111)	24,348

4.15 As part of preparing the reserves for the 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 ongoing services. This additional growth will be prioritised to fund the capital programme and projects.

5.0 HOUSING REVENUE ACCOUNT BUDGET 2026/27

- 5.1 The Housing Revenue Account (HRA) is a ringfenced account for the operation of the Council's housing stock. The Council has approx. 4,100 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 2025/26 is a break-even position.

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

	2026/27 £	2027/28 £	2028/29 £
Income	(22,666,833)	(23,563,156)	(24,391,411)
Operating Expenditure	20,638,655	21,713,118	22,666,566
Operating (surplus)/deficit	(2,028,178)	(1,850,038)	(1,724,845)
Appropriations	2,028,178	1,850,038	1,724,845
Net (surplus)/deficit	0	0	0

5.5 The HRA budget for 2026/27 shows an operating surplus of £2,028k. This is an £800k decrease from 2025/26.

5.6 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.

5.7 The HRA Capital Programme is planned to spend £22.6m in 2026/27. 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.

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 2025/26 financial monitoring at quarter 2 is showing an underspend of £496k on the General Fund and a break-even position on the HRA.</p> <p>The 2025/26 budget includes investments in areas that previously had overspending. Additionally, extra resources have been allocated to departments experiencing increased demand.</p> <p>The on-going and unavoidable pressures, alongside potential reductions in reserve levels, have been factored into budget plans for 2026/27 and the medium term.</p> <p>The Provisional Local Government Finance Settlement provides a multi-year settlement which will ensure that the Council sets a balanced budget over the medium term and is in a position to build its reserves to ensure investment in the capital programme without the need to borrow.</p>

<p>Are arrangements for monitoring and reporting performance against the savings plans robust?</p>	<p>Y</p>	<p>Prior to the 2024/25 financial year, the Council had not been required to make significant savings to maintain its financial position.</p> <p>To support closing the anticipated funding gap over the medium-term, the Council has developed a Transformation Programme that will continue to deliver savings to services, as well as improvements to service delivery.</p> <p>In addition, there are a range of budget options proposed for the General Fund Budget 2026/27. Delivery of savings/efficiencies will be monitored throughout the financial year and reported to the Corporate Leadership Team and Portfolio Holders alongside the financial monitoring reports on a quarterly basis, this being a key recommendation outlined in the external auditor's report for the 2022/23 Statement of Accounts.</p> <p>The Transformation Programme has monitoring and tracking arrangements to ensure that projects are delivering against intended outcomes. These are reported as part of the quarterly performance reports to Cabinet Members.</p>
<p>The reasonableness of the underlying budget assumptions</p>	<p>Y</p>	<p>All budget proposals have been justified by service managers, reviewed by the Finance team and subject to budget challenge sessions in the new process. There have also been several budget workshops with Cabinet Members.</p> <p>External review has also been undertaken by the treasury advisers, Arlingclose, on the Treasury Management Strategy.</p>
<p>The alignment of resources with the Council's service and organisational priorities</p>	<p>Y</p>	<p>Resources are aligned to the current priorities of the Council.</p> <p>The Council Delivery Plan (CDP) 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. The Council is aware of the investment required over this period.</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> <p>The Provisional Local Government Finance Settlement provides an opportunity for the Council to build reserves to support the capital programme and one-off investment.</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. The income areas which have the greatest risk (including business rates, council tax, planning and leisure) have had greater focus.</p> <p>Where income targets have been deemed unrealistic, these have been addressed as part of the 2026/27 budget.</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	<p>The budget proposals presented by services were reviewed by finance and subject to budget challenge sessions.</p> <p>The Government's provisional finance settlement enables the Council to set a balanced budget without requiring any additional savings. However, it should be noted that there is likely to be a significant financial challenge, or 'cliff edge', following the end of the current settlement period in 2028/29.</p>

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	For 2025/26, portfolio holders were kept informed of the in-year position on a quarterly basis. Directors also held regular meetings with finance teams to ensure a clear understanding of the financial position throughout the year. Unit4 training is required for all budget holders.
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. It is prudent to create a contingency budget to meet unforeseen demand pressures and to support a balanced in-year budget position.
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	The Council implemented a new financial system in April 2023 to improve its reporting. Enhancements to the system have been made, however, the Finance Teams are still catching up on delays caused by the system implementation. A move to a new supplier for support and maintenance of Unit4 provides an opportunity to enhance the reporting arrangements. Training for all budget holders in the use of Unit4 is planned. A review of the Financial Procedures Rules has been undertaken.
Have the previous years Accounts been signed off by external audit to verify balances?	N	The Council's position in respect of its completion of the Statement of Accounts has been reported to the Audit and Governance Committee. The Statement of Accounts 2023/24 and 2024/25 were published in August 2025 and January 2026 respectively ensuring compliance with the backstop dates.

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 in previous years. 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 and Strategy Group, with all Member briefings scheduled.
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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 4.8 above is followed. This underpins the budget 2026/27 and provides a stable platform from which to build over the medium term.
- A robust corporate and financial plan is required to 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 2026/27.

Financial Reporting

- Present quarterly financial reports to Cabinet and Scrutiny to promote transparency and accountability of the financial position.
- It is proposed to sign-off both the 2023/24 and 2024/25 Statement of Accounts during the 2025/26 financial year ahead of the Governments backstop date of February 2026.

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 with a focus on improving the annual audit opinion to reasonable assurance from the current limited assurance.

7.0 CONSULTATION

7.1 The Corporate Scrutiny Committee considered a draft version of this report at its meeting on 22 January 2026.

8.0 CONCLUSION

8.1 Based on the assumptions made in its Budget 2026/27 and MTFP 2026-30 for income and expenditure, the Council can set a balanced budget for 2026/27.

- 8.2 The recent reset of business rates and the outcomes of the fair funding review have placed the Council in a strong financial position over the medium term. As a result, the Council is able to set a balanced budget for 2026/27 and the following two years, whilst continuing to meet ongoing cost pressures, such as contract price inflation, pay awards, and increasing demand for services.
- 8.3 This has been achieved without the need to identify further savings at this time, reflecting the stability and sustainability of the Council's current financial position.
- 8.4 However, the main challenge will arise after the 2028/29 financial year, when the Council's transitional funding will come to an end. Over the next three years, it will be crucial for the Council to focus on rebuilding its business rates growth to help support the base budget beyond 2028/29. The current funding settlement provides an opportunity, as it enables the Council to replenish its business rates reserve over the medium term. This reserve can then be used to support future investment in the capital programme and any pipeline initiatives the Council may wish to pursue, ensuring continued financial resilience and the ability to respond to emerging priorities.
- 8.5 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.

Policies and other considerations, as appropriate	
Council Priorities:	The report encompasses the Council's budget, therefore, is relevant to all Council Priorities: <ul style="list-style-type: none"> - Planning and regeneration - Clean, green and Zero Carbon - Communities and Housing - A well-run council -
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 £7.1m to investing in Coalville Regeneration Projects over three years.
Environment, Climate Change and Zero Carbon:	There is £17.1m investment to support carbon zero initiatives in the HRA.
Consultation/Community/Tenant Engagement:	The draft budget was considered by Corporate Scrutiny Committee 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 Officer's 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 Paul.stone@nwleicestershire.gov.uk

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
COUNCIL – THURSDAY, 19 FEBRUARY 2026



Title of Report	CAPITAL STRATEGY, TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS - 2026/27	
Presented by	Councillor Keith Merrie MBE Finance and Corporate Portfolio Holder	
Background Papers	<p>Council – 20 February 2025 Capital Strategy, Treasury Management Strategy and Prudential Indicators – 2025/26</p> <p>Corporate Scrutiny Committee – 22 January 2026 Draft Budget 2026/27</p> <p>Cabinet – 3 February 2026 Capital Strategy, Treasury Management and Prudential Indicators 2026/27</p>	Public Report: Yes
Financial Implications	<p>The report sets out the annual update of the core strategies which underpin the council's approach to managing capital investments.</p> <p>Signed off by the Section 151 Officer: Yes</p>	
Legal Implications	<p>The Council is required under the Local Government Act 2003 to set and review prudential indicators and borrowing limits, having regard to the CIPFA Prudential Code and Treasury Management Code of Practice.</p> <p>Approval of the Capital Strategy, Treasury Management Strategy and associated Prudential Indicators is a statutory requirement, and the Council must ensure that its capital and borrowing plans remain affordable, prudent and sustainable.</p> <p>There are no further direct legal implications arising, provided that the strategies and limits are approved in accordance with statutory guidance.</p> <p>Signed off by the Deputy Monitoring Officer: Yes</p>	
Staffing and Corporate Implications	<p>There are no direct staffing or corporate implications arising from this report.</p> <p>Signed off by the Head of Paid Service: Yes</p>	
Purpose of Report	To approve the 2026/27 Capital Strategy, Treasury Management Strategy and Prudential Indicators.	

<p>Recommendations</p>	<p>THAT COUNCIL:</p> <ol style="list-style-type: none"> 1. NOTES THE FINANCIAL INDICATORS REQUIRED UNDER THE PRUDENTIAL CODE DETAILED IN SECTION 3 AND APPROVE THE FOLLOWING LIMITS: <ol style="list-style-type: none"> A) THE AUTHORISED LIMIT AND OPERATIONAL BOUNDARY FOR EXTERNAL DEBT AS DETAILED IN TABLE 3 OF THE TREASURY MANAGEMENT STRATEGY STATEMENT 2026/27 (APPENDIX 2). B) THE MATURITY STRUCTURE OF BORROWING AS DETAILED IN PARAGRAPH 6.6 OF THE TREASURY MANAGEMENT STATEMENT 2026/27 (APPENDIX 2). 2. APPROVES THE: <ol style="list-style-type: none"> A) CAPITAL STRATEGY 2026/27 (APPENDIX 1). B) TREASURY MANAGEMENT STRATEGY STATEMENT 2026/27 (APPENDIX 2). C) MINIMUM REVENUE PROVISION (MRP) STATEMENT 2026/27 (APPENDIX 3). D) NON-TREASURY INVESTMENT STRATEGY 2026/27 (APPENDIX 4). 3. DELEGATES 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. 4. DELEGATES AUTHORITY TO THE S151 OFFICER TO MAKE ANY NECESSARY CHANGES TO APPENDICES 1-4 IF ANY AMENDMENTS ARE AGREED TO THE GENERAL FUND BUDGET AND/OR HOUSING REVENUE ACCOUNT BUDGET AT THIS MEETING.
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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. As a consequence, a Treasury Management Strategy is prepared which considers the effective funding of the capital expenditure decisions and complements the prudential indicators.

- 1.3 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus 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 require Council 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
 - Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance
 - MHCLG Minimum Revenue Provision (MRP) Guidance.

Under the updated 2021 CIPFA Code, the Council is required to report prudential indicators on a quarterly basis. This is delivered through regular reporting to the Audit and Governance Committee.

- 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 Cabinet to recommend to Council for approval:

- Appendix 1 - Capital Strategy 2026/27;
- Appendix 2 - Treasury Management Strategy Statement 2026/27;
- Appendix 3 - Minimum Revenue Provision (MRP) Statement 2026/27
- Appendix 4 - Non-Treasury Investment Strategy 2026/27.

2.2 There are no major changes from the 2025/26 version of the strategies, other than the updating of the financial values.

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 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.

Policies and other considerations, as appropriate	
Council Priorities:	The Capital Strategy and Treasury Management Strategy Statement help achieve of al the Council Priorities: <ul style="list-style-type: none"> - Planning and regeneration - Communities and housing - Clean, green and Zero Carbon - A well-run council
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:	Corporate Scrutiny Committee – 22/01/26 Public consultation took place between 14 January and 1 February 2026 Cabinet – 03/02/26
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 anna.crouch@nwleicestershire.gov.uk

Capital Strategy 2026/27

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. Capital Expenditure

- 2.1 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.
- 2.2 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**.
- 2.3 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.
- 2.4 In 2026/27, the Council is planning capital expenditure of £32.5 million as summarised in the table below.

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

	2025/26 forecast*	2026/27 budget	2027/28 budget	2028/29 budget
General Fund services	16.9	9.9	6.5	2.9
Council housing (HRA)	15.6	22.6	25.8	18.3
TOTAL	32.5	32.5	32.3	21.2

*2025/26 forecast is based on the draft outturn position and may be subject to change

- 2.5 The main General Fund capital projects include Marlborough Centre Renovation £2.4m, Stenson Square Public realm regeneration £1.0m, Coalville Regeneration Framework £0.8m and Portfolio Backlog Maintenance £0.6m.
- 2.6 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes the building of £15.0m new homes over the forecast period.

3. Principles for Capital Planning

- 3.1 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.
- 3.2 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.

3.3 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.

3.4 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.

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

	2025/26 forecast*	2026/27 budget	2027/28 budget	2028/29 budget
<u>General Fund</u>				
Net Financing costs (£m)	1.8	1.1	1.1	1.1
Proportion of net revenue stream	10%	7%	6%	6%
<u>Housing Revenue Account</u>				
Net Financing costs (£m)	1.6	2.1	2.7	3.2
Proportion of net revenue stream	8%	11%	14%	16%

* 2025/26 forecasts are based on the draft outturn position and may be subject to change

4. Financing the Capital Investment Programme

4.1 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

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

4.3 For the General Fund, in the medium term, for 2023/24 onwards it was agreed that there would be no new borrowing to fund capital investments that were not yet in the live approved capital programme. This was due to the budget pressures facing the Council and the pressures of debt repayment internally and externally that had 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.

4.4 The planned financing of the capital expenditure is summarised in Table 3 below:

Table 3: Capital Financing in £ millions

	2025/26 forecast*	2026/27 budget	2027/28 budget	2028/29 budget
External sources	6.1	5.6	5.7	5.7
Capital receipts	5.2	5.0	4.7	2.0
Revenue resources	19.2	12.1	9.3	5.2
Debt	1.9	9.7	12.7	8.4
TOTAL	32.5	32.5	32.3	21.2

* 2025/26 is a forecast based on the draft outturn position and may be subject to change

Grants

4.5 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 grants 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

4.6 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 which can utilise this funding stream.

Capital Receipts

- 4.7 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.
- 4.8 If the disposal is within the Housing Revenue Account (HRA) land or property, the new government policy states that all of the receipt is now available to support the capital programme in the building and/or procurement of new houses.
- 4.9 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 A).
- 4.10 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.
- 4.11 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.
- 4.12 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 the intended use for social or other submarket 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 2026/27.

Revenue and Reserves

- 4.13 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.
- 4.14 The Business Rates Reserve will be available to finance the capital programme. This includes the additional business rates revenues from growth in the district 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 by HM Treasury in recent years to support businesses. The growth in business rates will not be used to fund the capital programme until the growth has materialised.

Prudential Borrowing

- 4.15 Table 3 above sets out how the Council will finance its capital expenditure. 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.

- 4.16 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 that the Council is able to meet the costs of borrowing and MRP over the life of the asset.
- 4.17 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.

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

	2025/26 forecast*	2026/27 budget	2027/28 budget	2028/29 budget
General Fund MRP	1.2	1.2	1.1	1.1
Housing Revenue Account MRP	1.3	1.5	1.0	1.4
Capital receipts	0	0	0	0
TOTAL	2.5	2.7	2.1	2.5

* 2025/26 forecast is based on the draft outturn position and may be subject to change

- 4.18 The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £7.1m during 2026/27. Based on the above figures for expenditure and financing, the Authority's estimated CFR is as follows:

Table 5: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	2025/26 forecast*	2026/27 budget	2027/28 budget	2028/29 budget
General Fund services	33.6	32.4	31.3	30.2
Council housing (HRA)	49.6	57.9	69.5	76.5
TOTAL CFR	83.2	90.3	100.8	106.7

* 2025/26 forecast is based on the draft outturn position and may be subject to change

- 4.19 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 2026/27.
- 4.20 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 it is affordable.

Housing Revenue Account (HRA)

- 4.21 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. Over the summer of 2025, the Council collaborated closely with Savills to ensure the Business Plan was thoroughly updated. This partnership involved detailed analysis and integration of the latest stock condition surveys, enabling the Council to accurately reflect the current state and future needs of its housing portfolio. As a result, key areas of housing investment—including planned and cyclical works, zero carbon initiatives, and new supply—are now underpinned by robust, up-to-date data, ensuring resources are targeted effectively and the plan remains fit for purpose.

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.
- 4.22 Prior to 2018, the HRA had a limit to how much it was allowed to borrow, known as the HRA borrowing cap, which is more stringent 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 the requisite business cases which should consider all risks including loss through right to buy.
- 4.23 The Council can use the “one for one” element of Right to Buy (RTB) receipts to fund building new homes. The receipt must be used within five years. If not, the receipt is paid over to Central Government with interest.
- 4.24 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.

5. Asset management:

- 5.1 To ensure that capital assets continue to be of long-term use, the Council has an Asset Management strategy in place. The Strategy takes an assumption that assets will only be retained where they provide greater value for money than the alternatives. New methods of service delivery, flexible working arrangements, shared services and developments in information technology are likely to make the Council less dependent on fixed assets in future years. The strategy has six key drivers:

- Making a strong link between corporate objectives and the policy on fixed assets
- Ensuring the full involvement of key service areas
- Keeping a clear distinction between strategic and operational decision making on fixed assets
- Establishing key drivers for fixed asset decisions amongst officers and elected members
- Maintaining clear reporting lines to a strong corporate centre

- Integrating the Council’s capital strategy and asset planning policy

5.2 Asset disposals: when a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets. The Council is currently also permitted to spend capital receipts “flexibly” on service transformation projects up until and including 2029/30. Repayments of capital grants, loans and investments also generate capital receipts. The Authority plans to receive £3.5m of capital receipts (mostly HRA Right to buy receipts) in the coming financial year as follows:

Table 5: Capital receipts receivable in £ millions

	2025/26 forecast*	2026/27 budget	2027/28 budget	2028/29 budget
Asset sales	3.4	3.5	3.2	3.5
Loans etc repaid	0	0	0	0
TOTAL	3.4	3.5	3.2	3.5

* 2025/26 forecasts are based on the draft outturn position and may be subject to change

6. Governance of the Capital Strategy

Approval of Capital Strategy and Capital Programme

6.1 The Capital Strategy is agreed annually alongside the TMSS by Full Council. 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 Committee 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

6.4 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

6.5 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 that 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

- 6.6 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.
- 6.7 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

- 6.8 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.
- 6.9 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.
- 6.10 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.
- 6.11 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 regularly, 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 the need for acceleration. Major new capital investment decisions will be subject to an individual report to Cabinet.
- 6.12 The Chief Finance Officer (Strategic 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 is unacceptable – this is determined by the Cabinet or Chief Financial Officer as appropriate.

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), Head of Finance (Deputy Section 151 Officer) and Finance Team Managers are all 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).
- 9.2 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.
- 9.3 Appropriate training will be provided for all those charged with investment responsibilities. This includes all those involved in making investment decisions such as members of CSG as well as those involved in scrutiny and governance such as relevant scrutiny committees and the audit committee. Training will be provided either as part of the meetings or by separate ad-hoc arrangements.
- 9.4 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.

Flexible Use of Capital Receipts Strategy 2026/27

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.
- 1.3 It was announced by Government alongside the Provisional Settlement on 18 December 2023 that the current scheme, which currently applies to expenditure and receipts incurred between 1 April 2022 and 31 March 2025, has been extended to 31 March 2030. Therefore, to make eligible use of the scheme the capital receipts, and any qualifying revenue expenditure, need to be incurred between 1 April 2022 and 31 March 2030.

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 2026/27, which commences on 1 April 2026.

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 2026/27 Budget Proposal

- 4.1 The Government has provided a definition of expenditure which qualifies to be funded from capital receipts: "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 2026/27 budget proposal does not include any proposal to utilise the flexible use of capital receipts. However, if during the year projects are identified as "qualifying expenditure" 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 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 2026/27

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 most significant impacts on the Council's treasury management strategy in 2026/27 are expected to include: the influence of the Government's 2025 Autumn Budget, lower short-term interest rates alongside higher medium- and longer-term rates, slower economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and geopolitical issues.
- 2.2 The Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 3.75% in December 2025, as expected. The vote to cut was five-four, with the minority instead favouring holding rates at 4.0%. Those members wanting a cut judged that disinflation was established while those preferring to hold Bank Rate argued that inflation risks remained sufficiently material to leave rates untouched at this stage.
- 2.3 Figures from the Office for National Statistics showed that the UK economy expanded by 0.1% in the third quarter of the calendar year, this was unrevised from the initial estimate. The most recent Monetary Policy Report (November) projected modest economic growth, with GDP expected to rise by 0.2% in the final calendar quarter of 2025. Annual growth is forecast to ease from 1.4% before improving again later, reflecting the delayed effects of lower interest rates, looser monetary conditions, stronger global activity, and higher consumer spending. The view of modest economic growth going forward was echoed by the Office for Budget Responsibility in its Economic and fiscal outlook published in line with the Autumn Statement which revised down its estimate of annual real GDP to around 1.5% on average between 2025 and 2030.

- 2.4 Consumer Prices Index (CPI) inflation was 3.2% in November 2025, down from 3.6% in the previous month and below the 3.5% expected. Core CPI eased to 3.2% from 3.4%, contrary to forecasts of remaining at 3.6%. Looking forward, the MPC continues to expect inflation to fall, to around 3% in calendar Q1 2026, before steadily returning to the 2% target by late 2026 or early 2027.
- 2.5 The labour market continues to ease with rising unemployment, falling vacancies and flat inactivity. In the three months to October 2025, the unemployment rate increased to 5.1%, higher than the level previously expected by the Bank of England (BoE), while the employment rate slipped to 74.9%. Pay growth for the same period eased modestly, with total earnings (including bonuses) growth at 4.7% and while regular pay was 4.6%
- 2.6 The US Federal Reserve also continued to cut rates, including reducing the target range for the Federal Funds Rate by 0.25% at its December meeting, to 3.50%-3.75%, in line with expectations. The minutes of the meeting noted that most Fed policymakers judged that further rate cuts would be likely in 2026 if inflation continues to ease, however they were still divided in their assessment of the risks between inflation and unemployment.
- 2.7 The European Central Bank (ECB) kept its key interest rates unchanged in December for a fourth consecutive month, maintaining the deposit rate at 2.0% and the main refinancing rate at 2.15%. The ECB maintained that future policy decisions will remain data-dependent, that inflation is close to its 2% target and that the euro area economy continues to expand despite a challenging global environment, including heightened geopolitical risks and trade tensions.
- 2.8 **Credit outlook:** Credit Default Swap (CDS) prices, which spiked in April 2025 following President Trump's 'Liberation Day' tariff announcements, have since trended lower, returning to levels broadly consistent with their 2024 averages. Although CDS prices rose modestly in October, the overall credit outlook remains stable, and credit conditions are expected to remain close to the range seen over the past two years.
- 2.9 While lower interest rates may weigh on banks' profitability, strong capital positions, easing inflation, steady economic growth, low unemployment, and reduced borrowing costs for households and businesses all support a favourable outlook for the creditworthiness of institutions on (the Council's treasury management advisor) Arlingclose's counterparty list. Arlingclose's advice on approved counterparties and recommended investment durations is kept under continuous review and will continue to reflect prevailing economic and credit conditions.
- 2.10 **Interest rate forecast (22 December 2025):** Arlingclose, the Council's treasury management adviser, currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate in 2026, reaching around 3.25%. This forecast reflects amendments made following the Autumn Budget and an assessment of the fiscal measures and their market implications, and following the BoE MPC meeting held on 18th December.
- 2.11 Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.

- 2.12 A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix A.
- 2.13 For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate/yield of 3.05%, and that new long-term loans will be borrowed at an average rate of 5.30%.

3 **Local Context**

- 3.1 On 31 December 2025, the Council held £54.49 million of borrowing and £41.25 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 be aware that, because the 2024/25 accounts have only just been finalised, this forecast relies on financial data from the draft 2024/25 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.

	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
Capital financing requirement	83.2	90.3	100.8	106.7
Less: External borrowing *	53.8	52.5	51.9	51.3
Internal borrowing	29.4	37.8	48.9	55.4
Less: Balance sheet resources	-72.1	-78.0	-84.1	-90.3
Treasury investments	42.6	40.1	35.2	34.9

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

- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while 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 2026/27 and beyond.
- 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

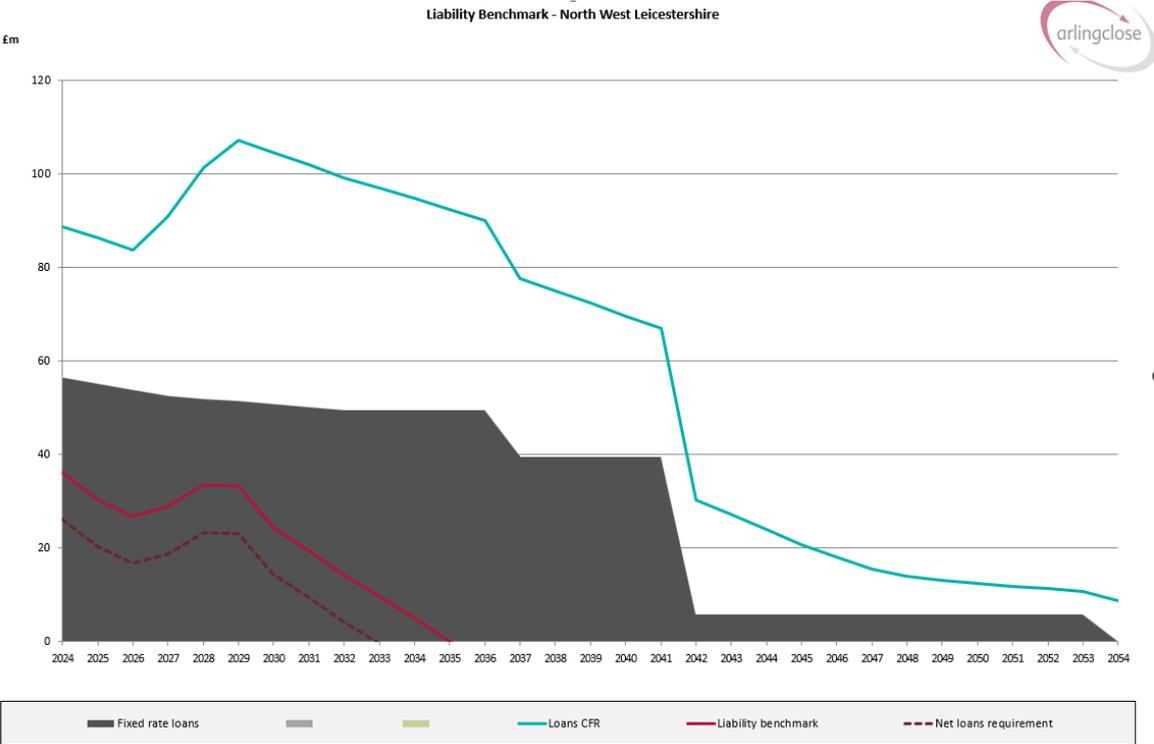
and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

3.6 Please note that the balance sheet resources figures are based on the 2024/25 draft accounts. Therefore, it is subject to change.

Table 2: Prudential Indicator: Liability benchmark

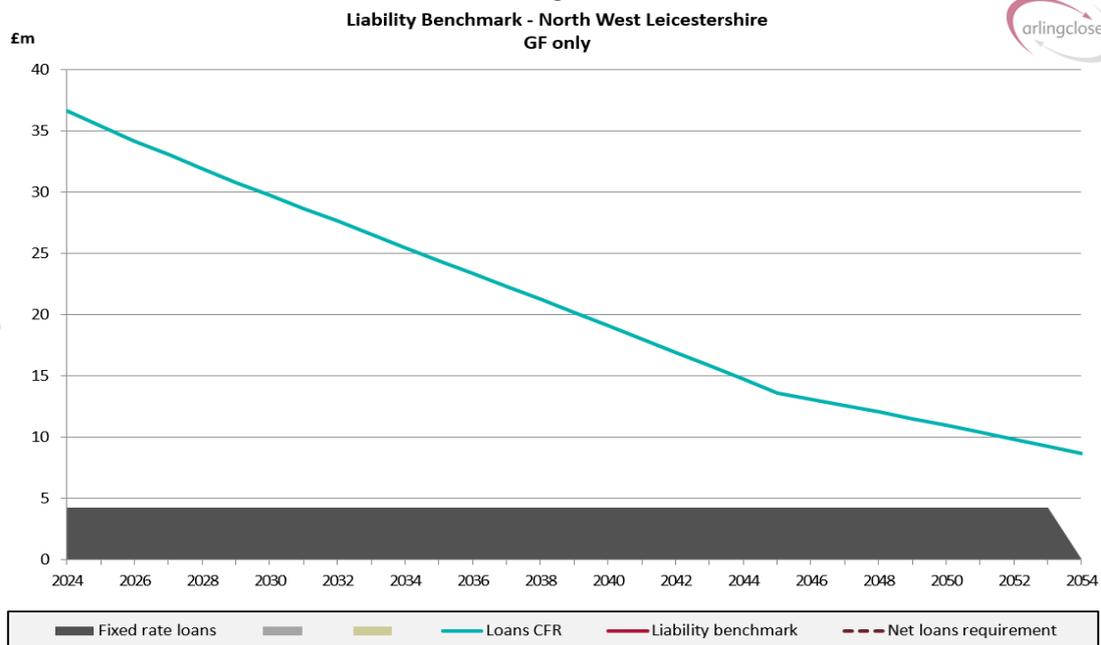
	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
Loans CFR	83.2	90.3	100.8	106.7
Less: Balance sheet resources	-72.1	-78.0	-84.1	-90.3
Net loans requirement	11.2	12.3	16.7	16.4
Plus: Liquidity allowance	10.0	10.0	10.0	10.0
Liability benchmark	21.2	22.3	26.7	26.4

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 the graphs below are in part using the draft 2024/25 accounts and may be subject to change:

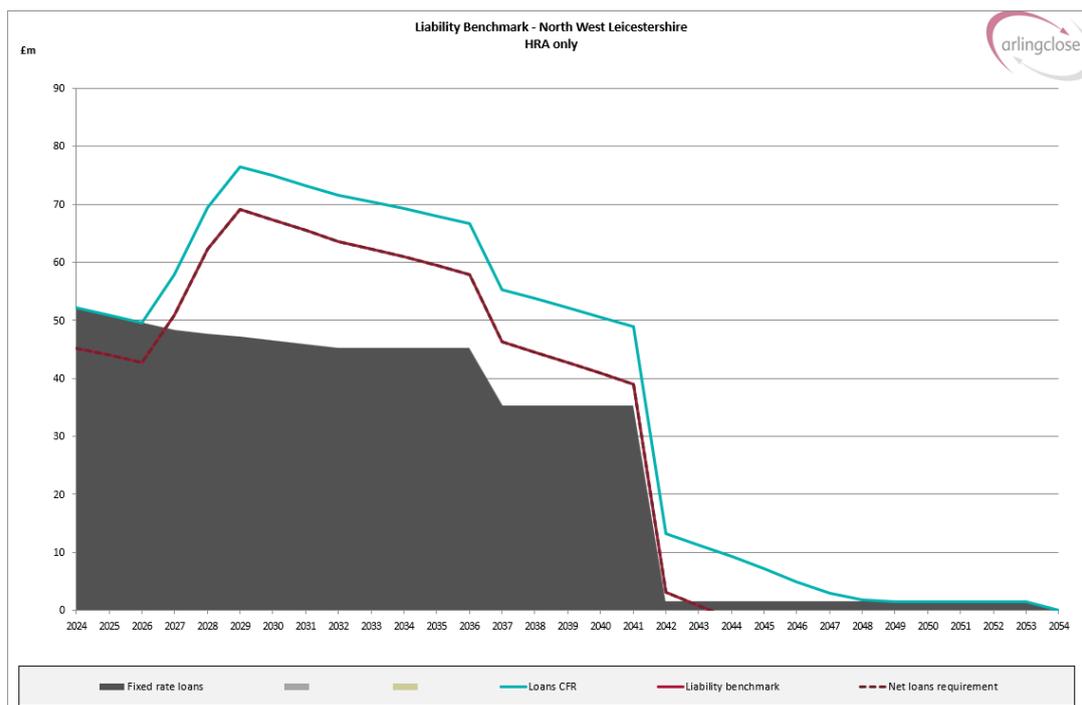


3.8 The above graph demonstrates the Council's overall forecasted borrowing requirement and anticipated underlying need to borrow. It shows that the Council is funding its CFR through a mixture of both internal and external borrowing.

3.9 The following graph shows the Liability Benchmark position for the general fund only. This is subject to change and reflects the forecasted position.



3.10 The following graph shows the Liability Benchmark position for the HRA. This shows that the HRA will likely require borrowing from 2026/27 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 2025, the Council held £54.49 million of borrowing and £41.25 million of treasury investments an increase of £8.75 million 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 £7.1 million in 2026/27, this will increase the 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 £102.3 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 came 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

	31.3.26 Limit	31.3.27 Limit	31.3.28 Limit	31.3.29 Limit
Operational boundary – borrowing	83.2	90.3	100.8	106.7
Operational boundary – PFI and leases	2.0	2.0	2.0	2.0
Operational boundary – total external debt	85.2	92.3	102.8	108.7
Authorised Limit – borrowing	93.2	100.3	110.8	116.7
Authorised Limit – PFI and leases	2.0	2.0	2.0	2.0
Authorised Limit – total external debt	95.2	102.3	112.8	118.7

- 4.4 **Objectives:** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.
- 4.5 **Strategy:** Given the significant cuts to public expenditure and in particular 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 have fallen over the past year and are expected to fall a little further 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. The risks of this approach will be managed by keeping the Council's interest rate exposure within the limit set in the treasury management prudential indicators, see below.
- 4.6 By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. 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 2026/27 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)
 - National Wealth Fund Ltd (formerly UK Infrastructure Bank Ltd)
 - Any institution approved for investments (see below)
 - Any other bank or building society or insurance company 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
 - 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 **Lender's Option Borrower's Option (LOBOs):** The Council holds no 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.
- 4.13 **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).

- 4.14 **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 2025, the Council's treasury investment balance has ranged between £28.95 million and £60 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 Code.
- 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 † **Time Limits:** These start on the earlier of date that the Authority is committed to make the investment and the date that cash is transferred to the counterparty.

5.12 **UK Government:** Sterling-denominated investments with or explicitly guaranteed by the

UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. These are deemed to be zero credit risk due to the government's ability to create additional currency and therefore may be made in unlimited amounts for up to five years.

- 5.13 **Local authorities and other government entities:** Loans to, and bonds and bills issued or guaranteed by, other 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.
- 5.14 The counterparty limit for loans to local authorities will be increased to an unlimited amount where (a) the government has announced that this authority will merge with the borrowing authority and (b) the loan is scheduled to be repaid after the expected date of the merger.
- 5.15 **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, secured deposits 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. A higher limit applies for investments fully secured on UK or other government collateral.
- 5.16 **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.
- 5.17 **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.
- 5.18 **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.
- 5.19 **Strategic pooled funds:** Bond, equity and property funds, including exchange traded 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 can be either withdrawn after a notice period or sold on an exchange, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- 5.20 **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.

- 5.21 **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and unsecured loans to companies and universities. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.
- 5.22 **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.
- 5.23 **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.
- 5.24 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.
- 5.25 **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.
- 5.26 **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.

- 5.27 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.
- 5.28 **Investment limits:** The Council's revenue reserves available, if required, to cover investment losses are forecast to be £23.05 million on 31 March 2026 and £22.61 million on 31 March 2027. 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 unsecured to any one organisation (other than the UK Government) will remain at £5 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.
- 5.29 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.
- 5.30 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

- 5.31 **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.
- 5.32 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
Upper limit on one-year revenue impact per a 1% <u>rise</u> in interest rates	£550,000
Upper limit on one-year revenue impact per a 1% <u>fall</u> in interest rates	£550,000

- 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 01/04/2026
Under 12 months	0%	70%	37%
12 months and within 24 months	0%	30%	1%
24 months and within 5 years	0%	30%	2%
5 years and within 10 years	0%	30%	1%
10 years and within 20 years	0%	90%	53%
20 years and above	0%	30%	7%
TOTAL			100%

**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 £29.41 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	2026/27	2027/28	2028/29	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 2025 equals £7.2 million. Reducing the Council's overall interest earned forecast by an estimated £155,125.
- 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 2026/27 is £710,867, based on an average investment portfolio of £29.09 million at an interest rate of 3.05%. Deductions largely consisting of S106 Balances will reduce this by £155,125 leaving a total forecasted interest income of £555,742.
- 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 38% for the general fund totalling £210,867 and 62% for the HRA totalling £344,875.
- 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 Council's budget of the possible changes.

- 8.4 The budget for debt interest paid in 2026/27 is £1.9 million. Of this £0.2 million refers to the General Fund and £1.7 million to the HRA. This is based on an average debt portfolio of £53.79 million at an average interest rate of 3.52%. £49.6 million of this forecast is HRA Borrowing and £4.2 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
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Appendix A – Arlingclose Economic & Interest Rate Forecast – 22 December 2025

Underlying assumptions:

- The Bank of England duly delivered on expectations for a December rate cut, but, despite softer economic data over the past two weeks, the minutes highlighted increased caution surrounding both the inflation outlook and the speed of future easing. With a close vote of 5-4 in favour of a rate reduction, this suggests that the bar for further monetary easing may be higher than previously thought despite the possibility of the CPI rate falling to target in 2026.
- Budget policies and base effects will mechanically reduce the CPI rate in 2026, on top of the downward pressure arising from soft economic growth and the looser labour market. However, many policymakers appear concerned that household and business inflation and pricing expectations are proving sticky following recent bouts of high price and wage growth, which may allow underlying inflationary pressure to remain elevated. While the Bank's measure of household expectations tickled lower in December, it remains above levels consistent with the 2% target at 3.5%.
- While policymakers hold valid concerns, these appear somewhat out of line with current conditions; CPI inflation fell to 3.2% in November, private sector wage growth continued to ease amid the highest unemployment rate since the pandemic, and the economy contracted in October after barely growing in Q3. Business surveys pointed to marginally stronger activity and pricing intentions in December but also suggested that the pre-Budget malaise was not temporary. These data are the latest in a trend suggesting challenging economic conditions are feeding into price and wage setting.
- Risks to the growth and inflation outlook lie to the downside, which may ultimately deliver lower Bank Rate than our central case. However, the minutes suggest that the bar to further rate cuts beyond 3.25% is higher and the near-term upside risks to our Bank Rate forecast have increased. Having said that, we believe inflation expectations will naturally decline alongside headline inflation rates.
- Investors appear to have given the UK government some breathing space following the Budget, with long-term yields continuing to trade at slightly lower levels than in late summer/early autumn. Even so, sustained heavy borrowing across advanced economies, the DMO's move towards issuing more short-dated gilts and lingering doubts about the government's fiscal plans will keep short to medium yields above the levels implied by interest rate expectations alone.

Forecast:

- In line with our long-held forecast, Bank Rate was cut to 3.75% in December.
- Continuing disinflation, rising unemployment, softening wage growth and low confidence suggests that monetary policy will continue to be loosened.
- Arlingclose expects Bank Rate to be cut to 3.25% by middle of 2026. However, near-term upside risks to the forecast have increased.
- Medium and long-term gilt yields continue to incorporate premia for UK government credibility, global uncertainty and significant issuance. These issues may not be resolved quickly and we expect yields to remain higher.

	Current	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.82	3.55	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.35	3.35	3.35
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	3.96	3.85	3.80	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.80	3.80	3.80
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
10yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.52	4.40	4.35	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.35	4.35	4.35
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
20yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	5.16	5.00	4.95	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.95	4.95	4.95
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
50yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.74	4.65	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.65	4.65	4.65
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85

- PWLB Standard Rate = Gilt yield + 1.00%
- PWLB Certainty Rate = Gilt yield + 0.80%
- PWLB HRA Rate = Gilt yield + 0.40%
- National Wealth Fund (NWF) Rate = Gilt yield + 0.40%

Appendix B

Existing Investment & Debt Portfolio Position - 31 December 2025

	31/12/2025 Actual portfolio £m	31/12/2025 Average rate %
External borrowing:		
Public Works Loan Board	50.56	3.28%
LOBO loans from banks	0.0	0.00%
Other loans	3.94	4.74%
Hinckley & Bosworth	0.05	3.14%
Total external borrowing	54.49	3.52%
Treasury investments:		
The UK Government	12.75	3.77%
Local authorities	5.00	4.40%
Banks (unsecured)	0.00	3.90%
Money market funds	18.50	3.90%
Total treasury investments	41.25	3.98%
Net debt	12.54	

North West Leicestershire District Council

Minimum Revenue Provision Statement 2026/27

1. Annual Minimum Revenue Provision Statement 2026/27

- 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 2026/27 will not be subject to a MRP charge until 2027/28.
- 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 2026, the budget for MRP has been set as follows:

	31.03.2026 Estimated CFR	2026/27 Estimated MRP
	£m	£m
Capital expenditure funded by borrowing before 01.04.2008	7.4	0.3
Capital expenditure funded by borrowing between 01.04.2008 and 31.03.2019	3.9	0.2
Unsupported capital expenditure after 31.03.2019	22.2	0.6
Transferred debt	0.1	0.0
Total General Fund	33.6	1.1
Assets in the Housing Revenue Account	1.5	0.0
HRA subsidy reform payment	48.1	1.5
Total Housing Revenue Account	49.6	1.5
Total	83.2	2.6

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North West Leicestershire District Council

Non-Treasury Investment Strategy 2026/27

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 £24.9 million and £42 million during the 2026/27 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 2026/27 for treasury management investments are covered in a separate document, the Treasury Management Strategy Statement 2026/27.

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	31.03.2026 forecast			2026/27
	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
TOTAL	Nil	Nil	Nil	Nil

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	31.03.2026 forecast			2026/27
	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
TOTAL	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil

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	31.3.2024 actual		31.3.2025 actual	
	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Industrial Units	0.49	8.14	0.88	9.02
Whitwick Business Centre	-0.53	0.62	0.03	0.65
Land	0.11	0.46	0.02	0.48
TOTAL	0.07	9.22	0.93	10.15

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

	2025/26 Forecast £'000	2026/27 Budget £'000	2027/28 Budget £'000	2028/29 Budget £'000
Investment income	809	211	211	211
Net revenue expenditure	19,044	19,675	19,141	20,098
Proportion	4%	1%	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 2026/27.

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	01.01.2026 Actual £m	31.03.2026 Forecast £m	31.03.2027 Forecast £m
Treasury management investments	41.3	27.3	32.1
Commercial investments: Property	10.15	10.15	10.15
TOTAL INVESTMENTS	51.45	37.45	42.25
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
TOTAL EXPOSURE	51.45	37.45	42.25

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

Investments funded by borrowing	31.01.2026 Actual £m	31.03.2026 Forecast £m	31.03.2027 Forecast £m
Treasury management investments	4.2	4.2	4.2
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	1.8	1.1	1.0
Total Funded by Borrowing	6.0	5.3	5.2

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)

Investments net rate of return	2024/25 Actual	2025/26 Forecast	2026/27 Forecast
Treasury management investments	4%	4%	3%
Commercial investments: Property	4%	4%	4%

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COUNCIL – THURSDAY 19 FEBRUARY 2026



Title of Report	GENERAL FUND BUDGET AND COUNCIL TAX 2024/25	
Presented by	Cllr Keith Merrie MBE Finance and Corporate Portfolio	
Background Papers	<p>Council 20 February 2025: General Fund Budget and Council Tax 2025/26</p> <p>Corporate Scrutiny Committee 22 January 2025: Draft Budget 2026/27</p> <p>Cabinet 3 February 2025: 2026/27 General Fund Budget and Council Tax</p>	Public Report: Yes
Financial Implications	<p>This report sets out the General Fund Revenue budget, Capital Programme and the Special Expenses budget for 2026/27 to 2028/29, which are needed for the Council to continue to deliver its services to residents and businesses.</p> <p>This is in line with the local government reorganisation.</p>	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	<p>There are no direct legal implications arising from the approval of the budget proposals, however, the Council must comply with the Local Government Finance Act 1992 (as amended) when setting the Council Tax, and that the budget has been prepared in accordance with the CIPFA Prudential Code, Treasury Management Code and relevant local government finance legislation.</p>	
	Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications	<p>The report and its appendices set out plans to create new posts and remove vacant posts from the establishment.</p>	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To allow the Council to approve the 2026/27 budgets.	

Recommendations	<p>COUNCIL IS RECOMMENDED:</p> <ol style="list-style-type: none"> 1. TO APPROVE THE GENERAL FUND REVENUE BUDGET FOR 2026/27 AS SUMMARISED IN SECTION 2 OF THIS REPORT. THIS INCLUDES INCREASING THE DISTRICT COUNCIL'S SHARE OF COUNCIL TAX IN 2026/27 BY 2.75% 2. TO NOTE THE GENERAL FUND REVENUE INDICATIVE BUDGET FOR 2027/28 AND 2028/29 (APPENDIX 1). 3. TO NOTE THE GENERAL FUND FEES AND CHARGES APPROVED BY CABINET ON 3 FEBRUARY 2026 (APPENDIX 3). 4. TO APPROVE THE PROPOSED GENERAL FUND CAPITAL PROGRAMME (APPENDIX 4) FOR 2026/27 AND PLANNED FINANCING, AS SET OUT IN SECTION 3 OF THIS REPORT. 5. TO NOTE THE REMAINING ELEMENTS OF THE GENERAL FUND CAPITAL PROGRAMME 2027/28 AND 2028/29. 6. TO APPROVE THE SPECIAL EXPENSES REVENUE BUDGET FOR 2026/27 (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. 7. TO APPROVE THE DRAWDOWN FROM RESERVES TO FUND THE ONE-OFF BUDGET PROPOSALS AS DETAILED IN THE GENERAL FUND BUDGET CHANGES (APPENDIX 2).
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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 Delivery Plan, over the medium term.

1.1 Context

1.1.1 The Council is setting its budget at a time when it continues to face a range of significant and inter-related challenges. In broad terms these can be split into three

categories: economic, local government, and local issues within North West Leicestershire. Each of these is explored below.

1.2 Economic

- 1.2.1 The most recent Office for Budget Responsibility (OBR) Economic and Fiscal Outlook indicates that the UK economy is expected to experience modest growth over the medium term, with real GDP growth forecast to remain around 1–1.5% per annum across the forecast period. Growth in 2026/27 is expected to remain below the UK's estimated long-term potential rate, reflecting weak productivity growth, subdued business investment and ongoing global economic uncertainty.
- 1.2.2 Inflation has continued to ease from the elevated levels seen in previous years, however the OBR forecasts that price pressures will remain volatile in the near term, with inflation expected to hover close to, but not consistently at, the Bank of England's 2% target during 2026/27. Fiscal measures announced in recent Budgets, alongside continued pressures on energy, housing and labour costs, are expected to limit the pace at which inflation fully stabilises.
- 1.2.3 The latest national data shows that the UK economy has experienced periods of very weak or flat growth, with output per head remaining broadly stagnant. This economic backdrop continues to present challenges for public finances, household incomes and demand for public services, all of which have direct and indirect implications for local government funding and financial resilience.

