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Meeting	CABINET
Time/Day/Date	5.00 pm on Tuesday, 23 September 2025
Location	Abbey Room, Stenson House, London Road, Coalville, LE67 3FN
Officer to contact	Democratic Services (01530 454512)

AGENDA

Item	Pages
1. APOLOGIES FOR ABSENCE	
2. DECLARATION OF INTERESTS	
Under the Code of Conduct members are reminded that in declaring interests you should make clear the nature of that interest and whether it is a disclosable pecuniary interest, registerable interest or other interest.	
3. PUBLIC QUESTION AND ANSWER SESSION	
4. MINUTES	
To confirm the minutes of the meeting held on 29 July 2025.	3 - 6
5. SUPPLEMENTARY ESTIMATES, VIREMENTS AND CAPITAL APPROVALS	
Report of the Strategic Director of Resources Presented by the Finance and Corporate Portfolio Holder	7 - 14
6. LOCAL NATURE RECOVERY STRATEGY	
Report of the Strategic Director of Place Presented by the Planning Portfolio Holder	15 - 20
7. COALVILLE REGENERATION FRAMEWORK - 2025 UPDATE	
Report of the Strategic Director of Place Presented by the Leader	21 - 38
8. FAIR FUNDING REVIEW	
Report of the Strategic Director of Resources	39 - 98

Presented by the Finance and Corporate Portfolio Holder

9. REVIEW OF CORPORATE GOVERNANCE POLICIES

Report of the Strategic Director of Resources

99 - 190

Presented by the Finance and Corporate Portfolio Holder

10. EXCLUSION OF PRESS AND PUBLIC

The officers consider that the press and public should be excluded during consideration of the following items in accordance with Section 100(a) of the Local Government Act 1972 as publicity would be likely to result in disclosure of exempt or confidential information. Members are reminded that they must have regard to the public interest test and must consider, for each item, whether the public interest in maintaining the exemption from disclosure outweighs the public interest in making the item available.

11. AWARD OF CONTRACT - RIVER MEASE PROJECT DELIVERY PARTNER

Report of the Strategic Director of Place

191 - 194

Presented by the Planning Portfolio Holder

Circulation:

Councillor R Blunt (Chair)

Councillor M B Wyatt (Deputy Chair)

Councillor T Gillard

Councillor K Merrie MBE

Councillor N J Rushton

Councillor A C Saffell

Councillor A C Woodman

MINUTES of a meeting of the CABINET held in the Abbey Room, Stenson House, London Road, Coalville, LE67 3FN on TUESDAY, 26 AUGUST 2025

Present: Councillor R Blunt (Chair)

Councillors M B Wyatt, T Gillard, A C Saffell and A C Woodman

Officers: Mr A Barton, Ms K Hiller, Ms H Panter, Mr P Stone, Mrs A Thomas and Mrs R Wallace

33. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors K Merrie and N Rushton.

34. DECLARATION OF INTERESTS

There were no declarations of interests.

35. PUBLIC QUESTION AND ANSWER SESSION

There were no questions received.

36. MINUTES

Consideration was given to the minutes of the meeting held on 29 July 2025.

It was moved by Councillor A Woodman, seconded Councillor A Saffell and

RESOLVED THAT:

The minutes of the meeting held on 29 July 2025 be confirmed as an accurate record of proceedings.

Reason for decision: The Cabinet (Executive) Procedure Rules required that the minutes of the previous meeting are considered and confirmed as a correct record.

37. GENERAL FUND FINANCE UPDATE - 2025/26 QUARTER 1

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

The report was noted.

38. HOUSING REVENUE ACCOUNT (HRA) FINANCE UPDATE - 2025/26 QUARTER 1

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

The report was noted.

39. PERFORMANCE MONITORING REPORT - QUARTER 1

The Leader of the Council presented the report.

The Housing, Property and Customer Services Portfolio Holder provided an update on the continuing improvement in key performance indicators in relation to the housing service and tenant satisfaction. In relation to Customer Services, the response times were continuing to improve, and customer care training was being rolled out to all staff. He then provided an update on behalf of the Finance and Corporate Portfolio Holder. It was noted that the completion of the 2023/24 accounts was on track for the end of August and

then work to begin on the 2024/25 accounts immediately. Work was also ongoing with the finance system and the transformation project.

The Business and Regeneration Portfolio Holder advised that the services had continued to deliver against the targets.

The Planning Portfolio Holder advised that all the targets for the Planning Service were within target for the fifth quarter in a row.

The Communities and Climate Change Portfolio Holder advised on the positive impact of the 'Love Your Neighbourhood' project on the community, the success of the solar panel installation at the Whitwick and Coalville Leisure Centre, and the continuing tree planting across the District.

Members were thanked for their comments, which would be presented to Corporate Scrutiny Committee on 4 September 2025.

40. FOUNDATIONS REVIEW - DISABLED FACILITIES GRANTS DELIVERY

The Communities and Climate Change Portfolio Holder presented the report.

The recommendations made by Corporate Scrutiny Committee at its meeting on 26 June 2025 and the officer's responses in the report were noted.

It was moved by Councillor M Wyatt, seconded by Councillor R Blunt and

RESOLVED THAT:

- 1) The Draft Financial Assistance Policy be approved.
- 2) The proposed use of the Disabled Facilities Grant (DFG) capital underspend for the implementation of the Financial Assistance Policy along with any ongoing DFG capital be approved.
- 3) Authority be delegated to the Strategic Director of Housing and Communities in consultation with the Section 15 Officer to agree terms with and thereafter enter into an agreement or agreements with foundations to support the implementation of the new Financial Assistance Policy.
- 4) Authority be delegated to the Strategic Director of Housing and Communities to make minor amendments to the policy including legislative changes.

Reason for decision: To approve the Financial Assistance Policy which includes the new Adapted Property Home Improvement grant to be delivered by NWLDC.

41. HRA NEW STOCK DEVELOPMENT

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

It was moved by Councillor A Woodman, seconded by Councillor T Gillard and

RESOLVED THAT:

- 1) It be agreed to enter in to contract with a construction company for the design and build of six properties following a procurement exercise as detailed in the report up to a value of £1,600,000.

- 2) £1,600,000 be transferred from the development pool to the active pool in the Housing Revenue Account 2025/26 Capital Programme.
- 3) Authority be delegated to the Strategic Director responsible for housing to finalise and agree all necessary agreements and take appropriate procedural and process steps to deliver the above.

Reason for decision: To provide high quality housing to the district.

42. SUPPLEMENTARY ESTIMATES, VIREMENTS AND CAPITAL APPROVALS

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

The supplementary estimates detailed in appendix 2 of the report were noted.

It was moved by Councillor A Woodman, seconded by Councillor T Gillard and

RESOLVED THAT:

The virement detailed in paragraph 3.3 of the report which is between £100,000 and £250,00 be approved.

Reason for decision: The Council's Financial Procedure Rules, Section 2, paragraphs A24 to A28 stipulate the procedures for virements and supplementary estimates, whilst the Council's Capital Strategy sets out the Governance of the Capital Programme.

43. FORMER TENANT RENT ARREARS, CURRENT TENANT RENT ARREARS, COUNCIL TAX, NON-DOMESTIC RATES AND SUNDRY DEBTS WRITE OFFS

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

It was moved by Councillor A Woodman, seconded by Councillor T Gillard and

RESOLVED THAT:

The write off of a sundry debtor to the value of £20,444.30 be approved.

Reason for decision: To comply with proper accounting practices.

44. SCRUTINY/CABINET PROTOCOL

The Planning Portfolio Holder presented the report.

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

RESOLVED THAT:

- 1) The scrutiny/cabinet protocol be trialled for six months.
- 2) Subject to a successful trial, the protocol be taken forward to Council for approval to form part of the constitution.

Reason for decision: To respond to Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities and promote a good working relationship between Scrutiny and the Executive. The protocol requires a commitment from Cabinet to perform its responsibilities under the protocol and therefore Cabinet is being asked to provide that commitment.

45. EXCLUSION OF PRESS AND PUBLIC

RESOLVED THAT:

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

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

46. ACQUISITIONAL AND DISPOSALS - SECTION 106 ACQUISITION

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

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

RESOLVED THAT:

The recommendations as set out in the report be approved.

Reason for decision: To comply with the constitution of the Council as this report requires Cabinet approval as it is in excess of £100,000.

The meeting commenced at 5.00 pm

The Chairman closed the meeting at 5.22 pm

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 23 SEPTEMBER 2025



Title of Report	SUPPLEMENTARY ESTIMATES, VIREMENTS AND CAPITAL APPROVALS	
Presented by	Councillor Keith Merrie Finance and Corporate Portfolio Holder PH Briefed: Yes	
Background Papers	Council 20 February 2025: General Fund Budget and Council Tax 2025/26	Public Report: Yes
	Cabinet 26 August 2025: Supplementary Estimates, Virements and Capital Approvals	Key Decision: Yes
Financial Implications	Appendix 2 details the supplementary estimates for approval.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	No legal implications arising from this report.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no staffing implications arising from the report.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To seek approval of supplementary estimates, virements, and capital scheme movements.	
Reason for Decision	The Council's Financial Procedure Rules, Section 2, paragraphs A24 to A28 stipulate the procedures for virements and supplementary estimates, whilst the Council's Capital Strategy sets out the Governance of the Capital Programme.	
Recommendations	THAT CABINET: <ol style="list-style-type: none"> 1. NOTES THE SUPPLEMENTARY ESTIMATES DETAILED IN APPENDIX 2 WHICH ARE BELOW £100K AND EXTERNALLY FUNDED. 2. NOTES THE SUPPLEMENTARY ESTIMATE DETAILED IN APPENDIX 2 WHICH IS BELOW £10K AND COUNCIL FUNDED. 3. APPROVES THE SUPPLEMENTARY ESTIMATE 	

	DETAILED IN APPENDIX 2 WHICH IS OVER £10,000 AND BELOW £250K AND COUNCIL FUNDED.
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1.0 BACKGROUND

- 1.1 This report seeks approval for virements and supplementary estimates, as required under the Council's Constitution. This is a regular report to Cabinet to enable the approval of virements and supplementary estimates in a timely manner for the efficient operation of the Council. It also sets out proposed changes to the Capital Programme.
- 1.2 This report covers the General Fund only.

2.0 SUPPLEMENTARY ESTIMATES

- 2.1 A supplementary estimate is an addition to the Council's agreed budget and should only be considered after all other options such as virements or savings have been considered.
- 2.2 Supplementary estimates include budgets fully funded by external grants or contributions.
- 2.3 Supplementary estimate levels were approved as part of the Constitution by Council in February 2025. These approval levels are detailed in Appendix 1.
- 2.4 All supplementary estimates above £250k require Council approval. Any above £10k and under £250k that will be Council-funded require Cabinet approval, whereas those fully externally funded are reported to Cabinet below £100k but require approval over £100k.
- 2.5 Appendix 2 details all supplementary estimates grouped by value and funding with details of the reasons for the requests which are summarised in the table shown in the Appendix, with further detail provided below for those that require Cabinet approval.

- **Communications Team– Increase in Salary Budget - £13,000**

To maintain progress on key projects, it is proposed that additional hours be allocated to the Communications Officer. Her work has been instrumental in advancing the Council's communications strategy which includes key elements of transformation activity. The ongoing process of local government reorganisation will necessitate a substantial investment in communications resources over the coming years. As organisational structures and service delivery models are reshaped, clear and consistent communication will be vital to ensure that stakeholders, staff, and the wider community remain informed and engaged throughout every stage of transformation.

- **Replacement Audit Visual Equipment (Council Chamber) - £27,554**

The Chamber's current audio-visual equipment is reaching the end of its operational life. Over the past several months, there have been repeated instances where the cameras have failed to perform reliably, resulting in disruptions to the quality and continuity of meetings. These technical issues compromise the Council's ability to facilitate clear communication and proper participation, particularly during virtual sessions.

It is essential for the Council to have equipment that ensures both the chamber and individual speakers are consistently visible and audible to all participants, whether present in person or joining remotely. The effectiveness of our meetings relies upon technology that supports transparency, accessibility, and engagement.

- **Customer Contact Centre Refurbishment - £17,450**

The Customer Service Centre has highlighted that, in light of recent incidents at the centre, it is imperative that the meeting rooms setup adequately reflects the security needs of customer service officers. The proposed refurbishment includes additional security measures, designed to safeguard staff while incurring minimal cost to the council. This approach not only prioritises the well-being of Council officers.

- **Business Rates Forecasting for the Freeport - £15,545**

The Council will be the first in the Freeport region to handle applications for business rates relief. This is a significant responsibility, and because the business rates system is complex, it's important for the Council to get its forecasts right. Accurate forecasts are essential for good financial planning in the Freeport area.

Because these calculations can be complicated and have a big impact on the Council's finances, it makes sense to get advice from outside experts. Working with an experienced third party will help the Council use their specialist knowledge and learn from their experience. This approach will support good decision-making and create a solid process for managing business rates, which will benefit both the Council and the Freeport region.

3.0 VIREMENTS

- 3.1 A virement is where one or more budget(s) are reduced to find an increase in another budget(s). There is no net change in the total budget agreed by Council arising from a virement.
- 3.2 Virement approval levels were approved as part of the Constitution by Council in February 2025. These approval levels are detailed in Appendix 1.
- 3.3 There are no virements that require Cabinet approval.

4.0 CHANGES TO THE CAPITAL PROGRAMME

- 4.1 Schemes in the capital programme are grouped under two categories, and these are:

Development Pool: These are schemes not yet fully costed, or funding sources identified. A full business case is required to be prepared and presented to the Capital Strategy Group for consideration before the scheme can go ahead.

Active Programme: Schemes in this category have been approved (by Capital Strategy Group, Cabinet or Council), fully funded and are being delivered.

- 4.2 There are no changes to the capital programme that require Cabinet approval.

Policies and other considerations, as appropriate
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Council Priorities:	A well-run council
Policy Considerations:	The Council's Financial Procedure Rules, sections A24 – A28, set out the details of the virement and supplementary estimates, as shown in Appendix 1 of this report.
Safeguarding:	N/A at this strategic level - however individual works will comply with normal processes in this regard.
Equalities/Diversity:	N/A at this strategic level - however individual works will comply with normal processes in this regard
Customer Impact:	N/A at this strategic level - however individual works will comply with normal processes in this regard
Economic and Social Impact:	N/A at this strategic level - however individual works will comply with normal processes in this regard
Environment, Climate Change and Zero Carbon:	N/A at this strategic level - however individual works will comply with normal processes in this regard
Consultation/Community/Tenant Engagement:	None
Risks:	Non-compliance with any grant conditions. A full assessment is in place as part of the grant process.
Officer Contact:	Anna Crouch Head of Finance & Deputy S151 Officer anna.crouch@nwleicestershire.gov.uk

Extract from 'The Council's Constitution' March 2025 Version

Virement

A.24 **Full Council** is responsible for agreeing procedures for **Virement** of expenditure between **Budget** headings. The definition of a Virement is set out in Section 5 of the **Policy & Budget Framework** as follows:

*Steps taken by the **Cabinet**, a **Cabinet Member**, a group of the Cabinet, or Officers, or **Joint Arrangements** to implement Council policy shall not exceed the budgets allocated to each relevant **Budget** head. However, such bodies or individuals shall be entitled to vire across Budget heads within such limits as shall be laid down in the **Financial Procedure Rules**. Beyond those limits, approval to any **Virement** across Budget heads shall require the approval of the **Full Council**.*

*A **Virement** is defined as where one or more **Budget(s)** are reduced to fund an increase in another Budget(s). There is no net change in the total Budget agreed by Council arising from a Virement.*

A.25 The table below sets out the approval level required based on the value of the **Virement**.

Value	Approval Level Required		
	Within a Budget Head	Between Budget Heads in same Directorate	Between Directorates
Between £0 - £4,999	Heads of Service	Heads of Service	Heads of Service
Between £5,000 and £24,999	Heads of Service and Strategic Directors	Strategic Directors and Portfolio Holder(s)	Strategic Directors and Portfolio Holder(s)
Between £25,000 and £99,999	Strategic Directors and Portfolio Holder(s)	Strategic Directors and Portfolio Holder(s)	Strategic Directors and Portfolio Holder(s)
Between £100,000 and £249,999	Cabinet	Cabinet	Cabinet
£250,000 and over	Full Council	Full Council	Full Council

Notes:

1. In all circumstances Virements require approval by the S151 Officer.
2. All relevant parties listed above must be in agreement.
3. Virements should not be artificially disaggregated.
4. Virement rules apply to capital and revenue.

Supplementary Estimates

A.26 A supplementary estimate is an addition to the Council's agreed **Budget**. Supplementary estimates can be one-offs, or recurring. In either case, supplementary estimates should only be considered after all other options, such as **Virements**, or savings, have been considered. Supplementary estimates include budgets fully funded by external grant or contribution.

A.27 The table below sets out the approval level required based on the value of the supplementary estimates.

Value	Approval Level Required	
	Fully Externally Funded	Requires Council Funding
Between £0 and £9,999	S151 Officer	S151 Officer
Between £10,000 and £99,999	Head of Service [then reported to Cabinet at next meeting]	Cabinet
Between £100,000 and £249,999	Cabinet	Cabinet
£250,000 and over	Full Council	Full Council
Notes: <ol style="list-style-type: none">1. In all circumstances Supplementary Estimates require approval by the S151 Officer.2. Council funding includes (but is not limited to) revenue budget, reserves, Section 106, capital receipts and borrowing. S151 Officer decision will undertaken an assessment.3. Supplementary Estimates should not be artificially disaggregated.4. Supplementary Estimates rules apply to capital and revenue.		

A.28 Where in exceptional or unexpected circumstances a Directorate is faced with a material increase in its net expenditure, which cannot reasonably be contained within its resource allocation figure for the year, the **Chief Executive** or **Strategic Directors** must (wherever possible, prior to incurring the expenditure) submit a request to **Cabinet** or **Council** for a supplementary estimate to cover the additional expenditure. The Cabinet or Council will also decide how the expenditure will be funded, e.g. from grant, revenue, reserve, loan or otherwise.

Supplementary Estimates - General Fund, HRA & Special Expenses (Capital & Revenue)

Capital/ Revenue	General Fund/HRA/ Special Expenses	Directorate	Service	Recurring/ One-Off	Amount £	Funded By	Reason For Request
Externally Funded							
Between £0 and £99,999 (For Information Only)							
Revenue Revenue	General General	Resources Communities	Benefits Leisure Services	One off One off	37,677 24,360	Grant Grant	Benefits New Burdens Grants - LA IT Changes/General New Burdens Additional grant funding from Steady Steps and Sport England
Between £100,000 and £249,999 (For Cabinet Approval)							
Over £250,000 (Requires Council Approval)							
TOTAL EXTERNALLY FUNDED					62,037		
Council Funded							
Between £0 and £9,999 (For Information Only)							
Revenue	General	Finance	Head of Finance	One off	3,995	MTFP Reserve	LG Futures Fair Funding Review work
Between £10,000 and £249,999 (For Cabinet Approval)							
Revenue	General	Legal & Support Services	Communications	One off	13,000	MTFP Reserve	Additional hours for 25/26 - to be added to budget going forwards
Capital	General	Resources	ICT	One off	27,554	Business Rates Reserve	Replacement audio visual equipment for the Council Chamber
Capital	General	Resources	Customer Services	One off	17,450	Business Rates Reserve	Customer Services Centre Refurbishment
Revenue	General	Resources	Finance	One off	15,545	Business Rates Reserve	LG Futures - business rates forecasting for the Freeport
Over £250,000 (Requires Council Approval)							
TOTAL COUNCIL FUNDED					73,549		
TOTAL SUPPLEMENTARY ESTIMATES					135,586		

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CABINET – TUESDAY, 23 SEPTEMBER 2025

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	applications.
	Signed off by the Head of Paid Service: Yes
Purpose of Report	The purpose of the report is to present to Cabinet the final Local Nature Recovery Strategy for Leicestershire, Leicester and Rutland, approved by Leicestershire County Council on 2 July 2025, and to seek Cabinet's endorsement of the strategy.
Reason for Decision	<p>Local Nature Recovery Strategies are a new statutory duty placed on local government in England, as part of the Environment Act 2021. It requires local authorities to work together to develop Local Nature Recovery Strategies across 48 areas in England.</p> <p>Under the Environment Act 2021, the Secretary of State for Environment, Food and Rural Affairs appointed Leicestershire County Council as the 'responsible authority' for the development of a LNRS for Leicestershire, Leicester and Rutland.</p> <p>The development of the final LNRS fulfils part of the duty.</p>
Recommendations	<p>THAT CABINET:</p> <p>ENDORSES LEICESTERSHIRE COUNTY COUNCIL'S APPROVAL OF THE LOCAL NATURE RECOVERY STRATEGY FOR LEICESTERSHIRE, LEICESTER AND RUTLAND.</p>

1.0 BACKGROUND

- 1.1 The Cabinet report of 17 December 2024 (see link above) provides details relating to the Government's introduction of Local Nature Recovery Strategies (LNRS). Sections 2 and 3 of the Cabinet report explained how the LNRS had been developed and provided an overview of the document's contents. Section 4 of the report provided brief details of the draft LNRS approval process.
- 1.2 At Cabinet on 17 December 2024, members approved the draft LNRS to go out to public consultation.

2.0 PUBLIC CONSULTATION AND FEEDBACK

- 2.1 Details of the public consultation and feedback received following the consultation can be viewed on the link to the County Council's report on 2 July 2025 in the background papers above.

3.0 CONTENT OF THE APPROVED LNRS

- 3.1 Members are advised that under Regulation 15 of the Environment (Local Nature Recovery Strategies) (Procedure) Regulations 2023, supporting authorities, which included the Council, had 28-days to raise an objection with the responsible authority

regarding the final LNRS. The Council raised no objections and at Leicestershire County Council's meeting on 2 July 2025, the final LNRS was approved. The strategy has been submitted to the Secretary of State for DEFRA approval to publish. The final strategy (along with local habitat maps) was published on 1 August 2025. The approved LNRS and Local Habitat Maps can be found on the following links:

[Approved Local Nature Recovery Strategy](#)

[Local Habitat Maps](#)

- 3.2 The content of the LNRS is largely prescribed in the 2023 Regulations and guidance, with draft strategies required to meet certain criteria in order to be approved by Natural England for consultation. The LNRS consists of two key components: the LNRS strategy document, and the auxiliary webpages that include an interactive copy of the Local Habitat Map and the supporting information.
- 3.3 Members are advised that the important elements of the Strategy document are:
- a) The eight strategic aims of the Strategy (Section 4) which are to:
 - i. Increase the area and diversity of land and water managed for wildlife in Leicestershire, Leicester, and Rutland (make more space for nature).
 - ii. Increase biodiversity by improving the ecological condition.
 - iii. Reinststate natural processes, make space for water and utilise nature-based solutions to support nature and climate resilience.
 - iv. Protect and enhance green and blue spaces within urban habitats.
 - v. Promote sustainable agriculture and support local food systems.
 - vi. Improve ecological connectivity by establishing coherent and resilient ecological networks at scale.
 - vii. Reduce major pressures and threats to nature including invasive non-native species.
 - viii. Improve understanding of the state of nature and actively monitor habitat/species change over time.
 - b) The area description of the natural landscape and how people have shaped it;
 - c) An assessment of the state of nature across the area (including a presentation in map form of the existing areas of particular importance for biodiversity, to be published on the LNRS webpages);
 - d) The key environmental considerations, such as the future pressures and wider environmental issues (Section 8);
 - e) A presentation in map form of the areas that could become of importance for biodiversity and the wider environment (also to be published on the webpages);
 - f) Main biodiversity priorities and measures to take place within the priority areas as well as the landscape scale (area-wide) action;
 - g) Key factors needed to support the delivery of the LNRS;
 - h) Appendices with supporting information and technical detail.