1.3 Local Government

- 1.3.1 Local authorities in England continue to face severe and sustained financial pressures that significantly affect their ability to deliver statutory and discretionary services. Core funding for local government has reduced substantially in real terms since 2010/11, resulting in long-term structural pressures and reduced financial flexibility across the sector.
- 1.3.2 Demand for key local government services, particularly adult social care, children's services, housing and homelessness, continues to rise. Demographic change, cost inflation, labour market pressures and increasing complexity of need have combined to drive expenditure growth well above general inflation.
- 1.3.3 The Government undertook a wide-ranging consultation on its Fair Funding Review and the reset of business rates over the summer period. The consultation sought views from local authorities and stakeholders on proposals to update the formulae used to allocate funding, with a particular focus on ensuring that needs assessments and funding distribution better reflect current service pressures and local circumstances.
- 1.3.4 Key changes included the introduction of updated needs-based formulas, revised weightings for deprivation and population growth, and a move to simplify and integrate a number of historic grants into the main settlement. Significantly, the business rates reset marked a shift from the previous system, which allowed councils to retain a proportion of any growth in business rates income since the last reset, to a model where accumulated growth is redistributed nationally, effectively 'resetting' councils' baselines.

- 1.3.5 As with any major reform to funding distribution, these changes have produced clear winners and losers across the sector.
- 1.3.6 Some councils have seen their relative funding allocations increase as a result of higher assessed needs or favourable adjustments, while others have lost out due to revised formula factors or the redistribution of business rates growth.
- 1.3.7 For North West Leicestershire, the Council has benefitted from the business rates reset due to its strong historic growth in business rates since the last reset. This is because, under the new system, councils with above-average business rates growth have their higher baseline recognised and partially protected before national redistribution, resulting in a higher share of retained income compared to authorities with lower growth.
- 1.3.8 The Council's proactive approach in supporting local economic development and encouraging business expansion has translated into a tangible financial benefit under the reset arrangements, helping to sustain local services amid continuing funding pressures.
- 1.3.9 It should be noted that the transitional arrangements currently in place are scheduled to end after the 2028/29 financial year. As such, it is prudent for the Council to ensure that a balanced budget is maintained beyond this period. Investing heavily in ongoing or recurring expenditure at this stage would not be appropriate, as it risks creating an unbalanced budget once the transitional support is withdrawn, effectively deferring the financial challenge rather than addressing it.
- 1.3.10 Proposals regarding how the available funding is to be utilised are set out in further detail later in this report, ensuring that financial decisions are made with due consideration to long-term sustainability and the avoidance of future budgetary pressures.
- 1.3.11 Some local authorities continue to face financial stress within the sector has continued to be evidenced using Exceptional Financial Support (EFS) and other forms of short-term intervention by Government. A growing number of authorities, particularly those with social care responsibilities, have required additional flexibility within the financial framework to remain solvent. This has reinforced concerns that financial risk within local government is no longer isolated, but systemic in nature. In addition, the Government has once again offered exceptional financial support to local authorities for 2026/27. This support is intended to provide councils facing acute financial challenges with access to additional resources or bespoke assistance, helping to maintain essential services and manage budgetary pressures during a period of heightened demand and ongoing economic uncertainty. The continuation of such exceptional measures reflects recognition from central government of the unprecedented pressures impacting the sector and the need for targeted interventions to safeguard critical local services.
- 1.3.12 The Autumn Budget 2025, announced in October 2025, contained several significant funding announcements for local government in 2026/27, including:
- A projected increase in Core Spending Power (CSP) for local authorities across England of approximately £3.9 billion (around 5.8%) in cash terms compared with 2025/26, assuming typical council tax increases, equivalent to an estimated 3.5% real-terms increase after accounting for inflation.

- As part of the multi-year Local Government Finance Settlement, total Core Spending Power for councils in 2026/27 is expected to rise to around £77.7 billion, an increase of more than £9.2 billion compared with 2024/25.
- Continued integration of grants into the core settlement and reform of the business rates retention and Fair Funding systems will take effect, intended to simplify funding streams and move to a fairer distribution of funding.
- The Autumn Budget reaffirmed flexibilities for council tax referendum rules, maintaining existing principles and supporting council tax income as a key element of Core Spending Power, with additional assumed council tax growth estimated to contribute around £2.4 billion of further revenue in 2026/27 if councils set tax at typical maximum levels.

1.3.13 While additional funding for homelessness and prevention activity is welcome, the continued failure to fully address temporary accommodation subsidy shortfalls and Local Housing Allowance constraints means that councils are likely to continue experiencing significant financial pressures in this area during 2026/27.

1.3.14 The Government's confirmation of a move towards multi-year funding settlements, with 2026/27 anticipated to form part of a longer-term arrangement for local government, is a welcome development. This approach provides greater certainty of funding over the medium term, which is invaluable in supporting the Council as it navigates the transition to local government reorganisation. By enabling improved financial planning and stability, multi-year settlements allow the Council to make more informed decisions regarding service delivery, investment, and resource allocation, thereby strengthening its capacity to manage change and maintain essential services throughout the reorganisation process.

1.4 Local – North West Leicestershire

1.4.1 The Council continues to face significant local financial and operational pressures. Forecasts for 2025/26 indicate that the Council has continued to rely on agency staffing in a limited number of essential roles to ensure continuity of service delivery. This reflects ongoing national labour market challenges within local government, as highlighted by recent Local Government Association (LGA) analysis. The recruitment market is showing signs of improvement, but some pressures remain in planning and specialist finance roles, where competition for suitably qualified staff continues to be strong. Despite these challenges, the Council continues to maintain a robust level of reserves and remains in a more resilient financial position than a number of authorities that have required Exceptional Financial Support.

1.4.2 The move towards a multi-year funding settlement provides the Council with a valuable opportunity to invest in additional capacity where it is most needed, enabling a more strategic approach to resource planning and service delivery. This greater certainty over future funding allows the Council to target investment in key areas, supporting both operational effectiveness and the delivery of essential services without the need for savings or cuts to services.

1.4.3 In addition, the Council has implemented improvements to its recruitment procedures, which are already yielding positive results. These enhancements have supported better recruitment and retention outcomes, strengthening the organisation's ability to attract and retain skilled staff.

- 1.4.4 Forecasting income, particularly within planning and development services, continues to be challenging due to the inherent volatility in planning application volumes and wider economic conditions. The budget proposals for 2026/27 seek to reflect a more realistic assessment of income generation and cost pressures, including:
- Providing for pay award assumptions
 - Adjusting budgets where income targets have proved unachievable
 - Continuing targeted investment in corporate and support services to improve recruitment, retention and resilience.
- 1.4.5 The Council's approach to budget setting for 2026/27 continues to emphasise long-term financial sustainability, reducing reliance on reserves for day-to-day services and strengthening the Medium Term Financial Plan. The Local Government Financial Settlement provides an opportunity for the Council to set a balanced budget in each of the next three years without the need for savings, whilst also maintaining reserves to fund the capital programme and to support economic investment in the district. The Council will retain a healthy and appropriate level of reserves, providing resilience against financial risk and supporting continued service delivery.
- 1.4.6 The Council's external auditors have previously issued disclaimed opinions on historic financial statements, reflecting national issues within the local government audit system. Importantly, these opinions did not identify significant weaknesses in the Council's arrangements for financial sustainability, and work continues to strengthen financial reporting and governance arrangements.
- 1.4.7 This work has included enhancements to the core financial system, a move to a new support and maintenance contract for the core financial system, regular reporting on the council's in-year position to the corporate leadership team and members, and monthly meetings of the capital strategy group to oversee capital investment proposals. These initiatives have collectively strengthened the Council's financial oversight and facilitated more informed, timely decision-making, further underpinning the Council's commitment to transparency and effective resource management.

1.5 Principles Underpinning the Budget Strategy

- 1.5.1 The Council's principles as a basis for financial management and budget planning as follows:

Guiding Principles	Key Strategies for Developing Budget 2026/27 and MTFP 2026-29
Financial Stability and Sustainability	<ul style="list-style-type: none"> • Plan ahead for potential Government funding changes (including Business Rates Reset) • Do not become overly reliant on Business Rates funding for on-going service provision • Use future surpluses in Business Rates funding for future one off investment to reduce ongoing revenue costs or generate income
Resources Focussed on Priorities	<ul style="list-style-type: none"> • Align resources to Council Delivery Plan objectives
Maximising Our Sources of Income	<ul style="list-style-type: none"> • Fees and Charges maximised in accordance with the Corporate Charging Policy (increased by inflation)
Managing our Risks	<ul style="list-style-type: none"> • Acceptable level of risk tolerance • Review of reserves strategy and position

1.6 Budget Assumptions

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

- Pay award - 2026/27 onwards to remain as 3%. This appears prudent given recent pay awards and fluctuations in inflation seen in recent years.
- Contracts price increases have been linked to the Consumer Price Index (CPI)/Retail Prices Index (RPI) as per individual agreements
- Inflation – fuel and utilities inflation are very volatile. After reviewing the current prices and future indications based on the best information available, and allowing for reviewing utility contracts, a minimal level of inflation has been included.

Cost	Increase in 2026/27 Budget
Fuel	5%
Gas	5%
Electricity	5%
Water	5%

- Fees and charges – increased by the CPI as at September 2025. Using the CPI, ensures the Council's fees and charges keeps pace with inflation, covering the costs of providing services. 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).

1.6.2 This approach is sensible in light of recent pay settlements and the volatility in inflation in recent years. In addition, the Council has incorporated a contingency budget within its financial plans to address any unforeseen price rises, including pay awards that may exceed expectations.

2.0 GENERAL FUND BUDGET 2026/27

2.1 General Fund Budget Summary

2.1.1 Appendix 1 shows the general fund budget position for 2025/26 and the budget for approval for 2026/27, as well as indicative budgets for 2027/28 to 2028/29 based on known information such as indicative pay awards.

2.1.2 Table 1 below highlights that in 2026/27 the net revenue expenditure has decreased by £649k compared to 2025/26 and the anticipated funding has increased by £15.2m. However, there has been some technical changes for example, the Extended Producer Responsibility Payment was included in funding in 2025/26 and in 2026/27 has been netted off the expenditure within the service.

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

	2025/26 £'000	2026/27 £'000	Movement £'000
Total Funding	(19,074)	(34,293)	(15,219)
Net Revenue Expenditure	19,074	19,698	(624)
Funding (surplus)/deficit	0	(14,595)	(14,595)
Contributions to/(from) reserves	0	14,595	14,595

2.1.3 As outlined in section 1.3 above, the Council has experienced strong business rates growth in recent years, largely due to the business rates reset. This positive outcome has resulted in surplus funding for 2026/27. The surplus of £14m will be split. £2m is being transferred to a new legacy reserve and £12m to the Business Rates Reserve. More information about the legacy reserve can be found below in section 2.6.7. This reserve will support the Council's capital programme and further investment initiatives across the district. The use of these funds ensures the Council can continue to invest in key projects and maintain financial resilience, as well as deliver on its strategic priorities. In addition, the Council is currently in the process of identifying the cost implications of achieving net carbon zero. This cost is expected to be significant and is not yet included within the current capital programme. Any proposals arising from this work will be presented to Council in due course.

2.1.4 Within the Net Revenue Expenditure, there are multiple one-off expenditure proposals and are being met from the Medium-Term Financial Plan (MTFP) reserve and Business Rates Reserve (BRR). These can be identified in Appendix 2. The MTFP reserve was created to maintain financial resilience, allowing it to continue funding important projects while safeguarding its ability to deliver strategic priorities, even in the face of future financial challenges or changes in government funding.

2.1.5 A robust corporate and financial plan is in place to ensure the Council can balance its budget for 2026/27 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. 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 2026/27 to 2028/29 and a summary of the significant budget proposals for 2026/27 are detailed below:

Savings Agreed (£1,319k) including:

- Reduction in Employer Pension Contribution Rate (Actuarial Review) – (£834k)
Following the latest actuarial review, the employer pension contribution rate has been reduced, generating significant savings without impacting employee benefits or long-term pension fund sustainability.
- Agency Model for Leisure Contract VAT Treatment – (£50k)
A revised agency model for VAT treatment within the leisure contract will result in efficiency savings, optimising tax arrangements while maintaining service delivery standards.
- Everyone Active – Utility Benchmarking & NNDR – (£188k)
Benchmarking of utility costs and adjustments to National Non-Domestic Rates (NNDR) within the leisure contract should deliver cost reductions, reflecting improved contract management and energy efficiency measures.
- Land Charges Search Fees – Increased Demand – (£129k)
Higher demand for land charge searches has generated additional income, contributing to overall savings and supporting the Council's financial sustainability.
- **Additional Income £2.57m including:**
- Extended Producer Responsibility (EPR) Grant – (£2.1m)
The EPR Grant began in 2025/26 and was listed under the 'Funding' section of last year's budget summary, with an estimated value of £1.3 million. For the 2026/27 budget, the grant (£2.1) has been applied to reduce expenses within the Waste Services Budget.
- Food Waste Roll-Out – DEFRA Funding – (£324k)
As part of the national initiative to improve recycling and reduce landfill, the Department for Environment, Food & Rural Affairs (DEFRA) has provided grant funding to support the implementation of the food waste collection service. This funding contributes towards the costs of new infrastructure, equipment, and communications associated with the roll-out.
- Summons Income – Revenues – (£90k)
Increased income has been generated through the recovery of costs associated with the issue of summons for non-payment of Council Tax and Business Rates. This reflects both improved collection processes and a higher volume of enforcement activity, ensuring compliance and protecting the Council's revenue base.

- **Reduction in Income £244k including:**
- **Newmarket & Outdoor Market – Reduced Income – £83k**
Income from market operations has fallen due to reduced trader occupancy and footfall, influenced by broader retail trends and cost-of-living impacts on discretionary spending.
- **Trade Refuse – Reduced Income – £67k**
Commercial waste income has declined as businesses seek cost reductions or adjust service levels in response to economic uncertainty, resulting in fewer contracts and lower tonnage collected.
- **Unavoidable cost pressures £4.8m including:**
- **Food Waste Roll-Out – £600k**
The implementation of the new food waste collection service has resulted in an increase in staffing and operational costs to ensure compliance with the statutory requirement and will result in improved recycling performance.
- **Refuse and Recycling – Increased Agency Costs Due to Sickness – £170k**
Higher-than-anticipated sickness levels within the waste collection workforce have necessitated the use of agency staff to maintain service continuity. This has led to additional expenditure beyond the original budget provision.
- **Refuse and Recycling – Increased Overtime/Casual Cover Due to Sickness – £147k**
In addition to agency costs, overtime and casual cover have been required to ensure scheduled collections are completed on time, particularly during peak periods and to avoid service disruption.
- **Refuse and Recycling – Hire of Vehicles Due to Ageing Fleet – £150k**
The ageing refuse fleet has experienced increased downtime due to mechanical failures, requiring the short-term hire of vehicles to maintain operational capacity and meet statutory collection obligations.
- **Garage/Fleet Services – Increased Parts Costs Due to Ageing Fleet – £175k**
The maintenance of older vehicles has led to higher parts and repair costs, reflecting the need to keep essential fleet assets operational until replacement programmes can be delivered.
- **Removal of Earmarked Reserve Funding for Environmental and Sustainability Programme Manager - £84k**
The Environmental and Sustainability Programme Manager, previously funded from earmarked reserves, now requires ongoing revenue funding to ensure delivery of the Council's climate action commitments and sustainability objectives.
- **Local Plan Examination – £85k**
Costs associated with the statutory examination of the Local Plan, including inspector fees and legal support, have exceeded initial estimates. This is a critical step in ensuring compliance with national planning requirements.

- Insurance Premium Increase – £297k
Market conditions and sector-wide risk adjustments have resulted in a significant increase in insurance premiums across all policy areas, impacting the Council's core operating costs.
- Transformation Officer (Previously Funded from MTFP) – £52k
The Transformation Officer post, essential for driving organisational change and efficiency programmes, now requires permanent funding following the expiry of Medium-Term Financial Plan allocations.
- IT Licences and Maintenance Adjustments – £80k
Inflationary pressures and contractual renewals have led to increased costs for essential IT licences and system maintenance, ensuring continued compliance and service resilience.
- Local Government Reorganisation – £2m
Preparatory work and transitional arrangements for local government reorganisation have generated significant costs, including programme management, legal advice, and stakeholder engagement, to ensure readiness for structural changes.
- Temporary Accommodation Fund Contingency - £384k
A contingency fund has been created within the Strategic Housing - Homelessness budget, which equates to the government funding. This will be used during the year to offset additional expenses incurred.
- Salaries Adjustments - £376k
Salary budgets have been increased to account for scheduled incremental raises and potential pay awards. Additionally, the vacancy factor has been eliminated in several frontline services because it is no longer feasible.
- **Avoidable cost pressures £616k including:**
 - Asset Protection Plans for Closed Churchyards, Parks, Play Areas – £65k
Development and implementation of asset protection plans to ensure the safety, maintenance, and long-term sustainability of closed churchyards, parks, and play areas. This proactive approach mitigates future liabilities and enhances community amenities.
 - Two-Year Term to Tackle Fly-Tipping and Litter – £99k
Establishment of a dedicated team for a two-year period to address persistent issues of fly-tipping and littering. This initiative aims to improve environmental quality, reduce enforcement costs, and enhance public confidence in local services.
 - Community Focus Officer - £52k
Establishment of a two-year fixed-term Community Focus Officer to assist with administering the Legacy fund.
 - Year-End Support for Accounts Production – £60k
Provision of additional resources to support year-end accounts production, ensuring timely and accurate financial reporting in compliance with statutory requirements and audit standards.

- Mine Water Combined Heat and Power (CHP) Feasibility Study - £80k Establishment of a fund to conduct a feasibility study regarding the potential utilisation of mine water within the district for Combined Heat and Power (CHP) applications.

2.3 The Year Ahead by Service Area

2.3.1 Transformation

2.3.1.1 The Council introduced its Transformation Delivery Plan in June 2024 to address significant financial challenges, including a projected funding gap caused by reductions in government funding, rising service demands, inflationary pressures, and the forthcoming reset of business rates in 2026/27. The plan is a strategic response aimed at ensuring long-term financial sustainability, improving service efficiency, and embedding a culture of continuous improvement across the organisation. It focuses on modernising processes, embracing digital innovation, and exploring new delivery models to maintain high-quality services for residents while achieving financial resilience.

2.3.1.2 Since its launch, the Transformation Delivery Plan has delivered substantial progress. Early measures, supported by an initial £0.5 million investment, have reduced the medium-term funding gap by approximately 50 percent. This achievement has lowered the projected shortfall for 2028/29 from over £4 million to around £2 million, providing a strong foundation for future savings and validating the Council's approach to transformation.

2.3.1.3 Work is continuing across a range of projects. Service process improvements are being implemented to streamline operations and deliver efficiencies. Digital transformation remains a priority, with initiatives such as expanding online services and digitising customer interactions to reduce manual processing and improve accessibility. In addition, a revised internet and intranet site is under development to enhance communication and user experience, and document management reviews are underway to improve information governance and operational efficiency. Governance enhancements, including compulsory training and strengthened oversight, are being embedded to support robust decision-making. The Council is also diversifying income streams through initiatives like the NWL Community Lottery, which has already generated significant funds for local causes. Alongside these, new service delivery models and technology-driven solutions are being developed to ensure the Council remains agile and responsive to future challenges.

2.3.1.4 The revised internet and intranet sites will provide a more intuitive and accessible platform for both residents and staff, improving engagement and enabling faster access to information and services. Document management reviews will ensure that records are stored and retrieved efficiently, reducing duplication, improving compliance with data protection requirements, and supporting a more streamlined approach to service delivery. Together, these initiatives will strengthen internal communication, enhance transparency, and contribute to the Council's overall efficiency goals.

2.3.1.5 The Transformation Delivery Plan is structured over short, medium, and long-term horizons. Immediate priorities focus on quick wins and cost reductions, while medium-term objectives include rolling out digital solutions and reimaged service models. Longer-term ambitions aim to embed continuous improvement and secure financial resilience well beyond 2028/29. Progress is monitored through regular performance reviews, ensuring transparency and accountability as

the Council works towards closing the funding gap and delivering value for the community.

2.3.2 ICT

2.3.2.1 Hybrid/agile working operating model has meant that the service supports 550 officers, including councillors and remote offices, which is a pressure on ICT services to provide a first-class customer support service for the Council's staff and councillors. There have been staffing issues in 2025/26, resulting in the staffing resources being stretched. Staffing issues have now been resolved and the team starts 2026/27 with a fully resourced dynamic IT team to provide the necessary levels of service to the business.

2.3.2.2 There is a greater focus on IT security and IT audits which will continue over the medium to long-term, to ensure that the Council is compliant with ICT standards and practices. IT is a fundamental core pillar for the organisation. Cyber security is an ever-challenging task with new threats and vulnerabilities emerging daily. In 2025/26, ICT officers spent a lot of time in remediating security issues from previous IT health checks. In 2026/27, there will be investment in new endpoint security software to further protect the organisation and renew the Council's Cyber Security accreditation. AI security and threats is another area of focus for 2026/27. The Council will explore how the use of AI tools can support service improvements. For example, for a new Request for Information (RFI) document will be written to support the Customer Service centre telephony platform.

2.3.2.3 There are a large number of ICT systems which require upgrades as the software reaches end of life or end of contract. Work has already been undertaken in 2025/26 to get these systems updated. 2026/27 will be a further year to complete the remaining system upgrades and move to supported platforms and the cloud as part of the IT roadmap and strategy.

2.3.2.4 There are likely to be several projects emerging from the Transformation Programme which will require ICT support, for example artificial intelligence (AI). The idea of centralising IT budgets has been a topic of conversation for several years, with the aim of achieving greater commercial savings. In 2026/27, the Council intends to explore this further, recognising the significant potential to realise efficiencies by bringing together IT budgets from all services into a single, centralised IT function.

2.3.2.5 The service is in the process of reviewing the numerous ICT contracts in services across the Council with a view to moving them to cloud services, to reduce operating cost as well as ensuring that the systems deliver value for money. Work has already started in 2025/26, with a renewal of the data centre contract saving £480K over five years. Further contracts are due for renewal this year which should deliver savings.

2.3.3 Finance and Internal Audit

2.3.3.1 The Finance Team has continued to face recruitment and retention challenges; however, this seems to be easing during 2025. Despite these issues, the team successfully completed the Statement of Accounts for 2023/24 and 2024/25 ahead of the Governments backstop date.

2.3.3.2 Significant enhancements have also been made to the Unit 4 financial system and other associated systems to improve processes. In the next financial year, the focus will back to business as usual with the completion of the Statements of Accounts for 2025/26 in line with statutory requirements, as the Council aims to rebuild assurance in its financial reporting. Additionally, there will be a continued focus on improving the exchequer and financial planning systems and processes.

2.3.3.3 An extra resource was incorporated into the Internal Audit team during 2025/26, resulting in a substantial increase in the annual number of audit days from 315 to 502.

2.3.4 Legal and Support Services

2.3.4.1 Priorities for the Democratic Services Team in 2026/27 will be to conduct the Community Governance Review by December 2026 and to start preparations for the election to the new unitary authority in 2027.

2.3.4.2 The Legal Services Team will continue to undertake external work to bring in income for the Council, along with conducting the annual constitution review and supporting the Council's regeneration projects.

2.3.4.3 The Communications team will deliver its annual campaigns plan to support on corporate projects, including the Council's transformation programme and local government reorganisation.

2.3.5 Organisational Development/ Human Resources

2.3.5.1 In the year ahead, the Human Resources team will focus on addressing recruitment and retention challenges in key parts of the workforce, ensuring the Council remains a place where people want to join and stay. The team will also continue work to reduce sickness absence, supporting a healthier and more productive workforce.

2.3.6 Strategic Housing

2.3.6.1 National demand for Homelessness services continues to increase and this is replicated, to some extent, locally. Although this is likely to mean greater costs to the Council, the Council continues to explore ways to manage demand, through its preventative work; look to reduce unit costs of Temporary Accommodation, through the use of local partnerships; minimise the use of expensive, unsupported Bed and Breakfast accommodation and recoup some of the costs through a charging pilot, which will require customers to contribute towards the costs of their temporary accommodation. It is hoped that this will also be a useful mechanism in managing demand. Some increases in costs, around salaries, are anticipated and further discussion around new government funding formulae will necessitate review from 2026/27 onwards.

2.3.6.2 Historically, funding for temporary accommodation and homelessness was provided to local authorities as ring-fenced grants, ensuring that these resources were dedicated solely to supporting households in need of such services. However, under the revised funding arrangements for local government, these grants have now been incorporated into the broader Revenue Support Grant. Although nominal calculations have been undertaken to estimate the adequacy of the transferred funding, the Council has taken proactive steps to allocate sufficient budget to

temporary accommodation, recognising and responding to the increased demand and financial pressures experienced in recent years.

2.3.7 Community Services

2.3.7.1 Community Services includes waste collection, recycling and street cleansing, parks and open spaces, health and wellbeing, licencing, port health, environmental health, community safety, community focus, environmental protection and fleet management.

2.3.7.2 Plans are in train to roll out in late 2026 a new recycling container scheme in the district with twin bins and food waste caddies which will conform to the government's Simpler Recycling requirements.

2.3.7.3 Work continues with 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 key service issue for the Planning Policy team is to continue to progress the new Local Plan. There are associated risks with this complex workstream, including any unanticipated requirement for additional evidential work over and above that currently budgeted for. Resources have also had to be found for external consultants to help manage and support the Local Plan process following the retirement of the Planning Policy and Land Charges Manager in December 2025.

2.3.8.2 The new Local Plan needs to be submitted for Examination by December 2026 and in these circumstances the Local Plan Examination can be expected to start in Quarter 1/Quarter 2 in 2027. If the Local Plan is found 'unsound' at Examination, or if it is not possible to submit by December 2026, the Council will need to decide whether to prepare a Local Plan under the Government's new plan-making system. The costs of this are uncertain but can be expected to be substantial.

2.3.8.3 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 dropped significantly in the first two quarters of 2024/25, but increased in the second two quarters of 2024/25, in particular due to the number of major applications received, so that at the end of 2024/25 fee income received was over and above the projected budget. This additional income will be put in reserve to manage workload peaks and troughs and to balance the Planning and Development budget in future years. The latest projections show that the Planning application fee income 2025/26 is on target for the projected fee income budget to be achieved.

2.3.9 Property Services and Economic Regeneration

2.3.9.1 The Council's portfolio of commercial properties offers an opportunity to generate significant income but the stock needs investment if potential is to be maximised. Consideration will also need to be given to investment in energy efficient measures to meet government regulations.

2.3.9.2 The continuing prioritisation of Regeneration Projects across the District creates a need for capital investment. Central Government grant support for this work would be welcomed and would unlock economic growth.

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 2026/27. In the main, the fees and charges have been increased by 3.8% which was the Consumer Prices Index (CPI) as at September 2025. There are a few other charges that have increased more than the inflation amount such as, Electrical Vehicle Charging charges and car parking charges. A more details breakdown of these charges can be found in Appendix 3.

2.5 Funding

2.5.1 The Provisional Local Government Finance Settlement for 2026/27 has now been released. The information is based on the settlement documentation and local intelligence. There have been significant changes to the funding formula for local authorities, and these are set out in section 1.3 above.

2.5.2 The key funding changes for 2026/27 are as follows:

- **New Homes Bonus:** The Council will no longer receive New Homes Bonus funding as a separate grant, as it has now been incorporated into the Revenue Support Grant allocation. Accordingly, no standalone income has been included within the budget or Medium-Term Financial Plan for 2026/27 onwards.
- **Council Tax increased by £249k to £6.5m** – Council Tax income assumptions are based on the approved Council Tax Base and proposed Council Tax increase of 2.75% for 2026/27.
- **Non Domestic Rates (Business Rates) decreased by £5m to £3.7m** – the 2026/27 financial year marks a significant Business Rates reset, primarily driven by a major nationwide revaluation of non-domestic properties, changing rateable values, alongside reforms to the 50% business rates retention system and adjustments to multipliers. In addition to this, the Council's new baseline and tariff funding strips out the growth accumulated from previous years.
- **Minimum Funding Guarantee (MFG)** - This grant has ceased and is no longer included within the funding settlement.
- **Extended Producer Responsibility Grant** – Funding for Extended Producer Responsibility has now been transferred to Waste Services, and a total grant of £2.1 million has been confirmed for 26/27. This is likely to reduce each year in line with sustainability drives.
- **Revenue Support Grant (RSG) increased by £18.7m to £18.8m** – The Council will receive RSG of £18.8m in 2026/27. This is now the only core government grant included within the settlement. The settlement confirms the cessation of a number of previous specific grants, with some funding rolled into RSG, increasing the overall allocation but reducing transparency and certainty around future funding levels.

- **National Insurance Grant** – The specific grant previously provided to partially fund National Insurance increases is no longer paid separately. Government information indicates that this funding has been rolled into the Revenue Support Grant allocation. No separate income line has therefore been included within the budget.
- **95% Income Protection Floor of £4.9m** – Under the provisional Local Government Finance Settlement, the government is introducing transitional protections to limit how far a Council's funding can fall as the new Fair Funding reforms are phased in. The 95% Income Protection Floor is one of these protections, In simple terms, it guarantees that a qualifying local authority will not see its post-reform income fall below 95% of its 2025-26 income baseline.
- **Homelessness, Rough Sleeping and Domestic Abuse Grant - £384k** – In the provisional settlement, the government has consolidated several previous funding streams into a single grant. The new consolidated grant brings together the prevention element of the Homelessness Prevention Grant, Rough Sleeping funding and Domestic Abuse funding.

2.6 General Fund Reserves

- 2.6.1 The Medium-Term Financial Plan (MTFP) reserve is to help manage deficits and funding volatility. The value of this reserve is forecast to be £5.4m as at 31 March 2027.
- 2.6.2 In addition to this reserve, the Council also has earmarked reserves estimated to be £22.7m as at 31 March 2027, increasing to £44.5m by 31 March 2029 and general balances of £1.5m. A Legacy reserve of £2m is being created in 2026/27 from part of the surplus budget with spend forecast to be £1m in 2026/27 and £1m in 2027/28. A summary of these reserves can be found in Table 2 below.
- 2.6.3 In addition, the Council will build up its reserves over the medium-term to support the funding of the capital programme. This prudent approach will ensure that sufficient resources are available to meet future investment needs whilst maintaining financial stability.

Table 2: Summary of estimated reserves 2026/27 – 2028/29

Reserve Name	Estimated Balance as at 1/4/26 £'000	Commitments & Budget Proposals 26/27 £'000	Estimated balance as at 31/3/27 £'000
Earmarked Reserves - General Fund	4,149	(580)	3,569
MTFP Reserve	7,558	(264)	7,294
Business Rates Reserve	11,333	(517)	10,816
Legacy Reserve	0	1,000	1,000
General Balance (minimum level of reserves)	1,544	0	1,544
Total Reserves	24,585	(361)	24,224

- 2.6.3 Earmarked reserves are those reserves that have been earmarked for a specific purpose. The estimated balances include items currently committed. 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 2026/27. It will be used to mitigate unbudgeted pressures, pump-priming invest to save opportunities and the transformation programme, as well as funding the capacity to deliver a medium-term financial plan.
- 2.6.5 The net reduction into the business rates reserve is expected to be £517k in 2026/27 and a net contribution of £23.3m across the next three years. The spend is mainly to fund the capital programme and also some one-off revenue expenditure. The additional contributions into the reserve are from the surplus budget. This leaves an estimated balance of £34.1m at 31/3/29.
- 2.6.6 General balances are the minimum level of reserves that is prudent to hold.
- 2.6.7 As the Council prepares for Local Government Reorganisation, currently scheduled for 2028, there is a clear intent to make the most of the funds presently at our disposal to invest in important community projects across the district. The Council intends for this significant investment to be accessible, ensuring that every area benefits from the opportunities provided. This approach underlines the Council's commitment to supporting local priorities and delivering meaningful outcomes for residents throughout the district, both in the immediate term and as it transitions into the new governance arrangements.
- 2.6.8 Therefore, the Council's intention is to establish a £2m Legacy Grant Fund, designed to support projects that the Council may have delivered in the absence of Local Government Reorganisation. The fund will be available for the 2026/27 financial year, with grants ranging from £10k to £250k, and will be open to applications that align with existing Council strategies, such as regeneration, cycling and walking, and broader community enhancement objectives.
- 2.6.9 The scheme will offer both revenue and capital funding, providing flexibility to support a wide range of initiatives. Robust governance arrangements will be put in place, including the appointment of a Senior Responsible Officer and clear accountability throughout the grant lifecycle. The application process will be accessible and well-publicised, with a strong emphasis on monitoring, evaluation, and value for money in line with government guidance.
- 2.6.10 Applications will be invited from May 2026, with a potential second call in October 2026 if funds remain. Grants will be processed efficiently, with small grants managed by Community Services and larger grants by the Economic Development Team. Up to £100k will be allocated for administration to ensure effective delivery.
- 2.6.11 The fund will be financed from the Business Rates Reserve. Consideration will be given to including areas subject to special expenses, with appropriate legal and procedural safeguards to ensure compliance and transparency.
- 2.6.12 A further, more detailed report will be brought back to Cabinet in due course, setting out the full operational details of the scheme, including eligibility, assessment criteria, and governance arrangements.

3.0 CAPITAL PROGRAMME 2026/27 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 few key changes and improvements for the 2026/27 and future years' programme.

3.1.3 A key change introduced in 2023/24, is the reduction in the use of external borrowing to fund programmes. This will minimise the Council's exposure to increases in interest rates. Schemes would be funded from internal sources such as reserves, (mainly 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.

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

3.2.1 2026/27-2028/29 Capital Programme

3.2.2 The proposed General Fund capital programme is outlined in Appendix 4. The three-year programme totals £19.3m and £9.9m for 2026/27. A summary of the higher value schemes for 2026/27 are:

Active Programme

- **Marlborough Centre purchase and renovation:** The Marlborough Centre project commenced in 2021 following the acquisition of the building for conversion and refurbishment. At the time of purchase, the Council relied on an early cost estimate based on the building's known condition and acquisition price. Since then, planning permission for the conversion and refurbishment has been secured, and a contractor has been engaged under a Pre-Construction Services Agreement. Through this process, significantly more detail is now available regarding the scope of works and the constraints that must be managed, including impacts on neighbouring properties, existing tenants, and the need to protect Marlborough Square. Using this updated information, the Council's Cost Consultants and the contractor have developed a revised cost estimate at RIBA Stage 4. This latest estimate indicates that the likely cost to complete the project will be approximately £1.84m million higher than originally anticipated.

The key reasons for this increase are:

- Additional works identified following detailed inspections and surveys undertaken post-purchase.

- Compensation payments required for tenants unable to trade during periods of conversion and refurbishment.
- Construction cost inflation between 2021 and 2026.
- **Capitalisation of Salaries:** The salaries and on costs of the Economic Development and Regeneration Team who are supporting the implementation of Coalville Regeneration Projects will be capitalised. This is estimated to be £500k per year.
- **HR/Payroll Project:** Capital investment is required in the Council's HR/Payroll system to move to more modern fit for purpose system, to replace the Council's existing iTrent platform, which reaches the end of its contract term in March 2026. The new system will provide improved automation, enhanced self-service capabilities for employees and managers, and reduced manual processing. It will also support the continuation of the Council's long-standing payroll services with Harborough District Council under a renewed delegation agreement. The total capital cost of the project is estimated around £95k, with implementation required ahead of the planned go-live date of July 2026. £30k of the capital costs will be recharged to Harborough District Council.
- **Laptop replacements:** To maintain operational efficiency and security, outdated laptops that no longer meet performance standards or software requirements will be replaced. This ensures staff have reliable, secure devices to deliver services effectively and reduces the risk of system failures.
- **Refuse bins:** Investment in new household waste bins is essential to support waste collection services. Many existing bins are damaged or at end-of-life, impacting service quality and compliance with health and safety standards. Replacements will improve durability and maintain cleanliness across the community.
- **Property portfolio backlog maintenance:** This project addresses essential maintenance across the Council's property portfolio, tackling overdue repairs and compliance issues. Proactive investment will prevent further deterioration, reduce long-term costs, and ensure buildings remain safe, functional, and fit for purpose.

Development Pool (require further Cabinet approval)

- **Coalville Regeneration Framework – Wolsey Road Regeneration – Phase 2:** to deliver projects set out in the Coalville regeneration framework document which is one of the strategic business objective of the Council.
- **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.
- **Stenson Square:** This is a £2m investment across two years 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. The first year investment was included in the 2025/26 Capital Programme.
- **Enterprise Park:** This is a £3.7m project across two years from 2025/26 which is to create serviced employment land and the Council in turn will rent or sell to end

users thereby generating capital receipts and/or ongoing income. The first year investment was included in the 2025/26 Capital Programme. This project is unlikely to commence until 2026/27.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

- Play Area Grants: This is a grant of £750k over three years. This will provide grants to replace/upgrade play equipment across the district.

3.3 Funding the Capital Programme

3.3.1 The capital programme is funded from a variety of sources, including revenue, reserves, grants and borrowing. 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

Funding Sources	Total £'000
Grants / Contributions	4,763
Revenue Contributions	355
Business Rates Reserve	14,207
Total	19,324

3.3.2 The council manages capital receipts, funds generated from the disposal of assets such as land and buildings, in accordance with the accounting conventions prescribed by CIPFA. Under these conventions, capital receipts are allocated exclusively to capital expenditure or the repayment of debt and are not available to support revenue spending. This ensures a transparent, prudent, and accountable approach to the management of public finances.

3.3.3 When a capital receipt is received, it should be recognised in the council's accounts at the date the asset is legally disposed of. The receipt is recorded in the Capital Receipts Reserve, a dedicated account on the balance sheet, and is reported separately from revenue income. The use of these funds is then strictly monitored to ensure they are applied only to approved capital projects or to reduce outstanding borrowing, in line with statutory and regulatory requirements.

3.3.4 The council is projecting to build reserves over the medium term, reflecting a commitment to long-term stability and resilience. At the same time, a number of capital projects are anticipated to emerge or are already progressing through the pipeline. For each of these projects, detailed business cases will be prepared and submitted for approval under the council's established capital governance arrangements once outline business cases are finalised. This process ensures that all investment proposals are subject to rigorous scrutiny and alignment with the council's strategic objectives and financial policies.

4.0 SPECIAL EXPENSES 2026/27

4.1 The Council currently operates six special expense accounts where it provides additional services specific to some areas of the district. The Council's

Special Expense Policy sets out the criteria and services that are classified as special expenses.

- 4.2 The special expenses budget includes a three-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 2026/27 Budget Setting

- 4.5.1 A budget requirement covering the period 2026/27 to 2028/29 has been produced for each special expense area and is available at Appendix 6. Also included in Appendix 6, is the movement from the 2025/26 to 2026/27 base budget and details of the Planned and Preventative Maintenance (PPM) included in the budget.
- 4.5.2 All of the special expense 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 2026/27

- 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 Whitwick, all special expense accounts have sufficient balances forecast for 2026/27.
- 4.6.2 For Whitwick, the deficit has arisen due to a reduction in previous years burial fee income. The proposal is to increase the precept over the next two years along with a review of the Planned and Preventative Maintenance (PPM) to enable the recovery of the deficit.
- 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 2025/26	Increase/ (Decrease)	Council Tax Band D 2025/26
Coalville	81.20	1.62	82.82
Coleorton	2.88	(0.58)	2.30
Hugglescote/Donington-le-Heath	9.93	1.99	11.92
Oakthorpe, Donisthorpe and Acresford	12.20	(1.22)	10.98
Ravenstone with Snibston	1.04	(0.21)	0.83
Whitwick	8.41	4.21	12.62

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 2026/27 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	<p>The 2025/26 budget includes investments in areas that previously had overspending. Additionally, extra resources have been allocated to departments experiencing increased demand.</p> <p>The ongoing and unavoidable pressures, alongside potential reductions in reserve levels, have been factored into budget plans for 2026/27 and the medium term.</p> <p>The Provisional Local Government Finance Settlement provides a multi-year settlement which will ensure that the Council sets a balanced budget over the medium term and is in a position to build its reserves to ensure investment in the capital programme without the need to borrow.</p>

<p>Are arrangements for monitoring and reporting performance against the savings plans robust?</p>	<p>Y</p>	<p>Prior to the 2024/25 financial year, the Council had not been required to make significant savings to maintain its financial position.</p> <p>To support closing the anticipated funding gap over the medium-term, the Council has developed a Transformation Programme that will deliver savings to services, as well as improvements to service delivery.</p> <p>In addition, there are a range of budget options proposed for the General Fund Budget 2026/27. Delivery of savings/efficiencies will be monitored throughout the financial year and reported to the Corporate Leadership Team and Portfolio Holders alongside the financial monitoring reports on a quarterly basis, this being a key recommendation outlined in the external auditor's report for the 2022/23 Statement of Accounts.</p> <p>The Transformation Programme has monitoring and tracking arrangements to ensure that projects are delivering against intended outcomes. These are reported as part of the quarterly performance reports to Cabinet Members.</p>
<p>The reasonableness of the underlying budget assumptions</p>	<p>Y</p>	<p>All budget proposals have been justified by service managers, reviewed by the Finance team and subject to budget challenge sessions in the new process. There have also been several budget workshops with Cabinet Members.</p> <p>External review has also been undertaken by the treasury advisers, Arlingclose, on the Treasury Management Strategy.</p>
<p>The alignment of resources with the Council's service and organisational priorities</p>	<p>Y</p>	<p>Resources are aligned to the current priorities of the Council.</p> <p>The Council Delivery Plan (CDP) 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</p>

		priority. The Council is aware of the investment required over this period.
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> <p>The Provisional Local Government Finance Settlement provides an opportunity for the Council to build reserves to support the capital programme and one-off investment.</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. The income areas which have the greatest risk (including business rates, council tax, planning and leisure) have had greater focus.</p> <p>Where income targets have been deemed unrealistic, these have been addressed as part of the 2026/27 budget.</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	<p>The budget proposals presented by services were reviewed by finance and subject to budget challenge sessions.</p> <p>The Government's provisional finance settlement enables the Council to set a balanced budget without requiring</p>

		any additional savings. However, it should be noted that there is likely to be a significant financial challenge, or 'cliff edge', following the end of the current settlement period in 2028/29.
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.
Is there a reasonable contingency available to cover the financial risks faced by the Council?	Y	The Council has incorporated estimates for pay awards, inflation and demand pressures into its budget. It has also made provisions for key income streams not materialising for business rates and council tax. It is prudent to create a contingency budget to meet unforeseen demand pressures and to support a balanced in-year budget position
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	The Council implemented a new financial system in April 2023 to improve its reporting. Enhancements to the system have been made, however, the Finance Teams are still catching up on delays caused by the system implementation. A move to a new supplier for support and maintenance of Unit4 provides an opportunity to enhance the reporting arrangements. Training for all budget holders in the use of Unit4 is in progress. A review of the Financial Procedures Rules has been undertaken.
Have the previous years Accounts been signed off by external audit to verify balances?	N	The Council's position in respect of its completion of the Statement of Accounts has been reported to the Audit and Governance Committee. The Statement of Accounts 2023/24 and 2024/25 were published in August 2025 and January 2026 respectively ensuring compliance with the backstop dates.
Has there been a degree and quality of engagement with	Y	There has been a continuation of the improvements introduced to the budget

colleagues and councillors in the process to develop and construct the budget?	setting process in previous years. 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 and Strategy Group, with all Member briefings scheduled.
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6.0 CONSULTATION

6.1 Consultation with Members

- 6.1.1 The Corporate Scrutiny Committee reviewed the General Fund budget during its meeting on 22 January 2026. Members raised several questions about the proposals and made recommendations. Further details are available in the minutes, which can be found as a background paper.

6.2 Public Consultation

- 6.2.1 The Council hosted an online survey from 14 January to 1 February 2026 to gather feedback from residents and businesses on budget changes. The survey was shared on social media, outlined key proposals, and asked participants for their level of support and any additional comments. Appendix 7 summarises the consultation responses, with a full analysis in Appendix 8. Responses were also received from Ashby Town Council (Appendix 9) and a Ratepayer (Appendix 10).

7.0 CONCLUSION

- 7.1 Based on the assumptions made in the Budget 2026/27 and MTFP 2026-29 for income and expenditure, the Council can set a balanced proposed budget for 2026/27.

Policies and other considerations, as appropriate	
Council Priorities:	The budget provides funding for the Council to deliver against all its priorities.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	Equality impact assessments have been conducted by services on relevant proposals during the budget setting period.
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 £7.1m to investing in Coalville Regeneration Projects over three years.
Environment, Climate Change and Zero Carbon:	The Council is currently in the process of identifying the cost implications of achieving net carbon zero. This cost is expected to be significant and is not yet included within the current capital programme. Any proposals arising from this work will be presented to Council in due course.
Consultation/Community/Tenant Engagement:	Corporate Scrutiny Committee – 22 January 2026 Public consultation ran from 14 January to 1 February 2026 Parish and town councils, trade unions and the Federation of Small Businesses - 14 January to 1 February 2026.
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 2026/27

2025/26 Budget £	Service	2026/27 Indicative £	2027/28 Indicative £	2028/29 Indicative £
201,490	Chief Executive	228,200	234,530	241,050
756,780	Human Resources	778,040	796,960	813,710
1,866,830	Legal & Support Services	2,002,820	2,050,500	2,118,590
2,825,100	Total Chief Executive	3,009,060	3,081,990	3,173,350
137,970	Strategic Director of Place	150,210	154,520	158,950
1,264,315	Property & Economic Regeneration	1,918,460	1,962,355	2,021,675
1,099,730	Planning	1,024,710	1,097,256	1,163,906
(4,600)	Joint Strategic Planning	(3,130)	(2,800)	(2,450)
2,497,415	Total Place	3,090,249	3,211,330	3,342,080
110,990	Director of Communities	122,560	125,840	129,220
5,792,340	Community Services	5,333,300	6,640,340	7,015,710
540,188	Strategic Housing	983,393	1,059,855	1,167,450
6,443,517	Total Community Services	6,439,253	7,826,035	8,312,379
237,130	Strategic Director of Resources	319,690	327,480	335,510
130,030	Internal Audit	148,640	209,100	214,720
1,011,180	Customer Services	1,101,200	1,131,310	1,160,800
1,110,460	Finance	1,190,270	1,364,070	1,498,410
1,211,620	Revenues & Benefits	1,232,700	1,277,950	1,301,460
1,252,280	ICT	1,471,080	1,521,890	1,539,930
0	Business Change	55,260	56,890	58,570
4,952,700	Total Resources	5,518,840	5,888,690	6,109,400
116,120	Non Distributed - Revenue Expenditure on Surplus Assets	120,060	121,080	121,080
71,330	Non Distributed - Retirement Benefits	72,710	74,120	74,120
108,500	Corporate & Democratic Core	109,810	109,810	109,810
1,656,601	Pay Award, Employers NI and Utilities Contingency	102,350	157,100	214,410
478,573	Contingency	500,000	0	0
0	Local Government Reorganisation	2,000,000	0	0
19,149,856	NET COST OF SERVICES	20,962,332	20,470,155	21,456,630
(1,713,876)	Net Recharges from General Fund	(2,441,030)	(2,441,030)	(2,441,030)
17,435,980	NET COST OF SERVICES AFTER RECHARGES	18,521,302	18,029,125	19,015,600
	CORPORATE ITEMS AND FINANCING			
	Corporate Income and Expenditure			
1,788,070	Net Financing Costs	1,387,167	1,345,843	1,316,063
(150,360)	Investment Income	(210,867)	(210,867)	(210,867)
19,073,690	NET REVENUE EXPENDITURE	19,697,602	19,164,101	20,120,796
0	Contribution to/(from) Balances/Reserves	14,595,443	15,021,124	13,947,797
19,073,690	MET FROM GOVT GRANT & COUNCIL TAX (Budget Requirement)	34,293,046	34,185,225	34,068,593
(0)	ANTICIPATED BASELINE FUNDING GAP	0	0	0

2025/26 Budget £	Service	2026/27 Indicative £	2027/28 Indicative £	2028/29 Indicative £
	Financed By			
(679,330)	New Homes Bonus	0	0	0
(6,268,350)	Council Tax	(6,508,273)	(6,757,778)	(7,016,084)
(8,673,560)	Non Domestic Rates	(3,674,652)	(3,758,942)	(3,834,773)
(1,577,320)	Minimum Funding Guarantee	0	0	0
(1,574,000)	Extended Producer Responsibility	0	0	0
(131,200)	Revenue Support Grant	(18,819,370)	(11,601,137)	(4,204,755)
(169,930)	National Insurance Grant	0	0	0
0	95% Income Protection Floor	(4,894,878)	(11,613,083)	(18,469,692)
0	Homelessness, Rough Sleeping and Domestic Abuse	(383,933)	(442,345)	(531,349)
0	Recovery Grant	(11,940)	(11,940)	(11,940)
(19,073,690)	TOTAL FUNDING AVAILABLE	(34,293,046)	(34,185,225)	(34,068,593)

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BUDGET PROPOSALS

		2026/27	2027/28	2028/29	Funding Source (if Reserves)
Revised Budget		18,724,013	19,553,532	20,056,106	
Savings					
Reduction in the Employers Contribution Pension Rate following the actuarial review	All	- 834,499	- 834,499	- 834,499	
Agency model potential for leisure contract re HMRC VAT treatment	Community Services	- 50,000	- 100,000	- 100,000	
Housing keeping savings from vacant post within Community Services	Community Services	- 28,680	- 28,680	- 28,680	
Staff Savings from Waste Service Review.	Community Services	-	- 115,990	- 238,410	
Equipment & Service contracts no longer required	Community Services	-	-	- 9,000	
Recycling bags (no longer required)	Community Services	- 3,000	- 24,000	- 30,000	
Air Quality Monitoring Equipment	Community Services	- 5,000	- 15,000	- 15,000	
Inflation on car park fees (10% on 25/26 budget)	Community Services	- 18,000	- 18,000	- 18,000	
Everyone Active - utility benchmarking and business rates	Community Services	- 188,000	- 185,000	- 182,000	
Vehicle & Fleet Maintenance - reduced gas/swap to bio LPG	Community Services	- 11,000	- 11,000	- 11,000	
Trade refuse - reduced disposal costs	Community Services	- 32,000	- 32,000	- 32,000	
Removal of the Professional Fees budget in Planning and Policy Teams	Place	- 20,000	- 20,000	- 20,000	
Land Charges Search Fees - increase in demand for service with more houses expected to be build	Place	- 129,000	- 129,000	- 129,000	
Previous budget request for Microsoft licences in 27/28 no longer required	Resources	-	- 10,000	- 10,000	
Total Savings		- 1,319,179	- 1,523,169	- 1,657,589	
Additional Income					
Extended Producer Responsibility	Community Services	- 2,094,900	- 1,675,920	- 1,256,940	
Charnwood Burial contract increase in income due to full cost recovery.	Community Services	- 24,150	- 24,150	- 24,150	
On-street enforcement (increase in income - fully reimbursed by LCC)	Community Services	- 20,880	- 20,880	- 20,880	
Food Waste Roll Out - DEFRA Funding	Community Services	- 324,490	-	-	
Summons Income - Revenues	Resources	- 90,000	- 90,000	- 90,000	
Internal Audit - additional income from Charnwood and Blaby	Resources	- 7,010	- 9,650	- 16,620	
Joint Strategic Planning - additional income from partners	Place	- 7,360	- 8,290	- 9,280	
Total Additional Income		- 2,568,790	- 1,828,890	- 1,417,870	
Reduction in Income					
Everyone Active - contract income	Community Services	49,240	59,520	74,010	
Coalville Car Parks -2hrs free in Coalville	Community Services	21,000	21,000	21,000	
Newmarket & Outdoor market - reduced income budget	Community Services	83,000	83,030	83,030	
Trade refuse -reduced income	Community Services	67,000	67,000	67,000	
Reduced income - Loss of contract for sweeping at Bardon	Community Services	17,000	17,000	17,000	
Reduced Housing Benefit Admin Grant	Resources	6,410	6,410	6,410	
Total Reduction in Income		243,650	253,960	268,450	
Unavoidable Cost Pressures					
Moving the Council's democratic services system (ModGov) from maintaining on premise to the cloud	Chief Executives	5,550			
Food waste roll out - implementing the Government's food waste initiative. This is the revenue costs, but there are also associated capital costs	Community Services	599,880	840,650	840,650	
Tacho technology for O license compliance and driver fobs	Community Services	20,000	20,000	20,000	
Blaby District Council - Revenue contribution for administering Disabled Facilities Grant's	Community Services	27,440	27,440	27,440	
Refuse & Recycling - increased agency due to sickness	Community Services	170,000	170,000	85,000	

		2026/27	2027/28	2028/29	Funding Source (if Reserves)
Refuse & Recycling - increased overtime/casual cover due to sickness	Community Services	147,000	147,000	73,000	
Refuse & Recycling - hire of vehicles. Increase due to ageing fleet and purchase of new vehicles delayed	Community Services	150,000	50,000	50,000	
Garage/Fleet services - purchase of parts, increase due to ageing fleet and increased repairs and maintenance	Community Services	175,000	88,000	-	Business Rates Reserve
Removal of Earmarked Reserve which currently funds Environmental and Sustainability Programme Manager post and working budget. This ensures ongoing funding for the post in future years	Community Services	83,980	83,980	83,980	
Increase in electricity budget to cover costs of Electrical Vehicle Charging in car parking	Community Services	35,000	35,000	35,000	
CCTV contract due for retender during 26/27, expected increase in cost	Community Services	8,000	8,000	8,000	
Net adjustment from deletion of old budgets for Port Health exp & income and increased income from full cost recovery	Community Services	28,910	28,910	28,910	
Increase in pest control contract charges	Community Services	9,000	9,000	9,000	
Refuse & Recycling - Increase in repairs & maintenance of equipment due to age	Community Services	11,000	11,000	-	
Local Plan Examination	Place	85,000	-	-	Business Rates Reserve
Electricity - Electric Vehicle Charge Point Feeder Pillar Whitwick Business Centre	Place	17,000	17,000	17,000	
Cash Receipting System - increase in licence fees	Resources	-	-	-	
Insurance - increase in premium	Resources	297,240	441,340	606,840	
Transformation Officer (previously funded from MTFP)	Resources	52,030	52,030	52,030	
Internal Audit Staffing - 2 year funded post made permanent	Resources	-	53,190	53,190	
Access PaySuite Licence Fees - inflationary increases	Resources	11,500	12,500	13,500	
IT Licences - to bring budget in line with forecasted costs	Resources	33,940	33,940	33,940	
IT Maintenance - to bring budget in line with forecasted costs	Resources	28,290	28,290	28,290	
Iken licences for Legal - already purchased in 25/26	Resources	6,120	6,120	6,120	
Local Government Reorganisation	Corporate	2,000,000	-	-	
Contingency for increased cost of temporary accommodation (Funded by Grant Income)	Community Services	383,933	442,345	531,349	
Removal of vacancy factor against some services	All	196,120	196,120	196,120	
Salaries - Pay Award, increments	All	179,596	373,997	587,437	
Total Unavoidable Cost Pressure		4,761,529	3,175,852	3,386,796	
Avoidable Cost Pressure					
Flex Collect; trial continuation funded by Extended Producer Responsibility Fund	Community Services	40,180	-	-	
Asset protection plans for closed churchyards, CV park depot, sports pavilions, play areas	Community Services	65,230	87,640	40,950	
Public Conveniences - redecoration at CV & Ashby and new flooring at CV	Community Services	7,000	-	-	
Love Your Neighbourhood	Community Services	10,000	10,000	-	Business Rates Reserve
Two staff and a caged vehicle for a two year term to tackle litter fly tips and sweeping	Community Services	99,250	98,250	-	Business Rates Reserve
Age Uk Grant	Community Services	23,000	23,000	23,000	
Community Focus Officer (2 year contract 26/27 & 27/28)	Community Services	52,280	53,870	-	Business Rates Reserve
Ashby Museum grant - increase the current budget from £485 to £1500	Place	1,015	-	-	Business Rates Reserve
HRA Procurement Officer - reduction in recharge - original figure net of est recharges	Resources	27,440	27,440	27,440	
Replacement of Touchpoint contact centre	Resources	-	18,000	18,000	
Sophos XDR is an Extended Detection and Response	Resources	37,000	37,000	37,000	
Microsoft CoPilot Licences - roll out	Resources	22,950	38,250	38,250	
Phase 3 Development of Unit 4	Resources	50,000	50,000		Medium term Financial Plan
Year-end support for the production of the 25/26 and 26/27 accounts.	Resources	60,000	60,000		
ICT Service Desk Analyst - fixed term post to permanent	Resources	40,740	40,740	40,740	
Mine Water Combined Heat Power (CHP) Feasibility Study	Resources	80,000	-	-	Business Rates Reserve
Total Avoidable Pressure		616,085	544,190	225,380	
Other					
Contingency		500,000	-	-	

	2026/27	2027/28	2028/29	Funding Source (if Reserves)
Below £5k changes	59,926	59,922	59,913	
Housekeeping	- 270	- 270	- 270	
Recharges increase (within Net Cost of Services, e.g. Grounds Maintenance, Insurance, printing etc)	- 158,130	- 158,130	- 158,130	
Recharges increase (Service Management)	- 195,844	- 195,844	- 195,844	
Financing Costs	- 352,331	- 356,424	- 385,638	
Investment Income	- 60,507	- 60,507	- 60,507	
Total Other	- 207,156	- 711,253	- 740,476	
Proposals Funded from Reserves				
Medium Term Financial Plan	- 50,000	- 50,000	-	
Business Rates Reserve	- 502,545	- 250,120	-	
Total Proposals Funded from Reserves	- 552,545	- 300,120	-	
Transfer to Reserves				
Capacity Reserve	500,000	500,000	500,000	
Legacy Reserve	2,000,000	-	-	
Business Rates Reserve	12,095,443	14,521,124	13,447,797	
Total Transfer to Reserve	14,595,443	15,021,124	13,947,797	
BUDGET REQUIREMENT	34,293,050	34,185,226	34,068,594	
FUNDING				
Total Funding as per Council 20/02/25	18,175,000	17,410,300	16,690,820	
Council Tax	- 11,147	- 22,762	- 36,036	
Non Domestic Rates	- 6,617,668	- 5,804,128	- 4,986,707	
Extended Producer Responsibility	- 1,259,000	- 1,007,000	- 806,000	
Revenue Support Grant	18,715,114	11,541,447	4,193,535	
Homelessness, Rough Sleeping and Domestic Abuse	383,933	442,345	531,349	
95% income protection floor	4,894,878	11,613,083	18,469,692	
Recovery Grant	11,940	11,940	11,940	
TOTAL FUNDING	34,293,050	34,185,226	34,068,594	

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North West Leicestershire District Council
Proposed Fees & Charges 2026/27 - Place Directorate

Service	Fee/Charge	Charging Policy	2025/26 Fees	2026/27 Proposed Fees	Percentage Change in	
					Fees	Basis for Change
Property Services	Rent of Commercial Property	Rent agreement	No change	No change	n/a	Where new lease negotiated.
Property Services	Maintenance Charge for Commercial Property	% of rent	Various	Various	n/a	Where new lease negotiated.
Property Services	Service Charges for Commercial Property	Actual cost	No change	No change	n/a	Based on actual costs
Property Services	Electrical Vehicle	Profit Generating	70p kwh	80p kwh	14.0%	Free parking in EV spaces but increase by 10p per kwh
Property Services	New Market	Subsidised	Fees vary from £17.50 to £60	Fees vary from £17.50 to £60	0.0%	No increase
Property Services	Car Parking	Full Cost Recovery	Fees vary from £0.65 to £38	Fees vary from £0.70 to £41.80	10.0%	proposal to increase parking fees by 10% and first 2 hrs free parking in Coalville
Property Services	Public Conveniences - Ashby & Coalville	Subsidised	flat rate of £0.30p	flat rate of £0.30p	0.0%	No increase
Property Services (Leisure Services - Special Expenses)	Burial fees	Full Cost Recovery	Fees vary from £80 to £2,279	Fees vary from £83 to £1,778	17.0%	Removal of triple fees and increase other fees as part of benchmarking exercise
Property Services (Leisure Services - Special Expenses)	Monument and other Cemetery Charges	Full Cost Recovery	Fees vary from £25 to £2,110	Fees vary from £26 to £2,190	3.8%	September CPI
Planning	Copy Planning/ Planning App Documents		No change	No change	0.0%	
Planning	Search fees CON29		No change	No change	0.0%	
Planning	Planning Application Fees	Set Nationally	Various	Various	n/a	Set Nationally
Planning	Planning Conditions Discharge	Set Nationally	Various	Various	n/a	Set Nationally
Planning	Pre-application fees	Individually determined	Individually determined	Individually determined	n/a	Individually determined

North West Leicestershire District Council
Proposed Fees & Charges 2026/27 - Communities Directorate

Service	Fee/Charge	Charging Policy	2025/26 Fees	2026/27 Proposed Fees	Percentage Change in Fees	Basis for Change
Waste Services	Bulky Collections	Full Cost Recovery	£25 For 1-3 items, £6.20 for each additional item	£26 For 1-3 items, £6.40 for each additional item	3.8%	September CPI
Waste Services	POP's Collections	Full Cost Recovery	£38.00 For 1-3 items, £7.90 for each additional item up to a maximum of 6 items	£39.50 For 1-3 items, £8.20 for each additional item up to a maximum of 6 items	3.8%	September CPI
Waste Services	Trade Refuse	Full Cost Recovery	between £10.20 to £21.60 for 240l, 360l, 1100l bins (per bin per collection)	between £10.60 to £22.40 for 240l, 360l, 1100l bins (per bin per collection)	3.8%	September CPI
Waste Services	Trade Sacks	Full Cost Recovery	£3.50 per sack (min 50 sacks)	£3.60 per sack (min 50 sacks)	3.8%	September CPI
Waste Services	Trade Recycling	Full Cost Recovery	between £4.40 to £7.40 for 240l, 360l, 1100l bins (per bin per collection)	between £4.60 to £7.70 for 240l, 360l, 1100l bins (per bin per collection)	3.8%	September CPI
Waste Services	Additional Garden Waste bin collection	Subsidised/Full Cost Recovery	£58.00	£60.00	3.8%	September CPI
Waste Services	Emptying of litter bins	Full Cost Recovery	between £3.90 to £6.90 (per bin per wk)	between £4.00 to £7.10 (per bin per wk)	3.8%	September CPI
Waste Services	MOT's - Staff vehicles	Subsidised	£41.00	£43.00	3.8%	September CPI
Waste Services	Air Con Service - Staff vehicles	Full Cost Recovery	£44.00	£46.00	3.8%	September CPI
Leisure Services	Football pitch fees	Subsidised	Per match: Junior £36, Adult £61. Per season: Junior £340, Adult £612	Per match: Junior £37, Adult £63. Per season: Junior £353, Adult £635	3.8%	September CPI
Leisure Services	3G Pitch fees (Hermitage Rec Grd)	Subsidised/Full Cost Recovery	Between £35 to £86 depending on pitch size and Adult/Junior	Between £36 to £107.80 depending on pitch size and Adult/Junior	various	amendments to inherited charging policy with fees to increase over 5 years based on benchmarking
Environmental Protection	Private Sector Housing	Full Cost Recovery	From £115 to £517	From £119 to £537	3.8%	September CPI
Environmental Protection	Environmental Regulation of Industrial Plant	Full Cost Recovery	From £47 to £3,363	From £47 to £3,363	0.0%	Statutory fees
Environmental Protection	Scrap Metal Dealers - Licenses	Full Cost Recovery	Fees vary from £42 to £602	Fees vary from £44 to £625	3.8%	September CPI
Environmental Protection	High Hedges	Full Cost Recovery	£602.00	£625.00	3.8%	September CPI
Environmental Protection	Noise surveys	Full Cost Recovery	£491.00	£510.00	3.8%	September CPI
Environmental Protection	Caravans/Mobile Homes	Full Cost Recovery	Fees vary from £86 to £448	Fees vary from £89 to £465	3.8%	September CPI
Environmental Health	Licensing	Subsidised/Full Cost Recovery	Fees vary between £3.30 and £64,000	Fees vary between £3.40 and £64,000	3.8%	September CPI , excluding statutory fees which remain unchanged
Environmental Health	Health and Food Safety	Full Cost Recovery	Fees vary between £5.40 and £175	Fees vary between £5.60 and £200	3.8% & 14%	Majority increased by September CPI, minority increased by 14% to ensure full cost recovery
Environmental Health	Border Inspection Post	Full Cost Recovery	Fees vary between £10 and £122	Fees vary between £10 and £127	3.8%	September CPI
Environmental Health	Pest Control	Subsidised/Full Cost Recovery	Fees vary between £20.10 and £224	Fees vary between £20.90 and £233	3.8%	September CPI
GF Housing	Caravan Site Rental	Rental Agreement	£44.13 from April 2025 on anniversary of individual rental agreement	£45.81 from April 2026 on anniversary of individual rental agreement	3.8%	September CPI
GF Housing	Lifelines for Private Customers - Basic	Contract	£5.19 pw	£5.19 pw	0.0%	No Increase

Service	Fee/Charge	Charging Policy	2025/26 Fees	2026/27 Proposed Fees	Percentage	
					Change in Fees	Basis for Change
GF Housing	Lifelines Private Customers - Enhanced	Contract	£7.81 pw	£7.81 pw	0.0%	No Increase
GF Housing	Lifelines for Registered Providers - Basic	Contract	£2.37 to £4.14 pw	£2.37 to £4.14 pw	0.0%	No Increase

North West Leicestershire District Council
Proposed Fees & Charges 2026/27 - Resources & Chief Executive Directorates

Service	Fee/Charge	Charging Policy	2025/26 Fees	2026/27 Proposed Fees	Percentage Change in Fees	Basis for Change
Legal	Legal fees various		Various	Various	0%	No Change
Democratic Services	Electoral Registration sale of register	Statutory	Data - per 1000 electors or part thereof £1.50 + handling fee £20 Printed copy per 1000 electors or part thereof £5 + handling fee £10	Data - per 1000 electors or part thereof £1.50 + handling fee £20 Printed copy per 1000 electors or part thereof £5 + handling fee £10	0.0%	Statutory - no change
Democratic Services	Address Management		Renaming existing Property £47.00. Naming/numbering existing property £47.00. Naming/numbering a development of up to 5 plots £47.00 per plot. Naming/numbering a development of more than 5 plots £236.00 + £25.00 for each plot from 6 onwards. Naming a street £177. Change to development after notification: Admin £62.00 plus £32.00 per plot Street re-naming at residents request £310 plus all compensation met by applicant Confirmation of postal address details £32.00 Number a new flat complex £32.00 per flat.	Renaming existing Property £49.00. Naming/numbering existing property £49.00. Naming/numbering a development of up to 5 plots £49.00 per plot. Naming/numbering a development of more than 5 plots £245.00 + £26.00 for each plot from 6 onwards. Naming a street £184. Change to development after notification: Admin £64.00 plus £33.00 per plot Street re-naming at residents request £322 plus all compensation met by applicant Confirmation of postal address details £33.00 Number a new flat complex £33.00 per flat.	3.8%	September CPI
ICT	Print Room Sales	Cost plus 25%	Mono 7p + paper and finishing Colour 8p + paper and finishing +25% for external customers	Mono 7.3p + paper and finishing Colour 8.3p + paper and finishing +25% for external customers	3.8%	September CPI
Finance - Insurance	External charges (Insurance)	Cost	Cost	Cost	Various	As per cost
Revs & Bens	Council Tax Summons/Liability Orders	Cost	£70.50	£70.50	0.0%	No Change
Revs & Bens	NNDR Summons/Liability Orders	Cost	£90.00	£90.00	0.0%	No Change

Project	2026/27 For Approval	2027/28 Indicative Budget	2028/29 Indicative Budget	Total	Funding					
					Grant	Capital Receipt	Revenue	Business Rates Reserve	EMR	Total
ACTIVE PROGRAMME										
Coalville Regeneration Projects										
Marlborough Centre Purchase and Renovation	2,400,000	2,400,000	-	4,800,000				4,800,000		4,800,000
Capitalisation of Salaries	500,000	500,000	500,000	1,500,000				1,500,000		1,500,000
Total Coalville Regeneration Projects	2,900,000	2,900,000	500,000	6,300,000	-	-	-	6,300,000	-	6,300,000
Systems/ICT Systems										
Laptop Replacement	55,000	89,000	40,000	184,000				184,000		184,000
HR/ Payroll System	95,000	-	-	95,000			30,000	65,000		95,000
Total Systems/ICT Systems	150,000	89,000	40,000	279,000	-	-	30,000	249,000	-	279,000
Vehicles, Plant and Equipment										
Refuse Bins and Recycling Containers (Annual Programme)	200,000	202,000	228,720	630,720				630,720		630,720
Tacho technology and driver fobs	29,000			29,000				29,000		29,000
Total Vehicles, Plant and Equipment	229,000	202,000	228,720	659,720	-	-	-	659,720	-	659,720
New Construction or Renovation										
Portfolio Backlog Maintenance	600,000	600,000		1,200,000				1,200,000		1,200,000
Total New Construction or Renovation	600,000	600,000	-	1,200,000	-	-	-	1,200,000	-	1,200,000
TOTAL ACTIVE PROGRAMME	3,879,000	3,791,000	768,720	8,438,720	-	-	30,000	8,408,720	-	8,438,720
DEVELOPMENT POOL										
Coalville Regeneration Projects										
Coalville Regeneration Framework - Wolsey Road Regeneration Phase 2	800,000			800,000				800,000		800,000
Total Coalville Regeneration Projects	800,000	-	-	800,000	-	-	-	800,000	-	800,000
Systems/ICT Systems										
CCTV - Upgrade to Server & new cameras	20,000			20,000				20,000		20,000
Windows Software Replacement		50,000		50,000				50,000		50,000
Touchpoint Contact Centre		30,000		30,000				30,000		30,000
Total Systems/ICT Systems	20,000	80,000	-	100,000	-	-	-	100,000	-	100,000
Vehicle, Plant and Equipment										
Fleet Replacement Programme (replacement programme)	99,000	637,000		736,000				736,000		736,000
Noise Monitoring Equipment	20,000			20,000				20,000		20,000

Project	2026/27 For Approval	2027/28 Indicative Budget	2028/29 Indicative Budget	Total	Funding					
					Grant	Capital Receipt	Revenue	Business Rates Reserve	EMR	Total
Mobile Vehicle message sign (matrix trailer)	20,000			20,000				20,000		20,000
Car Parking - replace Pay & Display machines	40,000			40,000				40,000		40,000
Play Areas (General Fund)- new equipment	49,000	30,000	46,000	125,000				125,000		125,000
Parks - Electric Gates	15,000			15,000				15,000		15,000
Total Vehicle, Plant and Equipment	243,000	667,000	46,000	956,000	-	-	-	956,000	-	956,000
New Construction or Renovation										
Hermitage Recreational Ground 3G Pitch	150,000			150,000				150,000		150,000
Stenson Square Public Realm	1,000,000			1,000,000				1,000,000		1,000,000
Enterprise Park	1,850,000			1,850,000				1,850,000		1,850,000
Total New Construction or Renovation	3,000,000	-	-	3,000,000	-	-	-	3,000,000	-	3,000,000
TOTAL DEVELOPMENT POOL	4,063,000	747,000	46,000	4,856,000	-	-	-	4,856,000	-	4,856,000
REFCUS										
Closed Cemetery / Churchyard	62,000	64,000	66,000	192,000				192,000		192,000
Play Area Grants	250,000	250,000	250,000	750,000				750,000		750,000
Disabled Facilities Grants (Adapted Property Improvement Grants)	817,540	817,540	817,540	2,452,620	2,452,620					2,452,620
Local Nutrient Mitigation Fund	770,000	770,000	770,000	2,310,000	2,310,000					2,310,000
Total REFCUS	1,899,540	1,901,540	1,903,540	5,704,620	4,762,620	-	-	942,000	-	5,704,620
SPECIAL EXPENSES										
Special Expenses Play Areas	55,710	83,370	185,630	324,710			324,710			324,710
TOTAL SPECIAL EXPENSES	55,710	83,370	185,630	324,710	-	-	324,710	-	-	324,710
TOTAL CAPITAL PROGRAMME	9,897,250	6,522,910	2,903,890	19,324,050	4,762,620	-	354,710	14,206,720	-	19,324,050

Project	2026/27 For Approval	2027/28 Indicative Budget	2028/29 Indicative Budget	Total	Funding					
					Grant	Capital Receipt	Revenue	Business Rates Reserve	EMR	Total
Capital Programme Reconciliation										
Capital Programme Approved by Council 04/11/25	7,688,310	2,881,233	2,000,310	12,569,853	4,320,930	-	-	8,248,923	-	12,569,853
Capital Proposals:										
Marlborough Centre Purchase and Renovation		2,347,077		2,347,077				2,347,077		2,347,077
Laptop Replacement	6,000	40,000	- 20,000	26,000				26,000		26,000
Refuse Bins and Recycling Containers (Annual Programme)			228,720	228,720				228,720		228,720
Tacho technology driver fobs	29,000			29,000				29,000		29,000
Portfolio Backlog Maintenance	600,000	600,000		1,200,000				1,200,000		1,200,000
Coalville Regeneration Framework - Wolsey Road Regeneration Phase 2	800,000			800,000				800,000		800,000
CCTV - Upgrade to Server & new cameras	20,000			20,000				20,000		20,000
Windows Software Replacement		50,000		50,000				50,000		50,000
Touchpoint Contact Centre		30,000		30,000				30,000		30,000
Noise Monitoring Equipment	20,000			20,000				20,000		20,000
Mobile Vehicle message sign (matrix trailer)	20,000			20,000				20,000		20,000
Car Parking - replace Pay & Display machines	40,000			40,000				40,000		40,000
GF - Play Areas new equipment	49,000	30,000	46,000	125,000				125,000		125,000
Parks - Electric Gates	15,000			15,000				15,000		15,000
Closed Cemetery / Churchyard (Concurrent Grant Scheme)	62,000	64,000	66,000	192,000				192,000		192,000
Play Area Grants	250,000	250,000	250,000	750,000				750,000		750,000
HR/ Payroll System	95,000	-	-	95,000			30,000	65,000		95,000
Disabled Facilities Grants (Adapted Property Improvement Grants)	147,230	147,230	147,230	441,690	441,690					441,690
Special Expenses Play Areas	55,710	83,370	185,630	324,710			324,710			324,710
Total Proposals	2,208,940	3,641,677	903,580	6,754,197	441,690	-	354,710	5,957,797	-	6,754,197
								-		
Capital Programme for approval 20/02/26	9,897,250	6,522,910	2,903,890	19,324,050	4,762,620	-	354,710	14,206,720	-	19,324,050

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North West Leicestershire District Council Estimated Reserves 2026/27 to 2028/29

TEAM	Estimated Balance as at 1/4/26 £	Commitments & Budget Proposals 26/27 £	Estimated balance as at 31/3/27 £	Future commitment incl budget proposals 27/28 to 28/29 £
Earmarked Reserves:				
Chief Executive	28	(14)	14	(14)
Human Resources	17	0	17	0
Legal & Support Services	116	45	161	(110)
Community Services	683	(455)	228	(170)
Strategic Housing	394	0	394	0
Planning & Infrastructure	1,462	(12)	1,450	(4)
Property and Economic Regeneration	487	(43)	444	(43)
Joint Strategic Planning	147	0	147	0
Director of Resources	79	0	79	0
Customer Services	4	(3)	1	(1)
Business Change	431	(74)	356	0
ICT	23	(23)	0	0
Internal Audit	0	0	0	0
Finance	279	0	279	(75)
MTFP Reserve	7,558	(264)	7,294	(107)
Business Rates Reserve	11,333	(517)	10,816	23,325
Legacy Reserve	0	1,000	1,000	(1,000)
Total earmarked reserves - General Fund	23,040	(361)	22,679	21,802
Other reserves General Fund:				
General Balance (minimum level of reserves)	1,544	0	1,544	0
Total other Reserves - General Fund	1,544	0	1,544	0
TOTAL ALL RESERVES - GENERAL FUND	24,585	(361)	24,224	21,802
Total earmarked reserves - Special Expenses	64	(8)	56	(7)
Other reserves Special Expenses:				
General Balance	57	2	59	0
Total other Reserves - Special Expenses	57	2	59	0
TOTAL ALL RESERVES - SPECIAL EXPENSES	121	(6)	115	(7)

Appendix 5

Estimated Balance as at 31/3/29
£
0
17
51
58
394
1,446
402
147
79
0
356
0
0
204
7,187
34,141
0
44,481
1,544
1,544
46,026
49
59
59
108

SPECIAL EXPENSES BUDGET SUMMARY 2025/26-2028/29

COALVILLE	2025/26 Budget	2026/27 Budget	2027/28 Indicative	2028/29 Indicative
Cemetery	(8,120)	(3,260)	(2,840)	(1,710)
Planned Preventative Maintenance (Cemetery)	29,450	7,670	7,900	13,130
Other Expenses	5,000	6,000	6,000	6,000
Parks, Recreation Grounds & Open Spaces	312,220	316,980	311,590	319,530
Planned Preventative Maintenance (Parks/Recreation Grounds)	14,450	76,710	96,870	195,690
Events	98,340	99,400	100,160	100,910
Net Cost of Services	451,340	503,500	519,680	633,550
Service & Committee Management	92,710	91,120	93,860	96,680
Net Cost of Services after Recharges	544,050	594,620	613,540	730,230
Funded By:				
Contribution To/ (From) Reserves	31,008	(16,288)	(17,449)	(115,838)
Precept (Council Tax)	(575,058)	(578,332)	(596,091)	(614,392)
Total Funding	(544,050)	(594,620)	(613,540)	(730,230)

WHITWICK	2025/26 Budget	2026/27 Budget	2027/28 Indicative	2028/29 Indicative
Cemetery	8,960	9,650	9,930	10,920
Open Space and Car Park	4,330	4,470	4,600	4,740
Planned Preventative Maintenance	9,100	3,200	15,100	3,400
Net Cost of Services	22,390	17,320	29,630	19,060
Service Management	14,550	14,010	14,430	14,860
Net Cost of Services after Recharges	36,940	31,330	44,060	33,920
Funded By:				
Contribution To/ (From) Reserves	(13,770)	3,287	7,922	44,152
Precept (Council Tax)	(23,170)	(34,617)	(51,982)	(78,072)
Total Funding	(36,940)	(31,330)	(44,060)	(33,920)

HUGGLESCOTE & DONINGTON-LE-HEATH	2025/26 Budget	2026/27 Budget	2027/28 Indicative	2028/29 Indicative
Cemetery	5,540	8,220	9,190	10,210
Planned Preventative Maintenance	38,080	2,660	35,740	2,820
Net Cost of Services	43,620	10,880	44,930	13,030
Service Management	15,220	14,470	14,910	15,360
Net Cost of Services after Recharges	58,840	25,350	59,840	28,390
Funded By:				
Contribution To/ (From) Reserves	(32,605)	9,301	(17,526)	23,296
Precept (Council Tax)	(26,235)	(34,651)	(42,314)	(51,686)
Total Funding	(58,840)	(25,350)	(59,840)	(28,390)

COLEORTON	2025/26 Budget	2026/27 Budget	2027/28 Indicative	2028/29 Indicative
Open Space	1,100	1,150	1,190	1,230
Planned Preventative Maintenance	0	0	0	0
Net Cost of Services	1,100	1,150	1,190	1,230
Service Management	0	0	0	0
Net Cost of Services after Recharges	1,100	1,150	1,190	1,230
Funded By:				
Contribution To/ (From) Reserves	593	207	(97)	(351)
Precept (Council Tax)	(1,693)	(1,357)	(1,093)	(879)
Total Funding	(1,100)	(1,150)	(1,190)	(1,230)

OAKTHORPE, DONISTHORPE & ACRESFORD	2025/26 Budget	2026/27 Budget	2027/28 Indicative	2028/29 Indicative
Play Areas	4,370	4,540	4,670	4,800
Planned Preventative Maintenance	0	0	0	2,200
Net Cost of Services	4,370	4,540	4,670	7,000
Service Management	0	0	0	0
Net Cost of Services after Recharges	4,370	4,540	4,670	7,000
Funded By:				
Contribution To/ (From) Reserves	7,305	5,913	4,864	1,694
Precept (Council Tax)	(11,675)	(10,453)	(9,534)	(8,694)
Total Funding	(4,370)	(4,540)	(4,670)	(7,000)

RAVENSTONE	2025/26 Budget	2026/27 Budget	2027/28 Indicative	2028/29 Indicative
Open Space	490	510	530	550
Planned Preventative Maintenance	660	680	700	720
Net Cost of Services	1,150	1,190	1,230	1,270
Service Management	0	0	0	0
Net Cost of Services after Recharges	1,150	1,190	1,230	1,270
Funded By:				
Contribution To/ (From) Reserves	(39)	(291)	(508)	(684)
Precept (Council Tax)	(1,111)	(899)	(722)	(586)
Total Funding	(1,150)	(1,190)	(1,230)	(1,270)

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Responses Overview Closed

Responses

621 

Average Time

16:36 

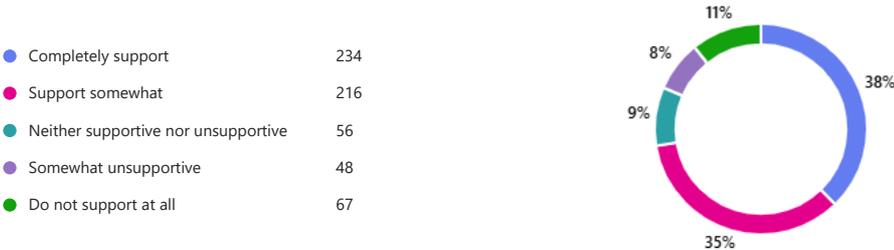
Duration

22 Days 

1. How confident are you that you understand where the council's money comes from?



2. Do you support the idea of a Legacy Fund for community projects?



3. Please provide any comments regarding your support for the Legacy Fund.

253
Responses

Latest Responses
 "Focus on creating green spaces, improving walking paths etc for community well ..."
 ...

4. Do you agree that community groups should provide match funding for Legacy Fund projects?



5. Please provide any comments regarding match funding for Legacy Fund projects.

250
Responses

Latest Responses

"I do not think the community should have to contribute, we pay enough tax as it ... "
"Some communities may not be able to afford to match fund, these need more su... "

...

6. What types of projects would you like to see funded through the Legacy Fund?

381
Responses

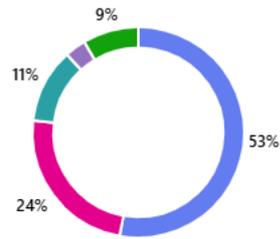
Latest Responses

"Sporting facilities or public transport"
"Restoration of community buildings and areas."
"Projects for our water ways and canals, green spaces, wildlife preservation. Litter ... "

...

7. Do you agree that it is important to invest in long-term community projects and council services before the district council merges into a unitary authority?

● Completely agree	328
● Agree somewhat	149
● Neither agree nor disagree	71
● Somewhat disagree	20
● Do not agree at all	53



8. Please provide any comments regarding investing in Long-term community projects and council services before the district council merges

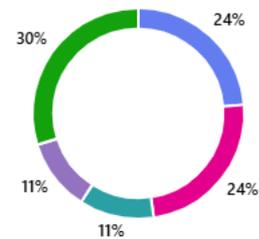
236
Responses

Latest Responses

...

9. Do you agree with the proposed Council Tax increase of 2.75%?

● Completely agree	147
● Agree somewhat	149
● Neither agree nor disagree	71
● Somewhat disagree	69
● Do not agree at all	185



10. Please provide any comments regarding the council tax increase of 2.75%

351
Responses

Latest Responses

"No just no! We pay enough as it is!!!!!!"

...

11. If you disagree, what alternative would you suggest to increase our ongoing income to maintain essential services?

213
Responses

Latest Responses

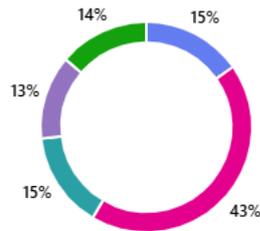
"Cut costs on unnecessary spending such as replacing silly cardboard sacks and ri... "
 "Smaller increase bearing in mind rises expected from other services. Cost of living..."
 ...

12. Which of these areas should be our top priority for investment? (Please rank in order of priority)



13. Do you agree with our proposals to invest one-off capital money in existing services as listed above?

● Completely agree	95
● Agree somewhat	268
● Neither agree nor disagree	92
● Somewhat disagree	80
● Do not agree at all	86



14. Please provide any comments regarding our proposal to invest in one-off capital money in existing services

221
Responses

Latest Responses

...

15. Are there any proposed capital investments listed above that you do not agree with? Please state which.

234
Responses

Latest Responses

"Signage funding"
 "Mobile sign for environmental campaign, seriously?! That money should be spent..."
 "Mobile Sign"
 ...

16. Why do you not agree with this investment?

211
Responses

Latest Responses

"Seems entirely unnecessary compared to other proposals"
 "£20,000 on a mobile sign is stupid. That money could go into improving services ... "
 "I doubt a mobile sign saying 'don't throw litter' doing the job! Enforcement and e..."
 ...

17. Which of these areas should be our top priority for investment? (Please rank in order of priority)



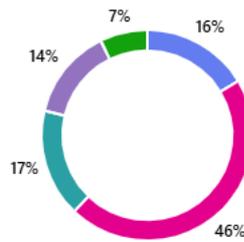
18. If you believe other areas should be our top priority for investment (please specify)

618 Responses

Latest Responses
 "No"
 "A"
 "Na"
 ...

19. Do you agree with our proposals to invest revenue money in existing services as listed above?

Completely agree	102
Agree somewhat	284
Neither agree nor disagree	103
Somewhat disagree	87
Do not agree at all	45



20. Please provide any comments regarding our proposals to invest revenue money in existing services

179 Responses

Latest Responses
 ...

21. Are there any proposed revenue investments listed above that you do not agree with? Please state which.

178 Responses

Latest Responses
 "Free parking"
 "£7000 on public toilets"
 ...

22. Why do you not agree with this investment?

155 Responses

Latest Responses
 "Why should parking charges be given for free in one town but increased in the ot..."
 "No one is using public toilets for anything other than drug taking. Absolutely poi..."
 ...

23. Do you have any final comments on the proposals in the draft budget?

156
Responses

Latest Responses
...

24. Please insert your Postcode in this format - LE67 3EP

567
Responses

Latest Responses
"Le65 2rb"
"LE67 1FX"
"DE74 2HS"
...

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Budget Consultation 2026/27 – Summary of Responses

Introduction

The consultation on budget proposals for 2026/27 ran from 15 January to 1 February.

- 621 people chose to respond to the survey

The survey was publicised widely:

- Dedicated web page established, with an alert on all pages of the NWLDC website. 3,206 people visited the web page
- 1 x news release resulting in four pieces of media coverage (BBC Leicester, Leicestershire Live, Ashby Nub News, Coalville Times)
- 3 x customer emails to those subscribed to receive surveys and consultations (total distribution:
 - Email 1: Opened by 28,662 people, 1,372 people clicked on the link
 - Email 2: Opened by 27,785 people, 1,171 people clicked on the link
 - Email 3: Opened by 23,981 people, 1,066 people clicked on the link
- 2 x Facebook posts
 - Post 1: Reached 2,984 people
 - Post 2: Reached 1,923 people
- Screen in the Customer Centre viewed by all visitors to the centre.

Summary of quantitative responses

Confidence in council income

- Most respondents (93%) said they are very confident or somewhat confident that they understand where the council's money comes from

Legacy Fund

- 73% of respondents either completely support or support somewhat the idea of a Legacy Fund for projects, with a further 9% saying they were neither supportive nor unsupportive
- 19% of respondents were either somewhat unsupportive or do not support the idea at all
- In relation to match funding, 54% of people stated that they either completely agree or agree somewhat that groups should match fund
- 29% stated that they did not agree at all or somewhat disagreed that groups should match fund, with a further 18% remaining neutral on the issue
- When asked whether the council should invest in long-term projects ahead of local government reorganisation, 77% of respondents either completely agreed or agreed somewhat
- 12% somewhat disagreed or did not agree at all with the idea of investing in long-term projects before a new unitary is created
- 11% of respondents neither agreed nor disagreed with the idea

Council tax

- 48% of respondents said they completely agree or agree somewhat with the proposed council tax increase
- 41% said they somewhat disagreed or did not agree at all with the proposed increase
- 11% said they neither agreed nor disagreed

Capital investment

- 58% of respondents completely agreed or agreed somewhat with the proposed capital investment
- 27% of respondents said they somewhat disagreed or did not agree at all with the capital proposals
- A further 15% were neutral on the matter

Revenue investment

- 58% of respondents completely agreed or agreed somewhat with the proposed revenue investment
- 21% said they somewhat disagreed or did not agree at all with the revenue proposals
- A further 17% were neutral on the matter

Summary of qualitative responses

Overview

The qualitative responses from the budget survey highlight concerns about fairness, priorities, and value for money.

Many respondents wrote that the council should focus on essential services, such as street cleaning, litter, safety, and support for vulnerable people, before funding new initiatives.

Some comments mentioned clearer transparency and equitable investment across the district.

The most consistent concerns relate to car parking charges, particularly the combination of free parking in Coalville and higher charges elsewhere, which people view as unfair and harmful to local high streets.

Waste and recycling proposals also attract some criticism, with respondents questioning costs, practicality and reduced income under the new system.

Support for the council tax increase was slightly higher than opposition to it, with supporters accepting the increase is needed to protect services.

Of those who oppose the increase and chose to comment, they cite household financial pressures and the council's growing reserves as the reason for their objection.

Legacy Fund

General comments about the principle of a Legacy Fund

Of the 621 respondents who answered the question 'Do you support the idea of a Legacy Fund for community projects?', 253 chose to comment when asked 'Please provide any comments regarding your support for the Legacy Fund'.

Several themes emerged from these comments:

- 1. Essential services should be prioritised**

A major theme is that the council should prioritise core services, such as street cleaning, litter, weed removal and basic maintenance, as well as services for vulnerable people, like supported housing.

2. Scepticism towards council spending

Some comments expressed opinions of 'wasted' money on past projects e.g. Coalville regeneration and in Measham. There was some concern that the Legacy Fund could become hidden, misused or diverted during local government reorganisation, and comments were submitted suggesting that spending must be transparent, tightly monitored and audited.

3. Fairness and geographic distribution

Those respondents who live outside of Coalville expressed a desire that the legacy fund should seek to address rural villages like Castle Donington, Diseworth, Worthington and areas north of Coalville.

4. Support for community projects

There was support in the comments for community projects, so long as they really are long-lasting. There was particular support for projects that improve quality of life, support active travel, improve youth facilities, or focus on green spaces and heritage.

Specific suggested areas include:

- Cycling / walking routes (with safety improvements)
- Green and biodiversity projects
- Upgraded community buildings
- Facilities for older people
- Youth sports, recreation, and social spaces
- Heritage preservation
- Arts and cultural facilities (e.g., Century Theatre).

5. Transparency

Some respondents used comment to ask for:

- A simpler application process
- Clear assessment criteria

- Public involvement in decision-making
- Robust monitoring and safeguards against “consultant waste”, fraud or poor value for money
- Transparent long-term planning.

Comments regarding match funding of Legacy Fund

Of the 621 people who responded to the question ‘Do you agree that community groups should provide match funding for Legacy Fund projects?’, 250 people chose to provide a comment when asked ‘Please provide any comments regarding match funding for Legacy Fund projects.’

Supportive of match funding (but with comments)

Most comments show that respondents believe match funding is positive but only if the community group can afford it and the threshold is realistic.

- Some respondents wrote that match funding shows commitment and proves a group is serious about its project
- They believe it encourages community ownership of the project
- They believe it helps to stretch the Legacy Fund further, allowing more projects to benefit
- Some say a lower contribution than 50% (e.g., 25%) would be realistic
- Some think certain projects (e.g., private sports clubs) should contribute.

Not supportive or concerned about match funding

A smaller number of respondents are not supportive of match funding, with respondents believing that it could exclude those who need the fund most and may be unworkable in many communities.

- Smaller or less affluent groups will be excluded
- 50% match funding is seen as too high
- Cost-of-living pressures affecting group fundraising efforts
- Equity concerns that match funding could penalise poorer areas and may prevent projects that need most support from going ahead

- Burden on volunteers, who would have to give time and money (and time to raise money)
- Community groups already pay council tax
- Administrative difficulty with fundraising in terms of grant applications and capacity in smaller groups and

Neutral comments / suggestions

Some comments don't take a side but suggest there isn't a 'one size fits all' solution and that the Legacy Fund should consider:

- Flexibility depending on the project
- Means testing
- Consideration of deprivation levels
- Assessment of project impact
- Allowing exceptions where groups cannot realistically contribute
- Recognising volunteer time as an in-kind contribution.