- 3.4 The LNRS ultimately serves as a call to action for everyone to play a role in the recovery of nature, ensuring that the biodiversity and the natural beauty of Leicestershire, Leicester and Rutland can thrive for future generations, while at the same time supporting the lives and livelihoods of the people and communities that live and work there.
- 3.5 If members endorse the LNRS, it will be used as an evidence base in the preparation of the Council's emerging Local Plan and may be a material consideration to be taken into account in the determination of planning applications.
- 3.6 Further guidance and training on how to use the LNRS will be provided by Leicestershire County Council in due course.

4.0 FINANCIAL IMPLICATIONS

There are no direct financial implications that arise from this report, although the impact of the strategy on the resources of the Planning Service in having to take account of the LNRS in Local and Neighbourhood Plan making and in decision making on planning applications will need to be kept under review.

Policies and other considerations, as appropriate	
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:	LNRSs are a new statutory duty being placed on local government as a result of the Environment Act 2021. All local authorities have a role to play in preparing and delivering them. Local Nature Recovery Strategies are intended to support local planning authorities in preparing local plans that conserve and enhance biodiversity and the natural environment, and local planning authorities have a legal duty to have regard to the relevant strategy for their area. Local planning authorities should consider the priorities set out in the relevant Local Nature Recovery Strategy when determining how their local plan should contribute to and enhance the local and natural environment.
Safeguarding:	None identified.
Equalities/Diversity:	None identified.
Customer Impact:	An eight-week public consultation exercise took place from 6 January to 28 February 2025. The draft LNRS, a summary version, and the associated Local Habitat Maps were all available for comment. Comments could also be added to an interactive map. In addition to the online consultation, a total of 24 in person and online events were held across the area. This was all

	publicised via local newspapers and the usual social media channels.
Economic and Social Impact:	None identified.
Environment, Climate Change and Zero Carbon:	The LNRS will map the most valuable existing areas for nature, establish priorities and map proposals for specific actions to drive nature's recovery and wider environmental benefits.
Consultation/Community/Tenant Engagement:	As detailed above in Customer Impact.
Risks:	Impact on the resources of the Planning and Development and Policy team in terms having to take account of the LNRS in Local and Neighbourhood Plan making and in decision making on planning applications.
Officer Contact:	Chris Elston Chris.elston@nwleicestershire.gov.uk

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 23 SEPTEMBER 2025



Title of Report	COALVILLE REGENERATION FRAMEWORK - 2025 UPDATE	
Presented by	Councillor Richard Blunt Leader of the Council and Coalville Regeneration Portfolio Holder Paul Wheatley Head of Regeneration and Property Services.	
Background Papers	Coalville Regeneration Framework - 2023 Cabinet: Tuesday 10 January 2023 Community Scrutiny 11 September 2025	Key Decision: Yes Public Report: Yes
Financial Implications	The adoption of the updated Regeneration Framework itself does not have any direct financial implications for the Council. However, the implementation of the Framework may require financial resources from the Council. Where these resources are not included in the approved capital programme or revenue budget already, they will require specific approval in line with the Constitution and will be subject to resources being available	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	Adoption of the updated Regeneration Framework does not have any direct legal implications for the Council. However, legal advice will be sought on individual projects.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	The Regeneration Framework has been produced and will be promoted using existing staff resource.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	For Cabinet to approve the Coalville Regeneration Framework 2025 update	
Reason for Decision	The Council Delivery Plan for 2023-2028 identified that a Regeneration Framework Document will deliver during this timeframe.	
	The Coalville Regeneration Framework refresh constitutes a	

	strategy which under the Council's constitution requires Cabinet approval.
Recommendations	<p>THAT CABINET:</p> <p>1) ADOPTS THE DOCUMENT APPENDED TO THIS REPORT AS THE 2025 REFRESHED REGENERATION FRAMEWORK FOR COALVILLE</p> <p>2) DELEGATES TO THE STRATEGIC DIRECTOR (IN CONSULTATION WITH THE PORTFOLIO HOLDER) THE AUTHORITY TO MAKE ANY MINOR CHANGES TO THE DOCUMENT REQUIRED PRIOR TO PUBLISHING</p>

1.0 BACKGROUND

- 1.1 In April 2022, the Community Scrutiny Committee reviewed the first edition of the original Coalville Regeneration Framework.
- 1.2 Following further development work and reflecting on Scrutiny Committee feedback, the final version of Coalville Regeneration Framework was presented to Cabinet in January 2023 and subsequently published.

2.0 COALVILLE REGENERATION FRAMEWORK

- 2.1 Since the adoption of the Coalville Regeneration Framework, the Council has made significant progress on its regeneration plans for Coalville.
- 2.2 Some of the projects that the Council have delivered include:
 - The new high quality public amenity in Marlborough Square.
 - Coalville's Mother and Child Statue has been beautifully restored and relocated to a prominent place at the entrance to the Belvoir Shopping Centre and the entrance to the town.
 - Mantle Lane gateway to the town has been enhanced by the redecoration and lighting of the historic railway bridge.
 - The former Mitchell and Grieves factory site has been redeveloped into a new residential neighbourhood.
 - The Belvoir Shopping Centre has seen private sector led improvements to the public space with new furniture, greenery, shop frontage improvements, pedestrian access and a new public square.
 - The creation of the new Council Customer Service Centre, putting the Council at the heart of the town and improving access.

- The sympathetic internal restoration of Stenson House, including the preservation and reinstating of original features.
 - Improvements to Hermitage Recreation Ground, providing new equipment to support health and wellbeing, alongside new footpaths, landscaping and planting of a new eco park.
- 2.3 The Council continues to make progress on ongoing projects within the Framework such as the regeneration and renewal of the Marlborough Centre building, Stenson Square Gardens and the restoration of the former Memorial Square toilets into a modern workspace.
- 2.4 The refresh of the Coalville Regeneration Framework was presented to Community Scrutiny Committee on 11 September 2025. Scrutiny Committee comprehensively reviewed the refresh and the projects included.
- 2.5 Scrutiny Committee provided positive feedback to reflecting on the regeneration projects completed to date and the ongoing commitment for the continued regeneration of Coalville.
- 2.6 The Committee noted they would be interested to see more details on the forthcoming projects at the appropriate time with a specific request to understand how projects will be funded and the likely timescale for delivery.

3.0 2025 FRAMEWORK UPDATE

- 3.1 The Council has prepared an updated Coalville Regeneration Framework, attached as Appendix 1. This update builds from the original Framework and showcases those regeneration projects which have been successfully completed and continues to highlight those ongoing regeneration priority projects in Coalville Town Centre.
- 3.2 In addition, the updated Framework identifies three additional regeneration projects. The projects selected for inclusion in the refresh have been influenced by available resource. The three projects include:
- Wolsey Road Regeneration Phase 3: The Old Bakery
 - The former Rex Cinema, Jackson Street
 - Hotel Street Regeneration Site
- 3.3 Wolsey Road Regeneration Phase 3: The Old Bakery – Continuing the regeneration of these brownfield areas at a key entrance to Coalville remains an important priority, particularly focusing on infrastructure to provide access and connect Coalville Urban Forest Park into the town centre. The Old Bakery has been added to the Framework as it is a prominent local landmark building which is derelict and central to ongoing regeneration.
- 3.4 The former Rex Cinema, Jackson Street and Hotel Street Regeneration Site – Both the former Rex Cinema and Hotel Street Regeneration Site have been added to the refreshed Coalville Regeneration Framework as both are important sites within the town which are in need of investment and regeneration. Both sites are in private ownership and not within the control of the Council but listing them in the Framework marks the intention of the Council to seek to work with landowners to support regeneration.

3.5 This updated Coalville Regeneration Framework and the District Regeneration Framework will both be reviewed and updated in 2026.

3.6 It is intended that the Regeneration Framework Document is used to:

- Communicate to residents of North West Leicestershire the Regeneration Vision for Coalville.
- Promote opportunities to invest in the regeneration of Coalville to investors and developers.
- Convey to owners of property in the town the quality standard within the built environment that the Council aspires to for its residents.

Policies and other considerations, as appropriate	
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:	There are no Policy Considerations.
Safeguarding:	There are no safeguarding considerations.
Equalities/Diversity:	There are no safeguarding considerations.
Customer Impact:	The updated Coalville Regeneration Framework will be published online and communicated to residents and stakeholders of Coalville.
Economic and Social Impact:	The updated Coalville Regeneration Framework can be used to highlight opportunities for investment and regeneration to investors and developers.
Environment, Climate Change and Zero Carbon:	There are no safeguarding considerations.
Consultation/Community Engagement:	The Council continues to have regular engagement with local partners, landowners, property owners and business with the aim of enhancing Coalville and the town centre.
Risks:	<p>Reputational risk to Council if significant numbers of projects identified within the framework are not developed or completed.</p> <p>The delivery of some of the projects within the updated Coalville Regeneration Framework will be dependent on the participation of third-party owners and third-party investment.</p>
Officer Contact:	Paul Wheatley Head of Economic Regeneration paul.wheatley@nwleicestershire.gov.uk

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Coalville Regeneration Framework

2025 Update



The Coalville Regeneration Framework, published in 2023, set out a range of aspirational projects and initiatives designed to provide a long-term vision that would put the heart back into the town centre.

The Council's latest delivery plan, which covers activity through to 2028, also set out specific aims; to create the right environment in Coalville for people and businesses to thrive, and to support towns, villages and communities across the district to improve for people and businesses.

We continue to make excellent progress on our regeneration plans for Coalville and have now delivered a new high quality public amenity in Marlborough Square. The Mother and Child Statue has been beautifully restored and relocated to a prominent place at the entrance to the Belvoir Shopping Centre. The entrance to the town along Mantle Lane has been enhanced by the redecoration of the historic railway bridge with plans for improved lighting.

Projects being delivered by the private sector have moved forward with the granting of planning permission for new leisure facilities at Needham's Walk. In addition, we have secured planning consent for the extensive refurbishment and remodelling of the Marlborough Centre; whilst consent for an affordable retirement apartment complex which complements the Wolsey Road regeneration is expected to be delivered shortly.

These projects all demonstrate the Council's commitment to the regeneration of Coalville and the growing programme of investment in the town from private sector partners.

Regenerating a town centre is a long-term vision, with input needed from multiple project stakeholders. The projects listed below are a mixture of Council led, Private Sector led or where we both work in partnership. Some projects identified in the 2023 Framework have been completed and, for those ongoing we have provided an update, as well as introducing new projects to take the framework forward.



1. Completed Projects

Marlborough Square (Project 1)

A new high quality public realm has been created in Marlborough Square, an area previously dominated by cars which it is now a vibrant, attractive multi-use space for residents and visitors to Coalville.

The revitalised square provides a lively outdoor hub for markets, events, retail and leisure activities.