Ideas for Legacy Fund

When asked 'What types of projects would you like to see funded through the Legacy Fund?' 381 people chose to comment.

The top ten ideas for Legacy Fund projects are as follows (some of which are not directly in the district council's remit):

1. Improve walking and cycling routes (safe, offroad, joined-up)
Safe crossings, off road trails, better maintained paths
2. More youth clubs and spaces for teenagers
Especially in Coalville, Ashby, Castle Donington and rural villages
3. Community buildings / halls / hubs
New or upgraded buildings for meetings, social groups, warm spaces, classes, heritage groups etc.
4. Repair and upgrade parks and playgrounds
Better equipment, safer play areas, more green spaces, all-weather

surfacing. Maintenance of existing facilities

5. Enhanced leisure facilities
e.g. indoor bowls, leisure facility in the north of the district, better timetables and accessibility at existing leisure centres
6. Environment and nature projects
Tree planting, green corridors, biodiversity recovery, habitat restoration
7. Safe walking routes
Particularly where footpaths have been cut by roads
8. Children's activities
SEN, after-school clubs, toddler groups, safe indoor and outdoor spaces
9. Mental health and wellbeing support
For adults, men, carers, young people, to table loneliness
10. Improve community cleanliness
Bins, litter, village / town clean-up programmes

Other ideas included:

- Regenerating derelict or disused buildings for community use
- Support for local sports clubs
- Better roads, safety improvements, pothole repairs
- Improved public transport links
- Community events and festivals
- Projects supporting elderly residents
- Improved local retail areas and town centre appearance
- Creating larger strategic green spaces
- Heritage preservation and cultural projects
- Support for small local businesses.

Comments about creation of a Legacy Fund in relation to local government reorganisation

Support for spending money allocated to the Legacy Fund now

Most respondents to this question support investing or committing the Legacy Fund now, before the 2028 move to a unitary council, driven by a fear that North West Leicestershire will lose funding, influence and local focus after reorganisation.

These respondents want to guarantee the investment stays local and make sure that long-term projects are underway before structural change happens.

There is concern amongst some respondents that funds will 'disappear' into a bigger pot, that local needs will be diluted by regional priorities and that North West Leicestershire will be deprioritised in favour of larger or wealthier areas such as Loughborough, Melton or Rutland.

Concern about spending money allocated to the Legacy Fund now

A smaller minority of respondents believe this money should only be spent once the council has clarity on the future structure post-reorganisation, believing that spending before reorganisation could lead to waste or unsustainable projects.

These people believe that uncertainty about local authority structures makes long-term commitments risky and that projects may later be stopped when the new authorities take over.

Common themes across all comments

Almost all comments emphasised the need for projects to be robust, long-term and sustainable, with broad benefits for the community.

There is general concern around local government reorganisation in terms of losing local control, identity and representation, and a worry that decisions will favour more politically influential areas.

A large number of comments seek assurance that money allocated to North West Leicestershire is spent within the district and that any projects should have accountability beyond 2028.

Council tax increase

General comments about the proposed council tax increase

The majority (48%) of respondents to this question are in support of the proposed council tax rise.

These respondents believe the rise is small, reasonable or in line with inflation, and understand that councils face rising costs like everyone else.

There was a smaller, but clear, group of respondents who oppose the increase, primarily due to household financial pressures, concerns about the cost of living and the large reserves the council has.

Alternative income suggestions

When asked 'If you disagree [with the proposed council tax increase], what alternative would you suggest to increase our ongoing income to maintain essential services?', 213 respondents chose to comment.

Most respondents to this question believe the council should find alternative income by improving efficiency, cutting waste and using existing resources, rather than increasing council tax.

The most common alternative suggestions were:

- Cut waste, inefficiency and unnecessary projects
- Use reserves, higher Government grant and the Legacy Fund
- Generate income from council assets and commercial activity
- Grow the local economy to increase business rates
- Use targeted fees and enforcement instead of blanket tax rises.

There is a recurring theme in the comments, with respondents believing residents already pay enough.

A majority of respondents believe that a small increase is reasonable, as inflation makes rises unavoidable, but services must be maintained

However, a number of comments add that the council must prove value for money, that improvements must be visible and spending should be better targeted, with protection crucial for vulnerable households.

Capital investment

General comments on proposed capital investment

Of the 621 overall survey respondents, 221 chose to provide comments ‘regarding our proposals to invest in one-off capital money in existing services’.

From these comments, a series of themed emerged.

Of all the proposals, CCTV has the most support and the mobile sign has the least. Pay-and-display replacement is seen as unjustified by some who chose to comment.

Respondents to this question believe the following things should be prioritised:

- Roads and potholes (not a district council service, but this comment appears a lot in our survey)
- Town centres supported
- Parking made fair and accessible
- Litter and fly-tipping properly enforced, not monitored
- Clear evidence that any capital investment has real community benefit

Objections to proposed capital investment

234 people responded to the question ‘Are there any proposed capital investments listed above that you do not agree with? Please state which.’

Respondents disagreed with the following (ranked most frequently mentioned to least frequently mentioned).

1. Pay and display machine replacement
2. Mobile environmental sign
3. Noise monitoring equipment
4. CCTV upgrades
5. Legacy Fund spending
6. Reserves / business rates reserve use.

Reasons for objections to proposed capital investment

211 respondents chose to provide detail on the reasons they objected to the proposed capital spending.

Many respondents describe the proposals - especially the mobile environmental sign, noise monitoring equipment, and pay and display machine replacement - as a 'waste of money'.

This question also generated comments about spending that should benefit the whole district, with many respondents expressing frustration that spending is concentrated in Coalville and a lack of comparable investment in Ashby, Castle Donington, Kegworth and rural areas.

The most frequently cited objection across all categories was opposition to pay-and-display machine replacement, with respondents stating:

- Existing machines are fine
- £40,000 cost seen as excessive
- Fears about app-only, card-only or smart phone-dependent machines (exclusion of older people, digital exclusion)
- Parking charges seen as harming local high streets
- Calls for free parking instead
- Frustration that Coalville has free parking while Ashby does not

When describing opposition to investment in the mobile environmental signs, reasons include:

- Seen as ineffective i.e. litterers won't change their behaviour
- Signs are unattractive
- Many people have not seen the existing signs
- Cheaper alternatives exist (social media, static signage, education)

A lot of comments in this section related to services residents believe should be prioritised that are outside the remit of the district council, namely:

- Road repairs and potholes
- Flooding and drainage
- Public services like healthcare, schools, social care
- Youth facilities
- Policing and enforcement.

Priorities for capital investment

We asked survey respondents 'If you believe other areas should be our top priority for investment (please specify)'. 618 people chose to provide a comment in response to this question.

Ranked in order, according to frequency of mentions, respondent's top alternative priorities for investment were:

1. Waste, recycling system improvements and better collections
2. Street cleaning, litter removal and fly-tipping prevention
3. Parking (free parking, fair charges, more spaces, enforcement)
4. Community safety, crime reduction and CCTV
5. Parks, open spaces, green areas and environmental protection
6. Town centre regeneration (especially Coalville and Ashby)
7. Social housing, homelessness support and quality of council housing
8. More enforcement officers (parking, ASB, environmental offences)
9. Leisure facilities, sports pitches and community recreation spaces, parks and children's play equipment.

A number of things received a high level of support for investment, but lie outside of the district council's remit:

- Roads, potholes and general highway maintenance
- Youth services, youth clubs and activities for young people
- Public transport improvements (buses, rail links, school transport)
- Social care and health-related investment
- Traffic calming, speed cameras and safer roads
- Better street lighting for safety and visibility
- Flooding and drainage improvements
- Investment in local shops, high streets and support for small businesses

Revenue investment

General comments on proposed revenue investment

Of the 621 overall survey respondents, 179 chose to provide comments 'regarding our proposals to invest in revenue money in existing services'.

From these comments, a series of themed emerged.

Car parking charges

The strongest objections were to car parking charge increases, with respondents overwhelmingly opposed to any increases. There are strong calls for free or low-cost parking, or at minimum harmonised charges across the district.

Key concerns include:

- Damage to high street footfall
- Coalville receiving free two hours- parking while Ashby and other towns face increases is seen as unfair and unequal
- Many say people will simply go to Swadlincote or Fosse Park, where parking is free
- Respondents believe increased charges will lead to more on-street parking, causing congestion and safety issues

Inconsistency of investment

Another theme coming through in this question is widespread frustration about perceived unfairness towards Ashby and other towns, with many respondents believing that NWLDC favours Coalville, especially regarding free parking, facilities and investment.

Waste and recycling

Investment in waste and recycling proposals cause mixed reactions

Some respondents question or oppose the waste-related investment proposals, with key objections being:

- Investment in existing refuse lorries ahead of them being replaced next year
- Moving to mixed recycling when it reduces income / recycling quality
- Concerns about recycling boxes blowing away and littering streets.

Objections to proposed revenue investment

We asked survey respondents whether there were any proposed revenue investments listed above that they did not agree with. 178 respondents chose to provide an answer to this question.

Respondents disagreed with the following (ranked most frequently mentioned to least frequently mentioned).

1. Parking charge increases district-wide
2. Coalville free parking (due to unequal treatment across the district)
3. Waste and recycling (investment in bin lorries and containers)
4. Public toilet redecoration
5. Burial fee increases.

Reasons for objections to proposed revenue investment

155 respondents chose to provide detail on the reasons they objected to the proposed revenue spending.

Car parking charges

In relation to car parking charges, which was the main investment people objected to, the following reasons were given:

- Reduce footfall in Ashby and other towns and not being equitable with Coalville
- Drive shoppers to free-parking alternatives (Fosse Park, supermarkets, Swadlincote)
- Damage local businesses and the high street
- Encourage dangerous or inconsiderate parking in residential streets
- Penalise workers on low incomes who must drive.

Waste and recycling

When considering investment in waste and recycling, respondents didn't think that £175,000 spent on repairing bin lorries that will be replaced soon was justified, and had financial concerns about losing recycling income under a mixed recycling system.

Public toilets

Some respondents queried the investment in public toilets, not believing that this should be a priority and thinking that the same could be achieved for less money.

Final comments

We gave respondents the chance to provide any additional comments in a free text box at the end of the survey.

The topics most mentioned by the 156 respondents to this question are as follows:

1. Car parking policy (charges, fairness, free parking in Coalville)
2. Fairness across towns (Ashby, Castle Donington, villages vs Coalville)
3. Waste and recycling services (new bins, purple bags, costs, income loss)
4. Council tax increases (opposition, reliance on reserves, value for money)
5. Community safety (CCTV, ASB, police presence, lighting)

The two strongest themes coming through in this question, and in the rest of the survey are

1. Frustration about car parking charges
A major theme is objection to free parking in Coalville and higher charges elsewhere, which is seen as unfair, harmful to Ashby, and damaging to local businesses. Some support Coalville's free parking, but most call for consistency.
2. Calls for greater fairness across the district
Calls for investment outside of Coalville.

Ashby Town Council Response to NWLDC Budget Consultation

1. Legacy Fund

Ashby Town Council supports the proposed establishment of a Legacy Fund.

However, we believe that it should be substantially larger than currently envisaged, considering the large levels of reserves forecast over the next three years. A fund of £4m and a maximum award of £500k, with potential to top up in next year's budget, would be much more likely to facilitate delivery of the type of Project needed.

Also, it is essential to ensure that the funds are distributed fairly around the District taking into account the considerable funding for Coalville regeneration projects proposed elsewhere in the capital programme (£7.1m over three years, 40% of General Fund capital budget).

The awarding mechanism must be fair and transparent with published scores against pre-agreed criteria which have cross-party support.

We do not support a requirement for match funding. The availability and degree of match funding could be considered in the scoring of projects but should not be a prerequisite as this would rule out a significant number of potential bidding groups and projects. Of course, for projects with costs above the maximum grant level proof of sufficient additional funding to ensure completion, including an adequate contingency, would be essential.

Projects should be sufficiently ambitious to ensure a lasting legacy for NWLDC. They should predominantly involve building, improving or acquiring physical infrastructure, though funding for feasibility studies and design stages for such projects should be included with the chance of following up with a larger award for construction if feasibility proves positive.

2. Investment in Community Projects and Services

The government's Fair Funding Review has provided NWLDC with a wonderful opportunity to leave a significant legacy both in terms of long-term community projects and improved services. It is important speedily to establish a higher than the current standard for the Council's services with a view to ensuring that is taken as the benchmark for service delivery by the new Unitary council going forward. This should apply across the board to council housing, planning, enforcement, community support, leisure provision and refuse, waste and recycling services. The council also needs to up its investment towards achieving Net Zero for its daily activities, across its property portfolio and its council housing.

We welcome the announcements of additional capital expenditure in existing services made since publication of the original budget, particularly the Concurrent Grant scheme for closed churchyards, the additional Community Focus Officer, and the reinstatement of the Age UK and Ashby Museum grants and the funding of the next stage of the feasibility studies into Mine Water Heating. However all but the

latter scheme should be added to the base revenue stream to ensure that they are maintained following LGR.

3. Council tax

It is advisable for councils in general to seek to increase their council tax by around the annual level of inflation. This ensures that services can be adequately maintained and improved where needed though efficiency savings should always be pursued. We understand that 2.75% is close to the maximum allowed by the current rules given that increases in special expenses must be taken into account and it is well below current inflation.

NWLDC put itself into extreme financial jeopardy by pursuing a council tax freeze for a significant period, as it allowed its revenue funding stream to become increasingly reliant on central funding and business rate income. This situation has only been alleviated by a change in central government and the generous 3-year award received this year. This situation must not be allowed to reoccur.

4. General Fund Capital Programme

The establishment of an enhanced legacy fund (see above) should be a top priority for the capital programme, but this should not be to the detriment of the other capital investments included in the budget.

We understand that the council has announced a parking review and possible introduction of a pay on exit system. There should be no investment in new payment machines until that review is completed and consulted upon though inclusion of an appropriate sum in the budget is prudent. All replacement machines should include a cash payment option for those without credit cards or smart phones and revenue investment is required for the staff to service this facility.

The parking review should also seriously consider capital investment in new or extended car parking locations including multi-storey or underground, particularly in Ashby which may be losing the Co-op carpark.

The forecast level of reserves appears more than adequate to include further important capital infrastructure investments across the District as was envisaged in the district wide regeneration framework, published in December 2024. These should balance the current heavy bias towards schemes around Coalville town centre. Funding for implementation of the highest priority parts of the LCWIP would be particularly welcome, especially the much-needed off road connection between Ashby and Hicks Lodge, as well as investment in the Ashby Canal and Moira Furnace.

We hope that any unspent funds allocated to Moira Furnace in last year's capital budget are carried forward.

It is essential that adequate funding from reserves is made available for achieving Net Zero in Council owned property. This includes property directly occupied by the council and that rented or leased to third parties. Speedy development and implementation of appropriate schemes for solar generation, improved insulation,

non-fossil fuel heating and cost reduction through use of battery storage are required.

It is particularly important to reduce the use of fossil fuels at the Council's leisure centres. We welcome the recently announced addition to the budget of funding for the next feasibility phase of the mine water CHP scheme. The potential to use mine water as an energy source needs to be fast tracked as it has significant implications for the Coalville and Whitwick Leisure centre in the first instance and much wider potential benefits across the District, much of which is located above flooded mine workings.

The council also needs to speed up its migration to electric vehicles for its own use wherever possible.

We are shocked to see an additional £2.4m is needed to complete Coalville's Marlborough Centre refurbishment. This indicates a past failure in due diligence by NWLDC. A similar large overrun also occurred on the Marlborough Square project. These funds could have been invested elsewhere in the District where they could have made a big difference. We trust that such failures will not be allowed to happen again.

5. General Fund Revenue Budget

All four of the areas for revenue investment mentioned for prioritisation in the consultation are equally deserving but, whilst investment in car parking is certainly required, we strongly oppose the current parking proposals.

No changes to parking arrangements should be made until the parking review, recently announced by Cllr Wyatt, is completed and consulted open, and this review should cover the whole District and include both revenue and capital investment. It should ensure that all areas of the District are treated equitably

Both a 10% increase in parking charges and introduction of two hours free parking in more Coalville car parks are completely unacceptable in their obvious bias against Ashby. They would result in those visiting Ashby having to pay even more for their first two hours, effectively subsidising the free parking in Coalville.

Coalville already has one-hour free parking in several council car parks and two hours free parking at the Market Hall and the private Belvoir shopping centre, which have plenty of spare capacity. Ashby's parking arrangements need urgent reconsideration with a positive incentive for long stay at Money Hill by reducing the charge and reassignment of current town centre long stay spaces.

We strongly welcome the closed churchyard scheme which has recently been added to the budget, as it will address the current inequitable double taxation which has been imposed upon Ashby, Castle Donington and Kegworth. It is essential that the mechanism for drawing down from the fund is designed and agreed swiftly but with proper consultation with the affected Town and Parish councils and ward members. We note that it is currently listed as a capital project and point out that it should cover revenue costs of maintenance as well as capital items. We also question the short-term funding of the scheme from reserves. It

needs to be incorporated into the base revenue funding stream to ensure its continuation beyond LGR.

We also welcome that the Community Focus team is to be restored to 3 officers plus a team leader and assistant through funding from reserves. The Community Focus team provide an excellent service and are a valuable conduit to Town and Parish councils but has been eroded by recent cuts. This team, at full strength, needs to be funded for the long term rather than on a temporary basis as currently proposed.

Similarly, the Age UK befriending service and Ashby Museum grants are welcomed but should both be incorporated into the base revenue stream to ensure their continuation after LGR.

We also welcome the inclusion of the Net Zero officer post into the ongoing revenue expenditure on salaries

6. HRA

The consultation document does not seek input on the Council's housing budget. This omission is unfortunate.

We note that NWLDC continues to suffer a net loss of properties through Right to Buy despite its New Supply programme. This trend needs to be reversed particularly as 100% RTB proceeds can now be used for stock replenishment and RTB discounts have been significantly reduced by the new government. We welcome the increased New Supply budget this year but believe it should be larger and at least adequate to maintain the overall level of council housing stock.

We welcome the increase in investment in housing repairs, stock improvements and Net Zero work in this budget.

Ratepayer Response to the Draft Budget 2026/27

As a local ratepayer, I welcome the opportunity to comment on the Council's Draft Budget for 2026/27 and the associated Cabinet reports. My comments focus on transparency, value for money, service impact, and the long-term financial sustainability of the Council.

1. Transparency and Accessibility

The cover report provides a clear outline of the four budget documents being considered. However, as a resident and council taxpayer, I find it difficult to understand the overall financial position without a concise summary of:

- The main pressures facing the Council
- The key assumptions behind the budget
- The headline changes in spending and income

A short, plain-English overview would make the process more accessible to the public and improve confidence in the Council's financial management.

2. Value for Money and Efficiency

As a ratepayer, I expect the Council to demonstrate that it is:

- Reducing avoidable costs
- Improving efficiency
- Protecting frontline services
- Avoiding unnecessary borrowing

I would welcome clearer evidence of:

- What efficiency savings have already been achieved
- What further savings are planned
- How the Council ensures that service reductions are a last resort

Residents need assurance that every pound collected in Council Tax is being used responsibly.

3. Council Tax and Affordability

Any proposed increase in Council Tax must be justified with:

- A clear explanation of why it is necessary

- Evidence that alternative options have been explored
- An assessment of the impact on households already facing cost-of-living pressures

Ratepayers deserve transparency about how much additional revenue the increase will generate and how it will be used.

4. Housing Revenue Account (HRA) and Rent Setting

For tenants, rent increases must be:

- Fair
- Justified
- Clearly linked to improvements in housing quality

Residents want reassurance that:

- Repairs and maintenance will improve
- Investment in housing stock is being prioritised
- The HRA remains financially sustainable without placing undue burden on tenants

5. Capital Strategy and Borrowing

The Capital Strategy should clearly explain:

- How much the Council plans to borrow
- The risks associated with borrowing
- How the Council will ensure affordability in future years

Ratepayers need confidence that borrowing is being used for essential, value-adding projects rather than discretionary spending.

6. Risks and Financial Resilience

The Council should provide a clear, public-facing explanation of:

- The main financial risks
- How these risks are being managed
- The adequacy of reserves

Residents want assurance that the Council is prepared for unexpected pressures and is not relying on one-off funding to balance the budget.

Conclusion

As a ratepayer, I appreciate the complexity of setting a balanced budget in challenging financial circumstances. However, I believe the Council must strengthen:

- Transparency
- Public communication
- Evidence of value for money
- Long-term financial planning

Resident within North West Leicestershire District Council

Name and address redacted

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COUNCIL – THURSDAY, 19 FEBRUARY 2026



Title of Report	2026/27 HOUSING REVENUE ACCOUNT (HRA) BUDGET AND RENT SETTING	
Presented by	Councillor Andrew Woodman Housing, Property and Customer Services Portfolio Holder	
Background Papers	<p>Council - 20 February 2025 Housing Revenue Account Budget and Rents 2025/26</p> <p>Corporate Scrutiny Committee – 22 January 2026 Draft Budget 2026/27</p> <p>Cabinet – 3 February 2026 Housing Revenue Account Budget and Rent Setting 2026/27</p>	Public Report: Yes
Financial Implications	<p>This report sets out the Housing Revenue Account (HRA) budget including both capital and revenue for the period 2026/27 to 2028/29.</p> <p>It also sets out the proposed increase in rents 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>	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	<p>The Housing Revenue Account is a statutory, ring-fenced account governed by the Local Government and Housing Act 1989, which requires local authorities to ensure that the HRA remains in balance and is used solely for landlord activities. The rent increase proposed in this report complies with the Regulator of Social Housing's Rent Standard, which permits annual increases of CPI + 1% for 2026/27.</p> <p>The Council must also have regard to requirements arising from the Social Housing Regulation Act 2023, including maintaining safe homes, engaging tenants and complying with consumer standards.</p> <p>Subject to compliance with these duties, there are no further direct legal implications arising from this report.</p>	
	Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications	No direct staffing or corporate implications arising.	
	Signed off by the Head of Paid Service: Yes	

Purpose of Report	To allow the Council to approve the 2026/27 Housing Revenue Account budget and rents.
Recommendations	<p>THAT COUNCIL:</p> <ol style="list-style-type: none"> 1. APPROVES THE HOUSING REVENUE ACCOUNT (HRA) BUDGET FOR 2026/27 (APPENDIX 1) AS SUMMARISED IN SECTION 2 OF THIS REPORT, INCLUDING THE INCREASING OF RENTS BY 4.8%. 2. NOTES THE HRA BUDGET FOR 2027/28 AND 2028/29 (APPENDIX 1) 3. NOTES THE FEES AND CHARGES APPROVED BY CABINET ON 3 FEBRUARY 2026 (APPENDIX 3). 4. APPROVES THE PROPOSED HRA CAPITAL PROGRAMME FOR 2026/27 (APPENDIX 4) AND PLANNED FINANCING, AS SET OUT IN SECTION 3 OF THIS REPORT.

1.0 BACKGROUND

- 1.0.1 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.
- 1.0.2 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.

1.1 Context

- 1.1.1 The Council is setting the HRA budget at a time when the Council and its 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:

1.2 Economic Challenges

- 1.2.1 The economic outlook for 2026/27 indicates a period of subdued but improving stability. The OBR expects inflation to ease through 2026 as energy-related pressures unwind and spare capacity increases, helping CPI inflation move closer to the 2% target over the medium term. CPI inflation stood at 3.4% in December 2025, signalling persistent but stabilising price pressures.
- 1.2.2 Forecasts suggest UK GDP growth of around 1.3–1.4% during 2026/27, reflecting continued structural weaknesses and subdued consumer demand. For HRAs, this economic backdrop implies ongoing cost pressures but a gradually improving environment across the financial year.

1.3 Housing Challenges

- 1.3.1 2026/27 brings major national reforms for the social housing sector, driven by the Government's Decade of Renewal agenda and the launch of the 2026–2036 Social and Affordable Homes Programme (SAHP), which applies nationwide and aims to expand supply and improve housing quality.
- 1.3.2 Providers will also face increased compliance requirements as Awaab's Law enters Phase 2 in October 2026, extending mandatory response times to a wider set of health and safety hazards.
- 1.3.3 Whilst North West Leicestershire is not party to any devolved arrangements and is not part of any Mayoral authority, in recognition of the broader context in which this budget is being set, the Council has strengthened its financial management over the past 12 months. It has continued to apply robust processes in developing its draft budget plans for 2026/27 and the medium term. This reflects an increased organisational focus on financial sustainability. The approach, building on methods used in previous years, has included:
- Services completing budget proposals to justify the need for any changes to the budget.
 - 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 is planned through scrutiny, consultation with the public and the HRA tenants' forum.

1.4 **Budget Assumptions**

- 1.4.1 The following budget assumptions have been built into the forecast:
- A pay award of 3% has been assumed annually for future years.
 - Each budget line for the HRA has been reviewed to reflect the forecast actual value for future years, considering 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 the best outcomes for tenants. Following the recent report from the Regulator of Social Housing, this includes £150k of additional resources to improve frontline estate services.
 - Contracts have been linked to the CPI/Retail Price Index (RPI) as per individual agreements.
 - Fees and charges have been increased by CPI inflation in most cases. However, for the Lifeline service the proposed charge has been frozen due to affordability concerns (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 inflation from September 2025 (published in October 2025) which was 3.8% plus 1%, giving a total increase of 4.8% for 2026/27.

- The number of properties sold through Right to Buy is assumed to rise sharply from the previous estimate of 23 to 79 in 2025/26. Sales are then expected to fall back to 25 in 2026/27 and to stabilise at 12 per year from 2027/28 onwards. This profile reflects a one-off spike in completions of applications that were initiated before November 2024, ahead of the withdrawal of the increased Right to Buy discounts.
- Future borrowing is assumed to cost 5.3% in interest payments. Local government borrowing costs through Public Works Loans Board (PWLb) are linked to central government borrowing costs (or gilt rates) which remain elevated by historical standards.

2.0 HOUSING REVENUE ACCOUNT BUDGET AND MTFS 2026/27 to 2028/29

2.1 HRA Budget Summary

- 2.1.1 Appendix 1 shows the HRA budget position for 2025/26 and the budget for 2026/27 to 2028/29.

Table 1 below shows that in 2026/27; the budgeted net operating expenditure has increased by £1.637m compared to 2025/26 and income has increased by £0.837m from increased rental income.

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

	2025/26 Budget	2026/27 Budget	Movement
	£'000	£'000	£'000
Income	(21,830)	(22,667)	(837)
Operating Expenditure	19,002	20,639	1,637
Operating (surplus)/deficit	(2,828)	(2,028)	800
Appropriations	2,766	2,028	(738)
Net (surplus)/deficit	(62)	-	62

- 2.1.2 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 lower in 2026/27 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 domestic rental income.

- 2.2.2 Historically, there were a number of years where rents were either reduced (2016-2021) or capped below inflation (in 2023/24) due to government policy. This impacted the budget and the ability to fund improvements.

- 2.2.3 For 2026/27, the Council proposes to increase the rent by 4.8%, which is in line with the Rent Standard of CPI +1% for 2026/27. (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 £22.3 million in 2026/27.

- 2.2.4 The average annual rent in 2026/27 for Social Rent properties is £5,411 (2025/26: £5,163). Averaged across 50 collection weeks, this equates to a weekly rent of £108.22 (2025/26: £103.26). This is an average increase of £4.96 a week.
- 2.2.5 The average annual rent in 2026/27 for Affordable Rent properties is £7,449 (2025/26: £7,108). Averaged across 50 collection weeks, this equates to a weekly rent of £148.97 (2025/26: £142.15). This is an average increase of £6.82 a week.
- 2.2.6 For eligible vulnerable tenants, any increase in social rent is normally covered through corresponding increases in Housing Benefit or the housing element of Universal Credit, ensuring their net rent remains affordable.
- 2.2.7 From April 2027, the Government will introduce a phased rent convergence approach, allowing councils to increase social rents that are currently below formula rent by an extra £1 per week (and £2 per week from April 2028) on top of the standard CPI+1% uplift.
- 2.2.8 Formula rent is the Government-set benchmark rent for each social housing property. It's calculated using factors like the property's value, local income levels and the size of the home, to ensure similar rents are charged for similar properties.
- 2.2.9 This gradual alignment is intended to close the gap between current rents and formula rent levels where these exist, providing greater financial capacity to invest in maintaining and improving homes, while keeping changes gradual for tenants.

2.3 Budget Proposals

- 2.3.1 Appendix 2 summarises the most significant proposed changes to the HRA budgets. Looking at 2026/27 specifically, the itemised budget changes of £902k include:
- **Net increase in income totalling £845k.** This is largely due to rental increases.
 - **Cost pressures of £1,534k.** This is due to capital charges and inflationary pressures.
 - **Pay-related increased costs of £212K.** This is due to pay awards and pay grade increments.

2.4 Fees and charges

- 2.4.1 In addition to the rental charges for dwellings, there are several 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 approved fees and charges for 2026/27 are listed in Appendix 3. Most service charges increased by 3.8% (September CPI) in line with the corporate charging policy although some have increased by underlying contract inflation.

3.0 HRA CAPITAL PROGRAMME 2026/27 TO 2028/29

3.1.1 The proposed HRA capital programme is outlined in Appendix 4. The Council has continued to ensure governance improvements by strengthening the Capital Strategy for managing the capital programme through its life cycle. The capital programme has been split into Active and Development Pool to allow development schemes in the early stages to go through further governance before being allocated an appropriate budget for each stage of development. A summary of the capital programme is shown in Table 2 below.

Table 2: Summary Capital Programme

	2026/27 Budget £'000	2027/28 Indicative £'000	2028/29 Indicative £'000	Total £'000
Stock Investment	13,450	13,450	13,450	40,350
Estate Improvements	500	500	500	1,500
Fleet Replacement	3,000	-	0	3,000
Other Capital	2,150	2,150	2,150	6,450
Total Approved Programme	19,100	16,100	16,100	51,300
Total Development Pool	3,464	9,681	2,199	15,344
Housing Revenue Account Total	22,564	25,781	18,299	66,644

3.1.2 Over the three-year period, the total programme totals £66.64m, an increase of £20.1m over the previous three-year programme. The difference is due to an increase of £4.8m in the Development Pool (new supply) and the Approved Programme has an increase of £15.3m, mainly due to increased Stock Investment, which includes £5.1m more investment towards Zero Carbon.

- **New Supply:** This programme includes internal developments as well as some acquisitions of individual properties planned.
- **Home Improvement Programme:** The backlog of work is on-going, and a budget has been made available for this within the capital programme.

3.1.3 The £15.3m within the Development Pool between 2026/27 and 2028/29 is part of the wider plan to invest £20m over the next five years.

3.2 Funding the Capital Programme

3.2.1 The capital programme is funded by 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

	2026/27 Budget £'000	2027/28 Indicative £'000	2028/29 Indicative £'000	Total £'000
Reserves	3,877	4,193	3,705	11,775
Capital Receipts	1,500	1,500	1,500	4,500
RTB Receipts	3,464	3,231	510	7,205
Revenue contributions	8	201	200	409
External Borrowing	9,716	12,655	8,385	30,756
Grants	4,000	4,000	4,000	12,000
Housing Revenue Account Total	22,566	25,780	18,300	66,646

3.2.2 Table 3, above, forecasts shows that £30.8m external borrowing will be required over three years to fund the capital programme. This is an increase of £12.6m compared to the equivalent three-year period in 2025/26. This is due to decreased usage of reserves to fund projects.

4.0 DEBT

4.1 The loan balance for the HRA is forecast to be £53.8m at the end of 2025/26. There are annuity loan repayments of approximately £1.3m 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 £1.3m is set aside in 2026/27 from the HRA to make the scheduled repayments at maturity, this increases each year as there is further borrowing to finance the capital programme (shown in Table 4).

4.3 The Council's current financial modelling assumes that maturity loans are held to term, as early repayment would trigger significant lender premiums, creating an immediate and material cost pressure with no corresponding financial benefit. Instead, reserves are built up to enable repayment at maturity. Sensitivity analysis demonstrates that full repayment of all maturity loans would result in a substantial and unsustainable resource shortfall.

4.4 The Council has recently refreshed its HRA business plan, which will be reported to Members in the coming weeks, and this work reinforces the importance of maintaining financial flexibility. While refinancing of debt is now common sector practice, allowing resources to be prioritised for new supply and maintaining stock standards, it was agreed that entering into refinancing arrangements at this time would be inappropriate given the uncertainty associated with local government reorganisation. The combined risk of early-repayment premiums and committing successor authorities to long-term financial decisions during reorganisation supports the current prudent approach of avoiding refinancing at this stage, given that the next loan

repayment is after the expected date of local government reorganisation.

5.0 RESERVES

5.1 The Council has several reserves for the use of the HRA. Most of the reserves are used for capital financing. Table 4 below shows the projected reserve balances over the MTFP period.

Table 4: Reserve balances

Reserve	31/03/2026 £'000	31/03/2027 £'000	31/03/2028 £'000
Major Repairs Reserve	4,162	4,496	4,677
Capital Receipts	6,221	5,642	1,984
Debt Repayment Reserve	7,801	8,889	10,310
Total Capital Reserves	18,184	19,027	16,971
HRA Reserve	1,000	1,000	1,000
Earmarked Reserves	115	0	0
Total Revenue Reserves	1,115	1,000	1,000

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 2025/26 financial monitoring is showing a projected breakeven position as of Q2. This is mainly due to staff vacancies and the overachievement of income due to the reductions in voids. However further reviews will be undertaken as the year progresses to update the in-year forecast.
The reasonableness of the underlying budget assumptions	Y	All budget proposals have been justified by service managers, reviewed by the Finance team and subject to budget challenge sessions in the new process. There have also been several budget workshops with Cabinet Members. External review has also been undertaken by the treasury advisers, Arlingclose, on the Treasury Management Strategy.

Area	Y/N	Comments
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>The Council Delivery Plan (CDP) 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. The Council is aware of the investment required over this period.</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 unearmarked 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	<p>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 the previous year to the current year. 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 and 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. Services will need to ensure exit plans exist for one-off expenditure.

Area	Y/N	Comments
Are arrangements for monitoring and reporting performance against the budget plans robust?	Y	<p>For 2025/26, portfolio holders were kept informed of the in-year position on a quarterly basis. Directors also held regular meetings with finance teams to ensure a clear understanding of the financial position throughout the year.</p> <p>Unit4 training is required for all budget holders.</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.
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, and minimum levels of reserves to ensure its financial stability.
The strength of the financial management function and reporting arrangements?	Y	<p>The Council implemented a new financial system in April 2023 to improve its reporting. Enhancements to the system have been made, however, the Finance Teams are still catching up on delays caused by the system implementation. A move to a new supplier for support and maintenance of Unit4 provides an opportunity to enhance the reporting arrangements.</p> <p>Training for all budget holders in the use of Unit4 is planned.</p> <p>A review of the Financial Procedures Rules has been undertaken.</p>
Have the previous year's Accounts been signed off by external audit to verify balances?	N	The Council's position in respect of its completion of the Statement of Accounts has been reported to the Audit and Governance Committee. The Statement of Accounts 2023/24 and 2024/25 were published in August 2025 and January 2026 respectively ensuring compliance with the backstop dates.

Area	Y/N	Comments
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 in previous years. 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 and Strategy Group, with all Member briefings scheduled.

7.0 CONSULTATION

7.1 Consultation with Members

- 7.1.1 The Corporate Scrutiny Committee reviewed the General Fund budget during its meeting on 22 January 2026. Members raised several questions about the proposals and made recommendations. Further details are available in the minutes, which can be found as a background paper.

7.2 Public Consultation

- 7.2.1 As part of the budget consultation, the Council launched an online survey from 14 January 2026 to the 1 February 2026 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. Appendices 7-9 within the General Fund and Council Tax 2026/27 report, on the same agenda, presents an overview of the consultation responses.
- 7.2.2 The proposed budget was presented at the Tenant Finance Budget Briefing on 22 January 2026. No comments or recommendations were made.

Policies and other considerations, as appropriate	
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 are no identified Equalities or Diversity impacts arising from the HRA budget
Customer Impact:	Tenants are likely to be impacted by the changes to rents and fees and charges.
Economic and Social Impact:	The HRA capital programme allocates £40.4m to Stock Investment over three years to improve homes, and £15.3m on new homes to give homes to more people.
Environment and Climate Change:	The budget includes a capital programme of Zero Carbon works for dwellings worth £17.1m.
Consultation/Community Engagement:	Corporate Scrutiny Committee 22 January 2026 Public consultation - 14 January to 1 February Tenants Budget Briefing – 22 January 2026.
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.
Officer Contact	Anna Crouch Head of Finance and Section 151 Officer anna.crouch@nwleicestershire.gov.uk

HOUSING REVENUE ACCOUNT (HRA) SUMMARY BUDGET 2026/27 to 2028/29

2025/26 Revised Budget	HOUSING REVENUE ACCOUNT SUMMARY	2026/27 Requested Budget	2027/28 Indicative	2028/29 Indicative
£		£	£	£
	Expenditure			
8,492,780	Repairs & Maintenance	9,020,459	9,234,695	9,419,389
4,385,000	Supervision & Management	4,892,097	5,007,189	5,106,231
100,000	Provision for Doubtful Debts	100,000	100,000	100,000
4,161,536	Depreciation	4,496,088	4,677,396	4,815,327
1,862,408	Capital Financing & Debt Management	2,130,011	2,693,838	3,225,619
19,001,724	Total Expenditure	20,638,655	21,713,118	22,666,566
	Income			
(21,483,043)	Rent & Service Charges	(22,257,483)	(23,137,806)	(24,004,461)
(40,200)	Non-Dwelling Rents	(42,812)	(42,812)	(42,812)
(13,235)	Other Income	(13,738)	(13,738)	(13,738)
(293,722)	Investment Income	(352,800)	(368,800)	(330,400)
(21,830,200)	Total Income	(22,666,833)	(23,563,156)	(24,391,411)
(2,828,476)	Net Operating Expenditure/(Surplus)	(2,028,178)	(1,850,038)	(1,724,845)
	Appropriations			
1,290,145	Debt repayment	1,319,347	569,205	583,927
0	Transfer to/(from) reserves	701,332	1,079,905	940,918
1,476,325	Revenue Contribution to Capital	7,500	200,928	200,000
2,766,470	Total Appropriations	2,028,179	1,850,038	1,724,845
(62,006)	NET (SURPLUS)/DEFICIT	0	(0)	0
(937,995)	Balance brought Forward	(1,000,000)	(1,000,000)	(1,000,001)
(62,006)	(Surplus)/Deficit In Year	0	(0)	0
(1,000,000)	Balance Carried Forward	(1,000,000)	(1,000,001)	(1,000,000)

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Housing Revenue Account (HRA) - Proposed Amendments to Budgets 2026/27 to 2028/29

Proposal Title	Proposal Description & Service Impact	2026/27 £	2027/28 £	2028/29 £
Pay Changes	Salary pressures (including pay award + budget proposals)	42,973	43,994	45,038
Pay Awards	Change in staffing costs due to pay awards	169,297	188,281	193,929
Total Pay Related Costs		212,270	232,275	238,967
Heating contract	Inflation on heating maintenance contract	47,450	48,897	50,364
Recharges to the General Fund	Inflation on services provided to the General Fund	(150,997)	(154,583)	(157,675)
Recharges from the General Fund	Inflation on services provided from the General Fund	266,730	273,065	278,526
General inflation	Through Capital Charges and inflationary pressures	804,217	659,690	623,233
Total Inflation Increases		967,400	827,069	794,449
Housing Inspectorate Report	Addressing matters raised in Housing Inspectorate Report	150,000	0	0
Total Budget Pressures		150,000	0	0
Investment Income	Investment income on HRA balances	47,540	0	0
Loan interest	Interest Payable on existing Treasury loans	(29,201)	(25,953)	(14,185)
Loan interest	Changes in loan interest due to capital financing requirements	398,771	676,864	456,936
Total Other Corporate Amendments		417,109	650,911	442,751
Dwellings Rents	Dwellings Rent (decrease)/increase	(811,238)	(856,128)	(841,802)
Service Charges	Recharge to General Fund for services delivered by HRA	(27,946)	(28,610)	(29,182)

Housing Revenue Account (HRA) - Proposed Amendments to Budgets 2026/27 to 2028/29

Proposal Title	Proposal Description & Service Impact	2026/27 £	2027/28 £	2028/29 £
Central heating charges	Central heating charges	(4,787)	(2,992)	(2,519)
Income	Two de minimus proposals	(1,177)	(1,162)	(1,132)
Total Changes In Income		(845,147)	(888,891)	(874,635)
<u>Total Budget Amendments</u>		<u>901,631</u>	<u>821,363</u>	<u>601,532</u>

Housing Revenue Account (HRA) - Proposed Fees and Charges 2026/27

Fee/Charge	2025/26 Fees	2026/27 Proposed Fees	% Change in Fees	Basis for Change
Central Heating	0 Bed: £9.46pw 1 Bed: £11.42pw 2 Bed: £13.09pw 3 Bed: £15.08pw	0 Bed: £9.91pw 1 Bed: £11.97pw 2 Bed: £13.72pw 3 Bed: £15.80pw	4.80%	Sept CPI + 1%
Garage and Site Rent	Garage: £8.78pw Garage Site: £5.62pw. New Garage £13.77pw.	Garage: £9.11pw Garage Site: £5.82pw. New garage £14.29 pw.	3.80%	Sept CPI
Service charges:				
Cleaning & Window Cleaning	£0.70 to £12.53 pw	£0.73 to £12.99 pw	3.71%	As per cost
Grounds Maintenance	£0.24 to £8.11 pw	£0.25 to £8.40 pw	3.50%	As per cost
Repairs to common parts	£0.08 to £1.74 pw	£0.03 to £2.55 pw	-18.13%	As per cost
↳ Repairs/replacement of items in Laundry	£1.23 to £7.90 pw	£2.67 to £3.42 pw	-5.25%	As per cost
Admin Fee	15% of chargeable services	15% of chargeable services	1.58%	As per cost
Lifeline - Older Persons Service Management Fee	£3.68 pw	£3.85 pw	4.50%	Sep RPI
Lifeline - Maintenance of Control Centre Link Equipment (for hardwired systems)	£0.26 to £4.09 pw	£0.24 to £3.71 pw	-9.17%	As per cost
Door Entry Systems	£0.03 to £0.20 pw	£0.47 to £0.55 pw	304.49%	As per cost
Electricity	£0.15 pw to £11.52 pw	£0.16 to £12.07 pw	4.80%	Sept CPI + 1%
Scooter Store (now included in overall electricity cost)	£0.47 to £1.17 pw	-	-	-
Repairs and replacement in kitchen and common rooms	£0.01 to £0.13 pw	£0.06 to £0.38 pw	206.00%	As per cost
Health & Safety: Legionella testing	£1.08 to £2.00 pw	£1.11 to £2.05 pw	2.63%	As per cost
Health & Safety: Fire alarm and emergency lighting checks	£0.11 to £0.28 pw	£0.12 to £0.30 pw	3.87%	As per cost

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HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME 2026/27-2028/29

PROJECT	2026/27	2027/28	2028/29	Total	Major Repairs Reserve	Capital Receipts	RTB Receipts	RCCO	Grants	Prudential Borrowing	Total
	For Approval	Indicative	Indicative								
	£	£	£	£							

Stock Investment

Home Improvement Programme	5,500,000	5,500,000	5,500,000	16,500,000	11,774,590	-	-	208,428	-	4,516,982	16,500,000
Asbestos	400,000	400,000	400,000	1,200,000	-	-	-	-	-	1,200,000	1,200,000
Roofs	500,000	500,000	500,000	1,500,000	-	-	-	-	-	1,500,000	1,500,000
Commercial Boilers	250,000	250,000	250,000	750,000	-	-	-	-	-	750,000	750,000
Stock Condition Surveys	-	-	-	-	-	-	-	-	-	-	-
Zero Carbon	5,700,000	5,700,000	5,700,000	17,100,000	-	4,500,000	-	200,000	12,000,000	400,000	17,100,000
Communal Entrance Doors	600,000	600,000	600,000	1,800,000	-	-	-	-	-	1,800,000	1,800,000
Acquisitions	500,000	500,000	500,000	1,500,000	-	-	-	-	-	1,500,000	1,500,000
Total Stock Investments	13,450,000	13,450,000	13,450,000	40,350,000	11,774,590	4,500,000	-	408,428	12,000,000	11,666,982	40,350,000

Estate Improvements

Off-Street Parking	300,000	300,000	300,000	900,000	-	-	-	-	-	900,000	900,000
Estate Projects	100,000	100,000	100,000	300,000	-	-	-	-	-	300,000	300,000
Garage Demolition	50,000	50,000	50,000	150,000	-	-	-	-	-	150,000	150,000
Footpaths and Unadopted Roads	50,000	50,000	50,000	150,000	-	-	-	-	-	150,000	150,000
Total Estate Improvement	500,000	500,000	500,000	1,500,000	-	-	-	-	-	1,500,000	1,500,000

Fleet Replacement

Vehicles	3,000,000	-	-	3,000,000	-	-	-	-	-	3,000,000	3,000,000
Total Fleet Replacement	3,000,000	-	-	3,000,000	-	-	-	-	-	3,000,000	3,000,000

Other Capital

Sheltered Scheme Improvements	1,000,000	1,000,000	1,000,000	3,000,000	-	-	-	-	-	3,000,000	3,000,000
Passive Fire Safety	400,000	400,000	400,000	1,200,000	-	-	-	-	-	1,200,000	1,200,000

PROJECT	2026/27	2027/28	2028/29	Total	Major Repairs Reserve	Capital Receipts	RTB Receipts	RCCO	Grants	Prudential Borrowing	Total
	For Approval	Indicative	Indicative								
	£	£	£	£							
Scheme Lighting	200,000	200,000	200,000	600,000	-	-	-	-	-	600,000	600,000
Electrical Upgrades	100,000	100,000	100,000	300,000	-	-	-	-	-	300,000	300,000
Tunstall System	-	-	-	-	-	-	-	-	-	-	-
Major Aids and Adaptations	450,000	450,000	450,000	1,350,000	-	-	-	-	-	1,350,000	1,350,000
Housing Management IT System	-	-	-	-	-	-	-	-	-	-	-
Total Other Capital	2,150,000	2,150,000	2,150,000	6,450,000	-	-	-	-	-	6,450,000	6,450,000
Total Active Projects	19,100,000	16,100,000	16,100,000	51,300,000	11,774,590	4,500,000	-	408,428	12,000,000	22,133,557	51,300,000

DEVELOPMENT POOL

New Supply	3,464,319	9,680,704	2,199,130	15,344,153	-	-	7,205,339	-	-	8,138,814	15,344,153
Total Development Pool	3,464,319	9,680,704	2,199,130	15,344,153	-	-	7,205,339	-	-	8,138,814	15,344,153
TOTAL HRA CAPITAL PROGRAMME	22,564,319	25,780,704	18,299,130	66,644,153	11,774,590	4,500,000	7,205,339	408,428	12,000,000	30,755,796	66,644,153

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COUNCIL – THURSDAY, 19 FEBRUARY 2026



Title of Report	COUNCIL TAX RESOLUTION 2026/27	
Presented by	Cllr Keith Merrie MBE Finance and Corporate Portfolio Holder	
Background Papers	Cabinet – 13 January 2026 Council Tax Base 2026/27	Public Report: Yes
Financial Implications	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.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The Council has a statutory duty under the Local Government Finance Act 1992 to calculate the Council Tax requirement, basic amount of Council Tax and amounts for each valuation band for the 2026/27 financial year.	
	The Council Tax Resolution set out in Section 2 has been drafted to meet the detailed requirements of Sections 30–36 and 40 of the Act, and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.	
	The Council is also required, under the Localism Act 2011, to determine whether its Council Tax increase is excessive in accordance with the referendum principles issued by the Secretary of State.	
	Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no direct staffing and corporate implications arising from this report.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To enable Full Council to comply with the Local Government Finance Act 1992 and the Localism Act 2011 in respect of setting Council Tax.	
	Under the Local Government Finance Act 1992 (as amended), the Council must set its Council Tax requirement and basic amount of Council Tax for 2026/27, taking into account the precepts issued by major precepting authorities. This resolution is presented alongside the 2026/27 General Fund and Housing Revenue Account budget reports.	

Recommendations	<p>COUNCIL IS RECOMMENDED TO:</p> <ol style="list-style-type: none"> 1. APPROVE THE COUNCIL TAX RESOLUTION 2026/27 AS SET OUT IN SECTION 2. 2. NOTE THAT CABINET AGREED ON THE 9 JANUARY 2025 TO IMPLEMENT THE SECOND HOMES PREMIUM AT 100% FROM DAY ONE, EFFECTIVE FROM 1 APRIL 2026.
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1.0 BACKGROUND

- 1.1 This report asks Council to approve the rate of Council Tax for 2026/27. 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 2026/27 and Housing Revenue Account 2026/27 reports 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 require a local referendum. Principles set by the Secretary of State for Housing, Communities and Local Government determines that an increase in a Council's basic rate of Council Tax of 3% or more than £5 is excessive.
- 1.5 Members are reminded that the Council must word the resolution in precise language, as directed by legislation.
- 1.6 At the time of writing this report, the precept for Leicestershire County Council is awaiting final approval at their Council meeting on the 18 February 2026. Therefore, if any changes are approved, these will be updated via additional papers.
- 1.7 The precept for the Police and Crime Commissioner was vetoed at the Leicester, Leicestershire and Rutland Police and Crime Panel meeting on the 12 February 2026. At the time of writing this report, another meeting for the Police and Crime Commissioner is scheduled for the 12 February. Therefore, if any changes are approved, these will be updated via additional papers.
- 1.8 The precept for the Leicester Combined Fire Authority was approved as its meeting on the 11 February 2026.

2.0 COUNCIL TAX RESOLUTION

- 2.1 That it be noted that the Council Tax base for 2026/27 has been calculated:

- a) for the whole Council area as 37,927 [Item T in the formula in Section 31B(1) 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 2026/27 (excluding Special Items) is calculated as £6,508,273.
- 2.3 That the following amounts be calculated for the year 2026/27 in accordance with Sections 31 to 36 of the Act:
- a) £86,307,113 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) £75,705,453 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) £10,601,660 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) £279.53 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) £6,508,273 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) £171.60 being the amount calculated by the Council, in accordance with Section 34(2) 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.

Table 1: Basic Amount of Council Tax to which no special item relate

District Council – Council Tax by Band							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
114.40	133.47	152.53	171.60	209.73	247.87	286.00	343.20

- 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 2.

Table 2: District Council and Special Items Council Tax – Band D

Parish Area	£
Appleby Magna	222.60
Ashby-de-la-Zouch	303.74
Ashby Woulds	270.80
Bardon	171.60
Belton	276.70
Breedon-on-the-Hill	234.15
Castle Donington	342.57
Charley	332.78
Chilcote	171.60
Coalville	254.42
Coleorton	230.68
Ellistown and Battleflat	280.93
Heather	225.36
Hugglescote and Donington-le-Heath	251.65
Ibstock	299.31
Isley Walton-cum-Langley	185.25
Kegworth	276.88
Lockington-cum-Hemington	287.45
Long Whatton and Diseworth	225.14
Measham	286.65
Normanton-le-Heath	171.60
Oakthorpe, Donisthorpe and Acresford	320.24
Osgathorpe	239.43
Packington	231.11
Ravenstone	289.70
Snarestone	241.04
Staunton Harold	174.81
Stretton-en-le-Field	171.60
Swannington	260.31
Sweepstone	262.18
Whitwick	304.70
Worthington	214.12

- 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 in Appendix B.

2.4 That it be noted that for the year 2026/27 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 3.

Table 3: Council Tax Precepts 2026/27

	Combined Fire Authority	Leicestershire County Council	Leicestershire Police and Crime Commissioner
	£	£	£
Precept	3,476,010	65,681,535	11,084,028
Band A	61.10	1,154.53	207.49
Band B	71.28	1,346.95	242.07
Band C	81.47	1,539.37	276.65
Band D	91.65	1,731.79	311.23
Band E	112.02	2,116.63	380.39
Band F	132.38	2,501.47	449.55
Band G	152.75	2,886.31	518.72
Band H	183.30	3,463.58	622.46

- 2.5 That the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts shown in Appendix C as the amounts of Council Tax for 2026/27 for each of the categories of dwellings.
- 2.6 The Council determines that the Council's basic amount of council tax for 2026/27 is not excessive in accordance with principles approved under Section 52ZB and 52ZY Local Government Finance Act 1992: Referendums relating to Council Tax increases.

Policies and other considerations, as appropriate	
Council Priorities:	<p>The Council Tax provides funding for the Council to deliver all of its priorities:</p> <ul style="list-style-type: none"> - Planning and regeneration - Communities and housing - Clean, green and Zero Carbon - A well-run council
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. 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:	The Council consulted local taxpayers during its budget process, details of which are set out in the General Fund and Council Tax report for consideration on this agenda.
Risks:	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. 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.
Officer Contact	<p>Anna Crouch Head of Finance anna.crouch@nwleicestershire.gov.uk</p>

APPENDIX A

COUNCIL TAX BASE 2026/27

PARISH / SPECIAL EXPENSE AREA	COUNCIL TAX BASE
APPLEBY MAGNA	549
ASHBY DE LA ZOUCH	6,539
ASHBY WOULD'S	1,410
BARDON	10
BELTON	314
BREEDON-ON-THE-HILL	526
CASTLE DONINGTON	3,093
CHARLEY	80
CHILCOTE	58
COALVILLE	6,983
COLEORTON	590
ELLISTOWN & BATTLEFLAT	875
HEATHER	372
HUGGLESCOTE & DONINGTON LE HEATH	2,907
IBSTOCK	2,349
ISLEY WALTON-CUM-LANGLEY	31
KEGWORTH	1,363
LOCKINGTON CUM HEMINGTON	246
LONG WHATTON and DISEWORTH	820
MEASHAM	1,717
NORMANTON-LE-HEATH	70
OAKTHORPE, DONISTHORPE and ACRESFC	952
OSGATHORPE	214
PACKINGTON	416
RAVENSTONE	1,083
SNARESTONE	148
STAUNTON HAROLD	61
STRETTON-EN-LE-FIELD	19
SWANNINGTON	474
SWEPSTONE	276
WHITWICK	2,743
WORTHINGTON	639
TOTAL	37,927

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COUNCIL TAX 2026/27 - DISTRICT AND SPECIAL ITEMS (PARISH/TOWN COUNCILS AND SPECIAL EXPENSES)

PARISH / SPECIAL EXPENSE AREA	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
APPLEBY MAGNA	148.40	173.14	197.86	222.60	272.06	321.54	371.00	445.20
ASHBY DE LA ZOUCH	202.49	236.25	269.99	303.74	371.23	438.74	506.23	607.48
ASHBY WOULD'S	180.53	210.63	240.71	270.80	330.97	391.16	451.33	541.60
BARDON	114.40	133.47	152.53	171.60	209.73	247.87	286.00	343.20
BELTON	184.47	215.21	245.95	276.70	338.19	399.68	461.17	553.40
BREEDON-ON-THE-HILL	156.10	182.12	208.13	234.15	286.18	338.22	390.25	468.30
CASTLE DONINGTON	228.38	266.45	304.50	342.57	418.69	494.83	570.95	685.14
CHARLEY	221.85	258.83	295.80	332.78	406.73	480.69	554.63	665.56
CHILCOTE	114.40	133.47	152.53	171.60	209.73	247.87	286.00	343.20
COALVILLE	169.61	197.89	226.15	254.42	310.95	367.50	424.03	508.84
COLEORTON	153.78	179.42	205.04	230.68	281.94	333.21	384.46	461.36
ELLISTOWN & BATTLEFLAT	187.29	218.50	249.71	280.93	343.36	405.79	468.22	561.86
HEATHER	150.24	175.28	200.32	225.36	275.44	325.52	375.60	450.72
HUGGLESCOTE & DONINGTON LE HEATH	167.77	195.73	223.69	251.65	307.57	363.50	419.42	503.30
IBSTOCK	199.54	232.80	266.05	299.31	365.82	432.34	498.85	598.62
ISLEY WALTON-CUM-LANGLEY	123.50	144.09	164.66	185.25	226.41	267.59	308.75	370.50
KEGWORTH	184.59	215.35	246.11	276.88	338.41	399.94	461.47	553.76
LOCKINGTON CUM HEMINGTON	191.63	223.58	255.51	287.45	351.32	415.21	479.08	574.90
LONG WHATTON and DISEWORTH	150.09	175.11	200.12	225.14	275.17	325.21	375.23	450.28
MEASHAM	191.10	222.95	254.80	286.65	350.35	414.05	477.75	573.30
NORMANTON-LE-HEATH	114.40	133.47	152.53	171.60	209.73	247.87	286.00	343.20
OAKTHORPE, DONISTHORPE and ACRESFORD	213.49	249.08	284.65	320.24	391.40	462.57	533.73	640.48
OSGATHORPE	159.62	186.23	212.82	239.43	292.63	345.85	399.05	478.86
PACKINGTON	154.07	179.76	205.43	231.11	282.46	333.83	385.18	462.22
RAVENSTONE	193.13	225.33	257.51	289.70	354.07	418.46	482.83	579.40
SNARESTONE	160.69	187.48	214.25	241.04	294.60	348.17	401.73	482.08
STAUNTON HAROLD	116.54	135.97	155.38	174.81	213.65	252.51	291.35	349.62
STRETTON-EN-LE-FIELD	114.40	133.47	152.53	171.60	209.73	247.87	286.00	343.20
SWANNINGTON	173.54	202.47	231.38	260.31	318.15	376.01	433.85	520.62
SWEPSTONE	174.79	203.92	233.05	262.18	320.44	378.71	436.97	524.36
WHITWICK	203.13	237.00	270.84	304.70	372.40	440.13	507.83	609.40
WORTHINGTON	142.75	166.54	190.33	214.12	261.70	309.29	356.87	428.24

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APPENDIX C

COUNCIL TAX 2026/27 - COUNTY PRECEPT, FIRE PRECEPT, POLICE PRECEPT, DISTRICT, TOWN/PARISH COUNCIL AND SPECIAL EXPENSES

PARISH / SPECIAL EXPENSE AREA	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
APPLEBY MAGNA	1,571.52	1,833.44	2,095.35	2,357.27	2,881.10	3,404.94	3,928.78	4,714.54
ASHBY DE LA ZOUCH	1,625.61	1,896.55	2,167.48	2,438.41	2,980.27	3,522.14	4,064.01	4,876.82
ASHBY WOULD'S	1,603.65	1,870.93	2,138.20	2,405.47	2,940.01	3,474.56	4,009.11	4,810.94
BARDON	1,537.52	1,793.77	2,050.02	2,306.27	2,818.77	3,331.27	3,843.78	4,612.54
BELTON	1,607.59	1,875.51	2,143.44	2,411.37	2,947.23	3,483.08	4,018.95	4,822.74
BREEDON-ON-THE-HILL	1,579.22	1,842.42	2,105.62	2,368.82	2,895.22	3,421.62	3,948.03	4,737.64
CASTLE DONINGTON	1,651.50	1,926.75	2,201.99	2,477.24	3,027.73	3,578.23	4,128.73	4,954.48
CHARLEY	1,644.97	1,919.13	2,193.29	2,467.45	3,015.77	3,564.09	4,112.41	4,934.90
CHILCOTE	1,537.52	1,793.77	2,050.02	2,306.27	2,818.77	3,331.27	3,843.78	4,612.54
COALVILLE	1,592.73	1,858.19	2,123.64	2,389.09	2,919.99	3,450.90	3,981.81	4,778.18
COLEORTON	1,576.90	1,839.72	2,102.53	2,365.35	2,890.98	3,416.61	3,942.24	4,730.70
ELLISTOWN & BATTLEFLAT	1,610.41	1,878.80	2,147.20	2,415.60	2,952.40	3,489.19	4,026.00	4,831.20
HEATHER	1,573.36	1,835.58	2,097.81	2,360.03	2,884.48	3,408.92	3,933.38	4,720.06
HUGGLESCOTE & DONINGTON LE HEATH	1,590.89	1,856.03	2,121.18	2,386.32	2,916.61	3,446.90	3,977.20	4,772.64
IBSTOCK	1,622.66	1,893.10	2,163.54	2,433.98	2,974.86	3,515.74	4,056.63	4,867.96
ISLEY WALTON-CUM-LANGLEY	1,546.62	1,804.39	2,062.15	2,319.92	2,835.45	3,350.99	3,866.53	4,639.84
KEGWORTH	1,607.71	1,875.65	2,143.60	2,411.55	2,947.45	3,483.34	4,019.25	4,823.10
LOCKINGTON CUM HEMINGTON	1,614.75	1,883.88	2,153.00	2,422.12	2,960.36	3,498.61	4,036.86	4,844.24
LONG WHATTON and DISEWORTH	1,573.21	1,835.41	2,097.61	2,359.81	2,884.21	3,408.61	3,933.01	4,719.62
MEASHAM	1,614.22	1,883.25	2,152.29	2,421.32	2,959.39	3,497.45	4,035.53	4,842.64
NORMANTON-LE-HEATH	1,537.52	1,793.77	2,050.02	2,306.27	2,818.77	3,331.27	3,843.78	4,612.54
OAKTHORPE, DONISTHORPE and ACRESFORD	1,636.61	1,909.38	2,182.14	2,454.91	3,000.44	3,545.97	4,091.51	4,909.82
OSGATHORPE	1,582.74	1,846.53	2,110.31	2,374.10	2,901.67	3,429.25	3,956.83	4,748.20
PACKINGTON	1,577.19	1,840.06	2,102.92	2,365.78	2,891.50	3,417.23	3,942.96	4,731.56
RAVENSTONE	1,616.25	1,885.63	2,155.00	2,424.37	2,963.11	3,501.86	4,040.61	4,848.74
SNARESTONE	1,583.81	1,847.78	2,111.74	2,375.71	2,903.64	3,431.57	3,959.51	4,751.42
STAUNTON HAROLD	1,539.66	1,796.27	2,052.87	2,309.48	2,822.69	3,335.91	3,849.13	4,618.96
STRETTON-EN-LE-FIELD	1,537.52	1,793.77	2,050.02	2,306.27	2,818.77	3,331.27	3,843.78	4,612.54
SWANNINGTON	1,596.66	1,862.77	2,128.87	2,394.98	2,927.19	3,459.41	3,991.63	4,789.96
SWEPSTONE	1,597.91	1,864.22	2,130.54	2,396.85	2,929.48	3,462.11	3,994.75	4,793.70
WHITWICK	1,626.25	1,897.30	2,168.33	2,439.37	2,981.44	3,523.53	4,065.61	4,878.74
WORTHINGTON	1,565.87	1,826.84	2,087.82	2,348.79	2,870.74	3,392.69	3,914.65	4,697.58

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
COUNCIL – THURSDAY, 19 FEBRUARY 2026



Title of Report	TREASURY MANAGEMENT ACTIVITY 2025/26 MID-YEAR REPORT	
Presented by	Councillor Keith Merrie MBE Finance and Corporate Portfolio Holder	
Background Papers	Council – 20 February 2025 Capital Strategy, Treasury Management Strategy and Prudential Indicators – 2025/26 Audit and Governance Committee – 12 November 2025 Treasury Management Update Report – Quarter 2	Public Report: Yes
Financial Implications	There are no financial implications as a direct result of this report.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	There are no legal implications as a direct result of this report	
	Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no staffing or corporate implications as a direct result of this report.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To inform Council of the Council's Treasury Activity for the period April 2025 – September 2025.	
Recommendations	THAT COUNCIL NOTES THE TREASURY MANAGEMENT HALF-YEARLY ACTIVITY REPORT 2025-26 (APPENDIX A)	

1.0 BACKGROUND

- 1.1 Treasury Management activity is underpinned by the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code), which requires local authorities to produce Prudential Indicators and a Treasury Management Strategy Statement annually on the likely financing and investment activity. The Treasury Management Strategy was approved by Council on 20 February 2025.

1.2 As a minimum, the Code requires that the Council reports on the performance of the Treasury Management function at least twice yearly (mid-year and at year end). Appendix A is the mid-year report for the financial year 2025/26 designed to inform Council of the Council's treasury activity and enable scrutiny of activity and performance. In addition to the required mid-year and annual Council reports, the Council also produces quarterly reports for the Audit and Governance Committee.

2.0 SUMMARY

2.1 The CIPFA Code requires the Council to report Treasury Management performance at least twice a year and monitor prudential indicators quarterly. Appendix A summarises activity from April to September 2025.

2.2 Consistent with the Council's prudent approach, investment activity has prioritised security and liquidity over yield, with counterparties limited to UK Government, money market funds, local authorities, and approved institutions. This approach mirrors the position reported to the Audit and Governance Committee in Quarter 2.

Policies and other considerations, as appropriate	
Council Priorities:	The Treasury Strategies and Prudential Indicators help the Council achieve all its priorities: <ul style="list-style-type: none"> - Planning and regeneration - Communities and housing - Clean, green and Zero Carbon - A well-run council
Policy Considerations:	Not applicable
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 reduction.
Consultation/Community Engagement:	Audit and Governance Committee – 12 November 2025.
Risks:	Borrowing and investment both carry an element of risk. This risk is mitigated through the adoption of the Treasury and Investment Strategies, compliance with the CIPFA Code of Treasury Management and the retention of Treasury Management advisors (Arlingclose) to proffer expert advice.
Officer Contact	Anna Crouch Head of Finance anna.crouch@nwleicestershire.gov.uk

Treasury Management Activity Quarter 2 Report 2025/26**1. Introduction**

- 1.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual reports.
- 1.2 The Council goes beyond this requirement by issuing quarterly reports which provide additional updates and includes the new requirement in the 2021 Code, mandatory from 1 April 2023, of quarterly reporting of the treasury management prudential indicators.
- 1.3 This report is for the second quarter of the financial year 2025/26.
- 1.4 The Council's treasury management strategy for 2025/26 was approved at the Council meeting on 20 February 2025. The Council has 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. Successful identification, monitoring and control of risk remain central to the Council's treasury management strategy.

2. External Context (provided by Arlingclose)

- 2.1 Economic background: The first quarter was dominated by the fallout from the US trade tariffs and their impact on equity and bond markets. The second quarter, still rife with uncertainty, saw equity markets making gains and a divergence in US and UK government bond yields, which had been moving relatively closely together.
- 2.2 From late June, amid a UK backdrop of economic uncertainty, concerns around the government's fiscal position and speculation around the autumn Budget, yields on medium and longer-term gilts pushed higher, including the 30-year which hit its highest level for almost 30 years.
- 2.3 UK headline annual consumer price inflation (CPI) increased over the period, rising from 2.6% in March to 3.8% in August, still well above the Bank of England's 2% target. Core inflation also rose, from 3.4% to 3.6% over the same period, albeit the August reading was down from 3.8% the previous month. Services inflation also fell from July to August, to 4.7% from 5.0%.
- 2.4 The UK economy expanded by 0.7% in the first quarter of the calendar year and by 0.3% in the second quarter. In the final version of the Q2 2025 GDP report, annual growth was revised upwards to 1.4% y/y. However, monthly figures showed zero growth in July, in line with expectations, indicating a sluggish start to Quarter 3.
- 2.5 Labour market data continued to soften throughout the period, with the unemployment rate rising and earnings growth easing, but probably not to an extent that would make the more hawkish MPC members comfortable with further rate cuts. In addition, the employment rate rose while the economic inactivity rate and number of vacancies fell.
- 2.6 The BoE's Monetary Policy Committee (MPC) cut Bank Rate from 4.5% to 4.25% in May and to 4.0% in August after an unprecedented second round of voting. The final 5-4 vote was for a 25bps cut, with the minority wanting no change. In September, seven MPC members voted to hold rates while two preferred a 25bps cut. The Committee's views still differ on whether the upside risks from inflation expectations and wage setting outweigh downside risks from weaker demand and growth.
- 2.7 The August BoE Monetary Policy Report highlighted that after peaking in Quarter 3 2025, inflation is projected to fall back to target by mid-2027, helped by increasing spare capacity in the

economy and the ongoing effects from past tighter policy rates. GDP is expected to remain weak in the near-term while over the medium-term outlook will be influenced by domestic and global developments.

- 2.8 Arlingclose, the Council's treasury adviser, maintained its central view that Bank Rate would be cut further as the BoE focused on weak GDP growth more than higher inflation. One more cut is currently expected during 2025/26, taking Bank Rate to 3.75%. The risks to the forecast are balanced in the near-term but weighted to the downside further out as weak consumer sentiment and business confidence and investment continue to constrain growth. There is also considerable uncertainty around the autumn Budget and the impact this will have on the outlook.
- 2.9 Against a backdrop of uncertain US trade policy and pressure from President Trump, the US Federal Reserve held interest rates steady for most of the period, before cutting the Fed Funds Rate to 4.00%-4.25% in September. Fed policymakers also published their new economic projections at the same time. These pointed to a 0.50% lower Fed Funds Rate by the end of 2025 and 0.25% lower in 2026, alongside GDP growth of 1.6% in 2025, inflation of 3%, and an unemployment rate of 4.5%.
- 2.10 The European Central Bank cut rates in June, reducing its main refinancing rate from 2.25% to 2.0%, before keeping it on hold through to the end of the period. New ECB projections predicted inflation averaging 2.1% in 2025, before falling below target in 2026, alongside improving GDP growth, for which the risks are deemed more balanced and the disinflationary process over.
- 2.11 **Financial markets:** After the sharp declines seen early in the period, sentiment in financial markets improved, but risky assets have remained volatile. Early in the period bond yields fell but ongoing uncertainty, particularly in the UK, has seen medium and longer yields rise with bond investors requiring an increasingly higher return against the perceived elevated risk of UK plc. Since the sell-off in April, equity markets have gained back the previous declines, with investors continuing to remain bullish in the face of ongoing uncertainty.
- 2.12 Over the period, the 10-year UK benchmark gilt yield started at 4.65% and ended at 4.70%. However, these six months saw significant volatility with the 10-year yield hitting a low of 4.45% and a high of 4.82%. It was a broadly similar picture for the 20-year gilt which started at 5.18% and ended at 5.39% with a low and high of 5.10% and 5.55% respectively. The Sterling Overnight Rate (SONIA) averaged 4.19% over the six months to 30 September.
- 2.13 **Credit review:** Arlingclose maintained its recommended maximum unsecured duration limit on the majority of the banks on its counterparty list at 6 months. The other banks remain on 100 days.
- 2.14 Early in the period, Fitch upgraded NatWest Group and related entities to AA- from A+ and placed Clydesdale Bank's long-term A- rating on Rating Watch Positive. While Moody's downgraded the long-term rating on the United States sovereign to Aa1 in May and also affirmed OP Corporate's rating at Aa3.
- 2.15 Then in the second quarter, Fitch upgraded Clydesdale Bank and also HSBC, downgraded Lancashire CC and Close Brothers while Moody's upgraded Transport for London, Allied Irish Banks, Bank of Ireland and Toronto-Dominion Bank.
- 2.16 After spiking in early April following the US trade tariff announcements, UK credit default swap prices have since generally trended downwards and ended the period at levels broadly in line with those in the first quarter of the calendar year and throughout most of 2024.
- 2.17 European banks' CDS prices has followed a similar pattern to the UK, as have Singaporean and Australian lenders while Canadian bank CDS prices remain modestly elevated compared to earlier in 2025 and in 2024.

- 2.18 Overall, at the end of the period CDS prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.
- 2.19 Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Council's counterparty list recommended by Arlingclose remain under constant review.

3. Local Context

- 3.1 On 31 March 2025, the Council had net borrowing of £25.6m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.25 Estimated £m	31.3.26 Estimated £m
General Fund CFR	34.83	33.67
HRA CFR	54.72	55.31
Total CFR	89.55	88.98
External borrowing	55.08	59.51
Internal borrowing	34.47	29.47
Total Borrowing	89.55	88.98

- 3.2 The treasury management position at 30 September 2025 and the change over the six months in Table 2 below.

Table 2: Treasury Management Summary

	31.3.25 Balance £m	Movement £m	30.09.25 Balance £m	30.09.25 Rate %
Long-term borrowing	53.80	-0.60	53.20	3.54%
Short-term borrowing	1.30	-0.00	1.30	2.24%
Total borrowing	55.10	-0.60	54.50	3.51%
Long-term investments	0.00	0.00	0.00	0.00%
Short-term investments	10.00	8.00	18.00	4.20%
Cash and cash equivalents	19.50	-6.50	13.00	4.27%
Total investments	29.50	1.50	31.00	4.23%
Net borrowing	25.60	-2.10	23.50	

4. Borrowing

- 4.1 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Council.
- 4.2 PWLB loans are no longer available to local authorities planning to buy investment assets

primarily for yield and the Council intends to avoid this activity to retain its access to PWLB loans.

- 4.3 The Council currently holds £9.6m in commercial investments that were purchased prior to the change in the CIPFA Prudential Code. These commercial investments are primarily for local regeneration and growth with a secondary objective of financial return. Before undertaking further additional borrowing the Council will review the options for exiting these investments.
- 4.4 As shown in table 1 the Council has internally borrowed £29.47m. This internal borrowing foregoes a potential interest income rate of 4.23%. Current one-year external borrowing rates with the PWLB (Certainty Rate) are 4.58% as at 30 September. An additional rate for HRA specific borrowing has been implemented from June 2023 which is 0.4% lower than standard PWLB rates.
- 4.5 Due to the borrowing rate exceeding our interest income rate, it is appropriate to remain internally borrowed at this point.

5 Borrowing Strategy and Activity

- 5.1 As outlined in the treasury strategy, the Council's chief objective when borrowing has been to strike an appropriate risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 5.2 After substantial rises in interest rates since 2021 central banks have now begun to reduce their policy rates, albeit slowly. Gilt yields however have increased over the H1 period amid concerns about inflation, the UK government's fiscal position and general economic uncertainty.
- 5.3 The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.53% at the end. The lowest available 10-year maturity/certainty rate was 5.17% and the highest was 5.62%. Rates for 20-year maturity loans ranged from 5.71% to 6.30% during the period, and 50-year maturity loans from 5.46% to 6.14%.
- 5.4 The cost of short-term borrowing from other local authorities has been similar to Base Rate during the period at 4.0% to 4.5%.
- 5.5 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. The Council has no new plans to borrow to invest primarily for financial return.
- 5.6 On 30 September 2025 the Council held £54.5m of loans, following repayment of principal of £641k. A breakdown of outstanding loans is shown below in table 3.

Table 3: Borrowing Position

	31.3.25 Balance £m	Net Movement £m	30.09.25 Balance £m	30.09.25 Weighted Average Rate %	30.09.25 Weighted Average Maturity (years)
Public Works Loan Board	51.1	-0.6	50.5	3.41%	13.50
Banks (fixed-term)	3.9	0.0	3.9	0.34%	2.05
Local authorities (long-term)	0.1	0.0	0.1	3.14%	0.01
Local authorities (short-term)	0.0	0.0	0.0	0.00%	0.00
Total borrowing	55.1	-0.6	54.5	3.48%	15.56

5.7 There remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields + 0.80%. The Council will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.

6. Treasury Investment Activity

6.1 CIPFA revised TM Code defines treasury management investments as those which arise from the Council's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.

6.2 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment balance ranged between £32.8m and £60.0m due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.25 Balance £m	Net Movement £m	30.09.25 Balance £m	30.09.25 Income Return %	30.09.25 Weighted Average Maturity days
Banks & building societies (unsecured)	0.0	0.0	0.0	0.00%	0.0
Government (incl. local authorities)	0.0	18.0	18.0	4.20%	8.0
Money Market Funds	19.5	-6.5	13.0	4.27%	0.6
Total investments	19.50	11.50	31.00	4.23%	8.62

6.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum 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.

6.4 As demonstrated by the liability benchmark in this report, the Council expects to be a long-term investor and treasury investments therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.

- 6.5 Bank Rate reduced from 4.50% to 4.25% in May 2025, followed by a further reduction to 4.00% in August 2025. Short term interest rates have followed these levels. The rates on DMADF deposits ranged between 3.95% and 4.46% and money market rates between 3.93% and 4.54%. Arlingclose, our advisors, are predicting one further reduction of 25 base points in Bank of England rates within the calendar year 2025.
- 6.6 The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
30/09/2025	4.56	A+	42%	118	4.12%
Similar LAs	4.53	A+	64%	53	4.62%
All LAs	4.54	A+	62%	11	4.47%

- 6.7 Most asset classes achieved positive performance over the first half of the 2025/26 financial year, although conditions remained volatile and heavily influenced by political and macroeconomic developments.
- 6.8 The Council has budgeted £444,082 for interest income from investments after deductions in 2025/26. The actual income received by 30 September 2025 was £837,910. The forecast for 31 March 2026 is £1.24m.
- 6.9 Interest rates can and have been extremely volatile over the financial year and are likely to be similarly volatile in the upcoming months. Therefore, for the purpose of budget setting these forecasts are reduced by 20% to ensure that there is not an overreliance placed on interest return for creating a balanced budget.
- 6.10 The updated forecast of £1.24m will be split between the General Fund (GF) and Housing Revenue Account (HRA). This split will be 65% to the GF and 35% to HRA. The percentage split is worked using the investment balances for both funds throughout the year as a percentage of the overall investment fund. This is subject to change.
- 6.11 Interest forecasts are notoriously difficult to predict and are subject to change particularly in an unstable interest rate environment and constantly changing economic environment.

7. Non-Treasury Investments

- 7.1 The definition of investments in CIPFA's revised 2021 Treasury Management Code covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and/or for commercial purposes (made primarily for financial return).
- 7.2 Investment Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) and Welsh Government also broadens the definition of investments to include all such assets held partially or wholly for financial return.
- 7.3 The Council held £9.6m of investments made for commercial purposes. This consisted entirely of directly owned property and land. A full list of the Council's non-treasury investments is available in the Investment Strategy 2025-26 document. These investments are forecast to generate £410,000 in investment income in 2025/26 for the Council after taking account of direct

costs.

7.4 The main purpose of these investments is regeneration of the local area rather than investment income. All commercial investments are located within the district.

8. Treasury Performance

8.1 The Council measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship with benchmark interest rates.

8.2 As discussed in section 6.9, investment interest income during the reporting period was £837,910 after deductions. The Councils Investment interest return percentage on 30 September 2025 was 4.12%. For comparison purposes the Daily Sterling Overnight Index Average (SONIA) which is used for benchmarking purposes was 3.97%. For similar local authorities, the most recent benchmarking data, which is from 30 September 2025 showed an investment return of 4.62%. This is shown in Appendix 1.

8.3 Since the beginning of the reporting period the Council, as per forecast, has paid £641,000 in interest on borrowing. The weighted average interest rate on borrowing is 3.49%. For comparison purposes the current PWLB Maturity Loan rate for new 10-year loans is 5.73%. Our average rate therefore represents a good rate of borrowing in the current environment.

8.4 During the 2025/26 financial year, the Council is forecasting pay back of £1.29m in principle on its PWLB loans. The £1.29m is for the annuity loans whereby regular payments are made throughout the lifetime of the loan. There is no intention to borrow to replace these loans as the Council currently has the resources to absorb this.

8.5 The Council is forecast to undertake new borrowing of £1.9m for the HRA in the 2025/26 financial year, however, none has so far been undertaken. There has therefore been an equal increase in the internal borrowing.

8.6 On 10 April 2024 amended legislation and revised statutory guidance were published on Minimum Revenue Provision (MRP). Most of the changes take effect from the 2025/26 financial year, although there is a requirement that for capital loans given on or after 7 May 2024 sufficient MRP must be charged so that the outstanding CFR in respect of the loan is no higher than the principal outstanding, less the Expected Credit Loss (ECL) charge for that loan. No capital loans have been given since May 2024.

8.7 The regulations also require that local authorities cannot exclude any amount of their CFR from their MRP calculation unless by an exception set out in law. Capital receipts cannot be used to directly replace, in whole or part, the prudent charge to revenue for MRP (there are specific exceptions for capital loans and leased assets).

9. Compliance

9.1 The S151 Officer reports that all treasury management activities undertaken during the quarter complied fully with the CIPFA Code of Practice.

9.2 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 6 below.

Table 6: Debt and the Authorised Limit and Operational Boundary

		30.09.25 Actual £m	2025/26 Operational Boundary £m		Complied?
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	2025/26 Maximum Debt Q1			2025/26 Authorised Limit £m	
Borrowing	55.1	54.5	90.8	100.8	YES

- 9.3 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. However, there were no days in the reporting period in which the operational boundary was breached.

Table 7: Investment Limits

	Q2 Maximum During Period £m	30.09.25 Actual £m	2025/26 Limit £m	Complied?
The UK Government	30.2	8.0	Unlimited	YES
Local authorities & other government entities	10.0	10.0	60.0	YES
Secured investments	0.0	0.0	60.0	YES
Banks (unsecured)	0.0	0.0	60.0	YES
Building societies (unsecured)	0.0	0.0	5.0	YES
Registered providers (unsecured)	0.0	0.0	12.5	YES
Money market funds	25.0	13.0	60.0	YES
Strategic pooled funds	0.0	0.0	25.0	YES
Real estate investment trusts	0.0	0.0	12.5	YES
Other investments	0.0	0.0	2.5	YES
Total	65.2	31.0		

10. Treasury Management Prudential Indicators

- 10.1 The Council measures and manages its exposures to treasury management risks using the following indicators.
- 10.2 **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.

Table 8: Security

	31.3.25 Actual	30.09.25 Actual	2025/26 Target	Complied?
Portfolio average credit rating	A+	A+	A-	YES

- 10.3 **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. Due to recent changes in Treasury Officers, a very prudent approach has been taken to cashflow forecasts.

Table 9: Liquidity

		30.09.25 Actual £m	2025/26 Target £m	Complied?
Total cash available within 3 months	90	21.0	2.5	YES

- 10.4 **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 interests is shown in table 10 below.

Table 10: Interest Rate Exposures

Interest rate risk indicator	30.09.25 Actual	2025/26 Limit	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	69,932	600,000	YES
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	-69,932	-600,000	YES

- 10.5 The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates. Due to all our investments maturing in year and the majority of our borrowing maturing in later years this means that we would benefit from an increase in interest rates (as we replace investments with higher rates but not borrowing) but are negatively impacted by a decrease in interest rates for the same reason.
- 10.6 This is demonstrated in the above figures which show a positive return from an increase and a negative return from a decrease in interest rates. Both impacts are within reasonable limits for the revenue budget. The Council also takes further precautions by reducing its interest forecast by a risk-adjusted amount of 20% as discussed in paragraph 6.9.
- 10.7 For context, the changes in interest rates during the quarter were:

Table 11: Interest Rate Changes

Context - Interest Rate changes	31/3/2025	30/09/2025
Bank Rate	4.75%	4.00%
1-year PWLB certainty rate, maturity loans	5.02%	4.64%
5-year PWLB certainty rate, maturity loans	5.17%	4.95%
10-year PWLB certainty rate, maturity loans	5.62%	5.53%
20-year PWLB certainty rate, maturity loans	6.11%	6.14%
50-year PWLB certainty rate, maturity loans	5.87%	5.98%

- 10.8 **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. [This indicator covers the risk of replacement loans being unavailable, not interest rate risk.] The upper and lower limits on the maturity structure of all borrowing were:

Table 12: Maturity Structure of Debt

	31.03.26 Actual £m	31.03.26 Actual %	Lower Limit	Upper Limit	Complied ?
Under 12 months	1.3	2.46%	0%	70%	YES
12 months and within 24 months	0.6	1.07%	0%	30%	YES
24 months and within 5 years	1.8	3.38%	0%	30%	YES
5 years and within 10 years	0.6	1.19%	0%	30%	YES
10 years and within 20 years	43.8	81.33%	0%	90%	YES
20 years and above	5.7	10.57%	0%	30%	YES
Totals	53.8	100%			

10.9 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.

10.10 **Principal Sums Invested for Periods Longer than a year:** 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 limits on the long-term principal sum invested to final maturities beyond the period end were:

Table 13: Long Term Investments

	2025/26	2026/27	2027/28	No Fixed Date
Actual principal invested beyond year end	£10m	£0	£0	£0
Limit on principal invested beyond year end	£60m	£10m	£10m	£10m
Complied?	YES	YES	YES	YES

10.11 **Liability Benchmark:** This indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. 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. It 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 of £10m required to manage day-to-day cash flow.

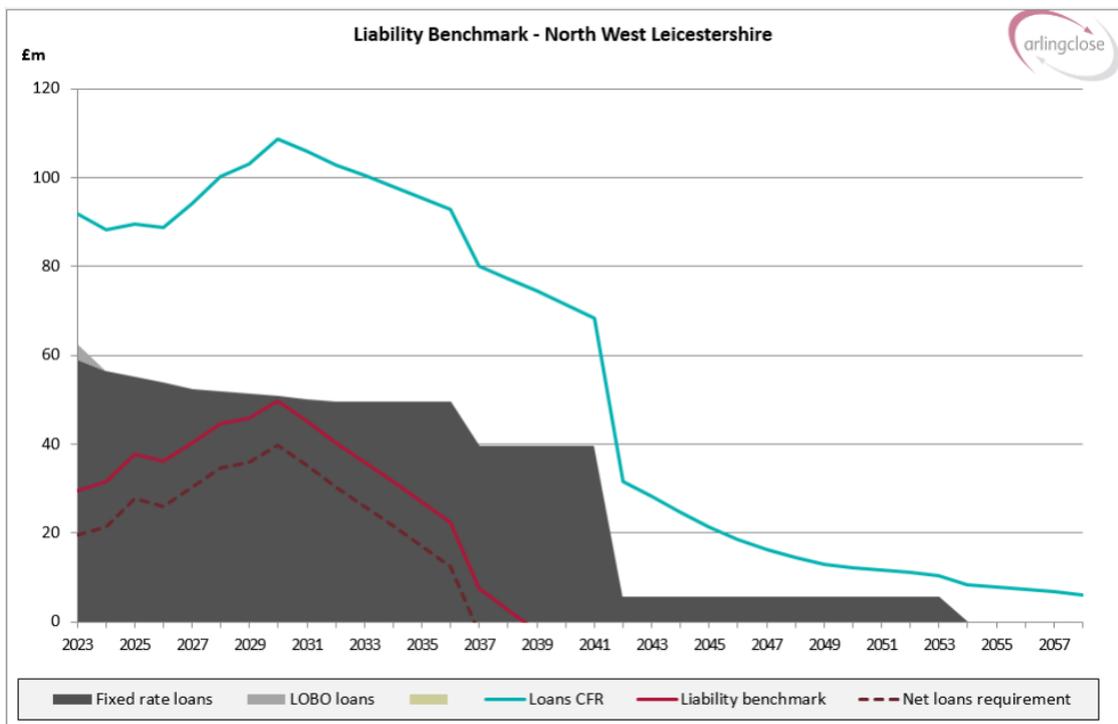
Table 14: Liability Benchmark

	31.3.25 Forecast	31.3.26 Forecast	31.3.27 Forecast	31.3.28 Forecast
Loans CFR	89.5	88.8	94.2	100.1
Less: Balance sheet resources	-65.2	-62.8	-63.8	-65.5
Net loans requirement	24.3	26.0	30.4	34.6
Plus: Liquidity allowance	10.0	10.0	10.0	10.0
Liability benchmark	34.3	36.0	40.4	44.6
Existing external borrowing	-55.1	-53.8	-52.5	-51.9

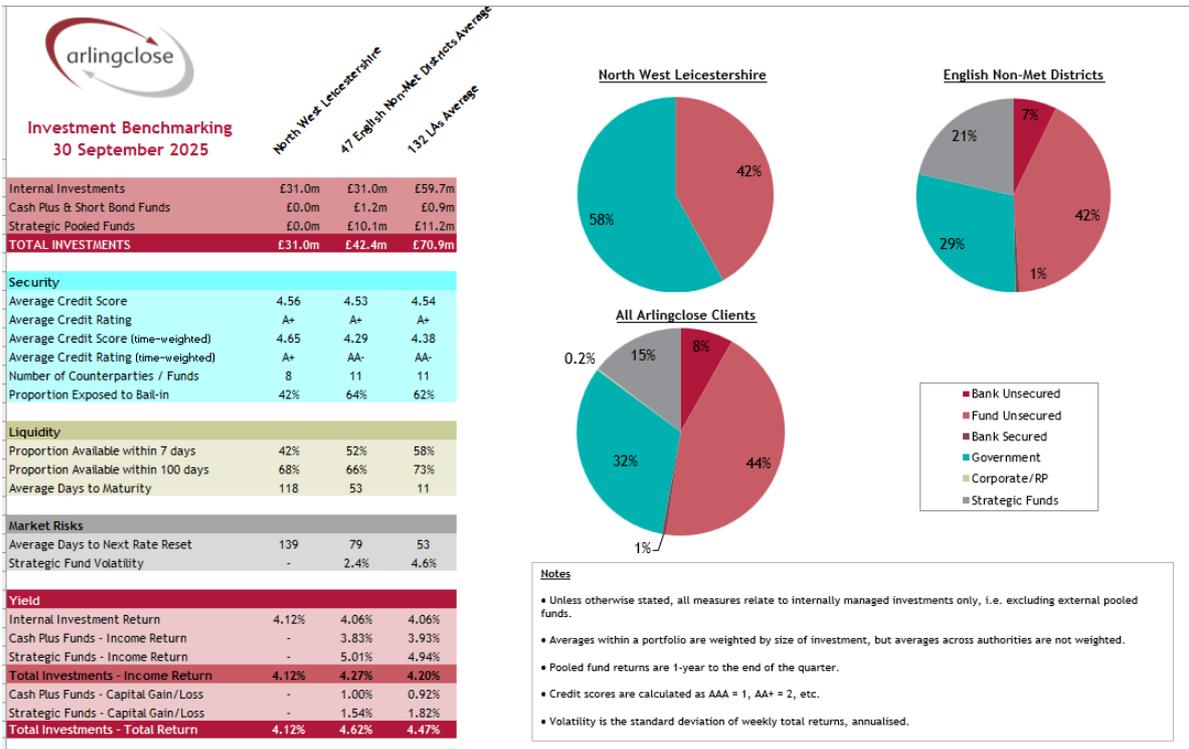
*The 31.3.25 position is an estimate due to statement of accounts not yet being published

10.12 Following on from the medium-term forecast above, the long-term liability benchmark assumes

no capital expenditure funded by borrowing before 2025/26, minimum revenue provision on new capital expenditure based on a variable asset life depending on asset type (This can vary from 5 – 50 years) and income, expenditure and reserves all increasing by inflation of 2.5% p.a. This is shown in the chart below together with the maturity profile of the Council’s existing borrowing.



10.13 The Liability Benchmark shows the underlying need to borrow (Loans CFR) in the blue line at the top of the graph, the grey shaded area as existing loans and the strong red line as the requirement for external borrowing. This graph demonstrates that by using internal resources the Council is likely to not have an external borrowing requirement in 2025/26. However, there is little room for adjustment and the Liability Benchmark graph is an estimate and subject to significant change. This situation may evolve and create a borrowing requirement in the next couple of years.



NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
COUNCIL – THURSDAY, 19 FEBRUARY 2026



Title of Report	ANNUAL REVIEW OF THE COUNCIL'S CONSTITUTION	
Presented by	Councillor Keith Merrie MBE Finance and Corporate Portfolio Holder	
Background Papers	Current Constitution Working Group Minutes	Public Report: Yes
Financial Implications	There are no direct financial implications arising.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	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.	
	Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no direct staffing or corporate implications arising.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To explain the outcome of the Monitoring Officer's review of the Constitution and present proposed changes.	
Recommendations	THAT COUNCIL ADOPTS THE PROPOSED CHANGES TO THE CONSTITUTION AS SET OUT IN APPENDICES A to G WITH EFFECT FROM 1 MARCH 2026 (EXCEPT FOR THE AMENDMENTS TO THE APPOINTMENTS COMMITTEE WHICH WILL COME INTO FORCE IN THE NEW CIVIC YEAR IN MAY 2026).	

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 updating of the Constitution is an on-going process.
- 1.3 Full Council considers reports on the annual review of 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. The proposed changes have been considered by Audit and Governance Committee before Council.

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.
- 2.2 As with the previous reviews and the 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 Governance Working Group comprised of Councillors Cooper, Moulton, Simmons (Chair), Smith and Johnson, and met on the following dates:
- 18 September 2025 (also attended by the Strategic Director of Resources)
16 December 2025
22 January 2026 (also attended by the Strategic Director of Resources and Head of HR)
- 2.3 The Working Group had agreed its terms of reference at an earlier meeting which was convened to review the Arrangements for Dealing with Complaints against Councillors. At the meeting of the Group held in September 2025, the Group agreed the timetable for the review of the Constitution 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. Further appendices show larger scale amendments to standalone parts of the Constitution.
- 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 A schedule summarising the proposed changes to the Constitution is provided at Appendix A. An extract from the Constitution showing the changes is provided at Appendix B. A hyperlink on the first page helps navigate to the relevant sections.
- 3.2 Proposed changes to the Budget Framework Policy are set out in Appendix C.
- 3.3 Proposed revisions to the current Petition Scheme are set out in Appendix D.
- 3.4 Suggested amendments to the Financial Procedure Rules are set out in Appendix E.
- 3.5 Proposed changes to the Staffing Committee and Officer Employment Procedure Rules are set out in Appendices F and G respectively.