Wolsey Road Regeneration – Phase 1 (Project 3)



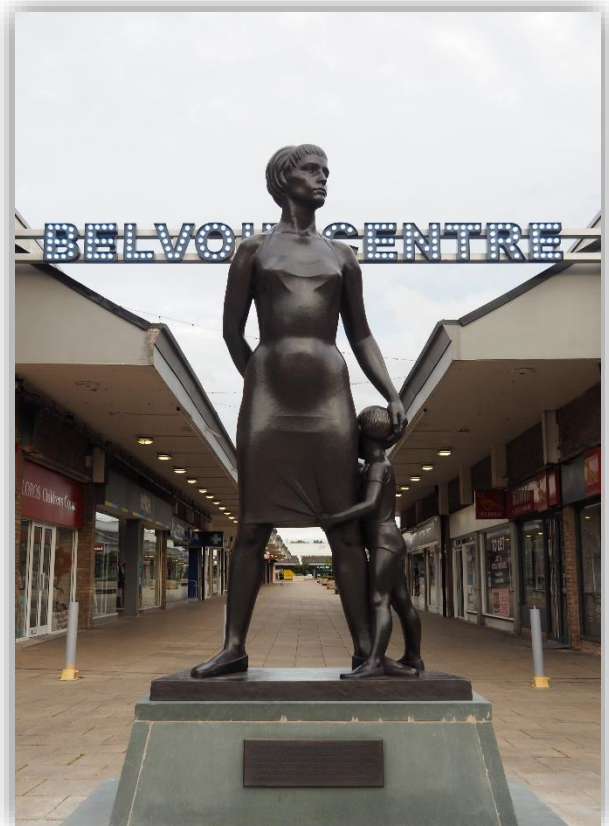
The former Mitchell and Grieves factory site has been redeveloped into a new residential neighbourhood with exceptional access to the town centre amenities.

Future phases of this project are detailed later in this document.

Belvoir Shopping Centre (Project 4)

The shopping centre has seen private sector led improvements to the public space with new furniture, greenery, shop frontage improvements, pedestrian access and a new public square.

NWLDC have led on the creation of the new Customer Service Centre, putting the Council at the heart of the town and improving access. Coalville's iconic *Mother and Child* statue has also been restored and given a more prominent home at the Belvoir Road entrance to the centre.



Former Belvoir Road Co-Operative Store (Project 7)

For the first time since 2013 the ground floor of this important Victorian structure is occupied, adding to the growing leisure and hospitality offer in the town centre.





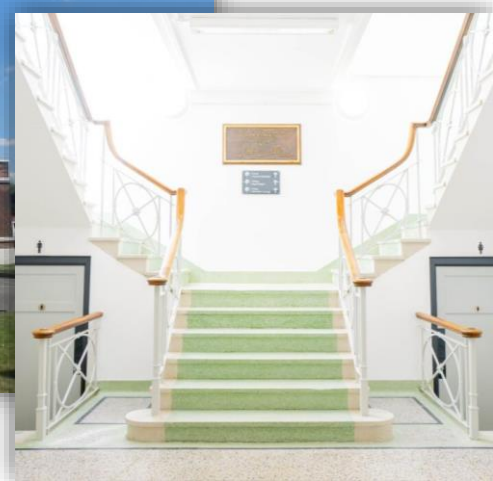
Mantle Lane Gateway (*Project 8*)

Significant improvements have been made to this key gateway to the town centre including road resurfacing, new pedestrian railings with a design which links to those in Memorial Square, and working with Network Rail to facilitate a full repaint of the bridge deck itself.

The crimson and cream are heritage colours that reflect the bridge's original installation by the Midland Railway in 1911. New lighting was installed in the Summer 2025.

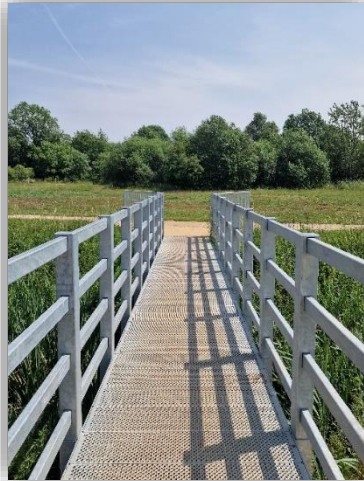
Stenson House Restoration (*Project 9*)

A sympathetic internal restoration of Stenson House has been completed, including the preservation and reinstating of original features.



Hermitage Recreation Ground Phase 1 (*Project 10*)

Improved access to the Leisure Centre that promotes active travel and provides new equipment to support health and wellbeing, alongside new footpaths, landscaping and planting of a new eco park.



2. Current Projects

Marlborough Centre (*Project 2*)

Complimenting investments in Newmarket and Marlborough Square by restoring a prominent building to its former glory, reinstating lost historical features. Shop frontage improvements will enhance the retail space, while new first floor apartments will provide new town centre living accommodation. This project is being delivered by NWLDC.

- Pre construction services have been commissioned with construction projected to start in late 2025.

Wolsey Road Regeneration – Phase 2 (*Project 3*)

To build on the success of the first phase we are now looking to bring forward additional redevelopment in this area, particularly focusing on infrastructure to provide access and connect Coalville Urban Forest Park into the town centre. This project is being delivered as a partnership between NWLDC and the private sector.

- The planning application **23/01660/FULM** for new retirement apartments and an extension of Linden Way is expected to be determined early in

2025/26. Detailed design work has commenced for the Linden Way Road extension.

- It is anticipated that works will commence in late 2025 on the new road.
- Delivery of affordable retirement apartments will follow construction of the road.

Former Market Hall (*Project 5*)

The Council is exploring all opportunities to bring this distinctive building back into use to support town centre footfall and vitality. This project is being delivered by NWLDC.

- Investigative works are being undertaken to establish the feasibility of the remodelling of the building for new uses such as leisure and retail. Subject to the outcome of the feasibility work and business case a planning application will be submitted in late 2025.

Needham's Walk Leisure Development (*Project 6*)

New residential, retail and leisure attractions which will add to the vibrancy and offer within the town centre. This project is being delivered by the private sector.

- Planning permission has been granted for the development which is being led by the private sector and the developer has indicated a project commencement in 2025/26.

Stenson Square Gardens, Including former Council Offices (*Project 9*)

Following the internal restoration of Stenson House, NWLDC plans to utilise its land ownership to facilitate regeneration to the outside area, including providing an attractive public square which complements the civic centre, forming the ideal backdrop to ceremonies at the Registry Office. This project is being delivered by NWLDC.

- Consultants have been appointed to develop residential redevelopment proposals for part of this site with an indicative timetable of bringing the land to market with outline planning permission during 2026.
- Landscape Designers have been appointed to develop proposals for the public square frontage to enable a planning application to be made.

- Works will also include some external restoration to Stenson House with enhanced feature lighting.
- Works are anticipated to start in 2026.

Coalville Railway Station / Reopening the Ivanhoe Line (*Project 11*)

Supporting the re-opening of the Ivanhoe Line, restoring a rail link between Coalville and Derby, via Burton-Upon-Trent and intermediate settlements. Delivery of the Ivanhoe Line Project (Network Rail) still to be confirmed.

- The Restoring Your Railways fund was paused following the July 2024 General Election, which has affected the delivery of the Ivanhoe Line project.
- NWLDC continue to lobby for the line's inclusion in future transport infrastructure projects.

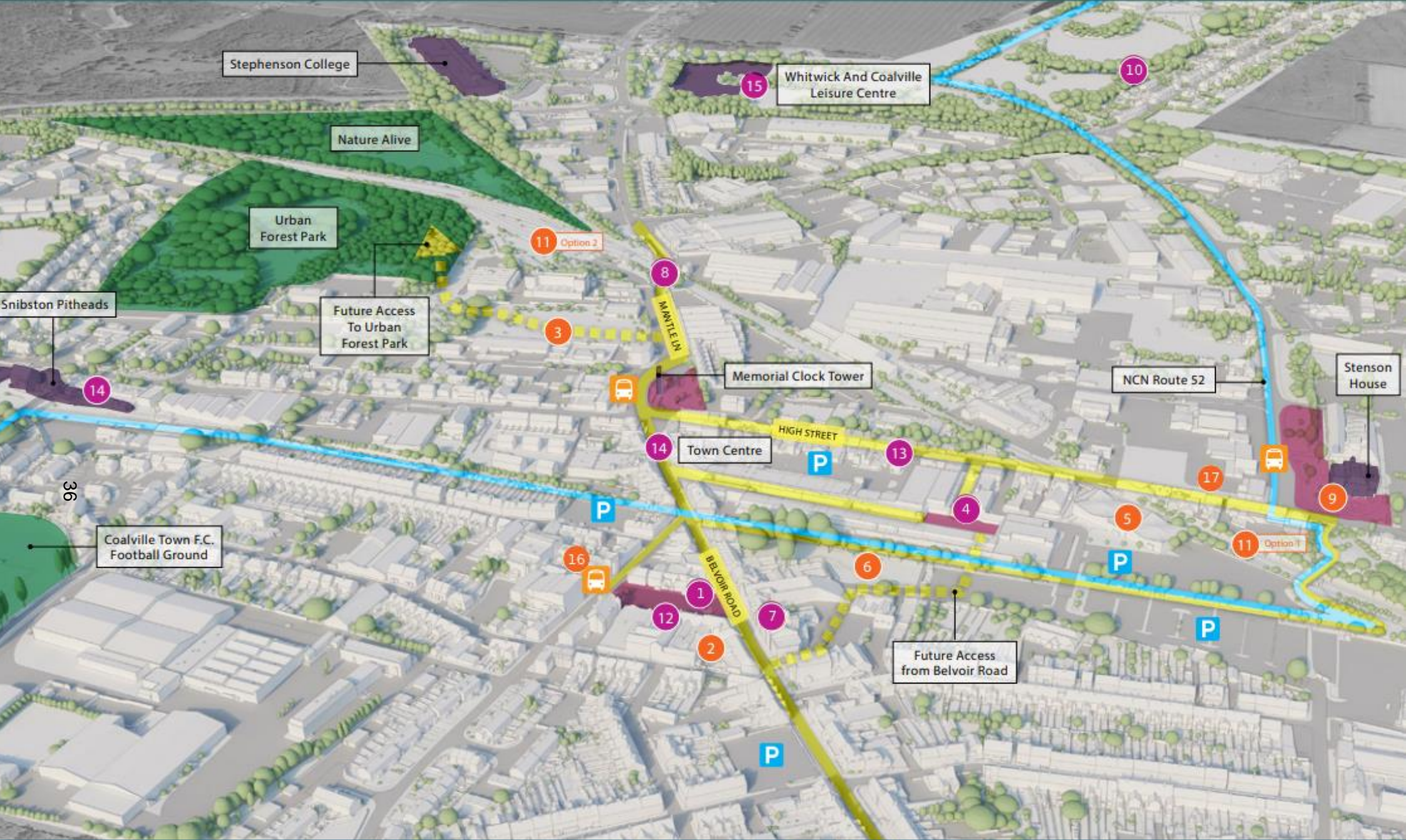
3. Emerging Projects

North West Leicestershire District Council is continually considering potential projects within Coalville, especially those where we can add value as an enabler, partner or overall manager.

Regeneration Projects take time to develop and almost always involve a large group of stakeholders across the public and private sectors, not least property owners where a site may be privately owned.

Emerging projects include working with private landowners to investigate regeneration options and feasibilities for the former Rex Cinema building, the brownfield site adjacent to Coalville Motors on Hotel Street; and developing a third phase of work on the Wolsey Road development to encompass the derelict former Co-Op Bakery site, complementing the existing and ongoing work in the area.

Any projects which can develop to the point of delivery will be included in future editions of the Regeneration Framework.



Previously Completed Projects: 12. Newmarket, 13. Frontage Improvement Scheme, 14. Snibston Country Park and Oliver's Crossing, 15. Coalville and Whitwick Leisure Centre

Completed Projects since 2023: 1. Marlborough Square, 4. Belvoir Centre, 7. Co-Op Department Store, 8. Mantle Lane, 10. Hermitage Eco-Park

New and Ongoing Projects: 2. Marlborough Centre, 3. Wolsey Road Regeneration, 5. Old Market Hall, 6. Needhams Walk, 9. Stenson Gardens, 11. Ivanhoe Line, 16.



Economic Development and Regeneration Team

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 23 SEPTEMBER 2025



Title of Report	FAIR FUNDING REVIEW	
Presented by	Cllr K Merrie Finance and Corporate Portfolio Holder PH Briefed: Yes	
Background Papers	None	Public Report: Yes
		Key Decision: No
Financial Implications	There are no financial implications arising from this report.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	Section G2 of the Council's Constitution 'General Delegations to Designated Officers, paragraph 10.1, states that responses to consultations can be submitted after consultation between the Strategic Director and Portfolio Holder.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no staffing and corporate implications arising from this report.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To provide Members with details of the Council's response to the Government's Fair Funding Review 2.0 consultation issued on 20 June 2025.	
Reason for Decision	Cabinet is responsible for monitoring and reviewing issues relating to the implementation of strategy and policy as set out in Section E of the Council's Constitution. Given the potential significant impact on the Council's finances, Cabinet need to be informed as it moves into its budget setting phase for the 2026/27 financial year.	
Recommendations	THAT CABINET <ol style="list-style-type: none"> 1. NOTES THE COUNCIL'S RESPONSE TO THE FAIR FUNDING REVIEW AS SET OUT IN APPENDIX ONE 2. NOTES THE DISTRICT COUNCIL NETWORK (DCN) RESPONSE AS SET OUT IN APPENDIX TWO AND NOTE THAT THE COUNCIL WILL CONTINUE TO WORK WITH DCN TO LOBBY FOR A FAIRER FUNDING SETTLEMENT. 	

	3. NOTES THE LOCAL GOVERNMENT ASSOCIATION RESPONSE AS SET OUT IN APPENDIX THREE.
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1.0 BACKGROUND

- 1.1 The Government's 'Fair Funding Review 2.0' is a national process that looks again at how local councils in England receive their funding. It was introduced to address differences in funding and to make the distribution of money fairer between councils. The consultation, launched on 20 June 2025, asks councils and organisations to give their views on the proposed changes. The main aim is to design a clearer and more sustainable way of sharing out funding that considers the needs of different areas.
- 1.2 The proposals outlined in the Consultation present major implications for the Council's finances. While a shortfall in the Medium-Term Financial Plan has been expected for some time, pending the outcome of this review, the extent of the projected funding reduction will place significant strain on the Council's financial stability with an estimated loss in funding of £2m. This is in addition to the funding gap of £0.6m already estimated for 2026/27.
- 1.3 Despite transitional arrangements being implemented to support 'shocks' to the funding methodology, the Council is one of a number of councils that, unlike the majority, will experience a significant reduction in funding. This financial challenge is further compounded by the withdrawal of New Homes Bonus funding—a source of income the Council has relied upon for several years, and which is worth £0.7m in 2025/26. The combined effect of these changes creates considerable pressure on the Council's finances and accentuates the difficulty of maintaining services and meeting strategic priorities.
- 1.4 The Government expects that this gap could be filled from reserves that the Council has carefully set aside to support its capital programme and other Council Delivery Plan objectives.
- 1.5 The Council has historically adopted a strategy of using growth in business rates to support its capital programme, thus reducing reliance on borrowing and saving on debt costs. However, in light of the anticipated funding reductions, it is now expected that these business rates reserves will need to be drawn upon to help mitigate immediate pressures. This situation necessitates a comprehensive review of the Council's capital programme pipeline projects, to ensure that reserves are not unduly depleted and financial sustainability is maintained. The alternative is a return to borrowing to finance capital schemes, however, this would reintroduce a revenue burden at a time when the Council is striving to balance its budgets without further reliance on reserves.
- 1.6 The Government also expects councils to maximise Council Tax increases to address funding pressures. However, the Council's ability to do so is constrained by special expenses—a factor not fully considered by Government. The Director of Resources has formally communicated these limitations to Government, requesting that flexibility around Council Tax increases be afforded to councils affected by such constraints.

2.0 THE FAIR FUNDING REVIEW 2.0 CONSULTATION

- 2.1 The Fair Funding Review 2.0 is a comprehensive government consultation document detailing proposed reforms to how local authorities are funded in England. The review focuses on the Local Government Finance Settlement from 2026-27 onwards, aiming to overhaul a system that has, by the Government's own admission, left councils across the country grappling with outdated allocation formulae, acute financial pressures, and limited flexibility.
- 2.2 Over recent years, councils have faced significant challenges, including increased demand for services, spiralling costs, and the consequences of a broken funding system. The current funding formulae have not been meaningfully updated for over a decade, leading to inequities and instability. The Government's vision is for a modern, fair, and sustainable system that delivers for communities and restores trust between central and local government.
- 2.3 The consultation is being led by the Local Government Finance Directorate within the Ministry of Housing, Communities and Local Government (MHCLG). It ran for eight weeks, from 20 June to 15 August 2025, and covers a wide range of topics including:
- Determining local authority funding allocations
 - Funding simplification and consolidation
 - Measuring differences in demand for and cost of services
 - Assessing locally available resources
 - Business Rates Retention System
 - The New Homes Bonus
 - Transitional arrangements and updating allocations
 - Devolution, reorganisation, and wider government reform
 - Sales, fees, and charges reform
 - Design of relative needs formulae
 - Equalities impacts
- 2.4 Feedback was invited online, by email, or by post. The Government indicates that responses and supporting evidence will be instrumental in shaping final policy decisions, with outcomes to be published in autumn 2025.

Funding Allocation Methodology

- 2.5 The Government proposes a new transparent methodology based on three pillars:
- **Relative Need:** A share-based system using updated Relative Needs Formulae (RNFs) for key service areas. The number of formulae is reduced from 15 to 9, including for adult social care, children and young people's services, highways, fire and rescue, home-to-school transport, and temporary accommodation.
 - **Resources Adjustment:** Adjustments to account for a local authority's ability to raise income via Council Tax, using a notional average Band D level (£2,000 in 2026-27) to achieve 'full equalisation' across authorities.
 - **Transitional Arrangements:** Phased implementation over three years, accompanied by income protection measures (funding floors), financial flexibilities, and support for authorities facing significant change.

Funding Simplification

- 2.6 The review aims to radically consolidate and simplify the hundreds of grants given to local government, reducing administrative burdens and competitive bidding. At least four major consolidated grants are proposed for 2026-27:
- Homelessness and Rough Sleeping Grant,
 - Public Health Grant,
 - Crisis and Resilience Grant, and Children, Families and
 - Youth Grant.
- 2.7 Adult social care grants will be included in the updated Settlement Funding Assessment, with notional allocations and enhanced accountability.

Needs and Cost Assessment

- 2.8 The new system employs fewer, more targeted formulae and incorporates updated drivers and data. It proposes sophisticated adjustments for the cost of service delivery, including:
- Rates Cost Adjustment (RCA) – property costs
 - Labour Cost Adjustment (LCA) – wages and staffing
 - Accessibility and Remoteness Adjustments – travel times and isolation factors, especially relevant for rural areas
- 2.9 Weights for each adjustment are calculated using national statistics and expenditure data, aiming to reflect real differences in costs.

Resource Equalisation

- 2.10 Council Tax remains the central measure of local resources. The Government proposes to fully account for mandatory discounts and exemptions, proxy the impact of Working Age Local Council Tax Support, and apply a uniform collection rate assumption. These measures aim to ensure authorities with weaker tax bases receive appropriate funding.

Business Rates Retention System

- 2.11 A full reset of the Business Rates Retention System will occur in 2026-27, with updated baselines and safety net provisions. There will be increased protection in the first year post-reset, gradually scaled back over the settlement period. The Government plans to simplify the levy structure and may review pooling arrangements.

Ending the New Homes Bonus

- 2.12 The review proposes to discontinue the New Homes Bonus after 2025-26, returning its funding to the core Settlement and distributing it according to need rather than simple housebuilding performance. This would mean a loss of funding of £0.7m. The Government commits to supporting housebuilding through other means, aiming for 1.5 million new homes during this Parliament, for which detail is still awaited.

Transitional Arrangements

- 2.13 To ensure a smooth transition, allocations will be phased in over three years. Funding floors will protect most councils from cash reductions, and additional flexibilities may be offered to support local decision-making and service transformation.

Devolution and Reorganisation

- 2.14 The Government's ambition is for consistent, unitary local authority structures, supported by Strategic Authorities with greater powers and direct access to funding. Reorganisation proposals are encouraged, with guidance on determining new allocations and dividing resources locally.

Consultation Questions

- 2.15 The document is structured around key consultation questions relating to each major proposal, inviting detailed feedback on methodology, impacts, and preferred approaches. These include views on formula design, cost adjustments, the role of Council Tax, transitional arrangements, funding simplification, and equalities impacts.

Next Steps

- 2.16 The Fair Funding Review 2.0 represents a significant shift in the local government funding landscape, promising a simpler, fairer, and more transparent system. If implemented as proposed, it will deliver multi-year certainty for councils, enable more strategic planning, and better match resources to local need. The Government invited robust engagement from stakeholders, with a final policy statement and provisional settlement due in autumn 2025.

3.0 THE COUNCIL'S RESPONSE IN SUMMARY

- 3.1 The consultation was a highly technical document spanning over 100 pages. It explores the complexities of local government finance in detail, presenting a range of intricate proposals and technical methodologies, as outlined above, for stakeholder feedback. The Council submitted its response on 11 August 2025, a copy of which is shown at Appendix One.
- 3.2 The following paragraphs provide a summary of the Council's formal response, highlighting its positions on the key issues raised within the extensive review.
- 3.3 The Council raises serious reservations about proposals that could leave some authorities with no core funding at all, warning that such measures risk undermining financial stability and deepening disparities within local government. To address this, the Council recommends robust protections—such as funding floors and a gradual, transitional rollout—to help councils avoid sudden shocks and secure a dependable flow of resources.
- 3.4 While the Council supports the simplification of grant streams, it underscores the necessity for complete transparency in detailing which grants will be consolidated and which will remain distinct, with particular emphasis on provisions for homelessness and temporary accommodation.
- 3.5 Furthermore, the Council stresses the importance of timely communication regarding grant allocations to minimise uncertainty during the budget-setting process.
- 3.6 The Council is in favour of the proposed temporary accommodation funding formula but recommends that this formula be subject to continuous review and retain the flexibility needed to respond to local pressures, especially in areas experiencing high demand.

- 3.7 With respect to special expenses and Council Tax, the Council argues that setting notional Council Tax at the national average fails to reflect local realities, particularly where special expenses are concerned. This approach is viewed as diminishing spending power and neglecting statutory deductions. The Council therefore calls for a review of the referendum principles that limit increases in Council Tax.
- 3.8 The Council also supports incorporating mandatory discounts and exemptions in taxbase calculations and acknowledges the value of statistical methodologies for Working Age Local Council Tax Support, provided these measures are continuously monitored.
- 3.9 The Council strongly supports phased reductions and robust funding floors to prevent destabilisation of council budgets and to protect vital services, and is critical of proposals that would require the use of reserves to cover operational funding gaps.
- 3.10 Regarding the New Homes Bonus, the Council prefers a gradual withdrawal and advocates for alternative mechanisms to continue recognising councils that have facilitated housing growth, as opposed to an immediate cessation of the bonus.
- 3.11 The Council requests increased flexibility in Council Tax setting and the use of multi-year deficit budgets, but emphasises that such flexibilities should be temporary, closely monitored, and crafted to safeguard vulnerable groups and essential services. Any new local government flexibilities, the Council argues, should be accompanied by strong mechanisms for accountability and community engagement.
- 3.12 On technical and formula-related issues, the Council generally supports the inclusion of projections for residential population, Council Tax, and taxbase in future funding allocations, utilising methodologies established by the Office for National Statistics. The Council agrees with the proposed design of the Foundation Formula and the use of weighted measures to account for daytime inflows of population. As a lower tier authority, the Council does not comment on the formulae related to social care, fire and rescue, highways, or home-to-school transport.
- 3.13 The Council is also supportive of a review and reduction of unnecessary statutory duties, particularly in the areas of planning and data reporting, to lessen administrative burdens. It agrees that certain fees should be updated prior to devolving responsibility to local government and calls for 'new burdens' funding where fees are devolved.
- 3.14 The Council draws attention to the adverse impact that reduced funding and increased Council Tax will have on low-income households, people with disabilities, ethnic minorities, and those living in rural communities. Given that North West Leicestershire is a rapidly growing district, experiencing significant increases in population, housing, and employment, the Council maintains that funding reductions would be especially detrimental in this context. The Council urges the Government to carry out detailed equality impact assessments and to ensure robust transitional protection for groups at greater risk of disadvantage.
- 3.15 In conclusion, the Council recommends a phased and equitable introduction of any funding changes, with strong transitional protections for councils most affected by reductions in core spending power. It emphasises the need for transparency, timely communication, and flexibility in the allocation of grants and funding. The Council further calls for ongoing recognition and reward for those authorities that have demonstrated growth and prudent financial management, and insists that the new funding arrangements must not serve to widen inequalities or disadvantage protected groups within the community.