4.0 AUDIT AND GOVERNANCE COMMITTEE

- 4.1 The Audit and Governance Committee considered the proposed changes to the constitution on 4 February 2026. One proposed amendment to the scope of the Audit and Governance Committee was agreed not to be taken forward. The Committee made a recommendation that Council adopt these with effect from 1 March 2026, except for the amendments to the Appointments Committee which will come into force in the new Civic Year in May 2026.

Policies and other considerations, as appropriate	
Council Priorities:	A well-run Council which is trusted by customers to provide its services.
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	Zoheb Fazil Legal Team Manager and Deputy Monitoring Officer ZOHEB.FAZIL@nwleicestershire.gov.uk

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Appendix A – Table of Proposed Constitution Amendments

Issue	Current Provision in Constitution	Proposed Change	Rationale for Change
Budget and Policy Framework	See Appendix C for extract of Budget and Policy Framework Rules.	See Appendix C.	The proposed changes would clarify the Budget and Policy Framework Rules and development of the Framework. The s151 Officer would prepare draft budget proposals, which would be presented to Cabinet, prior to then being published for consultation. The draft proposals would also be presented to Scrutiny, prior to final budget proposals being approved by Council.
Reports being taken to Full Council on Treasury Management and Investment Strategies	No express provision for this.	Adding a new clause to the responsibilities of Full Council, to acknowledge that they receive reports on the operation of the Treasury Management Strategy and Investment Strategy.	This will ensure clarity as to the functions of Full Council.
Amending the definition of 'Independent Persons' to refer instead to 'Independent Members' in the context of the A&G Committee.	There are some instances where reference is made to 'Independent Persons', meaning those people co-opted to the A&G Committee to provide technical expertise. This definition is also used to refer to the Independent Person appointed out of the pool of IPs to assist with Code of Conduct matters.	Where necessary, amending the definition of Independent Persons to instead refer to Independent Members.	This ensures clarity as the Independent Members and the Independent Person are different people with different roles; the Constitution sometimes refers to them interchangeably, so the amendment would be required to ensure they are being referred to correctly.
Employee related policies being approved by the Head of Paid Service.	The Cabinet is responsible for: "the development of policy/strategy for the Council, the monitoring of the effectiveness of policy/strategy and the review of policy/strategy (leading to revision and further development)"	Adding wording to clause 10.3.3 that Cabinet will be responsible for the approval of policies, except where the Constitution delegates such approval to an Officer. Specifically adding this function as a delegation	There could be some ambiguity as the Head of Paid Service being delegated authority to deal with all Human Resources functions contradicts Cabinet's responsibility for the development and review of policies. The revised wording, therefore, makes it clear that Cabinet would not be responsible for policies where this has been delegated to a relevant officer.

	<p>The Constitution delegates authority to the Head of Paid Service:</p> <p>“to carry out all activities in connection with the Council’s Human Resources function”</p>	to the Head of Paid Service.	
Employee Code of Conduct	The Employee Code of Conduct currently sits within the Constitution	To remove the Code from the Constitution, and delegate authority for the Head of Paid Service to approve the Code.	The Employee Code of Conduct requires an in-depth review and refreshing to ensure it is still fit for purpose and up to date. Removing the Code from the Constitution would allow the Head of HR to carry out this review, and to keep the Code up to date without having to amend the Constitution, which would make the Code more adaptable i.e. if any changes are required more quickly, or if changes are required in respect of legal or guidance requirements. As per point 2 above, the Head of Paid Service would be delegated authority to approve the Code, as it would form part of the Council’s Human Resources function.
Local Plan and Special Expenses - Council functions	Approval of the Local Plan (a Development Plan Document), and approval of the Special Expenses are functions of Full Council, but the Constitution does not currently refer to Full Council being responsible for their approval.	Adding wording to make it clear that Full Council will approve the Local Plan (DPDs) and Special Expenses	By law, these are Council functions, Council does currently make these decisions. This will ensure clarity as to the functions of Full Council.
Street Trading Consent Policy	Designating streets for street trading is a function of Full Council, but the Constitution does not currently refer to Full Council being responsible for the approval of the Street Trading Consent Policy.	Adding wording to make it clear that Full Council will approve the Street Trading Consent Policy.	This will ensure clarity as to the functions of Full Council.

Corporate Scrutiny – Additional function	No current reference to the 'Zero Carbon Roadmap' within the areas of responsibility for Corporate Scrutiny, however this is a non-exhaustive list.	Adding Zero Carbon Roadmap to the list of areas of responsibility for the Corporate Scrutiny Committee.	It has been requested by the Corporate Scrutiny committee for this to be considered as part of the review of the Constitution. Although the list of areas of responsibility is non-exhaustive, the committee reviews the Zero Carbon Roadmap annual update and felt it would be of benefit to specifically refer to this in the list.
Awarding Grants	Although Cabinet has given officers delegated authority to award grants, the Constitution currently does not provide for the award of grants by officers.	Amending the general delegations to designated officers to include being able to give grants.	Providing designated officers with the authority to give grants, as long as these do not amount to a key decision, and still being subject to the Financial Procedure Rules.
Committee Procedure Rule 15 no longer being applicable to Committees and Sub-Committees	Currently, Rule 15 controls how a debate is to be dealt with, and applies to all types of Committee.	Adding a provision to confirm that Rule 15 (save for 15.23 and 15.24) does not apply to Committees or Sub-Committees.	The only meetings where recommendations are moved and seconded before the debate starts are Council and Cabinet, all the other committees debate and then move recommendations. It is not practical to have a time limit on questions or other limitations to how the debate can proceed.
Quorum of Committees	At Full Council, Councillor Bigby raised a concern regarding the quorum of committees; notably that certain committees only had a quorum of 3, which was quite small. Currently: Licensing – 5 A&G – 3 Planning – 3 Cabinet – 3 Scrutiny - 3	The proposal would be to take a consistent approach across all committees, with the suggestion of a quorum of 60% of the amount of councillors on the committee. Proposed: Licensing – 9 A&G – 6 Planning – 7 Cabinet – 4 Scrutiny - 6	The quorum of committees has not been reviewed for some time, and it is felt that it would be prudent to update these. Research into the quorum figures for other councils was not especially helpful as they have different numbers of councillors and different ways to calculate the quorum, but it did show that NWL's quorum figures were low in comparison. Councillor Bigby had mentioned the Sub-Committees only having a quorum of three, but these have not been included here, as the way those committees are set up is different – the number on committee and number for quorum is the same, as members put themselves forward from the Licensing or A&G Committees.

Consultations	There is currently not an express provision in the Constitution to acknowledge that Cabinet may approve the content of Consultations.	Addition of a new paragraph within 'Matters Reserved for the Executive' that Cabinet will approve the scope and content of Consultations if deemed necessary by the Head of Paid Service.	This is what happens in practice currently, as if a matter is consulted on that Cabinet will ultimately approve, Cabinet would want to make sure they are consulted on the draft. The proposed amendment is therefore to formalise the position.
Approval of the Sexual Entertainment Venue Policy being a function of Full Council	There is currently not an express provision for Council approving the Policy within the list of Council functions.	Addition of a new function for Full Council to approve the Policy.	Schedule 1 of the Local Authorities (Functions and Responsibilities) England Regulations 2000 states that any function of a licensing authority shall not be a function of an Authority's Executive. This will therefore require approval by Full Council, and the amendment makes it clear that this is a function of Full Council.
Contract Procedure Rules: Formal Responses to Invitations to Quote Requirements for contracts	Currently, an invitation to quote should be advertised on the Source Leicestershire Contracts Finder website where the contract is worth £30,000 or more. The Contract Procedure Rules contain specific requirements which are to be included in Above Threshold contracts.	The proposed amendment lowers the threshold, for contracts worth £25,000 or more to be advertised on the Source Leicestershire website. Removal of the prescriptive list and replacing this with a general requirement for a contract above £5 million to contain at least three Key Performance Indicators.	This ensures all relevant contracts are being captured by this requirement. Contracts at this level are required to have input from the legal team, therefore the drafting should be left to legal's input, rather than a prescriptive list. Below and above – Legislation sets out reasons to exempt Above Threshold contracts, therefore the amendment allows this to be acknowledged without all the reasons being listed. Below Threshold exemptions therefore are those listed in the Constitution, Above Threshold exemptions are in legislation. A contract valued at more than £5m must include at least 3 KPIs. The amendment ensures officers are made aware of this requirement. It will also assist if it is acknowledged when the legal team review the contract, whether it is an industry standard or framework.

<p>Petitions Scheme</p>	<p>The Petition Scheme is referred to but not set out in the Constitution.</p>	<p>The revised Petition Scheme is set out in Appendix D, with a comparison version to show the changes.</p>	<p>The current Petition Scheme was introduced to comply with the Local Democracy, Economic Development and Construction Act 2009. The parts of the Act relating to petitions have now been repealed by the Localism Act 2011.</p> <p>A few petitions have been dealt with recently, and it was not clear in the Scheme how these were to be handled, and which were to go to Full Council.</p> <p>The proposed revisions to the Scheme will make the process easier to follow.</p>
<p>Updates to the Financial Procedure Rules</p>		<p>Please see Appendix E</p>	<p>The rules reinforce the importance of sound financial management, value for money, and legal compliance for all officers and councillors.</p> <p>There is an emphasis on the need for secure and reliable records and systems. The consequences of failing to observe these rules include potential disciplinary action.</p> <p>The virement scheme is more clearly described, including the requirement for S151 Officer approval and the reporting of virements over £50,000.</p> <p>Supplementary estimates are now subject to stricter controls, with a new approval table specifying thresholds for Head of Service, Cabinet, and Full Council sign-off. There is also a new stipulation that all other options, such as virements or savings, must be considered before requesting supplementary estimates.</p> <p>The amendments introduce more regular and structured monitoring of both revenue and capital expenditure, with quarterly reporting to Cabinet.</p> <p>The amendments include updated tables for authorisation levels for both revenue and capital expenditure, specifying which officers can approve spending at various thresholds.</p>

			<p>There are clearer requirements for contract management, including the handling of variations, final payments, and reporting of cost overruns.</p> <p>The rules for entering into partnerships, joint ventures, and external funding arrangements are more robust, with explicit requirements for consultation with the S151 Officer and Monitoring Officer.</p> <p>Tracked comments highlight areas where paragraph numbering was incorrect, where changes are intended to prevent unnecessary supplementary estimate requests, and where clarification was sought regarding current constitutional arrangements.</p> <p>The revisions aim to modernise the Council's financial governance, improve clarity, and ensure compliance with current legislation and best practice.</p>
New Staffing Committee and Updated Officer Employment Procedure Rules		Please see Appendices F and G.	<p>There is a Model Disciplinary Procedure and Guidance from the Joint Negotiating Committee for local authority Chief Executives, and there were previously some anomalies with how "chief officers" were captured. The Model Disciplinary Policy only applies to the Head of Paid Service and Statutory Officers. The Procedure Rules have been updated to refer to statutory officers and also includes strategic directors.</p> <p>The Appointments Committee will be called the Staffing Committee, which will look at the appointments of statutory officers and strategic directors but also making sure disciplinary action is properly covered in the constitution.</p>
Planning Amendments	Section D4 - Planning Committee	Various amendments to this section to reflect necessary additions and alterations for the smooth operation of the planning committee	Para 1.3 - Additional matters delegated responsibility. These are matters with short timescales which if not decided are automatically allowed. The delegation seeks to ensure they can be dealt with more quickly.

			<p>Para 2.2 - Amendment reflects the wording in para 2.5</p> <p>Para 2.3 - Reference to 'minor non-contentious' applications is ambiguous. Removal of this ensures clarity. If there were any applications that needed to go to committee that were subject to a legal agreement and that was the only reason they needed to go to committee, then they could be taken under para 2.6.</p> <p>Para 2.5 - clarifying that it must be a 'material planning' objection otherwise this would be construed too widely.</p> <p>Para 2.7 - it is proposed to remove the wording as the planning team did not know what this related to.</p> <p>Para 3 – updates to the Call-in procedure</p>
Addition of Procurement Strategy to Corporate Governance Policies	This is not currently included as part of the suite of Corporate Governance Policies.	Amendment to the definition of Corporate Governance Policies, to include the Procurement Strategy.	The policies making up the suite of Corporate Governance Policies are set out in the Glossary of the Constitution. It is intended that the newly approved Procurement Strategy would be reviewed on an annual basis along with the other Corporate Governance Policies, so the definition would need updating to include this.

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Appendix B - Extracts of the Constitution showing proposed amendments

1	<u>Treasury Management and Investment Strategies</u>
2	<u>Independent Persons/Independent Members</u>
3	<u>Employee Related Policies being approved by the Head of Paid Service</u>
4	<u>Employee Code of Conduct</u>
5	<u>Local Plan and Special Expenses as a Council function</u>
6	<u>Street Trading Consent Policy</u>
7	<u>Corporate Scrutiny – Additional Function</u>
8	<u>Awarding Grants</u>
9	<u>Committee Procedure Rule 15 no longer being applicable to Committees and Sub-Committees</u>
10	<u>Quorum of Committees</u>
11	<u>Consultations</u>
12	<u>Sexual Entertainment Venue Policy</u>
13	<u>Contract Procedure Rules – formal responses to invitation to quote</u>
14	<u>Contract Procedure Rules – requirements of contracts</u>
15	<u>Petitions Scheme</u>
16	<u>Planning amendments</u>
17	<u>Corporate Governance Policies</u>

1. Treasury Management Reports

SECTION C - FULL COUNCIL

ONLY THE FULL COUNCIL SHALL HAVE RESPONSIBILITY:

New clause 16 - 16. To receive reports on the operation of the Treasury Management Strategy and Investment Strategy, no less than twice per year.

2. Independent Persons/Independent Members

SECTION D7 - AUDIT AND GOVERNANCE COMMITTEE

1.7 Two Independent ~~Persons~~Members may be co-opted to the Audit and Governance Committee to provide appropriate technical expertise 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~~Member for this purpose.

SECTION A - NWLDC COUNCILLORS' ALLOWANCES SCHEME

8. Co-optees Allowance

An annual allowance of £800 per annum is available to those ~~independent~~Independent persons~~Members~~ co-opted to the Audit and Governance Committee and an annual co-optees allowance of £200 per annum is available to those individuals serving as members of the Independent Remuneration Panel

3. Employee related policies being approved by the Head of Paid Service; and
4. Employee Code of Conduct

SECTION E - THE CABINET (EXECUTIVE FUNCTIONS)

10.3 The Cabinet is responsible for:

10.3.3 the development of policy/strategy for the Council, the monitoring of the effectiveness of policy/strategy and the review of policy/strategy (leading to revision and further development), except where this Constitution delegates such approval to an Officer.

SECTION G3 - DELEGATIONS TO THE HEAD OF PAID SERVICE AND STATUTORY OFFICERS

1.16 To carry out all activities in connection with the Council's Human Resources function including:

1.16.1 To determine all staffing matters in accordance with the Officer Employment Procedure Rules in Part 3. This includes determining matters relating to structure (additions, reductions and other changes to the establishment) as he/she considers appropriate following consultation with the Leader and Deputy Leader.

1.16.2 The appointment, dismissal or discipline of staff, except in relation to those posts listed in paragraph 1.2 of the said Rules.

1.16.3 Where the decision of the Head of Paid Service taken under (a) above requires consideration of the financial/budgetary implications and a decision in that respect only, then the matter will be referred to the Cabinet, provided that the remit of the Cabinet shall be limited to decisions on financial matters only.

1.16.4 To approve any severance payment to any Officer between £20,000 and £100,000 with the agreement of the Leader and 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).

1.16.5 The development and review of Human Resources and employee policies.

1.16.6 The review and approval of the Employee Code of Conduct.

1.16.5-7 The Head of Paid Service may delegate the discharge of this function to another Officer.

5. Local Plan and Special Expenses

SECTION C - FULL COUNCIL

ONLY THE FULL COUNCIL SHALL HAVE RESPONSIBILITY:

38. Adopting Development Plan Documents (DPDs) and revisions of them following examination by the Local Plan Committee;

39. Approval of the Special Expenses Policy;

Part 6

Glossary of Terms

Special Expenses Policy – Special expenses are applied when the council provides a service in a parish (or unparished area) which is provided in other parishes by a town or parish council. This policy governs the process for dealing with those expenses.

6. Street Trading Consent Policy

SECTION C - FULL COUNCIL

ONLY THE FULL COUNCIL SHALL HAVE RESPONSIBILITY:

7. 25. to designate streets for street trading under the Local Government Miscellaneous Provisions) Act 1982 and to approve the Street Trading Consent Policy.

7. Corporate Scrutiny – Additional Function

Corporate Scrutiny Committee	Community Scrutiny Committee
Asset Management	Business/Economy
Estates and property	Planning and Building Control
Audit	Tourism
Communications	Partnerships
Customer Services	Community Safety
Finance	Leisure
Human Resources	Health and Wellbeing
ICT	Stronger Safer Communities
Legal Services	Environmental Health
Revenue and Benefits	Licensing
Shared Services	Environmental Protection
<u>Zero Carbon Roadmap</u>	Statutory Crime and Disorder Committee
	Strategic Housing - Housing Strategy
	Housing Management
	Economic Development
	Regeneration
	Waste Services

8. Awarding Grants

SECTION G2 - GENERAL DELEGATIONS TO DESIGNATED OFFICERS

New clause 12 (subsequent numbering to be updated)

12.1 to award grants to third parties, provided that the award of the grant would not constitute a Key Decision and that any awards are at all times made in accordance with the Financial Procedure Rules.

9. Committee Procedure Rule 15 no longer being applicable to Committees and Sub-Committees

Part 3 - Rules of Procedure

SECTION A2 - PROCEDURE RULES

1. The procedure rules in section A2 apply to meetings of the Full Council and to meetings of Committees and Sub-Committees except that:

1.1 Rules 1, 2, 3, 5, 10, 11, 12, 13.1.2, 13.1.6, 13.1.18, 15.1 - 15.22, 16.5 and 16.7 do not apply to meetings of Committees and Sub-Committees;

1.2 Rule 9 (Duration of Meetings) does not apply to meetings of any board, group, Committee, or panel at which the appointment of staff is being considered or a meeting of a quasi-judicial nature; and

1.3 Rule 15.1 shall not apply to meetings of the Planning Committee meaning that a Debate can proceed without a motion being moved and seconded.

10. Quorum of Committees

This would require an amendment to each paragraph where the Quorum of the Committee is set out, changing it from the number currently specified, to the increased figure as set out in Appendix A.

11. Consultations

SECTION E - THE CABINET (EXECUTIVE FUNCTIONS)

10 Matters reserved for the Executive

10.3 The Cabinet is responsible for:

[10.3.25 approving the content and scope of public Consultations, where deemed necessary by the Head of Paid Service.](#)

12. Sexual Entertainment Venue Policy

SECTION C - FULL COUNCIL

ONLY THE FULL COUNCIL SHALL HAVE RESPONSIBILITY:

27. to approve the Sexual Entertainment Venue Policy.

13. Contract Procedure Rules – formal responses to an invitation to quote

SECTION G – CONTRACT PROCEDURE RULES

Band B Contracts – Contracts valued at between £10,000 and £49,999

5.5 For any single contract, not related to or part of any larger procurement, of a value that is between £10,000 and £49,999 (inclusive of VAT), three written quotations shall be obtained using an invitation to quote.

5.6 The approval of any contract that is valued between £10,000 and £49,999 shall be in accordance with the authorisations in the Financial Procedure Rules.

5.7 Any contract valued at between £10,000 and £49,999 can be signed by the officer that approved it under rule 5.3.

5.8 Where Officers are seeking formal responses to an invitation to quote:

5.8.1 the opportunity shall be advertised on the Source Leicestershire website, Contracts Finder (only for contracts worth ~~£30,000~~£25,000 or more) and the Council's website;

14. Contract Procedure Rules – requirements of contracts

SECTION G – CONTRACT PROCEDURE RULES

9.5 Acceptable reasons for an exemption for a Below Threshold Contract under these rules are limited to the following and subject to any legislative requirements:

- Quantifiable and significant cost and efficiency savings can be achieved through seeking an alternative route, which outweigh the legal risk of the exemption;
- Extreme urgency exists for unforeseen reasons which are not attributable to the Council and the various time limits cannot be met. Inadequate forward planning would not constitute special circumstances;
- The Council would otherwise be exposed to immediate and significant financial, legal, or reputational risk that has been identified in the relevant risk register and is considered to outweigh the risk of the exemption;
- Only one supplier is objectively able to provide the works, services or supplies in question including, but not limited to:
 - where the provision is specialist,
 - where the supplier has exclusive intellectual property rights, artistic or other rights,
 - where the supplier has a monopoly; or
 - where the supplies bought are for re-sale;
- Additional or new works, services or supplies are required which, through unforeseen circumstances, were not included in an existing Council contract and are necessary for the completion of the contract and / or cannot be carried out separately.
- Supplies are required as a partial replacement for, or addition to, existing supplies or installations and obtaining them from another source would result in incompatibility or disproportional technical difficulties in operation or 15 maintenance of existing equipment.
- Where an exemption is to allow the continuation of Council services or operations whilst a compliant procurement process is completed.

9.6 Acceptable reasons for an exemption for an Above Threshold contract, are set out in legislation.

9.7 The Procurement Officer will maintain a full record of all exemptions granted.

11.1 All contracts shall, as a minimum:

- be in writing;
- specify what is to be supplied (that is, the works, materials, services, matters or things to be furnished, had, or done);
- specify the payment provisions (that is, the price to be paid and when);
- specify the timescale within which the contract is to be performed; and
- specify the termination provisions under which the Council shall and may terminate the contract.

11.2 In addition, every contract with a value of more than £5 million must include at least three key performance indicators in respect of the contract. Above-Threshold must also clearly state as a minimum:

- ~~• the performance standards to be met, associated performance reporting and performance management;~~
- ~~• the insurance requirements;~~
- ~~• health and safety requirements;~~
- ~~• equality and diversity requirements;~~
- ~~• (Where relevant) that the contractor may not assign the contract or subcontract any part of the contract without prior written consent from the Council;~~
- ~~• information governance, Freedom of Information and Data Protection requirements;~~
- ~~• (Where relevant) supply of anonymised TUPE data by the contractor to the Council and an organisation structure freeze within the contractor at a point designated by the Council prior to the of contract~~
- ~~• contract management requirements;~~
- ~~• a right, given to the Council, of access to documents and records which relate to the subject matter of the contract for monitoring and audit purposes;~~
- ~~• an obligation on the Council to pay undisputed invoices within 30 days;~~
- ~~• an obligation on the principal contractor to pay any subcontractor invoices within 30 days;~~
- ~~• a clause for the prevention of corruption and bribery;~~
- ~~• contract enforcement mechanisms;~~
- ~~• a requirement to provide electronic invoicing compliant with BS EN 16931-1:2017 and PD CEN/TS 16931-2:2017; and~~
- ~~• rights of termination~~

11.3 Formal advice from Legal Services must be sought on contract terms and conditions for the following contracts:

- where the estimated total contract value of the opportunity is above £50,000;
- those involving leasing arrangements;
- where it is proposed to use the external supplier's own terms, an industry standard contract or a framework call-off agreement;
- those that are considered to be high risk in terms of service failure or the Council's reputation; or
- those that are complex in any other way.

11.4 Contract terms and conditions must be published and made available to bidders as part of the tender pack.

11.5 Bidders may seek to clarify or amend terms as part of the clarification period of a tender. Should the Council amend terms during a procurement they must be amended for all bidders equally and released in reasonable time. Legal advice should be sought in advance of agreeing to vary any legal terms in the contract.

11.6 The Council may not negotiate or otherwise amend the contract terms and conditions with the successful bidder following award of contract

15. Petitions Scheme

SECTION B – CABINET (EXECUTIVE) PROCEDURE RULES

11. Petitions

11.1 Petitions may be brought by people who live, work or study in the District, on any matter on which the Council has power to act, in accordance with the Council's ~~rules on~~ Petitions Petition Scheme in Part 6.

~~11.2 The Council has formally adopted a Petition scheme.~~

~~11.3 The scheme sets out the process, the signature threshold for receipt of ordinary Petitions, a Petition to hold an Officer to account and a Petition for Debate. It also sets out how the Petition will be dealt with at the Scrutiny Committees or Council.~~

~~11.4 A copy of the Petition scheme is available from the Monitoring Officer. It is also available on the Council's website~~

- *See Appendix C for the amendments to the Scheme itself.*

16. Planning Amendments

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
 - 28 Day Telecommunications Development Notifications
 - Notifications of intention to operate a campsite under class BC Part 4 GPDO

- Notification of a change of use of an agricultural building to a flexible commercial use under Class R, part 3 of the GPDO

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 three Councillors.

Convening Meetings

1.7 The Chief Executive is responsible for convening all Committee meetings in accordance with the programme set by Full Council, and any meetings which have been convened at Chair's discretion in addition to those in the programme.

Substitutes

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

17. 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 in the opinion of the relevant Strategic Director (or a nominated officer) 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.~~

~~2.42.3~~ 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.

~~2.52.4~~ 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 material planning objections have been received.

~~2.62.5~~ 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.

~~2.72.6~~ The making of orders to revoke or modify planning permissions, ~~to impose conditions to remove buildings or repair listed buildings.~~

~~2.82.7~~ To consider objections or other ~~R~~representations in relation to making tree preservation orders.

~~2.92.8~~ Serving Building Preservation Notices or Listed Building Repair Notices, except where it is necessary to serve a notice in an emergency.

~~2.102.9~~ 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.

18. CALL-IN PROCEDURE

3.1 Call -in for the purpose of Para 2.~~34~~ 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; and
- 3.1.3 is submitted to the Strategic Director (or his nominated officer) in writing via the online form specifically relating to call-ins of planning application within 28 days of the serving member being sent an email notification (signed by the Planning & Development Team Manager) of the application

3.2 If a decision is made that the application does not satisfy 3.13.1, and/or 3.13.2 and/or 3.1.3 written reasons shall be given to the ward member who has submitted the call-in by the Strategic Director (or his nominated officer).

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 (or his nominated officer) in accordance with paragraph 3.1 ~~(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 (or nominated officer) in accordance with paragraph 3.1 but has a conflict of interest (provided that where the interest falls under para 2.45, the requirements of 2.45 are engaged) then any other member shall be entitled to notify the relevant Strategic Director (or his nominated officer) in accordance with paragraph 3.1 ~~then the duty to consider the request for Call-in shall pass to the Deputy Chair.~~

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 2.45, the requirements of 2.45 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 2.45, the requirements of 2.45 are engaged) then the duty to consider the request for Call-in shall pass to the Planning Portfolio Holder.

3.6 The decision made by the Chair or Deputy Chair in respect of whether an application subject to the call in procedure set out under paragraph 3 will be determined by the Planning Committee, shall be given in writing to the ward member by the Strategic Director (or his nominated officer).

3.7 For the purpose of this clause 3 a conflict of interest is where a member has any interest which would prevent them from making a decision in accordance with the Councillors Code of Conduct.

17. Corporate Governance Policies

Part 6

Glossary of Terms

Corporate Governance Policies	The Corporate Governance Policies are the following policies: Anti-Fraud and Corruption Policy Anti-Money Laundering Policy Confidential Reporting (Whistleblowing Policy) Risk Management Policy RIPA policy Information Management Policy Data Protection Policy ICT & Cyber Security Policy Local Code or Corporate Governance <u>Procurement Strategy</u>
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Appendix C

SECTION E – BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

2. Budget Process Constitution Wording

Suggested Revised Wording

2. Process for Developing the Framework

2.1 The process by which the Budget and Policy Framework shall be developed is:

2.1.1 The Council's Section 151 Officer will be responsible for preparing draft budget proposals, following consultation with relevant Officers and Cabinet Members.

2.1.2 Draft budget proposals will be presented to the Cabinet for its consideration prior to the draft proposals being published for consultation.

2.1.3 Consultation with the general public, business ratepayers and trade unions will be carried out in accordance with the process approved by Cabinet under paragraph 2.1.2 above.

2.1.4 The draft budget proposals will be presented to the relevant Scrutiny Committee prior to Cabinet agreeing final budget proposals for approval by Council.

2.1.5 In agreeing final budget proposals for approval by Council, Cabinet will take account of any consultation responses received, any recommendations from the relevant Scrutiny Committee and any other information that has materialised since the preparation of the initial draft budget proposals, including but not limited to, information provided by the Government in relation to the Local Government Finance Settlement.

[The wording will then follow as per the current Rules, save that consequential numbering changes will be required. Current paragraph 2.1.9 will become 2.1.6, and follow on from there.]

Current Wording

2. Process for Developing the Framework

2.1 The process by which the Budget and Policy Framework shall be developed is:

2.1.1 Two months before a plan/strategy/Budget needs to be adopted, the Cabinet will publish initial proposals for inclusion in the Budget and Policy Framework.

2.1.2 Details of the Cabinet's consultation process shall be included in the Executive Decision Notice, published at the Council's main offices and made available on the Council's web site.

2.1.3 Any Representations made to the Cabinet shall be taken into account in formulating the initial proposals and shall be reflected in any report dealing with them. If the matter is

one where a Scrutiny Committee has carried out a review of policy, then the outcome of that review will be reported to the Cabinet and considered in the preparation of initial proposals.

2.1.4 The Cabinet's initial proposals shall be referred to the relevant Scrutiny Committee for advice and consideration.

2.1.5 The proposals will be referred by sending a copy to the Monitoring Officer who will forward them to the Chair of the relevant Scrutiny Committee. If there is no such Chair, a copy must be sent to every member of that Committee.

2.1.6 The relevant Scrutiny Committee shall canvass the views of local Stakeholders if it considers it appropriate in accordance with the matter under consideration, having particular regard not to duplicate any consultation carried out by the Cabinet.

2.1.7 The relevant Scrutiny Committee shall report to the Cabinet on the outcome of its deliberations. The relevant Scrutiny Committee shall have four weeks to respond to the initial proposals of the Cabinet unless the Cabinet considers that there are special factors that make this timescale inappropriate. If it does, it will inform the relevant Scrutiny Committee of the time for response when the proposals are referred to it.

2.1.8 Having considered the report of the relevant Scrutiny Committee, the Cabinet, if it considers it appropriate, may amend its proposals before submitting them to the Council meeting for consideration. It will also report to Council on how it has taken into account any recommendations from the relevant Scrutiny Committee.

2.1.9 [proposed to become 2.1.6, subsequent numbering to be updated accordingly] Council will consider the proposals of the Cabinet and may adopt them, amend them, refer them back to the Cabinet for further consideration or substitute its own proposals in their place. However, if, having considered a draft plan or strategy, it has any objections to it, Council must take the action set out in 2.1.10 below.

2.1.10 Before Council:

(a) amends the draft plan or strategy;

(b) approves, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval, any plan or strategy (whether or not in the form of a draft) of which any part is required to be so submitted; or

(c) adopts (with or without modification) the plan or strategy it must inform the Leader of any objections which it has to the draft plan or strategy and must give to him/her instructions requiring the Cabinet to reconsider, in the light of those objections, the draft plan or strategy submitted to it.

2.1.11 Where Council gives instructions in accordance with 2.1.10, it must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions on behalf of the Cabinet within which the Leader may:

(a) submit a revision of the draft plan or strategy as amended by the Cabinet (the "revised draft plan or strategy") with the Cabinet's reasons for any amendments made to the draft plan or strategy to Council for Council's consideration; or

(b) inform Council of any disagreement that the Cabinet has with any of Council's objections and the Cabinet's reasons for any such disagreement.

2.1.12 When the period specified by Council, referred to in Rule 2.1.11, has expired Council must, when:

- (a) amending the draft plan or strategy or, if there is one, the revised plan or strategy;
- (b) approving for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval, any plan or strategy (whether or not in the form of a draft or a revised draft) of which any part is required to be so submitted; or
- (c) adopting (with or without modification) the plan or strategy; take into account any amendments made to the draft plan or strategy that are included in any revised draft plan or strategy, the Cabinet's reasons for those amendments, any disagreement that the Cabinet has with any of Council's objections and the Cabinet's reasons for that disagreement, which the Leader submitted to Council, or informed Council of, within the period specified.

2.1.13 Subject to rule 2.1.17, where, before 8 February in any financial year, the Cabinet submits to Council for its consideration in relation to the following financial year:

- (a) estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of Sections 34 to 36A or 46 to 49B of the Local Government Finance Act 1992 (calculation of Budget requirement, etc.) and Part 5 of Chapter 1 of the Localism Act 2011;
- (b) estimates of other amounts to be used for the purposes of such a calculation;
- (c) estimates of such a calculation; or
- (d) amounts required to be stated as a Precept under Chapter IV of Part I of the Local Government Finance Act 1992 (Precepts); and following consideration of those estimates or amounts Council has any objections to them, it must take the action set out in Rule 2.1.14.

2.1.14 Before Council makes a calculation (whether originally or by way of a substitute) in accordance with any of the sections referred to in Rule 2.1.13 above or issues a Precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Leader of any objections which it has to the Cabinet's estimates or amounts and must give him/her instructions requiring the Cabinet to reconsider, in the light of those objections, those estimates and amounts in accordance with Council's requirements.

2.1.15 Where Council gives instructions in accordance with Rule 2.1.14 above, it must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions on behalf of the Cabinet within which the Leader may:

- (a) submit a revision of the estimates or amounts as amended by the Cabinet ("revised estimates or amounts") which have been reconsidered in accordance with the Council's requirements, with the Cabinet's reasons for any amendments made to the estimates or amounts to Council for its consideration; or
- (b) inform the Council of any disagreement that the Cabinet has with any of Council's objections and the Cabinet's reasons for any such disagreement.

2.1.16 When the period specified by Council referred to in paragraph 2.1.15 has expired, Council must, when making calculations (whether originally or by way of a substitute) in accordance with any of the Sections referred to in Rule 2.1.14 above or issuing a Precept under Chapter IV of Part I of the Local Government Finance Act 1992, take into account:

- (a) any amendments to the estimates or amounts that are included in any revised estimates or amounts;
- (b) the Cabinet's reasons for those amendments;
- (c) any disagreement that the Cabinet has with any of the Council's objections; and
- (d) the Cabinet's reasons for that disagreement which the Leader submitted to the Council, or informed the Council of, within the period specified.

2.1.17 Rules to 2.1.13 to 2.1.16 shall not apply in relation to:

- (a) calculations or substitute calculations which the Council is required to make in accordance with Sections 52I, 52J, 52T or 52U of the Local Government Finance Act 1992 (limitation of Council Tax and Precept); and
- (b) amounts stated in the Precept issued to give effect to calculations or substitute calculations made in accordance with Section 52J or 52U of that Act.

Appendix D

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

PETITION SCHEME

1. Introduction and Background

The Council has an extensive programme to engage its local communities and it recognises that petitions are another method of local people raising an issue which requires a Council response.

This Scheme sets out how we will respond to your ~~correspondence. All petitions sent or presented to the Council will receive acknowledgement from the Council within 2 working days of receipt.~~ petition. The Council will treat something as a petition only if it meets the requirements within this scheme.

~~We will aim to provide you with details about what the Council plans to do with your petition or action which the Council will take within 10 working days of receipt of your petition. The Council will treat something as a petition if it is identified as being a petition, or if it appears that it is intended to be a petition.~~

Paper petitions should be sent to:

The Petitions Officer
North West Leicestershire District Council
PO Box 11051
Coalville
LE67 0FW

or be created, signed and submitted on-line by following this link

<http://minutes-1.nwleics.gov.uk/mgEpetitionListDisplay.aspx>

If a petition is delivered direct to the Council Offices it should be handed direct to the Reception Staff at Whitwick Business Centre, Stenson Road, Coalville, Leicestershire LE67 4JP.

In order to ensure the neutrality of Officers no petition should be handed directly to an officer, other than the Reception Staff, and no photographic or video recording of the delivery of the petition is permitted within the Council Offices.

If you would like advice on this Scheme please contact Member Services on 01530 454512

2. What are the **Guidelines**Requirements for Submitting a Petition?

Petitions submitted must:

- (a) include a clear and concise statement covering the subject of the petition. ~~It should state and~~ what specific action the petitioners wish the Council to take; ~~and~~
- ~~(b) it should relate to an issue which affects the District and/or over which the Authority has some influence;~~

- (b) be a Valid Petition as set out in section 3 of this Petition Scheme;
- (c) include the name ~~and~~, address and signature of every person supporting the petition; and, ~~The address should be that at which you live, work or study in the District;~~
- (d) include ~~the contact details, including~~ an address and telephone number, for the petition organiser. This is the person the Council will contact to explain how it will respond to the petition. ~~The~~ ~~if the petition does not identify a~~ petition organiser, ~~the Council will contact the first signatory must be able~~ to present the petition; at any relevant meeting.
- (e) ~~the Council~~ The Council's Petition Officer will not accept any petitions that in his/her opinion do not meet these requirements.

3. ~~where there are no contact details for~~ **Valid Petitions**

To be a Valid Petition, the petition organiser ~~must~~:

- Be about a matter for which the Council has a responsibility or which affects the first signatory. ~~District;~~
- Not be vexatious, derogatory, defamatory, frivolous or offensive;
- Not concern a Council employment or staffing matter or sensitive personal information about a Councillor;
- Not require the disclosure of confidential or Exempt Information;
- Not be substantially the same issue/subject as a petition which has been received by the Council in the past 12 months;
- Not relate to a specific licensing or planning decision and/or a matter which already has a specific legal right of appeal;
- Not relate to a matter or issue that the public has already been consulted on in the past 12 months, or is due to be consulted on within the next 12 months;
- Not request Council to do something which conflicts with Council policy;
- Not relate to issues in relation to possible misconduct of District or Parish Councillors;

If the Petitions Officer rejects a petition for not being a Valid Petition, then he/she will notify you of the rejection and tell you the reasons why. The Petitions Officer will also notify the Chief Executive and the relevant Strategic Director if appropriate.

4. **Who can Sign a Petition?**

~~In order to sign a petition you must be living, working or studying in the District. ³~~

~~**Who can Sign a Petition?**~~

~~In order to sign a petition you must be living, working or studying in the District. **When signing a petition, the address you submit must be that at which you live, work or study in the District.** A blank petitioning form is available for ~~your~~ use from the Council's website.~~

45. **How will the Council Respond to Petitions?**

The Council will always adopt a pragmatic approach to dealing with petitions and will endeavour to resolve issues raised by a petition directly, where appropriate. How the Council responds to a petition will depend on what the petition asks for and how many people have signed it, but may include one or more of the following:

- (a) the relevant Strategic Director dealing with the issue directly;
- (b) taking the action requested in the petition;
- (c) considering the petition at a Council / Cabinet meeting;
- (d) holding an inquiry into the matter;
- (e) undertaking research into the matter at Scrutiny;
- (f) holding a public meeting;
- (g) holding a consultation;
- (h) holding a meeting with petitioners;
- (i) referring the petition for consideration by one of the Council's Scrutiny Committees
- (j) calling a referendum; and
- (k) writing to the petition organiser setting out the Council's views about the request in the petition, which may include taking no action.

In addition to these steps, the Council will consider all the specific actions it can potentially take on the issues highlighted in the petition.

56. Types of Petition

There are a number of types of petition. They are set out below. How the Council will deal with them is explained later in this document.

TYPE OF PETITION	NUMBER OF SIGNATORIES REQUIRED	BRIEF DESCRIPTION OF THE DIFFERENT TYPES
Ordinary petitions	15 signatories	<ul style="list-style-type: none"> • Does not fall within other types below. • Relates to things for which Council has responsibility for or affect the area or over which the Council has influence.

TYPE OF PETITION	NUMBER OF SIGNATORIES REQUIRED	BRIEF DESCRIPTION OF THE DIFFERENT TYPES
Petitions to hold an officer to account	1,000 signatories	<ul style="list-style-type: none"> • If you want the petition to be considered at the relevant Scrutiny Committee. • You can ask a senior Council officer to answer questions on the conduct of a particular matter, explain progress on an issue or explain the advice given to members to enable them to make a particular decision. • Senior staff that can be called to account in this way are the Council's Chief Executive and the relevant Strategic Director. The relevant Scrutiny Committee may decide that it would be appropriate for another officer to give evidence, if for example the named officer has left the organisation or moved jobs.
Petitions for debate	2,000 signatories	<ul style="list-style-type: none"> • If you want the petition to be reported and debated at a full Council meeting by councillors. • No facility to call a named officer to account or answer questions.

6. Exemptions

Petitions for Officers – 15 – 1,000 signatories

Petitions for Cabinet – 1,001 to 2,000 signatories

Petitions for Council – More than 2,000 signatories

7. What Happens When a Petition is Received

ADOPTION DATE: 15 JUNE 2010

REVISION DATE: ~~4 Mar~~

VERSION NO. 3

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2015[2026]

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In respect of a petition of any sort:

- It will be acknowledged to the petition organiser within 2 working days of receipt.
- We will aim to provide you with details about what the Council plans to do with your petition or action which the Council will take within 10 working days of receipt of your petition.

Petitions for Officers

- The Petitions Officer ~~may reject~~ will ask the relevant Strategic Director to take some action. For example, if the petition relates to fly tipping the Strategic Director for Communities can arrange for it to be cleared up directly. The Petitions Officer will notify the relevant portfolio holder and ward councillors of receipt of the petition.

Petitions for Cabinet

- Cabinet will, where possible, decide, by resolution, how to respond to the petition at the meeting. Cabinet could:
 - take the action requested by the petition (if it has the power to do so);
 - not to take the action requested for reasons put forward in the debate;
 - commission further investigation into the matter by a Committee / officers;
 - refer to Council. The relevant Strategic Director / Chief Executive will be responsible for producing a report in consultation with the portfolio holder to give effect to the referral to Council.

Petitions for Council

- Council will, where possible, decide, by resolution, how to respond to the petition at the meeting. Council could:
 - take the action requested by the petition (if it has the power to do so);
 - not to take the action requested for reasons put forward in the debate;
 - commission further investigation into the matter by a Committee / officers;
 - refer to Cabinet (if it falls within Cabinet's decision-making powers) with or without Council's recommendations for Cabinet consideration. The relevant Strategic Director / Chief Executive will be responsible for producing a Cabinet report in consultation with the portfolio holder to give effect to Council's referral to Cabinet.

General rules on how petitions will be dealt with at Council / relevant Scrutiny Committee meetings:

- A maximum of two petitions which are, in his/her opinion, only will be permitted at any meeting. Only one petition will be permitted if the Head of Legal and Support Services receives notice of a deputation under Council Procedure Rule 19.
 - ~~not concerned with an issue which affects the District or do not raise matters over which the Authority has responsibility or has some influence;~~
 - defamatory, illegal, scurrilous, frivolous, offensive, out-of-Petitions that do not relate to an item of business already on the agenda will be considered before the normal business of the meeting.
 - ~~Petitions will be considered in the order or relates to a specific licensing or planning application;~~
 - relates to substantially the same issue / subject as a petition which has been they were received by the Authority in the last 12 months;
Petitions Officer.
 - ~~requests the Council to do something which conflicts with Council policy.~~
2. ~~If you wish to raise issues of possible District or Parish councillor misconduct under the Members' Code of Conduct and the Local Government Act 2000 then you should do this via the formal member complaint process. Details of how you can do this, the process and a complaint form are available on the Council's website at <http://www.nwleics.gov.uk/pages/conduct-complaints-and-standards>. You can telephone the Monitoring Officer for advice on this process on 01530 454762.~~
3. ~~Duplicate petitions - if more than one petition is received in time for a particular meeting, each supporting the same outcome on one matter, each petition organiser will be treated as an independent petition organiser but only the petition organiser of the first petition will be invited to address the meeting.~~
4. ~~If the petition applies to a planning or licensing application, is a statutory requirement (for example, requesting a referendum on having an elected mayor), or is on a matter where there is already an existing right of appeal, such as Council Tax banding and non-domestic rates, other procedures apply. Further information on all these procedures and how you can express your views is available from the following contacts:~~
- (a) ~~Planning - 01530 454668~~
 - (b) ~~Licensing - 01530 454844~~
 - (c) ~~Council Tax - 01530 454545~~
 - (d) ~~Referendum - Elections Office 01530 454512~~
5. ~~If your petition is about something that a different council or other organisation is responsible for, the Council will give consideration to what the best method is for responding to it. This might consist of simply forwarding the petition to the other Council, but could involve other steps. In any event, the Council will always notify you of what action has been taken.~~

~~If the Petitions Officer rejects a petition for any of these reasons, then he/she will notify you of the rejection and tell you the reasons why. The Petitions Officer will also notify the Chief Executive and the relevant Strategic Director if appropriate.~~

- A maximum of 30 minutes in total will be allowed for considering petitions at any meeting. Any petitions not dealt with within the time allowed will be deferred to the next available meeting.
- The Chair may invite an officer or portfolio holder to set out the process which will be followed at the meeting before inviting the petition organiser to address the meeting as set out above.

~~7. What Happens When a Petition is Received~~

<p>When a petition is received, of whatever sort</p>	<ul style="list-style-type: none"> ● It will be acknowledged to the petition organiser within 2 working days of receipt. ● We will aim to provide you with details about what the Council plans to do with your petition or action which the Council will take within 10 working days of receipt of your petition. ● In some cases the Petitions Officer may be able to resolve the petitions request directly, by asking the relevant Cabinet member or relevant Strategic Director to take some action. For example, if the petition relates to fly tipping the Strategic Director for Communities can arrange for it to be cleared up directly. Where this is done, the Petitions Officer will ask the petition organiser whether he/she considers that the matter is resolved. The Petitions Officer will inform the petition organiser at the time of acknowledgement that they intend to try and resolve the matter in this way. ● If the petition organiser is satisfied with the proposed direct action he/she will be asked to confirm this to the Petitions Officer. If the petition organiser does not confirm that they are satisfied with the proposed direct action within 10 working days from the date of the detailed response then the Petitions Officer will assume that the petition organiser is satisfied and that no further action is required. ● If the petition organiser is not satisfied with the proposed direct action then he/she should notify the Petitions Officer within 10 working days from the date of the detailed response. The Petitions Officer will, as soon as practicable, respond to the organiser setting out: <ul style="list-style-type: none"> — who the petition will be reported to for consideration; — if the matter is to go to a meeting, when and where that meeting will take place; — inviting the organiser to attend that meeting and address the meeting in accordance with the Petition Scheme; — any invitation to address the meeting is in addition, but will be dealt with separately, to any other public speaking rights at the meeting. ● At the same time, the Petitions Officer will notify the relevant portfolio holder and ward councillors of receipt of the petition.
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	<ul style="list-style-type: none"> ● Within 10 days of receipt of the petition the Petitions Officer will enter details of the petition on the Council's website including the: <ul style="list-style-type: none"> — subject matter of the petition; — the date of receipt; — what will happen with it; — the petition organiser's contact details (unless they request that they are not made public). ● The petitions website will be updated through the process of consideration of the petition to ensure that petitioners can track progress on their petition.
<p>Ordinary petition</p>	<ul style="list-style-type: none"> ● The Petitions Officer will arrange for the petition to be reported to the next convenient meeting of full Council. ● The Chair will invite the petition organiser to address Council for up to 5 minutes on the subject of the petition. If the petition organiser is not present at Council the petition will fail and will not be considered. ● Members may question the petition organiser and make initial comments for 5 minutes. ● The relevant portfolio holder or Board or Committee Chair may then address the meeting for up to 5 minutes. ● There shall be no vote taken on an ordinary petition. A member may propose that the subject matter be placed on the next convenient ordinary meeting of the relevant Board or Committee. The motion shall be moved and seconded and put to the vote without discussion or debate. ● If no such motion is moved or carried then Council takes no further action with the petition. The petition will be referred to the relevant Strategic Director or Service Manager who will respond to the petition organiser in writing within 28 days to explain what happened at Council.