4.0 DISTRICT COUNCIL NETWORK AND LOCAL GOVERNMENT ASSOCIATION

- 4.1 Both the District Council Network and the Local Government Association have responded to the consultation separately and a summary of both responses is set out below. The detailed District Council Network response is shown in Appendix Two, whilst the Local Government Association response is shown at Appendix Three.

District Council Network (DCN) Summary of Response

- 4.2 DCN asserts that the consultation proposals risk imposing real-terms reductions in spending power for the majority of district councils. This is particularly troubling given the rising demand for district services and the essential role these councils play in delivering frontline, place-based and preventative services. The response highlights that the reforms could undermine financial sustainability, especially in rural areas, and penalise councils that have actively driven growth and housing development.
- 4.3 A key issue raised is the proposed full reset of the business rates baseline, which DCN estimates could result in a net loss exceeding £200 million in 2026–27. The organisation recommends a phased reset over five years and a redistribution of surplus funds based on historical growth. DCN also opposes the removal of the New Homes Bonus, arguing that it incentivises housebuilding and helps councils manage the costs associated with new developments.
- 4.4 The response supports the introduction of a separate formula for Temporary Accommodation (TA), acknowledging its significant cost pressures. However, DCN contends that the proposed formula underfunds district councils and calls for a revised methodology.
- 4.5 Concerns are also raised about the treatment of new burdens funding. DCN argues that rolling these into the main settlement risks failing to reimburse councils adequately for costs incurred due to government mandates. The organisation insists that funding for weekly food waste collections should remain a separate grant in accordance with the New Burdens Doctrine.
- 4.6 DCN calls for greater financial flexibility, including the ability for councils to set fees and charges locally and reform council tax referendum principles. The response supports a 0% cash funding floor for all councils and warns against creating disparities in transitional protection. It also opposes the use of unreliable population and taxbase projections in funding allocations.
- 4.7 Regarding local government reorganisation, DCN supports adjustments for new unitary authorities but urges additional funding to support the transition. The response also advocates for the simplification of statutory duties and the devolution of fee-setting powers to local authorities.
- 4.8 Finally, DCN expresses concern that the proposed funding changes could disproportionately affect individuals with protected characteristics, particularly in areas facing significant reductions in resources.

Local Government Association Summary of Response

- 4.9 The Local Government Association (LGA) welcomes the Government's initiative to reform local authority funding formulas, recognising the need for a system that better reflects local needs and resources. However, the LGA emphasises that transitional

protection must be robust, shielding councils from both real-terms and cash-terms reductions in funding during the implementation phase.

- 4.10 While the proposals include positive elements such as multi-year settlements and grant simplification, the LGA expresses concern that the suggested transitional arrangements, particularly the cash flat floor, do not adequately account for inflationary pressures. In the absence of new funding, the LGA calls for additional financial flexibilities to help councils manage ongoing pressures.
- 4.11 It also endorses the use of notional council tax levels and population projections. However, there are concerns about the removal of certain funding blocks and the potential reduction in consolidated grants.
- 4.12 Regarding formula design, the LGA supports the use of updated data and population projections for adult social care, while expressing reservations about the effectiveness of the Low-Income Adjustment.
- 4.13 The LGA also supports greater local control over fees and charges, including planning and transport levies, and calls for full localisation of sales, fees, and charges. It further recommends reducing unnecessary statutory duties to alleviate administrative burdens.

5.0 FINANCIAL IMPLICATIONS

- 5.1 Recently, the Government reached out to a group of district councils and London Boroughs anticipated to be hit hardest by changes to the local government funding formula. The new approach which includes the business rates reset, revisions to the main funding formula, and scrapping the New Homes Bonus will roll out gradually over three years, in line with the Spending Review period:
 - Year 1: One-third of funding will be determined by the new model, with the remainder based on the old system.
 - Year 2: Two-thirds of funding will shift to the new method.
 - Year 3: The new funding model will be fully in effect.
- 5.2 There's also a proposed "0% cash minimum funding floor," which should, in theory, prevent any cash reductions in council funding over this period.
- 5.3 However, for councils with the biggest gap between their current and target funding shares under the new system, the transitional arrangements will be less generous, and they won't benefit from the 0% funding floor. Although the Fair Funding consultation suggested this would impact only a small group, it's become clear the effect will reach further than expected.
- 5.4 For the Council, one of roughly forty expected to see a significant funding drop after the business rates reset, with previous strong growth in rates -this means a projected 5%-7% reduction in core spending power (about £2 million in lost revenue for the Council), mostly impacting on the Council in the first year, 2026/27.
- 5.5 After that, the Council will likely be working with a cash flat funding position. While that might offer some stability, it doesn't factor in inflation or allow room for investment in new priorities. The Council will have to focus on rebuilding its business rates base to compensate for the shortfall over time.

- 5.6 The Council has been working with DCN and the Government to raise its concerns about both the scale and the timing of the funding changes and the adequacy of the proposed transitional arrangements. The Government's view is that councils who benefited in the past should have planned accordingly, but the Council along with the authorities affected have argued that the size and timing of the cuts make it difficult to avoid cuts to services, especially given ongoing pressures on local government finances.
- 5.7 The Council will have to wait until the Provisional Settlement later this year, which will clarify the final financial implications. Other councils facing similar cuts have echoed the Council's concerns, particularly about the impact of sudden funding reductions on high-need areas and vulnerable communities. The LGA and DCN are pressing for strong protection and more flexibilities to make sure the funding system reflects local needs rather than penalising councils for historic business rate success.

Policies and other considerations, as appropriate	
Council Priorities:	A well-run council
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	<p>The proposals outlined in the Fair Funding Review 2.0 raise significant equality and diversity concerns, particularly for councils serving high-need and vulnerable populations. As the transitional arrangements are less generous for those with the largest funding gaps, there is a risk that communities already experiencing disadvantage could face disproportionate reductions in support and services.</p> <p>The projected loss of core spending power may impact the Council's ability to deliver inclusive and accessible services and could inadvertently widen existing inequalities if mitigating actions are not taken.</p>
Customer Impact:	The Fair Funding Review 2.0 proposals are expected to have a noticeable impact on service users—residents and communities who rely on council-provided services.
Economic and Social Impact:	This reduction in available funds may force councils to make difficult decisions about how to allocate resources, potentially resulting in reduced services.
Environment, Climate Change and Zero Carbon:	None
Consultation/Community/Tenant Engagement:	None
Risks:	The transitional measures, including a proposed

	<p>“0% cash minimum funding floor,” do not apply to councils with the largest gap between current and target funding shares. This exposes these councils to abrupt funding reductions, contrary to earlier consultation assurances that few would be affected.</p> <p>Councils must focus on rebuilding their business rates base to offset lost funding. This places pressure on local economic development and may divert attention from other vital priorities.</p> <p>Councils must wait for the Provisional Settlement later in the year to confirm the financial implications. The uncertainty complicates effective planning and budgeting, increasing the risk of reactive, rather than strategic, decision-making.</p>
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North West Leicestershire District Council

Response to Fair Funding Review 2.0

Question 1

What are your views on the updated SFA resulting in zero allocations, and the use of mitigations to avoid zero allocations?

In light of previous local government settlements, the idea of introducing zero allocations within the updated Settlement Funding Assessment (SFA) raises real concerns about fairness and the long-term stability of local authorities.

Historically, measures like transitional protections and funding floors have been crucial in preventing sudden or sharp funding cuts. These arrangements have helped ensure that councils, especially those with less ability to raise funds locally, have not been left unable to provide essential services. Moving to a system where some authorities could receive no funding at all, based only on their supposed capacity to raise money through Council Tax, could seriously destabilise local government finances and widen regional inequalities.

It is also important to note that not all authorities have the same ability to raise funds or face the same pressures. Even those with a strong Council Tax base may encounter unexpected challenges or changing demands for services. If their core government funding is completely removed, they could become vulnerable and may struggle to plan ahead or meet local needs.

For these reasons, the Council supports the idea of including mitigations to avoid any local authority receiving a zero allocation. Keeping a funding floor or transitional arrangements would help manage the transition and protect councils from unmanageable reductions. This approach takes into account the different situations councils face and recognises the need for stable and predictable funding for effective public service delivery.

Question 2

Do you agree with how the government proposes to determine the Council of the Isles of Scilly's Settlement Funding Assessment?

Yes

Question 3

Do you agree with the government's plans to simplify the grant landscape?

The Council appreciates the Government's commitment to simplifying the grant landscape, and the Council broadly support the consolidation of funding streams as outlined in the current proposals. Nevertheless, in relation to homelessness and temporary accommodation, the Council wish to emphasise the paramount importance of transparency and precision in the communication of funding changes to local authorities.

As the demand for homelessness services and temporary accommodation continues to rise, local authorities require absolute clarity regarding the grants that will be consolidated into the revised Settlement Funding Assessment (SFA) as of the December 2025 settlement. The Council requests that, at the point of the settlement, the Government publishes a comprehensive and accessible list detailing all grants—including those directly or indirectly related to homelessness and temporary accommodation—that have been absorbed into the SFA. Such transparency will ensure that local authorities can plan effectively, allocate resources judiciously, and maintain continuity of vital services for some of the most vulnerable members of society.

Furthermore, it is equally crucial for the Government to clearly delineate which grants will remain as separate, ring-fenced funding streams following the settlement. By providing a thorough breakdown of all grants that will continue to be paid outside of the SFA, including their respective purposes, eligibility criteria, and reporting requirements, local authorities will be able to achieve a full understanding of the funding landscape. This will assist them in making well-informed decisions regarding service provision, strategic financial planning, and meeting statutory obligations.

Furthermore, the Council has, regrettably, witnessed too many occasions in previous years where uncertainty has surrounded the announcement of grant allocations. Local authorities are consistently under immense pressure in the critical run up to budget setting, particularly each January/February. Delays or ambiguities regarding grant distribution serve only to hinder this already challenging process. It is important for Government to recognise the substantial effort required of finance teams in preparing and setting balanced budgets. This undertaking is not confined to internal calculations; it necessitates a meaningful period of consultation with stakeholders and the securing of agreement from elected councillors—steps that are both essential and time-consuming. Waiting for definitive details on grant allocations until the eleventh hour needlessly complicates this procedure, placing additional strain on local authorities at a time when clarity is most needed.

The Council also welcome the Government's forthcoming review of statutory duties, as signalled in the proposals, and look forward to receiving more detailed information on the approach and intended outcomes of this review. It is imperative that the transparency and accountability arrangements being developed for adult social care funding are mirrored in the context of homelessness and temporary accommodation, ensuring parity of oversight and assurance across critical areas of local government responsibility.