<p>Petition to hold an officer to account</p>	<ul style="list-style-type: none"> • Will be reported to the next convenient meeting of the relevant Scrutiny Committee. • In advance of the meeting the petition organiser will be invited to submit a list of questions to the Petitions Officer on the subject of the petition which they would like the Officer to answer at the meeting. • The questions will be given to the Chair and the relevant Strategic Director / officer concerned in advance of the meeting. • The Chair can decide whether they are appropriate to ask. • The Chair, on advice of the Head of Legal and Support Services, may reject questions if they are defamatory, illegal, scurrilous, frivolous, offensive, or out of order, or if they do not relate to the subject matter of the petition. • The Chair will invite the petition organiser to address the Committee for up to 5 minutes on the subject of the petition. This includes asking the pre-submitted questions. • The officer being called to account will report to the Committee on the conduct of the subject matter of the petition and/or will consider the questions submitted by the petition organiser (in advance of the meeting) and which have not been rejected by the Chair. • The Chair may then ask questions of the petition organiser and invite the Committee to do the same. • The Chair will invite any relevant ward councillors present to address the meeting. A maximum of 5 minutes in total will be allowed to hear from the ward members. • The Chair will then invite the officer called to account to address the meeting again if necessary. • Having heard the petition organiser and officer called to account, The relevant Scrutiny Committee may debate and decide what to do with the petition. This may include:
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	<ul style="list-style-type: none"> — making recommendations on a matter to the relevant Strategic Director / Chief Executive; — referring the matter to the relevant Strategic relevant Strategic Director / Chief Executive, Committee, Board or Group for consideration; — referring the matter to a Task and Finish Group for more detailed work. <ul style="list-style-type: none"> • The petition organiser will receive written confirmation of the decision following the meeting.
<p>Petitions for debate</p>	<ul style="list-style-type: none"> • Will be reported to the next convenient meeting of full Council. • The Chair will invite the petition organiser to address Council for up to 5 minutes on the subject of the petition. If the petition organiser is not present at Council, the petition will fail and will not be considered. • The Chair will invite the Cabinet portfolio holder to address the meeting for up to 5 minutes. • The Chair will invite any relevant ward members to address the meeting. A maximum of 5 minutes in total will be allowed to hear from ward members. • The matter will then be open for a general debate in line with the usual rules of debate. • Council will, where possible, decide, by resolution, how to respond to the petition at the meeting. Council could: <ul style="list-style-type: none"> — take the action requested by the petition (if it has the power to do so); — not to take the action requested for reasons put forward in the debate; — commission further investigation into the matter by a Committee / officers; — refer to Cabinet (if it falls within Cabinet's decision-making powers) with or without Council's recommendations for Cabinet consideration. The relevant Strategic Director / Chief Executive will be responsible for producing a Cabinet report in consultation with the portfolio holder to give effect to Council's referral to Cabinet. • The petition organiser will receive written confirmation of the decision following the meeting.

<p>General rules on how petitions will be dealt with at Council / relevant Scrutiny Committee meetings</p>	<ul style="list-style-type: none"> • A maximum of two petitions only will be permitted at any meeting. Only one petition will be permitted if the Head of Legal and Support Services receives notice of a deputation under Council Procedure Rule 19. • Petitions that do not relate to an item of business already on the agenda will be considered before the normal business of the meeting. • Petitions will be considered in the order they were received by the Petitions Officer. • A maximum of 45 minutes in total will be allowed for considering petitions at any meeting. Any petitions not dealt with within the time allowed will be deferred to the next available meeting. • The Chair may invite an officer or portfolio holder to set out the process which will be followed at the meeting before inviting the petition organiser to address the meeting as set out above.
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8. E-petitions

The Council welcomes e-petitions which are created and submitted through its website <http://minutes-1.nwleics.gov.uk/mgEpetitionListDisplay.aspx>. E-petitions must follow the same guidelines as paper petitions. The petition organiser will need to provide the Council with their name, postal address and e-mail address. You will also need to decide how long you would like your petition to be open for signatures. The maximum time that a petition may remain open is six months.

When you create an e-petition, it may take five working days before it is published on-line. This is because the Council has to check that the content of your petition is suitable before it is made available for signature. If the Council feels it cannot publish your petition for some reason, you will be contacted within this time to explain why not. You will be able to change and resubmit your petition if your wish. If you do not do this within ten working days, a summary of the petition and the reason why it has not been accepted will be published on the website.

When an e-petition has closed for signature, it will automatically be submitted to the Petitions Officer. In the same way as a paper petition, you will receive an acknowledgement within ten working days. If you would like to present your e-petition to a meeting of the Council, please contact Member Services on 01530 454512 within ten working days of receipt of the acknowledgement.

A petition acknowledgement and response will be e-mailed to everyone who has signed the e-petition and elected to receive this information. The acknowledgement and response will also be published on this website.

9. **How do I “Sign” an E-petition**

When you sign an e-petition you will be asked to provide your name, your postcode and a valid e-mail address. When you have submitted this information, you will be sent an e-mail to the e-mail address you have provided. This e-mail will include a link which you must click on in order to confirm the e-mail address is valid. Once this step is complete, your “signature” will be added to the petition. People visiting the e-petition will be able to see your name in the list of those who have signed it but your contact details will not be visible.

10. **What can I do if I feel my Petition has not been Dealt with Properly**

~~If you feel that the Council has not dealt with your petition properly, the petition organiser has the right to request that the Council's Scrutiny Commission review the steps that the Council has taken in response to your petition. It is helpful to everyone, and can improve the prospects for a review if the petition organiser gives a short explanation of the reasons why the Council's response is not considered to be adequate.~~

~~The Commission will endeavour to consider your request as soon as possible.~~

~~Should the Commission determine the Council has not dealt with your petition adequately, it may use any of its powers to deal with the matter. These powers include instigating an investigation, making recommendations for consideration by the Council's Cabinet or arranging for the matter to be considered at a meeting of the full Council which will be the conclusion of the matter. The Scrutiny Commission will give reasons for any decision made under this review process.~~

~~Once the review has been considered, the petition organiser will be informed of the results within five working days. The results of the review will also be published on the Council's website.~~

~~There is no right of appeal about the outcome of a petition, but if you feel that the Council has not properly followed the procedure within this Scheme, you may contact the Petitions Officer.~~

If you remain dissatisfied, you can make a complaint to the Local Government and Social Care Ombudsman.

Appendix E – Amendments to Financial Procedure Rules

SECTION F – FINANCIAL PROCEDURE RULES

Rules

1. **Introduction**
2. **Financial Regulation A - Financial Management**
3. **Financial Regulation B - Financial Planning**
4. **Financial Regulation C - Risk Management and Control of Resources**
5. **Financial Regulation D - Systems and Procedures**
6. **Financial Regulation E - External Arrangements**

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 “**Budget holder**” 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 Budget holder 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. All Councillors and officers have a general responsibility for taking reasonable action to provide or the security of the assets under their control, and for ensuring that the use of the Council's resources is legal, properly authorised and provides value for money. What that means is, before spending any of the Council's money or entering into a commitment with financial consequences, officers and Councillors need to answer "Yes" to these three questions:

- Is this spending within the Council's regulations?
- Can the Council afford it?
- Is it Value for money?

4.4.31.1.4 Good financial management requires secure and reliable records and systems to process transactions and information and substantiate the effective use of public money.

4.4.41.1.5 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**. All officers and Councillors have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure these standards are met.

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. The S151 Officer shall be consulted on the contents of of any commitments in good time to be able to assess the financial implications and the S151 Officer shall incorporate into any subsequent reports such comment on the financial aspects as he/shee considers necessary or appropriate.
- A.23 **Budget** holders are responsible for the control and accountability of resources consumed and generated by their service areas.

Other Financial Accountabilities

Virement

The scheme of virement is intended to enable Strategic Directors, Heads of Service and budget holders to manage budgets with a degree of flexibility within the overall policy framework determined by the Council, and therefore to optimise the use of resources. It is administered by the S151 Officer within guidelines set out within these financial procedure rules.
The overall budget is set by the Council. Budget holders are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The procedures for virements is the mechanism for moving resources between approved estimates or heads of expenditure. For the

purposes of this scheme, a budget head is considered to be a line in the approved estimates, or, as a minimum, at an equivalent level to the standard service subdivision as defined by CIPFA's Service Expenditure Analysis, i.e. employees, premises etc.

A virement does not create additional overall budget liability and therefore should not lead to an overspend. A virement should not be used where one off savings are used to fund recurring expenditure thereby creating future commitments, including full-year effects of decisions made part way through a year, for which future resources have not been identified.

Where an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that:

(a) the amount is used in accordance with the purposes for which it has been established;

(b) The Cabinet/Council has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Cabinet/Council.

The movement of budgets between services as a result of changes in management responsibility or changes in accounting policy or other changes that do not affect the amount available for service provision are not classed as virements and can be approved by the S151 Officer.

A Virement that is likely to impact on the level of service activity of another service area should be implemented only after agreement with the relevant service.

In all cases the overall budget position of the Council will be considered and virements should not be requested by Strategic Directors, Heads of Service or the S151 Officer if underspends in some services are required to meet overspends in other areas. In all cases the competing demands and priorities as identified in the Council Delivery Plan will be paramount.

Strategic Directors and Heads of Service may request to vire sums within service budgets without limit provided such virement does not give rise to a change of Council policy or amend the permanent establishment. All such approval should be approved by the S151 Officer in the format requested.

All virements in excess of £50,000 will be reported within financial monitoring reports.

The S151 Officer is responsible for keeping a record of all virements and ensuring the finance system is updated in respect of approvals given.

Capital budget virements are governed by the same principles as revenue virements outlined above.

~~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:~~

Supplementary Estimates

A.25 The Budget is set on an annual basis and events occur that require additional spending within the year. This is particularly the case where there is a statutory requirement which cannot be avoided. 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.26 Any unring fenced grants will be allocated as agreed with the Senior Leadership Team.

A.27 Where the Council receives ring fenced grant income either through a bidding process or new burdens funding other than that identified in the approved budget, an additional budget will be created and Directors and Heads of Service will be allowed to incur expenditure in line with the conditions of the grant. Cabinet or Council approval is not required as the Council has no discretion over how the funds are used.

~~A.25 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.26A.28 The table below sets out the approval level required based on the value of the supplementary estimates. Council funding includes, but is not limited to revenue budget reserves, Section 106, capital receipts and borrowing. In all circumstances, the S151 Officer will be consulted on the proposals. Supplementary estimates apply to capital and revenue.

<u>Amount</u>	<u>Approval Required</u>
<u>Up to £99,999</u>	<u>Head of Service + S151 Officer</u>
<u>£100,000–£250,000</u>	<u>Cabinet</u>
<u>Over £250,000</u>	<u>Full Council</u>

A.27A.29 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.

Monitoring of Expenditure

A.28A.30 The **Chief Executive, Strategic Directors** and Heads of Service shall monitor revenue expenditure and the ~~Asset Management Group~~Capital Strategy Group shall monitor Capital expenditure on a regular basis. Significant matters will be reported to the **Cabinet** as necessary. Both the revenue and capital forecast outturn will be reported to Cabinet on a quarterly basis.

Treatment of Year-end Balances

A.31 ~~Full Council is responsible for agreeing procedures for carrying forward under and overspendings on Budget headings. Any budget underspends will normally be added to the General Reserve or Medium Term Financial Plan Reserve at the end of the financial year at the discretion of the S151 Officer. Directors may instead request that specific budget underspends are transferred to the following financial year. Any such transfer of budget provisions is subject to agreement of the S151 Officer. The approval of Cabinet is also required if the budget transfer is in excess of £100,000.~~

Any budget overspends cannot be carried forward and will instead be funded from reserves.

Accounting Policies

A.29A.32 The **S151 Officer** is responsible for selecting accounting policies and ensuring that they are applied consistently.

Accounting Records and Returns

A.30A.33 The **S151 Officer** is responsible for determining the accounting procedures and records for the Council.

The Annual Statement of Accounts

A.34A.34 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**.

3. **Financial Regulation B: Financial Planning**

Introduction

B.1 **Full Council** is responsible for agreeing the Council's **Budget and Policy Framework**, which will be proposed by the **Cabinet**. In terms of financial planning, the key elements are:

the corporate
plan; the

budget;

the capital programme; and

the medium term financial strategy.

Policy Framework

B.2 **Full Council** is responsible for approving the **Budget and Policy Framework** (which is detailed in **Section C of Part 2**).

B.3 **Full Council** is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework and for determining the circumstances in which a decision will be deemed to be contrary to the **Budget and Policy Framework**. Decisions should be referred to the Full Council by the **Monitoring Officer**.

B.4 **Full Council** is responsible for setting the level at which the **Cabinet** may reallocate **Budget** funds from one service to another. The Cabinet is responsible for taking in-year decisions on resources and priorities in order to deliver the Budget policy framework within the financial limits set by the Council.

Preparation of the Council's Delivery Plan

B.5 The **Head of Paid Service** is responsible for proposing the Delivery Plan to the **Cabinet** for consideration before its submission to the **Full Council** for approval.

Budgeting

B.6 The **S151 Officer** shall report annually to the **Cabinet** on the details of capital and revenue estimates for all the council's functions. He/she shall prepare and update annually a five-year rolling revenue **Budget** forecast. Each year the Cabinet shall consider and recommend, based on corporate priorities, the strategic allocation of resources to services and submit a report to Council.

B.7 The format and timescale of the estimates shall be determined by the S151 Officer. It is the responsibility of the **Strategic Directors**, Heads of Service and **Team Managers** to ensure that **Budget** estimates reflecting agreed service plans are submitted to the **S151 Officer** and that these are prepared and submitted as directed by the S151 Officer.

Budget Monitoring and Control

B.8 The **Chief Executive**, **S151 Officer**, **Strategic Directors**, Heads of Service and Team Managers shall:

- a) only incur revenue expenditure where there is an approved **Budget** provision in that financial year;
- b) only incur capital expenditure where that project is in the Council's capital programme as applied to that financial year;

The S151 Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He/she must monitor and control expenditure against **Budget** allocations and report to the **Cabinet** on the overall position on a regular quarterly basis.

It is the responsibility of Team Managers to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the S151 Officer. They should report on variances within their own areas. They should also take any action necessary to avoid exceeding their **Budget** allocation and alert the S151 Officer to any problems.

Budgetary Control - Capital

B.9 In addition to B8 above, the following Financial Regulations shall apply:

- a) whenever a new capital project is considered desirable, the **Chief Executive** or **Strategic Directors** shall (after submitting the project (with a Project Benefit Analysis detailed business case) to the Asset Management Capital Strategy Group and Corporate Leadership Team) submit the project to the **Cabinet** which shall, after considering advice from the **S151 Officer** (to include the implications of the Prudential Code if applicable and any current

and future revenue implications) and other appropriate Officers, make recommendations to the Council as to its acceptance or otherwise, indicating where appropriate its inclusion on the Long Term Capital Projects List and the level of priority for its implementation;

- b) subject to (c) below, approval by **Council** of the Capital Programme shall be a prerequisite for the commencement of a project and to enter into a contract;
- c) notwithstanding approval in the Capital Programme, if the proposed or actual expenditure (excluding supervision costs) exceed the approved estimate, the **Team Manager** shall, before proceeding, refer the proposal, with the comments of the S151 Officer, to the **Cabinet**;
- d) ~~any re-phasing of capital expenditure between years shall be subject to approval by the S151 Officer. Directors and Heads of Service shall be able to adjust the timing of delivery of capital projects between years in consultation with the portfolio holder and S151 Officer;~~
- e) the S151 Officer is empowered to authorise spending in an emergency on any unforeseen health and safety work relating to a project.

Emergencies or Disasters

B.10 In the event of an emergency or disaster, these Financial Regulations shall be suspended and the **Chief Executive, Strategic Directors and/or the S151 Officer** be given **Delegated Powers** in consultation with the Section 151 Officer, Monitoring Officer and Leader of the Council to take any action deemed necessary in respect of the financial matters of the Council, subject to such action being reported to the **Cabinet**.

Maintenance of Reserves

B.11 It is the responsibility of the **S151 Officer** to advise the **Cabinet** and/or **Full Council** on prudent levels of reserves for the Council.

B.12 The Chief Finance Officer shall maintain reserves in accordance with the relevant codes of practice on local authority accounting in the United Kingdom and agreed accounting policies.

~~B.11~~ B.13 The use of reserves to finance expenditure should be authorised by the **S151 Officer** unless it is explicitly authorised within the approved

Budget or Capital Programme. Details of the Council's reserves will be reported in the Statement of Accounts in accordance with guidance published in the code of practice on local authority accounting. Reserve balances will be reported to Cabinet on a quarterly basis as part of the budget monitoring suite of reporting.

4. **Financial Regulation C: Risk Management and Control of Resources**

Introduction

C.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Council. This should include the proactive participation of all those associated with planning and delivering services.

Risk Management

C.2 The **Cabinet** is responsible for approving the Council's risk management policy statement and strategy and for reviewing the effectiveness of risk management. The Cabinet is responsible for ensuring that proper insurance exists where appropriate.

C.3 The **S151 Officer** is responsible for preparing the Council's risk management policy statement, for promoting it throughout the Council and for advising the **Cabinet** on proper insurance cover where appropriate.

Internal Control

C.4 Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.

C.5 The **S151 Officer** is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.

C.6 It is the responsibility of the **Chief Executive, Strategic Directors, Heads of Service and Team Managers** to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

C.7 The duties of providing information regarding any sums of money due to or from the Council and of calculating, checking and recording such amounts, shall be separated as completely as possible from the duty of collecting or disbursing them.

Audit requirements

C.8 The Audit Manager and the **S151 Officer** have a responsibility for ensuring that the Council has an adequate and effective internal audit service in operation in accordance with Section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2015.

C.9. The work of the Internal Audit Section will be performed with due professional care and in accordance with the Accounts and Audit Regulations 2015 and the **Global Internal Audit Standards in the UK Public Sector** (GIAS) and any subsequent guidance which updates or replaces these.

C.10 Internal Audit is an assurance function which primarily provides an independent and objective opinion to the Council on its governance arrangements and internal controls.

C.11 The Audit Manager will fulfil the role and responsibilities of the “Chief Audit Executive” as set-out in the GIAS. In order to perform their duties, the Audit Manager or their nominated representatives have authority to:

- a) enter at all reasonable times, any Council premises or land;
- b) have access to all records, documents, correspondence and computer systems relating to the Council and its activities;
- c) require and receive such explanations as necessary concerning any matter under examination;
- d) require any employee of the Council to produce records, cash, stores or any other Council property under their control, necessary to carry out their duties.

Where necessary such rights of access may be called upon and should be granted to Internal Auditors on demand and not subject to prior notice or approval. All employees are required to assist Internal Audit in fulfilling its roles and responsibilities.

C.12 Managers, and not Internal Audit, have ultimate responsibility for ensuring that internal controls throughout the Council are adequate and effective. This responsibility includes the duty to continuously review internal controls and ensure that they remain suitable in design and effective in operation. The existence of Internal Audit does not diminish

the responsibility of management to establish and maintain systems of internal control to ensure that activities are conducted in a secure, efficient and effective manner.

Stores and Inventories

- C.13 Each Team Manager shall be responsible for the custody and physical control of the stocks and stores in his/her service area and the records kept by the storekeepers shall be prescribed by the **S151 Officer**. Wherever possible, stocks and stores should be marked as the property of the Council.
- C.14 Each Team Manager, in conjunction with the **S151 Officer**, shall make arrangements for continual stock-taking covering all items at least once per year. Stock-taking procedures shall be conducted by Officers independent of the day to day activities within the system. Any surpluses or deficiencies revealed shall be reported to the S151 Officer who shall, in conjunction with the appropriate Team Manager, agree any action required/recommend to the **Cabinet** any action considered necessary.
- C.15 Stocks shall be maintained within the minimum and maximum levels determined by the appropriate Team Manager, and the maximum level shall not be exceeded, except in special circumstances with the approval of the S151 Officer.
- C.16 Each Team Manager shall prepare and maintain an inventory in a form approved by the **S151 Officer**. The inventory shall include movable plant and machinery, rolling stock, furniture, fittings and equipment. The only exception is office stationery equipment (for example; calculators, hole punches, staplers, waste bins).

In addition to the divisional inventory, equipment purchased by the Information Technology Section, including that purchased on behalf of other Services, shall be recorded on the Information Technology inventory.

- C.17 All inventories shall be checked annually by Team Managers. Individual surpluses or deficiencies over £50 shall be dealt with in the manner prescribed for stores in paragraph C.14 (above). Where individual inventory items with an estimated value below £50 become surplus to requirements, the Council has a procedure for dealing with such items, which shall be adhered to.
- C.18 The Council's property shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes except in accordance with specific directions issued by the relevant Team Manager.

C.19 All items appearing on the Inventory shall be indelibly marked as property of the Council.

Security

C.20 Each Team Manager shall be responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, etc. under his/her control. He/she shall consult the **S151 Officer** in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

C.21 The maximum limit for cash holdings shall be agreed with the S151 Officer and shall not be exceeded without his/her express permission.

C.22 Keys to safes and similar receptacles are to be carried on the person of those responsible at all times. The loss of such keys must be reported to the S151 Officer immediately the loss is discovered.

C.23 The **S151 Officer** shall be responsible for maintaining proper security and privacy as respects information held on computer for its use, in accordance with the Data Protection Acts 1984 and 1998, the Computer Misuse Act 1990 and the Freedom of Information Act 2000.

Banking Arrangements

C.24 All arrangements with the Council's Bankers shall be made by or under arrangements approved by the **S151 Officer**, who shall be authorised to operate such banking accounts as he/she may consider necessary. Such arrangements shall be reported to the **Cabinet** from time-to-time.

C.25 Transfers from accounts (but not between accounts) shall not be made unless authorised by one of the Financial Signatories to the Council.

C.26 The **S151 Officer** shall be responsible for the ordering and custody of cheques to meet payments by him/her on behalf of the Council. Cheques shall be prepared, verified and accounted for under the direction of the S151 Officer and signed by him/her or one of the Financial Signatories to the Council provided that, for the purpose of this regulation only, 'signature' shall include the printed/facsimile signature of the S151 Officer.

Petty Cash and Float Accounts

C.27 The **S151 Officer** shall issue guidance as to the operation and management of these accounts.

C.28 **Team Managers** shall ensure that:

- (a) disbursements (other than renewal of imprest) shall be limited to expenses which are unavoidable and urgent. No single item exceeding £50 in amount (unless specifically authorised by the S151 Officer) shall be paid out of the petty cash account. All payments shall be supported by a receipted voucher to the extent that the S151 Officer may require and in particular to enable the recovery of Value Added Tax.
- (b) each account is accurately maintained on an imprest system;
- (c) such accounts are not used for depositing income nor for employees personal expenditure;
- (d) an Officer responsible for an account shall make adequate arrangements for the security of cash and accounting records;
- (e) On leaving the employment of the Council or otherwise ceasing to hold an imprest advance, an Officer shall account to the S151 Officer for the amounts advanced to him/her and payments made.

Treasury Management

- C.29 The Council has adopted **CIPFA's** Code of Practice for **Treasury Management** in the Public Services.
- C.30 The **Full Council** is responsible for approving the **Treasury Management** Policy Statement setting out the matters detailed in paragraph 15 of **CIPFA's** Code of Practice for Treasury Management in the Public Services. The policy statement is proposed to the Full Council by the **Cabinet**. The **S151 Officer** has delegated responsibility for implementing and monitoring the statement.
- C.31 All money in the hands of the Council shall be aggregated for the purpose of **Treasury Management** and shall be under the control of the **S151 Officer**.
- C.32 The S151 Officer is responsible for reporting to the **Cabinet** a proposed **Treasury Management** Strategy for the coming financial year at or before the start of each financial year.
- C.33 All **Cabinet** decisions on borrowing, investment or financing shall be delegated to the **S151 Officer**, who is required to act in accordance with **CIPFA's** Code of Practice for **Treasury Management** in the Public Services.
- C.34 The **S151 Officer** is responsible for reporting annually to the **Cabinet** on

the activities of the **Treasury Management** operation and on the exercise of his/her delegated Treasury Management powers.

Staffing

- C.35 The **Full Council** is responsible for determining how Officer support for **Cabinet** and non-executive roles within the Council will be organised.
- C.36 The **Chief Executive, Strategic Directors**, Heads of Service and Team Managers are responsible for providing overall management to staff. The Human Resources Team Manager is responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.
- C.37 The **Chief Executive, Strategic Directors**, Heads of Service and Team Managers are responsible for controlling total staff numbers by:
- (a) advising the Cabinet on the **Budget** necessary in any given year to cover estimated staffing levels;
 - (b) adjusting the staffing to a level that can be funded within approved **Budget** provision;
 - (c) varying the provision as necessary within that constraint in order to meet changing operational needs; and
 - (d) the proper use of appointment procedures.

Insurances

- C.38 The **S151 Officer** shall effect all insurance cover and register all claims in consultation with other Officers where necessary.
- C.39 Team Managers shall give prompt notification to the **S151 Officer** in writing of all new risks, properties, vehicles or other assets which require to be insured and of any alterations affecting existing insurances.
- C.40 Team Managers shall immediately notify the **S151 Officer** in writing of any loss, liability or damage or any event likely to lead to a claim and inform the police where necessary unless otherwise decided by the **Chief Executive**.
- C.41 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance.
- C.42 The S151 Officer shall annually, or at such other period as he/she may consider necessary, review all insurances in consultation with other Team Managers as appropriate.

C.43 Team Managers shall consult the **S151 Officer** respecting the terms of any indemnity which the Council is requested to give.

C.44 Team Managers shall ensure that their employees are aware of any limitation of cover, e.g. motor insurance covering official duty only.

C.45 Where a claim arises which is less than or equal to the value of the excess on any policy, the Team Manager shall submit a written request to the S151 Officer to make a specific financial offer. The request must be supported by reasons in favour of settlement and can only be signed by the **Chief Executive, S151 Officer** or Team Manager.

Contracts

C.46 All financial transactions under contracts should be conducted in accordance with the Council's Contract Procedure Rules.

C.47 Officers are authorised to incur **revenue** expenditure (including in relation to revenue projects) in accordance with the following authorisation levels, subject to complying with the Contract Procedure Rules (where required):

Value of Expenditure	Authorisation
Up to £1,999	<u>Salary</u> Bands A, B and C
£2,000 - £4,999.99	<u>Salary</u> Bands D, E and F
£5,000 - £9,999.99	<u>Salary</u> Bands G, H and I
£10,000 - £24,999.99	Team Managers
£25,000 - £49,999.99	Heads of Service
£50,000 and above	Chief Executive and Strategic Directors, plus any officers with unlimited authorisations as per the Constitution

C.48 Officers are authorised to incur **capital** expenditure in relation to capital projects in accordance with the following authorisation levels, subject to complying with the Contract Procedure Rules (where required):

Value of Expenditure	Authorisation
Up to £24,999	Team Managers and above (the Project Owner)
£25,000 - £49,999.99	Heads of Service

£50,000 and above	Chief Executive and Strategic Directors, plus any officers with unlimited authorisations as per the Constitution
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C.49 The appointed Supervising Officer in control of the works shall give written orders in respect of all variations from the specification of the works included in the contracts and copies of these orders shall be forwarded to the S151 Officer with the estimated variations in cost noted thereon. Any such extra variation, where the estimated additional cost of which exceeds 5%, shall be reported to the appropriate Board as soon as practicable with details of the reason for the additional cost and the proposed method of funding the extra cost.

C.50 Payments to contractors on account of contracts shall be made only on a certificate issued by the Supervising Officer in control of the works which shall show the total amount of the contract, the value of work executed to date, retention money, amount paid to date and amount certified as due. Details, variations and fluctuations included in the value of work to date shall accompany the certificate.

C.51 On completion of a contract and before the issue of the certificate for final payment thereunder, the appointed Supervising Officer shall produce to the Audit Manager a detailed statement of the work under the contract, with all vouchers and documents relating to prime cost and provisional sums and any other particulars required showing full measurements, additions, deductions and omissions. The Final Certificate shall not be issued nor shall the contractor be informed that the final account is agreed and the balance under the contract paid until:

- (a) the Audit Manager has examined the accounts, vouchers and documents, and approved the final account.
- (b)
- (c) If any question of propriety of payment arises, the **Cabinet** shall have directed payment.

C.52 Claims from contractors in respect of matters not clearly within the terms of an existing contract shall be referred to the **Chief Executive/Monitoring Officer** for consideration of the Council's legal liability and where necessary, to the **S151 Officer** for financial consideration before a settlement is reached.

C.53 Where completion of a contract is delayed beyond the completion date or any properly authorised extension thereof, it shall be the duty of the Supervising Officer to take appropriate action in respect of any claim for liquidated damages.

- C.54 In any case where the total cost of any work carried out under a contract exceeds by more than 10%, or £10,000, whichever is the lesser amount, the approved contract sum, a report of such cost shall, after agreement of the final account, be submitted to the appropriate Board by the appropriate **Head of Service** detailing any additional cost and proposed method of funding not previously reported under Regulation C.47.
- C.55 Subject to the expenditure on such matters being included in approved estimates, all orders or contracts for the supply of goods or materials or for the execution of work shall comply with the **Contract Procedure Rules** in **Part 3**.
- C.56 When, in exceptional circumstances authority is sought to waive **Financial Procedure Rules**, the report to the appropriate Board must give adequate reasons and specify precisely the procedures to be waived.

Salaries

- C.57 The payment of all salaries, wages and other emoluments to all employees of the Council shall be made by the **S151 Officer** and under arrangements approved and controlled by him/her.
- C.58 The **S151 Officer** shall be responsible for all records relating to National Insurance, Income Tax, Superannuation and Statutory Sick Pay. The Human Resources **Team Manager** shall be responsible for the issue of statements under the Contracts of Employment Acts.
- C.59 Each **Head of Service** shall be responsible for the completion of timesheets by employees, other than Officers, under his/her control and for their evaluation and certification. Timesheets shall be forwarded to the S151 Officer in accordance with his/her directions, who shall be responsible for the preparation of salaries or wages. The Head of Service concerned, under the directions of the S151 Officer shall be responsible for the provision of transport and staff for the payment of salaries or wages.
- C.60 Each **Head of Service** shall notify the **S151 Officer**, as soon as possible, and in a form prescribed by him/her, of all matters affecting payment of salaries and wages and in particular:
- (a) appointments, resignations, dismissals, suspensions, secondment and transfers.
 - (b) Absences from duty for sickness or other reason, apart from approved leave with pay.

- (c) Changes in remuneration, other than normal increments, pay awards and agreements of general application.
- (d) Information necessary to maintain records of service for superannuation, income tax, national insurance, etc.

C.61 Each **Head of Service**, in conjunction with the Human Resources Team Manager, shall make arrangements to annually confirm the authenticity of those employees appearing on the payroll for his/her Service. Such arrangements shall include the verification of individual rates of pay.

Leasing

C.62 All items proposed to be leased shall be approved by the Council prior to arrangements being made.

C.63 All leasing agreements will be arranged and agreed by the **S151 Officer**. An agreement can only be signed on behalf of the Council, by the **Chief Executive** or the S151 Officer, providing that the revenue estimate is not exceeded.

C.64 The **Head of Service** responsible for the goods to be leased shall provide the S151 Officer with such information as is required by him/her in order to obtain the best and most appropriate type of lease possible.

5. Financial Regulation D: Systems and Procedures

Introduction

D.1 Sound systems and procedures are essential to an effective framework of accountability and control. **General**

D.2 The **S151 Officer** is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. Any changes proposed by the **Chief Executive, Strategic Directors**, Heads of Service and Team Managers to the existing financial systems or the establishment of new systems must be approved by the S151 Officer. However, the Chief Executive, Strategic Directors, Heads of Service and Team Managers are responsible for the proper operation of financial processes in their own Services.

D.3 The **Chief Executive, Strategic Directors**, Heads of Service and Team Managers should ensure that their staff receive relevant financial training that has been approved by the **S151 Officer**.

- D.4. The **Chief Executive, Strategic Directors**, Heads of Service and Team Managers must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation. Team Managers must ensure that staff are aware of their responsibilities under freedom of information legislation.

Authorised Signatories

- D.5 It is the responsibility of the **Chief Executive, Strategic Directors** and Heads of Service to ensure that a proper **Officer Scheme of Delegation** has been established within their area and is operating effectively. The Officer Scheme of Delegation should identify staff authorised to act on their behalf in respect of payments, income collection and placing orders, together with the financial limits of their authority. The financial limits will be determined by the Council's Corporate Leadership Team. Team Managers shall ensure that specimen signatures and initials of such authorised staff are sent to the **S151 Officer** and such records shall be amended by the Team Manager on the occasion of any change therein.

Control of Expenditure

- D.6 Orders for goods and services shall not be issued unless the expenditure is included in an approved estimate or other specified financial provision.
- D.7 All orders shall be in writing, signed by the appropriate Team Manager or such other Officer as nominated by him/her and notified to the **S151 Officer**.
- D.8 Official orders shall be issued for all work, goods or services to be supplied to the Council except for supplies of public utility service; and for periodical payments such as rent or rates/local tax, for petty cash purchases or such other exceptions as the **S151 Officer** may approve.
- D.9 Each order shall conform to the directions of the Council with respect to central purchasing, use of contracts and the standardisation of supplies and materials and be in a form approved by the **S151 Officer** in accordance with Regulation D.2 above.
- D.10 Monied invoices and/or delivery notes should, where appropriate, accompany the delivery of goods and the receiving Officer must certify thereon, at the time of delivery, receipt of the goods. Where ordered and delivered by weight or volume the receiving Officer shall make such periodical tests as are necessary to ensure that the quantities charged have actually been delivered.

- D.11 All invoices, accounts and claims relating to amounts due from the Council shall be checked in the Service concerned and such checking being indicated by the initials of the examining Officer and certified by the appropriate Team Managers or such other Officer as nominated by him/her. The number of the official order and the head of expenditure to which it relates must be indicated thereon. Expenditure/income should be coded in accordance with instructions issued by the **S151 Officer**, with VAT appropriately identified in order that the S151 Officer may recover output tax (VAT). A VAT invoice/receipt must be obtained in all appropriate cases.
- D.12 The Team Managers concerned shall be responsible for the accuracy of accounts submitted for payment which shall be signed by the Team Managers or authorised Officer in accordance with regulation D.5. The passing of an account for payment by or on behalf of the Team Managers shall mean:
- (a) that the materials have been supplied, the work performed or the services rendered and that they are satisfactory as to quality and correct as to quantity;
 - (b) that the price is in accordance with quotations, contract agreement or current market rate whichever is applicable;
 - (c) that the account is allocated to the correct expenditure heading;
 - (d) that all trade and cash discounts and other proper allowances have been deducted;
 - (e) that the account has not been previously paid and that the copy of the official order has been marked off to prevent duplicate payment;
 - (f) that the account is arithmetically correct unless a variation has been agreed by the **S151 Officer**;
 - (g) that the expenditure is within the Council's legal powers.

NOTE: The passing of an account for payment by a Team Manager or authorised Officer confirms that he/she is satisfied that all necessary steps in the certification procedure have been satisfactorily carried out.

Accordingly, it is for the Team Manager or authorised Officer to recognise the initials of Officers carrying out this preliminary certification procedure as those of Officers who are in a position to satisfactorily perform the work responsibly. It is essential that a minimum of two Officers at least should be involved in the preliminary certifications in order that the Officer certifying that the goods have been supplied or the work done is different

from the Officer certifying the remaining items. It is also desirable that the making out of official orders and the entering of goods received records are undertaken by different Officers and that this should be divorced from the certification of invoices although it is appreciated that this is not always possible in smaller Services. A Team Manager who delegates the certification of accounts should satisfy him/herself that the procedure is operating satisfactorily by signing all accounts personally from time-to-time).

- D.13 Before authorising payments to a sub-contractor, as defined by the Inland Revenue, for construction work carried out, the certifying Officer of the Service concerned shall satisfy him/herself that the sub-contractor to whom payment is due is the holder of a valid Sub-Contractors Tax Certificate issued by the Inland Revenue, otherwise tax at the appropriate rate must be deducted as required by any statutory provisions in being at that time.
- D.14 Invoices made out by an Officer of the ordering Service and statements unaccompanied by the relative invoices and delivery notes, copy invoices or reminders shall not be accepted as a basis for payment.
- D.15 In all cases of purchase of property, the S151 Officer shall be the authorising Officer. When requesting payment he/she shall provide full particulars of the property, the name of the vendor/purchaser, the amount of purchase money, expenses and Minute authorisation. Full particulars of the property purchased shall be entered in the official Register of Properties kept by the S151 Officer.
- D.16 Duly certified accounts shall be passed without delay to the S151 Officer who shall examine them to the extent that he/she considers necessary, for which purpose he/she shall be entitled to make such enquiries and to receive such information and explanation as he/she may require.
- D.17 The S151 Officer shall be authorised to pay all accounts duly certified in accordance with these regulations. The normal method of payment shall be by cheque, BACS or other instrument drawn on the Council's banking account.
- D.18 Each **Head of Service**/Team Manager shall, as soon as possible after 31 March and no later than detailed in the final accounts timetable each year, notify the S151 Officer of outstanding expenditure relating to the previous financial year.

Control of Income

- D.19 All arrangements for the collection of monies due to the Council shall be subject to approval by the **S151 Officer** in conjunction with the

appropriate Team Manager and the S151 Officer shall set up debits for all items of income due. No such items over £10,000 shall be written off as irrecoverable unless approved by the **Cabinet**. Any request to forego income shall be subject to written approval of the S151 Officer.

- D.20 The Team Managers shall promptly furnish the **S151 Officer** with such particulars in such form as he/she may require in connection with work done, goods supplied or service rendered and all other amounts due to the Council as may be required by him/her to record correctly all sums due to the Council and to ensure the prompt rendering of accounts for the recovery of income due.
- D.21 The S151 Officer shall be notified promptly of all money due to the Council and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council and the S151 Officer shall have the right to inspect any documents or other evidence in this connection as he/she may decide.
- D.22 All receipt forms, books, tickets and other such items shall be ordered and supplied to Team Managers by the **S151 Officer**, who shall satisfy him/herself as to the arrangements for their control.
- D.23 Each employee who receives monies on behalf of the Council or in the normal course of their duty shall give such acknowledgment and enter up punctually such records as may be approved by the **S151 Officer**. Such income shall be paid to the S151 Officer or direct to the Council's account, either daily or when there is a sum of £100 in hand. Any variation from this procedure shall be subject to the written approval of the S151 Officer. On no account should such monies be paid into the personal account of an employee. No deduction may be made from such money save to the extent that the S151 Officer may specifically authorise. Each Officer who so banks money shall enter on the paying-in slip a reference to the related debt or otherwise indicate the origin of the cheque on the reverse of each cheque, the Officer shall enter the name of his/her Service, office or establishment.
- D.24 Personal cheques shall not be cashed out of money held on behalf of the Council.
- D.25 Every transfer of official money from one member of staff to another will be evidenced in the records of the Services concerned by the signature of the receiving Officer.
- D.26 Post-dated cheques will not normally be accepted. The only formal exception to this rule will be acceptance of a cheque, by the Assistant Senior Exchequer Services Officer, which shall not be dated more than seven working days in advance*. This will only be allowed where the

debtor has no previous history of dishonoured cheques. The Assistant Senior Exchequer Services Officer will only accept one cheque per debtor on each occasion. Such cheques will be recorded and retained by the Assistant Senior Exchequer Services Officer.

In exceptional circumstances, any other requests to accept a post-dated cheque must have the approval of the S151 Officer.

*(This is to allow provision where a debtor is expecting funds to be credited to a bank account during the period it is likely to take to return a cheque and receive replacement.)

D.27 The **Chief Executive, Strategic Directors**, Heads of Service or Team Managers may in conjunction with the S151 Officer write-off as irrecoverable sundry and other debts not exceeding £10,000. The Chief Executive or Heads of Service may write-off as irrecoverable sundry and other debts not exceeding £25 where these are deemed uneconomical to pursue and cannot be added to a future account. No debts over £10,000 shall be written off as irrecoverable without the approval of **Cabinet**.

NOTE: Outstanding debts will still be pursued after write-off should information be received which indicates that there is a possibility that the debt can be recovered.

D.28 The **Chief Executive, Strategic Directors** or Heads of Service may, in conjunction with the **S151 Officer**, write-off as non-refundable credits on accounts not exceeding £10,000. The Chief Executive or Heads of Service may write-off as non-refundable credits on accounts not exceeding £25 where these are deemed uneconomical to pursue and cannot be deducted from a future account. No such items over £10,000 shall be written off as non-refundable without the approval of the **Cabinet**.

6. **Financial Regulation E: External Arrangements**

Introduction

E.1 The Council provides a distinctive leadership role for the community and brings together the contributions of the various **Stakeholders**. It must also act to achieve the promotion or improvement of the economic, social or environmental well-being of its area.

Partnerships, Joint Ventures and Companies in which the Council is a Guarantor or has a Share Holding Interest

E.2 The **Cabinet** is responsible for approving delegations, including frameworks for partnerships. The Cabinet is the focus for forming

partnerships with other local public, private, voluntary and community sector organisations to address local needs.

- E.3 The **Cabinet** can delegate functions - including those relating to partnerships - to Officers. These are set out in the **Officer Scheme of Delegation** that forms part of the **Constitution**. Where functions are delegated, the Cabinet remains accountable for them to the **Full Council**.
- E.4 The **Monitoring Officer** is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Council.
- E.5 The **S151 Officer** must ensure that the accounting arrangements to be adopted relating to partnerships, joint ventures and companies are satisfactory. He/she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He/she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- E.6 Team Managers are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies. Where it is proposed that the Council be involved in an arrangement of this nature the appropriate Officer will first consult with the S151 Officer and the **Monitoring Officer** on the proposals.
- E.7 The S151 Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.
- E.8 Further to Regulation E.7 unless secure arrangements are put in place to Financial Regulations and this shall be stated in any such contracts. the contrary, any such arrangements will comply with the Council's

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Appendix F – Amendments to Appointments Committee

SECTION D2 - ~~APPOINTMENTS-STAFFING~~ COMMITTEE

1 COMMITTEE FORM AND STRUCTURE

Composition

1.1 The ~~Appointments-Staffing~~ Committee will comprise ~~four-nine~~ Councillors in Political Balance, one of whom must be a Cabinet Member, ~~plus the relevant Portfolio Holder.~~

1.2 ~~Members-Councillors~~ and the Chair will be appointed by Full Council annually.

1.3 ~~When advising the Council in relation to the proposed dismissal of a Statutory Officer, an Investigatory and Disciplinary Sub-Committee will co-opt two (voting) Independent Persons in accordance with the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended) to provide independent views. Full Council appoints a pool of Independent Persons which can be drawn on for this purpose.~~

Quorum

~~1.3~~ 1.4 The ~~Appointments-Staffing~~ Committee Quorum will be 3 Councillors.

Convening Meetings

1.4 ~~The Chief Executive is responsible for convening all Committee meetings in accordance with the programme set by Full Council, and any meetings which have been convened at Chair's discretion in addition to those in the programme.~~

1.5 ~~The Staffing Committee is not intended to meet as a whole but to be a pool of members available to convene one of the following Sub-Committees as required:~~

- ~~• Appointments Sub-Committee~~
- ~~• Investigatory and Disciplinary Sub-Committee~~
- ~~• Appeals Sub-Committee~~

~~2 — MATTERS RESERVED FOR THE APPOINTMENTS COMMITTEE~~

~~With regard to appointments of the Councils' Statutory Officers, Chief Officers and Deputy Chief Officers:~~

2.1 ~~To interview shortlisted candidates for Head of Paid Service, Chief Officer, Deputy Chief Officer and Head of Service posts;~~

~~2.2 To make recommendations to Full Council on the appointment of the Head of Paid Service;~~

~~2.3 To make decisions about all permanent appointments to Chief Officer and Head of Service posts.~~

~~2.4 Undertake an annual appraisal of the performance of the Head of Paid Service.~~

~~2.5 To hear appeals from the Investigatory Committee~~

2. SUB-COMMITTEES OF THE STAFFING COMMITTEE

2.1 Sub-Committees of the Staffing Committee are formed on an ad hoc basis to deal with appointments, disciplinary and appeals matters.

2.2 All Staffing Committee members will form a pool from which councillors will be drawn based on their availability and the requirements of the particular Sub-Committee as and when required.

2.3 The Quorum of a Sub-Committee is three Councillors and in the case of an Assessment Sub-Committee must also include the relevant Portfolio Holder.

2.4 A councillor that has made a decision as part of an Investigatory and Disciplinary Sub-Committee shall not be permitted to sit on an Appeals Sub-Committee dealing with the same subject matter.

2.5 The Chair of a Sub-Committee will be elected when the Sub-Committee is convened.

2.6 Where an Appointments Sub-Committee is convened it will have the following functions with regard to the appointment of Statutory Officers:

- To interview shortlisted candidates;
- In the case of the Head of Paid Service, make recommendations to Full Council on the appointment;
- In the case of the other Statutory Officers, to make decisions on such permanent appointments.
- Undertake an annual appraisal of the performance of the Head of Paid Service.

7. Where an Investigatory and Disciplinary Sub-Committee is convened it will have the following functions with regard to disciplinary action and/or dismissal of the Statutory Officers:

- - To appoint an independent investigator and independent advisors, if required.
 - To determine whether or not a Statutory Officer should be suspended pending investigation into allegations of misconduct or incapability.
 - To make a recommendation to Council to dismiss a Statutory Officer.
 - To approve any proposed severance payment to the Head of Paid Service that is no more than £100,000.
- - 8. Where an Appeals Sub-Committee is convened it will have the following functions with regard to appeals in relation to Statutory Officers:
- - To hear appeals in relation to any disciplinary and/or dismissal matter in accordance with the procedure in the Officer Employment Rules.