In summary, while the Council is supportive of efforts to reduce complexity and improve the coherence of local government funding, the Council believes this ambition can only be realised if accompanied by rigorous transparency and clear communication regarding the status of all grants—both consolidated and separate.

Question 4

Do you agree with the formulae for individual services the government proposes to include?

As a lower tier authority, the Council is not in a position to comment on the formulae relating to adult social care, children's services, or highways, which fall outside its remit. However, the Council welcomes the proposed approach to temporary accommodation (TA) and appreciate the recognition of its significant pressures within the formula. It is positive to see the intention to simplify TA funding streams from 2026-27 and the proposed integration of TA funding from the Homelessness Prevention Grant into the Revenue Support Grant.

The Council's principal concern relates to the variability in TA pressures, particularly the disproportionately high demand in certain areas such as London and other urban centres, as highlighted in the data. While the proposed formula recognises these pressures, it will be important to ensure that allocations remain responsive to local fluctuations in demand, especially where high numbers of households in TA persist despite strong prevention efforts. Additionally, as the funding landscape consolidates, there is a risk that local authorities experiencing acute, ongoing pressures may face funding shortfalls if the formula does not fully capture these complexities.

The Council would, therefore, urge the government to keep the TA formula under review and consider mechanisms for flexibility or further adjustment where local pressures materially diverge from national averages. Ensuring that the formula remains sensitive to the unique challenges faced by different authorities will be key to supporting effective homelessness prevention and relief.

Question 5

Do you agree with the areas of need the government proposes to no longer include in the assessment through the Foundation Formula?

Yes

Question 6

Do you agree with the government's approach to calculating the control total shares for the relative needs formulae?

The Government's approach to working out the control total shares for the relative needs formulae seems fair and sensible.

Question 7

Do you agree with the Labour Cost Adjustment (LCA) and Rates Cost Adjustment (RCA) equations set out in this chapter?

Yes

Question 8

What are your views on the proposed approach to the Area Cost Adjustment (ACA)?

Yes

Question 9

**Do you agree or disagree with the inclusion of the Remoteness Adjustment?
Do you have any evidence to support or contradict the theory that rural areas face additional costs due to separation from major markets?**

Yes

Question 10

Do you agree with the government's proposal to set a notional Council Tax level at the national average level, to achieve the objective of full equalisation?

The Council recognises the Government's intention to set a notional Council Tax level at the national average to achieve full equalisation. However, the Council wishes to highlight that setting a notional level at the average Band D Council Tax does not reflect the unique circumstances of all local authorities. Authorities with special expenses, such as North West Leicestershire District Council, are not able to fully utilise the total Council Tax yield assumed by the government, resulting in an artificial reduction in our spending power.

The Council is subject to the operation of special expenses—a mechanism that enables the cost of certain functions or services to be charged only to those parts of the authority's area that benefit directly from them, rather than to the authority's entire taxbase. This is particularly relevant in districts with both parished and unparished areas, where, for example, the costs of maintaining parks or community facilities may fall only on residents in unparished areas.

According to the Local Government Finance Act 1992, Section 35:

"In relation to billing authorities in England, 'special items' means any precept or portion of a precept, or any amount or portion of an amount, which the authority determines relates to only part of its area."

This legislative framework means that the Council's overall Council Tax yield is necessarily lower than the theoretical maximum, as some expenditure is apportioned only to selected areas rather than across the whole district. When government policy assumes authorities can raise the full average Band D Council Tax, it fails to account for these statutory deductions and the realities of local taxbase fragmentation.

The Council has argued for years that the current referendum principles—whereby local authorities must hold a local referendum if they wish to increase Council Tax above a government-prescribed threshold—are in need of urgent review. As the funding landscape evolves and pressures on local finances intensify, it is essential that these principles are revisited to ensure councils have the flexibility to respond to local priorities and rising demand. Retaining outdated referendum thresholds risks

constraining authorities' ability to maintain vital services, particularly in the context of full equalisation proposals that do not adequately reflect local circumstances.

Question 11

Do you agree with the government's proposal to fully include the impact of mandatory discounts and exemptions in the measure of taxbase?

The Government's proposal to fully include the impact of mandatory discounts and exemptions in the taxbase measure appears fair and consistent with previous practice, notably the 2013-14 Local Government Finance Settlement. By factoring in these mandatory schemes, which authorities cannot control, the approach supports principles of fairness, transparency, and robustness. However, a potential risk lies in possible discrepancies if local conditions or policy changes cause variations in the numbers of properties affected by such exemptions, potentially leading to uneven resource adjustments that might not perfectly reflect current realities.

Question 12

Do you agree with the government's proposal to use statistical methods to proxy for the impact of Working Age Local Council Tax Support in the measure of taxbase?

Regarding Working Age Local Council Tax Support (WA-LCTS), the proposal to use statistical methods such as linear regression to estimate the impact on the taxbase avoids constraining local discretion and prevents authorities from tailoring schemes simply to affect funding allocations. While this method promotes consistency and sustainability, it does introduce risks. Relying on proxy variables like the IMD score and the proportion of working-age population may not capture all local nuances, possibly resulting in estimates that do not fully align with the actual impact on individual authorities. There is also a risk that using national models and assumptions could mask unique local contexts, leading to funding allocations that are not always sensitive to specific demographic or economic changes. Overall, these approaches strike a balance between fairness and simplicity, but ongoing monitoring and refinement may be necessary to ensure that the measures remain responsive to local realities and do not inadvertently disadvantage authorities with exceptional circumstances.

Question 13

What are your views on the proposed statistical approach to proxy for the impact of Working Age Local Council Tax Support?

See Question 12 above

Question 14

Do you agree with the government's proposal to assume that authorities make no use of their discretionary discount and premium schemes in the measure of taxbase?

Yes

Question 15

Do you agree with the government's proposal to apply a uniform Council Tax collection rate assumption to all authorities?

The Council agrees with the Government's proposal to assume that authorities make no use of their discretionary discount and premium schemes in the measure of taxbase. Adopting a uniform approach to the Council Tax collection rate—by not including an assumption around collection rates—helps ensure equal treatment for all authorities regardless of their actual collection performance. The Council notes that the government's wider funding reforms, such as the Foundation Formula, already consider the impact of deprivation on local needs and resources, which further supports the decision to keep the taxbase measure straightforward and equitable.

Question 16

Do you agree with the government's proposal to split or allocate the resource adjustment in multi-tier areas according to the average share in Council Tax receipts in multi-tier areas?

The Council agrees, in principle, with this approach. Using Council Tax shares as a basis is a clear and transparent method that reflects existing funding patterns between county and district councils, or other multi-tiered authorities. This method is well-understood, relatively simple to implement, and can help maintain stability in local authority finances during a period of significant change.

However, there are potential disadvantages to this approach that should be kept in mind:

- **Does Not Reflect Actual Service Responsibilities:** Council Tax shares do not always align perfectly with the distribution of service responsibilities or spending pressures between tiers. For example, some services funded through Council Tax may be county-led, while others are delivered at district level. Using an average share may inadvertently favour one tier over another if their actual needs differ.
- **Entrenches Historic Disparities:** Relying on historic averages might perpetuate inequalities that have developed over time, rather than addressing them. Authorities that have faced historic underfunding or unique local circumstances may not benefit as much from this formula.
- **May Not Adapt Well to Changing Circumstances:** The approach is based on past Council Tax receipts, which may not be the best indicator

of current or future financial needs in rapidly changing areas or in regions experiencing significant demographic shifts.

- **Potential for Reduced Flexibility:** Fixing the allocation based on Council Tax shares may limit the government's ability to respond to exceptional needs, emergencies, or policy changes at the local level.

While the Council supports the Government's aim to use a familiar and straightforward method for dividing resource adjustments, we recommend that the approach is kept under review. Where possible, it should be supplemented with other data or flexibility to ensure funding is responsive to genuine local need, service pressures, and changing circumstances. Addressing these potential disadvantages will help ensure the system is fair and effective for all tiers of local government.

Question 17

Noting a potential trade-off of an increased levy charged on business rate growth for some local authorities, do you agree that the level of Safety Net protection should increase for 2026-27?

The Council agrees with increasing the level of Safety Net protection for 2026-27 in order to support transitional arrangements. However, it would have been helpful to receive more detail at this stage regarding how the increased protection will operate in practice. While the Council acknowledges that the Government intends to provide further information ahead of the provisional Local Government Finance Settlement, the Council would emphasise the importance of greater certainty as soon as possible to enable effective budget setting.

Question 18

Do you agree with the government's proposal to end the New Homes Bonus in the Settlement from 2026-27 and return the funding currently allocated to the Bonus to the core Settlement, distributed via the updated Settlement Funding Assessment?

In response to the Government's proposal to end the New Homes Bonus in the Settlement from 2026-27 and reallocate its funding through the updated Settlement Funding Assessment, the Council would like to emphasise its preference for transitional arrangements to help manage this significant change. The proposed immediate removal of the Bonus, without a phased approach, poses challenges for financial planning and stability at the council level.

The Council would, therefore, welcome the opportunity to fully assess the impact of losing this funding on our Council's ability to deliver services and balance budgets. While the Council acknowledges that the New Homes Bonus is no longer fulfilling its original purpose of incentivising new housebuilding—instead, becoming a mechanism to support core budgets—the funding it provides remains important for the sustainability of local government finances.

Accordingly, the Council urges the Government to consider transitional protections and impact assessments to ensure councils can adapt to the change in a manageable way, and to avoid unintended consequences for local service provision.

In addition, the Council would encourage the Government to consider alternative mechanisms for recognising and rewarding those councils that have actively promoted housing growth in recent years. While the New Homes Bonus may no longer be the preferred vehicle, it remains important to ensure that authorities which have facilitated significant new development are acknowledged and incentivised appropriately. Developing a new approach—potentially tied to current or future contributions to meeting housing needs—would help maintain momentum in delivering much-needed homes and support councils facing the demands that come with substantial population increases.

Question 19

What measures could the government use to incentivise local authorities to specifically support affordable and sub-market housing?

- **Flexible Use of Land and Assets:** Providing greater flexibility and support for local authorities to use public land, including surplus or underutilised assets, would help unlock sites for affordable and sub-market housing in both urban and rural communities across the district.
- **Planning Policy Levers:** Streamlining and strengthening planning policy—such as allowing for higher affordable housing requirements in new developments or expedited approval processes for affordable-led schemes—could give North West Leicestershire the tools to more effectively deliver on local demand.

Question 20

Are there any further flexibilities that you think could support local decision-making during the transitional period?

The Council would welcome greater flexibility around the setting of Council Tax increases, recognising the important contribution this lever can make to local funding decisions. However, for authorities such as North West Leicestershire, which is facing a significant 5%-7% reduction in core spending power under the proposed settlement, the scope to use Council Tax increases alone as a solution is extremely limited. For context, a 1% increase in Council Tax raises only around £60,000 locally – insufficient to offset the scale of the funding reduction anticipated.

Given these constraints, the Council would strongly support the option to set a balanced budget over the full three-year settlement period, rather than requiring an in-year balanced position from the outset. This approach would enable the Council to plan for a deficit budget in year one, underpinned by a credible plan to return to balance by the end of the settlement period. Such multi-year flexibility would provide the necessary breathing space to implement meaningful efficiencies and service transformation, rather than relying on unsustainable short-term measures.

In this vein, the use of reserves as a primary mechanism to balance the budget is not sustainable, particularly where significant funding reductions are ongoing. While recent actuarial reviews have provided some scope for one-off savings on pension contributions, these are inherently time-limited and cannot be relied upon as a long-term solution to structural funding challenges.

The Council also refers to its earlier comments regarding the issue of special expenses, which present additional complexities in local funding arrangements and should be carefully considered in the design of any future flexibilities.

Question 21

What are the safeguards that would need to go alongside any additional flexibilities?