Note – There will also be consequential amendments throughout the Constitution to amend reference to ‘Appointments Committee’ to ‘Staffing Committee’.

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SECTION H – OFFICER EMPLOYMENT PROCEDURE RULES

Rule

1. ~~Recruitment and Appointment~~Introduction
2. Recruitment of Head of Paid Service and Chief Officers
3. Appointment of Head of Paid Service
4. Dismissal of Head of Paid Service, the Monitoring Officer and the S151 Officer
- 5 Appointment and Dismissal of Chief Officers
6. Other Officers
7. Consultation with Cabinet Members
8. Procedure for Dismissal of Head of Paid Service, the Monitoring Officer and the S151 Officer
9. Disciplinary Action – Head of Paid Service and Chief Officers
10. No Directions to be given to Persons Making Appointments or Taking Disciplinary Action

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SECTION H – OFFICER EMPLOYMENT PROCEDURE RULES

1. ~~Recruitment and Appointment~~Introduction

1.1 Subject to Rule 1.2 below, the function of appointment and dismissal of, and taking disciplinary action against, a member of staff of the Council must be discharged, on behalf of the Council by the **Head of Paid Service** or by an Officer nominated by him/her.

1.2 Rule 1.1 shall not apply to the appointment or dismissal of the Statutory Officers or the appointment of Strategic Directors.

~~(a) The Head of Paid Service;~~

~~(b) A statutory Chief Officer;~~

~~(c) A non-statutory Chief Officer;~~

~~(d) A deputy Chief Officer;~~

~~(e) A political assistant.~~

1.3 Permanent appointment shall be upon a contract which, unless terminated earlier by either party, would continue for a period of more than 18 months. Interim appointment shall be upon terms which will terminate before the expiry of a period of no more than 18 months, unless extended with the approval of ~~the an~~ **Appointments Sub-Committee** (for ~~chief and deputy Chief Statutory~~ Officers) or the **Chief Executive** (for all other Officers).

1.4 Appointment shall include designation as **Head of Paid Service, S151 Officer** and **Monitoring Officer**.

Declarations

1.5 Any candidate for any designation or appointment with the Council who knows that he/she is related to a **Councillor** or employee of the Council shall, when making an application, disclose, in writing, that relationship to the Head of Human Resources and Organisation Development. A person who deliberately fails to disclose such a relationship shall be disqualified from designation or appointment and, if designated or appointed, shall be liable to dismissal.

1.6 Every **Councillor** and employee of the Council shall disclose to the Head of Human Resources and Organisation Development any relationship known to him/her to exist between him/herself and any person he/she knows is a candidate for a designation or appointment by the Council.

1.7 Persons shall be deemed to be related to a candidate or Officer if they are a spouse, civil partner, partner (i.e. member of a couple living together) parent, parent-in-law, grandparent, child, step-parent stepchild, adopted child,

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grandchild, child of partner, brother, sister, uncle, aunt, nephew or niece or the spouse or partner of any of the preceding persons. This list is indicative, and a judgement will be made based on the closeness of the relationship.

Seeking support for appointment

1.8 Any candidate for designation or appointment who directly or indirectly seeks the support of a **Councillor** or Officer of the Council in any designation or appointment shall be disqualified and, if designated or appointed, shall be liable to dismissal. A Councillor shall not solicit for any person in respect of any designation or appointment with the Council and shall not give a reference (oral or written) for a candidate for employment by the Council.

1.9 No candidate so related to a Councillor or **Senior Officer** will be appointed without the authority of another the relevant Chief Senior Officer without such connection or an Officer nominated by him/her.

1.10 No Councillor will seek or canvass support for any person for any appointment with the Council.

2. Recruitment of ~~Head of Paid Service and Chief Officers~~

2.1 Where the Council proposes to appoint an Chief Officer, ~~(other than on an acting basis)~~ the **Head of Paid Service** or an officer nominated by him/her will:

2.1.1 draw up a statement specifying the duties of the post concerned and a specification of the qualifications or qualities to be sought in the person to be appointed;

2.1.2 make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it; and

2.1.3 make arrangements for a copy of the statement mentioned in 2.2.1 to be sent to any person on request.

~~Where the Council proposes to appoint the Head of Paid Service, the Head of Human Resources and Organisational Development will carry out the above tasks.~~

~~2.2 The Appointments Committee will interview all shortlisted qualified applicants for the post.~~

~~2.3 Where following the interviews the Head of Paid Service or Head of Human Resources and Organisational Development (as applicable) is of the view that there is no suitable candidate, it will re-advertise the post.~~

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~~2.4 Where the Council proposes to appoint a Chief Officer (other than on an acting basis) the Head of Paid Service will make arrangements in connection with the appointment.~~

2.2 Where the Council proposes to appoint the **Head of Paid Service** (other than on an acting basis) the Head of Human Resources and Organisational Development will make arrangements in connection with the appointment.

3. Appointment of ~~Head of Paid Service~~ **Statutory Officers**

3.1 Where the Council proposes to ~~a~~ **Statutory Officer** or a **Strategic Director**, ~~appoint to~~ the Head of ~~Human Resources and Organisational Development Paid Service, the Appointments Committee~~ will oversee the arrangements for filling the vacancy.

3.2 The **Full Council** will approve the appointment of the **Head of Paid Service** following the recommendation of ~~the~~ **an** Appointments **Sub**-Committee, and the Full Council must approve the appointment before an offer of appointment is made.

3.3 The **Full Council** may only make or approve the appointment of the **Head of Paid Service** where no well-founded objection has been made by any **Cabinet Member**.

3.4 Where the **Full Council** does not approve the recommendation of the Committee, it shall indicate how it wishes to proceed.

3.5 ~~Statutory Officers other than the Head of Paid Service will be appointed by an Appointments Sub-Committee following a recommendation from the Head of Paid Service.~~

4. Dismissal of ~~Chief Executive, the Monitoring Officer and the S151 Officer~~ **Statutory Officers**

4.1 ~~Dismissal of a Statutory Officer (the Head of Paid Service, the Monitoring Officer and the s151 Officer)~~ Dismissal of the Designated Statutory Officers of the Council (the Head of Paid Service, the Monitoring Officer and the S151 Officer (the 'DSOs')) will be dealt with in accordance with the Council's agreed policy. The requirements of the Local Authorities (**Standing Orders**) (England) Regulations 2001 (as amended) and the Model Disciplinary Procedure and Guidance as set out in the JNC Conditions of Service Handbook ~~have been~~ will be followed in this regard.

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4.2 The dismissal of a ~~DSO~~ **Statutory Officer** must be approved by ~~the~~ Full Council, following the recommendation of such dismissal by ~~the Investigations and Disciplinary Sub-Committee~~.

4.3 ~~The Council will consult with Independent Persons throughout the process.~~

4.4 ~~Before the taking of a vote at the relevant meeting on whether or not to approve such a dismissal, the Full Council must take into account, in particular;~~

4.4.1 ~~any advice, views or recommendations of the Independent Persons;~~

4.4.2 ~~the conclusions of any investigation into the proposed dismissal; and~~

4.4.3 ~~any Representations from the relevant Officer.~~

4.5 ~~The Full Council~~ must approve the dismissal before notice of dismissal is given.

5. Appointment and Dismissal of Chief Officers

5.1 ~~The appointment of a Chief Officer will be determined by the Appointments Committee.~~

5.2 ~~Subject to Rule 4.2, the dismissal of a Chief Officer is the responsibility of the Investigations Committee.~~

56. Other Officers

56.1 ~~The functions of appointment and dismissal of, and taking disciplinary action against any Officer other than the Head of Paid Service or a Chief Officer a~~ **Statutory Officer are** the responsibility of the **Head of Paid Service** or his/her nominee, and, ~~(save in respect of deputy Chief Officers as defined in Section 2(8) of the Local Government and Housing Act 1989),~~ may not be discharged by **Councillors**. This is a requirement of the Local Authorities (Standing Orders) (England) Regulations 2001.

56.2 Any disciplinary action will be taken in accordance with the Council's Disciplinary Policy and Procedure, as amended by local agreement ~~and~~ adopted from time to time.

6.3 ~~Nothing in Rule 6.1 shall prevent a person from serving as a member of any Committee or Sub-Committee established by the Council to consider an appeal by an Officer against any decision relating to the dismissal of, or taking disciplinary action against that Officer.~~

7. Consultation with Cabinet Members

7.1 ~~No offer of an appointment or notice of dismissal in relation to the Head of Paid Service, a Chief Officer (as defined in Section 2(8) of the Local Government and Housing Act 1989) shall be given by the appointor or dismissor until:~~

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~~7.1.1 the appointor or dismissor has notified the Head of Human Resources and Organisational Development of the name of the person to be appointed or dismissed and any other particulars relevant to the appointment or dismissal;~~

~~7.1.2 the Head of Human Resources and Organisational Development has notified each Cabinet Member of:~~

~~(a) the name of the person to be appointed or dismissed;~~

~~(b) any other particulars relevant to the appointment or dismissal which the appointor or dismissor has notified to the Head of Human Resources and Organisational Development; and~~

~~(c) the period within which any objection to the making of the offer is to be made by the Leader on behalf of the Cabinet to the Head of Human Resources and Organisational Development; and~~

~~7.1.3 either:~~

~~(a) the Leader has, within the period specified in the notice under Rule 7.1.2 (c) above notified the Head of Human Resources and Organisational Development that neither s/he nor any other Cabinet Member has any objection to the appointment or dismissal;~~

~~(b) the Head of Human Resources and Organisational Development has notified the appointor or dismissor that no objection was received within that period from the Leader; or~~

~~(c) the appointor or dismissor is satisfied that any objection received from the Leader within that period is not material or is not well-founded.~~

~~8. Procedure for Dismissal of Head of Paid Service, the Monitoring Officer and the S151 Officer~~

~~8.1 A Designated Statutory Officer of the Council (the Head of Paid Service, the Monitoring Officer and the S151 Officer) (a 'DSO') may not be dismissed by the Council unless the procedures set out in this Rule 8 are complied with.~~

~~8.2 The Council will consult with Independent Persons throughout the process.~~

~~8.3 Before the taking of a vote at the relevant meeting on whether or not to approve such a dismissal, the Full Council must take into account, in particular:~~

~~8.3.1 any advice, views or recommendations of the Independent Persons;~~

~~8.3.2 the conclusions of any investigation into the proposed dismissal; and~~

~~8.3.3 any Representations from the relevant Officer.~~

~~8.4 Any remuneration allowances or fees paid by the Council to an Independent Person must not exceed the level of remuneration, allowance or fees payable to that~~

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~~Independent Person in respect of that person's role as an Independent Person under the Localism Act 2011.~~

69. Disciplinary Action - Head of Paid Service and Chief Officers

~~69.1 Subject to Rule 48 above, the Investigations and Disciplinary Sub-Committee has delegated authority to take disciplinary action against the Head of Paid Service and Chief Officers, and to dismiss Chief Officers a Statutory Officer and may recommend to Council dismissal of a Statutory Officer on disciplinary grounds~~

~~9.1.1 Any proposal to dismiss the Head of Paid Service, the Monitoring Officer or the S151 Officer must be approved by Full Council.~~

~~69.1.2 Any disciplinary action must be taken in accordance with the Model Disciplinary Procedure in the JNC Handbook for Chief Executives. Head of Paid Service, Investigations Committee meetings shall be convened by~~

~~6.3 The Monitoring Officer (in consultation with the Head of Human Resources and Organisational Development shall be responsible for determining what constitutes an allegation for consideration by an Investigation and Disciplinary Sub-Committee under the Model Disciplinary Procedure. In reach such a determination the Monitoring Officer may conduct preliminary enquiries and the following may be considered: Chair of the Investigations Committee) and the Monitoring Officer shall, in consultation with the Chair of the Investigations Committee, filter out and deal with allegations that are~~

- ~~• Whether the allegation is clearly unfounded, or trivial~~
- ~~• Whether the allegation is a complaint about a service rather than a Statutory Officer;~~
- ~~• Whether the allegation is a grievance that is or can best be dealt with under some other the Council's grievance procedure, sickness absence procedure or performance management procedure;~~
- ~~• Whether the allegation is serious and may therefore warrant investigation.~~

~~6.4 Where allegations involve the Monitoring Officer, the Head of Paid Service, in consultation with the Head of Human Resources and Organisational Development, shall determine what constitutes an allegation for consideration by an Investigation and Disciplinary Sub-Committee under the Model Disciplinary Procedure. this role shall be fulfilled by the Head of Paid Service.~~

~~6.46.5 Investigations Committee meetings shall be convened by the Monitoring Officer when required. The Council will keep records of all allegations and investigations.~~

710. No Directions to be Given to Persons Making Appointments or Taking Disciplinary Action

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740.1 Save as specifically provided for elsewhere in these Procedure Rules, neither the Full Council nor the Cabinet or its Committees meeting, or an individual Councillor, nor any other person shall directly or indirectly:

740.1.1 give directions to any person taking any step in relation to an appointment to a post in the paid service of the Council as to the identity of the person to be appointed;

740.1.2 give directions about the taking of any disciplinary action in relation to a person in the paid service of the Council; or

740.1.3 otherwise interfere with the making of such an appointment or the taking of disciplinary action

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
COUNCIL – THURSDAY, 19 FEBRUARY 2026



Title of Report	ANNUAL REVIEW OF THE CODE OF CONDUCT COMPLAINTS ARRANGEMENTS	
Presented by	Councillor Nick Rushton Infrastructure Portfolio Holder	
Background Papers	Current Arrangements for Dealing with Complaints About Councillors Current Flowchart of Complaints Process	Public Report: Yes
Financial Implications	There are no direct financial implications arising. Signed off by the Section 151 Officer: Yes	
Legal Implications	The Localism Act 2011 requires the Council to adopt Arrangements for dealing with complaints about Members' conduct. The Council already has these Arrangements in place, based on LGA Guidance, however, it is prudent to keep these Arrangements under review to ensure they still reflect best practice since their adoption in 2022. Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no direct staffing or corporate implications arising. Signed off by the Head of Paid Service: Yes	
Purpose of Report	To explain the outcome of the Monitoring Officer's review of the Arrangements for Dealing with Complaints, and present proposed changes.	
Recommendations	THAT COUNCIL: ADOPTS THE AMENDMENTS TO THE ARRANGEMENTS FOR ADOPTION WITH EFFECT FROM 20 FEBRUARY 2026.	

1.0 BACKGROUND

- 1.1 s27(2) of the Localism Act 2011 requires each local authority to adopt a councillor code of conduct and s28(6) also requires there to be arrangements under which allegations against councillors can be investigated, and decisions can be made. The Council adopted its Councillor Code of Conduct and Arrangements for Dealing with Complaints about Councillors (the "Arrangements") on 24 February 2022. The Arrangements were reviewed

in 2024 and it is intended that they continue to be reviewed on an annual basis to ensure they remain fit for purpose.

- 1.2 The proposed changes were considered by Audit and Governance Committee at its meeting on 4 February 2026, ahead of this Council meeting.

2.0 METHOD OF REVIEW

- 2.1 The review of the Arrangements was carried out by the Governance Working Group. The Governance Working Group is a cross-party working group comprised of Councillors Cooper, Johnson, Moulton, Simmons and Smith.
- 2.2 The Working Group met on 23 July 2025 and agreed its terms of reference, along with the timetable for the review of the Arrangements. In addition, the Working Group considered and agreed a number of proposed changes.
- 2.3 Members have provided invaluable insight and constructive challenge to the review process and are thanked for their time and work on this review.

3.0 SUMMARY OF MAIN CHANGES PROPOSED

- 3.1 Appendix A shows the proposed changes summarised in a schedule of changes. Appendix B contains a copy of the Arrangements with the revisions having been made, 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 Arrangements as a whole. There are no consequential amendments to the Council's Constitution arising from the review of the Arrangements.
- 3.2 The proposed changes cover the following:
1. An additional stage being added to allow the Monitoring Officer to filter out complaints made a long time ago.
 2. Making it clear in the Arrangements that complainants should fill in the requisite form and providing a link to the form (but also making it clear what to do if a complainant does not wish to use the form).
 3. Acknowledgement that reasonable adjustments can be sought, but ensuring these are requested in advance.
- 3.3 It is proposed that the changes are adopted from 20 February 2026.

Policies and other considerations, as appropriate	
Council Priorities:	A Well-Run Council
Policy Considerations:	It is a legal requirement to have a Members' Code of Conduct and Arrangements for dealing with complaints.
Safeguarding:	N/A
Equalities/Diversity:	N/A
Customer Impact:	A clear yet comprehensive set of Arrangements will enable customers to understand the process if they wish to complain about the conduct of a Councillor, to provide assurance that all legitimate complaints will be investigated thoroughly and fairly. The revised Arrangements (and existing Flowchart) will be available for members of the public to access online, or at the Council offices as per the address within the Arrangements.
Economic and Social Impact:	N/A
Environment, Climate Change and zero carbon:	N/A
Consultation/Community Engagement:	N/A
Risks:	The Arrangements are a legal requirement. Having compliant Arrangements which set out the process for dealing with complaints may reduce the risk of any challenge to NWL processes.
Officer Contact	Zoheb Fazil Legal Team Manager and Deputy Monitoring Officer ZOHEB.FAZIL@nwleicestershire.gov.uk

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Appendix A

Review of Arrangements For Dealing with Complaints About Councillors - Schedule of Changes

Amendments to Current Arrangements

Current Arrangements Reference	Amended/Moved/Removed	Reason
Clause 2 - Making a Complaint	<p>Adding wording to make it clear that we have a standard form to be used when making a complaint and providing a hyperlink to this.</p> <p>Also adding wording to make it clear that if a complainant does not wish to use the form, they can send an email or letter.</p> <p>Adding wording to expand on the list of information which will need to be provided when a complaint is being made.</p>	<p>LGA Guidance acknowledges that Local Authorities may produce a complaint form which sets out all the information they expect to receive from a complainant, but that LAs cannot compel complainants to use a form.</p> <p>Having the form within the Arrangements should make the process clearer for complainants. Members of the Working Group acknowledged that some people may dislike form-filling and therefore the Arrangements should offer the option of writing in with information about the complaint.</p> <p>Expanding the list of information to be included adds clarity and will hopefully save time as the Monitoring Officer should not have to go back to request</p>

		additional information from the complainant.
Clause 4 – What happens to my complaint?	Addition of a fourth stage within the ‘Initial Tests’ to establish whether the events/behaviour complained of happened more than three months ago.	This ensures that complaints are raised promptly after the alleged incident has occurred, as it can be unfair if matters are raised long after the event, as memories can fade and witnesses may be unavailable. The Working Group reached the consensus that a three month time limit for complaint submission would be reasonable and fair.

Additions to Updated Arrangements

Paragraph Reference	Addition	Reason
New clause 15	Addition of new paragraph, “If a Subject Member requires any reasonable adjustments to enable them to participate fully in any of the hearings, this must be notified to the Monitoring Officer not later than 10 working days prior to the relevant hearing.”	This paragraph acknowledges there may be times when people require additional support, so ensures they are aware that reasonable adjustments are available. The time frame also ensures any requests are made in advance so that they can be properly considered and actioned in time.

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ARRANGEMENTS FOR DEALING WITH COMPLAINTS ABOUT COUNCILLORS

1. Context

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

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

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

2. The Code of Conduct

The Council has adopted a [Code of Conduct](#) for members, which is available for inspection on the authority’s website and on request from Reception at the Council Offices at Whitwick Business Centre, Whitwick Business Park, Stenson Road, Coalville, LE67 4JP.

3. Making a complaint

We would encourage the use of our electronic form when making a complaint, which can be accessed here: [Complaint Form \[to be hyperlinked\]](#)

Please email the completed form to: kate.hiller@nwleicestershire.gov.uk

If do not wish to use the form, ~~If you wish to make a complaint,~~ please send an email to the above address, or write or email to:

“The Monitoring Officer
North West Leicestershire District Council
PO Box 11051
Coalville
Leicestershire
LE67 0FW”

Or:

kate.hiller@nwleicestershire.gov.uk

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

The Monitoring Officer is a senior officer of the authority who has statutory responsibility for maintaining the register of members' interests and who is responsible for administering the system in respect of complaints of member misconduct.

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

- Dates and times of alleged misconduct;
- The name of the Subject Member involved;
- The name of the relevant authority (i.e. North West Leicestershire District Council, or a Parish Council in the North West Leicestershire area);
- A brief description of events;
- The relevant section of the Code of Conduct which is alleged to have been breached;
- —
- Details of any witnesses to the alleged misconduct;
- Any other authorities that the Subject Member belongs to.

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

Anonymous and Confidential Complaints

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

A confidential complaint is one where the complainant makes themselves known but does not wish for their identity to be revealed during the complaints process. Where the complainant wishes for their identity to remain confidential it will be at the Monitoring Officer's discretion as to whether the complaint

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proceeds. Consideration will be given to the public interest and whether the complaint can be justified or determined without the complainant's participation.

4. What happens to my complaint?

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

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

1. Does the complaint relate to a Subject Member within the NWLDC area, in office at the time of the conduct complained of?
2. Was the Subject Member acting in their capacity as a councillor at the time of the conduct complained of?
3. The complaint, if proven, would be a breach of the Code under which the Subject Member operates?
- 3.4. Did the events or behaviour to which the complaint relates take place more than three months ago? Allegations beyond this timeframe are only likely to be considered in exceptional circumstances, such as where the conduct relates to a pattern of repeated behaviour.

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

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

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

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

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

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

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

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

The Assessment Sub-Committee is subject to the normal Access to Information Procedures and Committee rules in relation to public meetings as set out in the [Constitution](#) and as per [Schedule 12A](#) of the Local Government Act 1972 and it will take a decision at the start of the meeting to determine whether it is appropriate to hold the meeting in closed session. There will be a presumption that the committee is in closed session unless the committee determines that there is good reason for it to be made public.

The complainant and the Subject Member will not participate in the meeting but their views will have been sought prior to the meeting to enable their opinions to be presented.

If, on assessment of the facts, the Sub-Committee determines that no further action is required or there is no case to answer, this will be reported back to the complainant and the Subject Member.

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

Should the Committee determine that the matter warrants a detailed investigation, the Monitoring Officer will appoint an Investigating Officer who may be an officer of another authority (e.g. a Monitoring Officer from another

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council) or an external investigator. The Investigating Officer will draft an initial plan for the investigation, and will have overall responsibility for the conduct and outcome of the investigation. The investigation will be carried out in accordance with the Investigations Guidance document, a copy of which the parties will be provided with at the time.

In exceptional circumstances where it is appropriate to keep identities confidential, or disclosure of details of the complaint to the Subject Member might prejudice the investigation, the authority will need to decide whether or not to give the Subject Member a copy of the full complaint and whether the complainant should remain confidential. In such circumstances, the Monitoring Officer can delete names and addresses from the papers given to the Subject Member, or delay notifying the Subject Member until the investigation has progressed sufficiently. Any decision to withhold information should be kept under review as circumstances change. [See further above re: Anonymous and Confidential Complaints.](#)

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

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

Complaints in relation to Subject Members that sit on multiple authorities

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

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

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

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

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

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

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

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

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

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

Where the Investigating Officer has determined that there is a breach of the Code of Conduct they will present their report to the Determination Sub Committee in accordance with the relevant timescales in section 14 below.

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

At the Sub Committee, the Investigating Officer will present his/her report, call such witnesses as he/she considers necessary and make representations to substantiate his/her conclusion that the Subject Member has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer may ask the complainant to attend and give evidence to the Sub Committee. The Subject Member will then have an opportunity to give his/her evidence, to call witnesses

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and to make representations to the Sub Committee as to why he/she considers that he/she did not fail to comply with the Code of Conduct.

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

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

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

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

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

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

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9. What happens at the end of the hearing?

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

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

For any meeting dealing with exempt or confidential information, an appropriate summary of the outcome would need to be published setting out the main points considered, i.e. conclusions on the complaint and reasons for the conclusion.

10. Who are the Committees?

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

As provided for in the Council's Constitution, the Sub Committees may co-opt at least one parish councillor when decisions are taken concerning a parish matter.

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

11. Who is the Independent Person?

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

A person cannot be "independent" if he/she:

- 11.1 is, or has been within the past 5 years, a member, co-opted member or officer of the authority;
- 11.2 *[is or has been within the past 5 years, a member, co-opted member or officer of a parish council within the authority's area];* or
- 11.3 is a relative, or close friend, of a person within paragraph 11.1 or 11.2 above. For this purpose, "relative" means:

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- 11.3.1 spouse or civil partner;
- 11.3.2 living with the other person as husband and wife or as if they were civil partners;
- 11.3.3 grandparent of the other person;
- 11.3.4 a lineal descendent of a grandparent of the other person;
- 11.3.5 a parent, sibling or child of a person within paragraphs 11.3.1 or 11.3.2;
- 11.3.6 a spouse or civil partner of a person within paragraphs 11.3.3, 11.3.4 or 11.3.5; or
- 11.3.7 living with a person within paragraphs 11.3.3, 11.3.4 or 11.3.5 as husband and wife or as if they were civil partners.

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

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

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

12. Revision of these Arrangements

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

13. Appeals

There is no right of appeal for the complainant or for the Subject Member.

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

14. Timescales

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

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

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Initial assessment outcome – 15 working days from date complaint received

Investigations – completed within six months (where possible)

Notice of Determination Sub-Committee hearing – at least two weeks prior to hearing

Determination Sub-Committee hearing – within three months of report (but not within first 14 days)

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

15. **Reasonable Adjustments**

If a complainant or Subject Member requires any reasonable adjustments to enable them to participate fully at any stage of the complaints process, this should be notified to the Monitoring Officer as soon as possible.

Where reasonable adjustments are required in relation to any hearing, the complainant or Subject Member must notify the Monitoring Officer not later than 10 working days prior to the relevant hearing, to allow adequate time for the request to be considered and appropriate arrangements to be made.

Appendix

Flowchart of procedure

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COUNCIL – THURSDAY, 19 FEBRUARY 2026



Title of Report	INDEPENDENT CHAIR OF THE AUDIT & GOVERNANCE COMMITTEE	
Presented by	Councillor K Merrie MBE Finance and Corporate Portfolio Holder	
Background Papers	None	Public Report: Yes
Financial Implications	The Independent Remuneration Panel met on the 27 January and was asked to consider whether remuneration should be offered and what level, given the need for specialised experience in audit and finance. The Panel have proposed an annual allowance of £3,250 which can be met from existing budgets.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The Local Government Act 1972 and subsequent case law confirm that only elected members may exercise voting rights at formal committees unless the committee is purely advisory. The independent chair will therefore act in a non voting capacity, providing leadership, expert scrutiny and assurance.	
	Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no implications arising from this report	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To seek agreement from Council to appoint an independent chair of the Audit and Governance Committee and agree the required changes to the constitution and the annual allowance for the chair, as recommended by the Independent Remuneration Panel.	
Recommendations	THAT COUNCIL <ol style="list-style-type: none"> 1) AGREES TO APPOINT AN INDEPENDENT CHAIR OF THE AUDIT AND GOVERNANCE COMMITTEE; 2) DELEGATES AUTHORITY TO THE MONITORING OFFICER TO MAKE ANY CONSEQUENTIAL CHANGES TO THE CONSTITUTION; AND 	

	3) IN LINE WITH THE RECOMMENDATION OF THE INDEPENDENT RENUMERATION PANEL, AGREES THAT AN ANNUAL ALLOWANCE OF £3,250 IS TO BE PAID TO THE CO-OPTED INDEPENDENT CHAIR OF THE AUDIT AND GOVERNANCE COMMITTEE.
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1.0 BACKGROUND

- 1.1 The Audit and Governance Committee comprises 10 members in political balance. The Committee is made up of the following councillors:

Councillor Ray Sutton (Chair)
 Councillor Peter Moulton (Deputy Chair)
 Councillor Russell Boam
 Councillor Doug Cooper
 Councillor David Everitt
 Councillor Russell Johnson
 Councillor Guy Rogers
 Councillor Jenny Simmons
 Councillor Nigel Smith
 Councillor Avril Wilson

There are also two independent members (non-councillors) that sit on the Committee to provide technical insight but do not have voting rights - Emma Hutchinson and Paul Montgomery.

- 1.2 Under the Constitution, the scope of the Audit and Governance Committee 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.

The Constitution is also clear that:

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.

- 1.3 The Committee generally meets six times per civic year and covers matters in relation to finance, audit and councillor conduct.

- 1.4 Particularly this civic year, and to some extent the previous civic year, the Committee has had some challenging areas to focus on. The delays with the publication of the Council's Statement of Accounts and the progress of the work surrounding that in order to meet the Government backstop dates has meant that the Committee has had to get to grips with quite detailed legal requirements, as this sits outside of the normal process.

1.5 The Committee requires a considerable time commitment from its members, as they are presented with agendas containing substantial amounts of technical information. The volume and complexity of the data provided, particularly regarding the accounts and their impact on the external auditors' opinion, means that members often face difficulties in determining which areas warrant the Committee's focus.

2.0 ROLE OF THE INDEPENDENT CHAIR

2.1 The majority of the matters that the Audit and Governance Committee deal with are for noting and comment and therefore the independent chair could play an active role in that, providing relevant expertise. The only matters that require a decision are as follows:

- Approving the Annual Governance Statement
- Approving the internal charter, internal audit plan and any changes to those
- Approving the annual statement of accounts
- Appointing the two independent members that currently sit on the Committee.

2.2 As with the current independent members, the independent chair would not have a vote on any matters that require a decision. By law, only councillors can make decisions at committees unless the committees are purely advisory. Therefore, the independent chair would guide and advise the committee.

2.3 An independent chair of an audit committee can make a significant contribution to the effectiveness, credibility and impact of the committee. By being external to the authority and outside the political structure, an independent chair brings a level of objectivity and challenge that strengthens governance and public assurance.

2.4 First and foremost, an independent chair enhances the independence of the audit committee. Audit committees are intended to provide independent assurance to the organisation on the adequacy of governance, risk management, internal control and financial reporting arrangements. Where the chair is not an elected member and has no political affiliation or executive role within the authority, there is a clearer separation from decision-making and party politics. This helps ensure that discussions are focused on evidence, risk and assurance rather than policy preference, and supports a genuinely non-political approach to scrutiny.

2.5 An independent chair also brings specialist knowledge and experience that can improve the quality of challenge. Independent chairs are typically appointed because they have strong backgrounds in areas such as audit, finance, risk management, governance or regulation. This enables them to ask more probing and technically informed questions of officers, internal audit and external audit. Over time, this improves the standard of reporting brought to the committee and encourages a stronger culture of accountability and transparency across the organisation.

2.6 In addition, an independent chair can provide continuity and stability. Elected membership of committees can change frequently due to elections, reshuffles or changes in political control. An independent chair is not subject to the electoral cycle and can therefore offer longer-term perspective, helping the committee maintain focus on recurring and systemic issues such as financial resilience, governance maturity and the delivery of improvement plans. This continuity can be particularly valuable during periods of organisational stress, financial pressure or external scrutiny.

- 2.7 The presence of an independent chair can also strengthen relationships with auditors and regulators. External auditors, internal auditors and inspection bodies often place greater confidence in audit committees that are demonstrably independent and well led. An independent chair can act as an effective conduit between auditors and members, ensuring that issues are properly understood, that recommendations are tracked through to implementation, and that difficult messages are neither diluted nor delayed.
- 2.8 From a public accountability perspective, an independent chair can improve confidence and credibility. For stakeholders, residents and partners, knowing that the audit committee is chaired independently can provide reassurance that governance arrangements are robust and that concerns will be considered fairly and impartially. This can be particularly important where an authority is dealing with financial challenges, governance weaknesses or heightened public interest.
- 2.9 Finally, an independent chair can play a key role in developing the committee itself. This includes setting a clear tone for meetings, supporting member development, ensuring agendas focus on the right risks, and leading regular reviews of the committee's effectiveness. By modelling constructive challenge and respectful engagement, an independent chair helps create an environment where assurance is meaningful and adds real value.

3.0 CONSTITUTIONAL CHANGES

- 3.1 A decision to introduce an independent chair will require amendments to the Council's Constitution. Members are aware that an earlier item considered the outcome of the latest review for 2025/26, however, the view of officers is that the amendments relating to the independent chair would be more appropriately dealt with outside of that process. This is a separate decision about appointments, which the Audit and Governance Committee would not normally deal with, and the changes to the Constitution are consequential.
- 3.2 Council is being asked to agree to the appointment of an independent chair and to delegate the consequential changes to the Constitution to facilitate this to the Monitoring Officer. Any amendments to the Constitution are ultimately a Council decision and therefore it has the power to make the changes without going through the constitution review first.
- 3.3 Reducing membership from ten to nine councillors ensures an odd number of voting members, preventing tied votes and removing the need for a casting vote, given that the Chair would not be able to vote.

4.0 ANNUAL ALLOWANCE FOR CO-OPTED INDEPENDENT CHAIR OF THE AUDIT AND GOVERNANCE COMMITTEE

- 4.1 An independent chair would require an allowance and it would need to be set at the right level to attract an appropriate chair.
- 4.2 The Independent Remuneration Panel met on the 27 January and was asked to consider whether remuneration should be offered and what level, given the need for specialised experience in audit and finance.
- 4.3 The Panel was provided with information relating to the role of the committee and the independent chair, along with benchmarking data from other Councils that co-opted to a similar role.

- 4.4 After considering the information provided, the Panel felt that due to the technical knowledge required for the role, an annual allowance should be paid. In relation to the amount for the annual allowance, the Panel discussed the benchmarking information provided and felt that £3,250 was appropriate for the role. They were confident that this would attract the right candidate required and would be a good starting point. The Panel was advised that they could look at the amount again should the recruitment process not be successful.
- 4.5 It was recommended that the Council introduces an annual allowance of £3,250 to the position of Co-opted Independent Chair of the Audit and Governance Committee.

Policies and other considerations, as appropriate	
Council Priorities:	A well-run council
Policy Considerations:	The Council Constitution will require updates to reflect voting rights.
Safeguarding:	None.
Equalities/Diversity:	The authority should ensure that the recruitment process for an independent chair is open, transparent and inclusive, drawing from the widest possible pool of candidates. Public appointments guidance emphasises that appointment processes should be designed to attract high-quality candidates from diverse backgrounds and experiences, while remaining focused on merit and skills.
Customer Impact:	None.
Economic and Social Impact:	None.
Environment, Climate Change and zero carbon:	None.
Consultation/Community Engagement:	None.
Risks:	If responsibilities are not clearly defined, there is a risk of confusion between assurance, scrutiny and executive decision-making, or of perceived dilution of democratic accountability given the chair is not an elected member. There may also be cultural or relationship risks as existing members and officers adjust to a different leadership model, particularly in the early stages of implementation.
Officer Contact	Paul Stone Strategic Director of Resources paul.stone@nwleicestershire.gov.uk

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
COUNCIL – THURSDAY, 19 FEBRUARY 2026



Title of Report	GENDER PAY GAP REPORT	
Presented by	Councillor Nick Rushton Infrastructure Portfolio holder	
Background Papers	Not applicable	Public Report: Yes
Financial Implications	There are no financial implications arising from this report.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	This report complies with Section 78 of the Equality Act 2010 and the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, which require relevant public authorities to publish annual gender pay data. The Council must publish the required information on its website and the Government's designated portal.	
	Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications	The Gender Pay Gap data forms part of the Council's wider workforce equality monitoring. Results will be incorporated into the Workforce Strategy and action plans relating to recruitment, retention, flexible working, and staff development.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	The Council is required by the Equality Act 2010 (section 78) to publish gender pay gap information, by reporting the percentage differences in pay between male and female employees. This report has been produced to provide the relevant information in accordance with the provisions of the Act.	
Recommendations	THAT THE REPORT BE NOTED AND THE RELEVANT INFORMATION OUTLINED IN PARAGRAPH 1.2 IS REPORTED TO GOVERNMENT.	

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 2025.

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. The gender pay gap is distinct from equal pay obligations. The Council continues to comply with the Equality Act 2010 by ensuring that men and women are paid equally for work of equal value, supported through a robust job evaluation framework.

2.0 RESULTS

2.1 A summary of this Council’s results is as follows:

- **Mean Gender Pay Gap** – The males’ mean hourly rate was 3.82% lower than females on 31/03/2025.
- **Median Gender Pay Gap** – The males’ median pay hourly rate was 0.82% lower than females on 31/03/2025.

	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
2024	-1.33	2.22
2025	-3.82	-0.82

For the first time since reporting began, the Council is reporting that both the mean and median gender pay gaps favour female employees. The Council's mean gender pay gap shows that male employees' average hourly rate is 3.82% lower than that of female employees, while the median gender pay gap shows males' median hourly rate is 0.82% lower than that of females. These are relatively small variances, but they represent a significant shift when viewed against the trends of previous years.

Historical data over the eight-year period shows fluctuations in the mean and median pay gaps, reflecting normal patterns of staff turnover, recruitment, and workforce changes. The mean pay gap has steadily moved in favour of female employees in recent years, and 2025 marks the first occasion where both key measures simultaneously show women earning more on average than men. The Council has seen minor variations in the pay gap over this period, but no significant or concerning trends. Instead, the changes correspond with variations in which roles men and women occupy at different pay levels across the authority.

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:

A detailed look at the distribution of men and women across the four pay quartiles provides helpful context for understanding the shift in the pay gap.

	2025		2024		2023	
Quartile	Male (%)	Female (%)	Male (%)	Female (%)	Male (%)	Female (%)
Lower	59	41	56	44	62	38
Lower Middle	50	50	47	53	40	60
Upper Middle	61	39	57	43	57	43
Upper	48	52	50	50	50	50

- **Lower quartile (Grades A–C and apprentices):**
This quartile has seen an increase in the proportion of male employees from 56% to 59%, while the proportion of female employees has decreased from 44% to 41%. This movement suggests that more men have joined or remained in lower-paid roles during the year.

- **Lower middle quartile (Grades C–E):**
This quartile now has an equal balance of male and female employees (50% each), demonstrating a stable and balanced distribution in the mid-range of the pay structure.
- **Upper middle quartile (Grades E–F and craft roles):**
This remains the most male-dominated quartile at 61% male and 39% female. This reflects the continued presence of traditionally male-dominated “craft” roles (e.g., plumbers, electricians), which sit within this pay band.
- **Upper quartile (Grade F and above, including senior officers):**
In contrast, the top quartile has the highest proportion of female employees at 52%, compared with 48% male. This indicates strong female representation in professional, specialist and managerial roles and is a key factor contributing to the overall pay gap now favouring women.

2.3 There are no specific events or structural organisational changes that have led to the variation in gender distribution within quartiles; rather, the movement reflects typical patterns of recruitment, progression and turnover across the year.

2.4 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.

3.0 ANALYSIS

3.1 The Council continues to implement a range of policies and initiatives that help minimise the gender pay gap and support a fair, inclusive and flexible working environment. These include:

- The ongoing use of the voluntary Living Wage, which has benefitted lower-paid roles traditionally held by women.
- Maintaining flexible and hybrid working arrangements, allowing employees to work non-traditional patterns and better balance work with caring responsibilities.
- Offering enhanced maternity, paternity and adoption provisions.
- Providing access to schemes enabling the purchase of additional annual leave to support work-life balance.
- Working closely with apprenticeship providers to encourage more female apprentices into areas of the workforce traditionally dominated by men.

Policies and other considerations, as appropriate	
Council Priorities:	- A well-run council
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, Climate Change and zero carbon:	No direct impacts.
Consultation/Community Engagement:	A copy of the report has been provided to the local trade unions
Risks:	Failure to publish the Council's gender pay gap data by the statutory deadline would constitute a breach of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and could expose the Council to legal, financial and reputational risk. Transparency may also highlight workforce representation issues which will need to be monitored as part of the Council's workforce strategy.
Officer Contact	Hannah Panter Head of HR and Organisational Development Hannah.panter@nwleicestershire.gov.uk

Appendix 1

Salary Grades (from 1.4.25)

Salary Band	Minimum Point	Maximum point
A	24,796	25,185
B	25,583	25,989
C	26,403	28,142
D	28,598	32,061
E	32,597	36,363
F	37,280	40,777
G	41,771	46,142
H	47,181	51,356
I	52,413	56,687
Heads of service	66,297	76,909
Directors	90,347	100,973
Chief Executive	138,673	148,314

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
COUNCIL – THURSDAY, 19 FEBRUARY 2026



Title of Report	PAY POLICY 2026/27	
Presented by	Councillor Rushton Infrastructure Portfolio Holder	
Background Papers		Public Report: Yes
Financial Implications	There are no direct additional financial implications arising from approval of the Pay Policy Statement. All pay provisions are contained within existing approved staffing budgets.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The Pay Policy Statement is required under Sections 38–43 of the Localism Act 2011 and must be approved by full Council each year. In determining pay, the Council must also comply with the Equality Act 2010, the Local Government Transparency Code 2015, and wider employment legislation.	
	Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no direct staffing or corporate implications arising from this report.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	The Council is required by the Localism Act 2011 to prepare and approve a pay policy statement in respect of each financial year, before the commencement of that financial year. This report has been produced to provide the relevant information.	
Recommendations	THAT COUNCIL APPROVES THE COUNCIL'S PAY POLICY STATEMENT 2026/27, AS ATTACHED AT APPENDIX 1 OF THIS REPORT.	

BACKGROUND

- 1.0 Under Section 38 of the Localism Act 2011, the Council is required to produce a Pay Policy Statement for each financial year, which must be approved by full Council before the beginning of the financial year to which it relates.
- 1.1 The Statement must set out the Council's policies in relation to:
- Senior Officers
 - Its lowest paid employees; and
 - The relationship between the pay of Senior Officers and the pay of other employees

- 1.2 For the purposes of this statement 'pay' includes basic salary, bonuses and all other allowances arising from employment.
- 1.3 The proposed pay policy statement attached sets out the Council's policy and explains the processes that apply to performance management and assessment. The Policy Statement also details the other benefits payable to Senior Officers and the approach to the engagement of Interim Senior Officers who may be in receipt of a previous public sector pension.
- 1.4 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).

Pay Policy statement is attached at appendix 1.

Policies and other considerations, as appropriate	
Council Priorities:	- A well-run Council
Policy Considerations:	This report has no direct policy implications
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment, Climate Change and zero carbon:	None
Consultation/Community Engagement:	None
Risks:	Failure to complete this report could result in the council not meeting its statutory obligations and weakening transparency and governance around pay.
Officer Contact	Hannah Panter Head of Human Resources and Organisation Development Hannah.panter@nwleicestershire.gov.uk

APPENDIX 1.

Pay Policy Statement 2026/27

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. The Council ensures all pay differentials can be objectively justified and are based on a recognised job evaluation framework, ensuring compliance with equal pay legislation.
- 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 2025/26. The Head of Housing left the Council in June 2025, and a successor was appointed and commenced in November 2025. The appointment followed a selection process conducted by the members' Appointments Committee.
- 3.5 It should be noted for completeness that two posts at Service Manager Level are designated as a Deputy Chief Officers within the definition applied to the Council's Constitution because of their functions within the Council as Deputy Monitoring Officer. and Deputy Finance Officer . Their information has not been included within this statement because they are not engaged on Chief Officer terms and conditions of service.
- 3.6 The Heads of Service are all located within a salary range £66,296.56 to £76,909.46 (9 incremental points), The Director salary range is £90,346.7 to £100,973.36 (six incremental points) and the Chief Executive Salary range is £138,672.47 to £143,715 (four incremental points).

The cost-of-living increase for the 2025/26 financial year was agreed at national level for Chief Executive and Chief Officers pay bands at a percentage increase of 3.2% on all salary points.

Negotiations are currently underway at national level to determine the pay awards for the financial year 2026/27.

- 3.7 The salaries of all Senior Officers have been set previously by formal meetings of elected members.
- 3.8 The Strategic 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.
- 3.10 The Council currently employs 34 members of staff, inclusive of the officers referenced above, whose basic salary exceeds £50,000 per annum (pro-rated for part-time roles). Those not referenced above are posts with a designated post title of Team Manager.

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 £4,140 per annum (for the Senior Officers in this Statement).
- 4.4 All Officers with a lease car are tied to a four-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 2025/26 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 are being reviewed as a separate report to this meeting at Agenda item. 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 Payment to statutory officers

- 7.1 Statutory officer roles are important safeguards to ensure the proper running of the authority and should be recognised and rewarded as such.

- the role of Head of Paid Service is an integral part of the Chief Executive’s role and is rewarded as part of the substantive role

- where the Section 151 or Monitoring Officer role is discharged at either the Director level it is rewarded as part of the substantive role and therefore no additional honorarium payment is payable
- where the Section 151 or Monitoring Officer role is discharged below Director level it is rewarded as an additional responsibility through an honorarium
- the deputising role for the Section 151 or Monitoring Officer role is also rewarded as an additional responsibility through an honorarium payment.

8.0 Election fees

- 8.1 In accordance with the national agreement the 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.
- 8.2 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 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.

9.0 Redundancy Policy

- 9.1 The Council has previously determined that its “severance scheme” will apply to all employees of the Council including Senior Officers. The Redundancy 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. The government has announced that the regulations are scheduled to change in April 2028 when the earliest age a deferred pension can be paid will be at 57 years of age.
- 9.2 The Redundancy 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.

10.0 Whole-time service

- 10.1 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.

11.0 Other Benefits

11.1 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.

12.0 Pay Relationships

12.1 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.

12.2. 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 2024 to £24,027 per annum.

12.3 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 £ per annum which, when compared to the salary of the most highly paid Senior Officer at £140,529 per annum, produces a pay ratio multiple of 4.50. The ratio has decreased slightly from last year when the ratio was 4.5. 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).

13.0 Approach to pensioners and Interim Managers

13.1 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.

13.2 The Council has used Interim Managers to fill short-term vacancies or to undertake specific projects where there are capacity issues, or a shortage of a particular skill set within the Council's own workforce. This may mean that the Council could engage Interim Managers who are in receipt of a public sector pension from other previous employment where an appropriate assessment has been completed on the value-for-money of the proposed arrangement for the Council. Such assessments will be completed by the Head of the Paid Service in consultation with the Leader of the Council.

13.3 Interim chief officer managers 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.

14.0 Review and Changes

14.1 The Council will review this Statement annually, or if amendments need to be made before the date of the scheduled review, in year to Full Council. Any significant amendments or changes to the legislation which may affect the pay and benefits of Senior Officers will be determined according to the Council's constitution or legislation by the relevant Committee / Panel / Council meeting.