It is crucial that any additional financial flexibilities granted to local authorities are implemented with robust safeguards to ensure responsible stewardship of public funds and the continued protection of community interests. First and foremost, clear accountability and oversight must underpin the application of these flexibilities. Local authorities should be required to report transparently on their use, with regular monitoring conducted by audit committees and relevant oversight bodies to ensure that the intended purpose of the funds is maintained.

Furthermore, all new flexibilities should be strictly time-limited, with sunset clauses in place to avoid creating a long-term dependency on temporary measures. This approach would encourage a timely return to sustainable financial management practices. In cases where councils propose to operate with a deficit or utilise reserves, it should be mandatory to submit credible, multi-year financial plans. These plans must clearly outline how financial balance will be restored within the designated period, detailing specific milestones and anticipated outcomes.

Protection for vulnerable and low-income groups should remain a central consideration. Safeguards must guarantee that essential services, particularly those serving the most disadvantaged residents, are preserved, and that flexibilities do not result in diminished support for these communities. It is also advisable to provide mechanisms for independent review in instances where a council faces significant deficits or heightened financial risk, allowing for early intervention and additional support when necessary.

Lastly, the process should prioritise meaningful community engagement. Local residents and stakeholders ought to be consulted regarding major financial decisions, especially those related to service adjustments or potential increases in local taxation. This will help to maintain public trust and reinforce the legitimacy of local authorities' actions.

Question 22

Do you agree or disagree that we should move local authorities to their updated allocations over the multi-year Settlement?

Please provide any additional information, including the impact this measure could have on local authorities' financial sustainability and service provision.

While the intention to smooth funding changes and provide local authorities with adequate time to plan is positive, there remain significant risks within the current proposals, especially for authorities such as North West Leicestershire.

North West Leicestershire has been identified as one of forty authorities expected to experience a reduction of 5% to 7% in its core spending power under the revised Settlement Funding Assessment. This represents a substantial challenge and raises concerns regarding the ongoing financial stability of the Council and the quality of local service provision. Such a sharp reduction in resources could affect the Council's ability to deliver essential services, potentially impacting residents and local economic development.

Furthermore, the proposed arrangements appear to penalise those authorities, like North West Leicestershire, that have actively fostered business rates growth over recent years. These councils have demonstrated a clear commitment to local economic management and resilience yet are now facing a situation where their success in growing the local tax base is not being fully recognised. By taking away these gains under the new system, the Government is making things less fair and could discourage councils from managing their finances well or coming up with new ideas.

The Government's expectation that councils should address funding reductions by relying on their reserves is also of particular concern. North West Leicestershire has established these reserves in a measured and responsible manner to support its capital programme, thereby avoiding unnecessary borrowing and ensuring sustainable finances over the long term. For the past three years, the Council has managed these reserves prudently, with clear plans for their application in future projects. Diverting these reserves to fill shortfalls in operational funding not only jeopardises planned capital investment but may also force the Council into less favourable financial positions, such as taking on new debt.

A robust mechanism to gradually smooth reductions over the three-year settlement period is essential. Without such transitional arrangements, local authorities like North West Leicestershire is exposed to abrupt changes that risk destabilising budgets and disrupting vital services. It is imperative that the Government introduces more gradual and supportive measures to protect councils from sudden financial shocks.

Additionally, the proposed 'flat cash' funding floor must be sufficiently robust to prevent authorities from experiencing unsustainable losses in core spending power. Any policy of this nature should account for both operational income and the planned, strategic use of reserves, ensuring that councils who have exercised prudent financial management are not unfairly penalised.

Ultimately, the situation facing North West Leicestershire demonstrates the broader risks inherent in the current proposals: a lack of adequate smoothing for funding reductions, negative consequences for those who have delivered business rates

growth, and unrealistic expectations regarding the use of reserves. It is strongly recommended that the Government revisit its approach, ensuring a fair and equitable transition for all affected councils and recognising the value of responsible financial planning. Failure to address these issues could undermine the delivery of local public services, weaken the financial sustainability of local authorities, and diminish incentives for local growth and investment.

Question 23

Do you agree or disagree that we should use a funding floor to protect as many local authorities' income as possible, at flat cash in each year of the Settlement?

Please provide any additional information, including on:

- **The level of protection or income baseline, considerate of the tradeoff with allocating funding according to the updated assessment of need and resources; and**
- **The possible impacts on local authorities' financial sustainability and service provision.**

The Council wishes to reiterate that it is among the small number of authorities facing a disproportionately large reduction in funding as a result of significant business rates growth achieved in recent years. While the Council supports the principle of a flat cash funding floor as a mechanism to protect council incomes during this transition, it is deeply disappointing that North West Leicestershire is not being afforded a level of protection equivalent to other authorities.

This outcome appears to penalise those councils that have successfully delivered growth and managed their finances prudently in anticipation of the business rates reset. For North West Leicestershire, the flexibility offered around council tax increases is of limited practical benefit; a 1% increase in council tax equates to only approximately £60,000—an amount that is negligible when compared to the projected £2 million to £3 million reduction in core spending power. This stark disparity illustrates that council tax flexibility alone will not mitigate the scale of the financial challenge facing our district.

It is important to highlight that the Council has been diligent in building up reserves over recent years specifically to prepare for the business rates reset. These reserves have also been earmarked to support the council's ambitious capital programme, ensuring that vital economic regeneration schemes are properly aligned with Council Plan priorities. There is a clear and sustained focus on regeneration across North West Leicestershire, and being forced to draw down reserves to plug revenue funding gaps over the coming settlement period will remove valuable and much-needed investment from the district.

Furthermore, turning to borrowing to fund capital investment is contrary to the Council's long-term strategy of minimising borrowing costs and maintaining financial sustainability. This situation creates a 'double whammy' for the Council: not only is the Council absorbing significant reductions in core spending power, but the Council is also compelled to divert resources away from regeneration and growth—key areas that drive future prosperity and support the Government's ambitions.

Over recent years, North West Leicestershire District Council has implemented a comprehensive transformation programme, securing substantial efficiencies and cost savings to support a balanced budget. Nonetheless, the scale of the expected reductions will inevitably require further savings, which will hinder progress against the Council Plan and risk diminishing the quality and breadth of services provided to our residents.

In summary, while the Council agrees with the principle of a funding floor, the Council urges the government to reconsider the current approach so that authorities like North West Leicestershire—who have taken responsible steps to promote growth and financial resilience—are not left exposed to unsustainable funding reductions. A fairer application of the funding floor is needed to safeguard local services, protect strategic investment, and reward prudent financial management.

Question 24

Do you agree or disagree with including projections on residential population?

Including projections on residential population is a sensible approach, given that population growth is a major driver of local authority need. Using consistent Office for National Statistics (ONS) methodologies ensures comparability and helps direct resources to areas with faster-growing populations, supporting a fairer allocation of funding.

Question 25

Do you agree or disagree with including projections on Council Tax level?

Including projections on Council Tax level is important, as it ensures that funding allocations reflect local authorities' varying abilities to raise income and helps maintain fairness by supporting areas less able to generate revenue locally.

Question 26

Do you agree or disagree with including projections on Council Tax base?

The Council agrees that including projections on the Council Tax base is important. This approach provides a fairer reflection of local authorities' potential to raise revenue and supports a more accurate allocation of funding in line with local needs and growth trends.

Question 27

Please provide any additional information, including any explanation or evidence for your response and any views on technical delivery. If you agree,

what is your preferred method of projecting residential population, Council Tax level and Council Tax base?

For projecting residential population, the preferred approach is to utilise the ONS methodologies. These are widely recognised for their accuracy and comparability, ensuring that resource allocation reflects up-to-date population trends and supports areas experiencing rapid growth.

Question 28

Do you agree with the proposed above approach to determining allocations for areas which reorganise into a single unitary authority along existing geographic boundaries?

Yes

Question 29

Do you agree that, where areas are reorganising into multiple new unitary authorities, they should agree a proposal for the division of existing funding locally, based on any guidance set out by central government?

Yes

Please provide any supporting information, including any further information areas would find helpful in guidance.

Question 30

Do you agree that the government should work to reduce unnecessary or disproportionate burden created by statutory duties? If you agree, what specific areas of statutory duties impose significant burden without significant value for residents?

District councils widely support the Government's intention to review and reduce unnecessary or disproportionate statutory burdens, especially where these duties do not provide clear or significant value to residents. Many district councils have highlighted that the sheer volume and complexity of statutory duties can detract from their ability to focus on local priorities and deliver high-quality services.

Please provide any examples of changes you would like to see to statutory duties, being as specific as possible.

- Planning and Building Control Reporting: Statutory requirements to submit extensive data on planning applications, building control, and local plans are commonly noted as burdensome. Many councils report that the frequency and granularity of required data submissions do not always align with the needs of central government or local residents and suggest a more streamlined or proportionate approach.

- **Mandatory Data Collection and Monitoring:** Councils are required to collect, monitor, and report on a wide range of service and demographic data, some of which may be redundant or duplicative. Other district councils have called for a review of what data is genuinely required for effective oversight versus what could be reduced or combined to lessen the reporting burden.

Question 31

Do you agree with the proposed framework outlined at paragraph 11.2.3 for assessing whether a fee should be changed?

Yes

Please provide any additional information, for example any additional considerations which would strengthen this proposed assessment framework, and any data which would be used to assess against it.

Question 32

The government invites views from respondents on how best to balance the need to maintain fee values and the original policy intent of the fee whilst minimising cost of living impacts for service users.

None.

Question 33

Do you agree that the measures above provide an effective balance between protecting charge payers from excessive increases, while providing authorities with greater control over local revenue raising?

Please provide a rationale or your response. We are also interested in any further mechanisms which could be applied to fees that are updated or devolved, that will help strike a balance between those objectives.

The Council agrees with the principles outlined, as they strike a fair balance between protecting service users from excessive costs and allowing local authorities appropriate flexibility in fee setting.

Question 34

Do you agree that we should take action to update fees before exploring options to devolve certain fees to local government in the longer term?

The Council agrees with the proposed approach. It makes sense to update the fees first before looking at the option of giving more fee-setting powers to local Government. This approach should help make sure any changes happen smoothly and thoughtfully. However, where fees are ultimately devolved to local government, it is essential that this is accompanied by appropriate new burdens funding to cover

the administrative cost of managing these responsibilities. This will help support effective local delivery and safeguard against unintended pressures on resources.

Question 35

Do you agree or disagree that these are the right Relative Needs Indicators? Are there any other Relative Needs Indicators we should consider? Note that we will not be able to add additional indicators for a 2026-27 update.

As a lower tier authority, the Council is not directly responsible for the application of the funding formula in respect of social care and therefore are not in a position to comment on the proposed changes.

Question 36

Do you agree or disagree with including population projections in the ASC formula, when published, that have been rebased using Census 2021 data?

As a lower tier authority, the Council is not directly responsible for the application of the funding formula in respect of social care and therefore are not in a position to comment on the proposed changes.

Question 37

Do you agree or disagree with our proposal to include a Low-Income Adjustment (LIA) for the older adult's component of the ASC RNF model?

As a lower tier authority, the Council is not directly responsible for the application of the funding formula in respect of social care and therefore are not in a position to comment on the proposed changes.

Question 38

Do you agree or disagree that the overall ASC RNF should combine the two component allocation shares using weights derived from the national ASC net current expenditure data on younger and older adults (in this case 2023 to 2024)?

If you disagree, what other weightings would you use? Please provide details for why you would use these weights and what data it would be based on?

As a lower tier authority, the Council is not directly responsible for the application of the funding formula in respect of social care and therefore are not in a position to comment on the proposed changes.

Question 39

Do you agree that ethnicity should be removed as a variable in the CYPS formula? Please explain your reasoning.

As a lower tier authority, the Council is not directly responsible for the application of the funding formula in respect of social care and therefore are not in a position to comment on the proposed changes.

Question 40

Do you agree overall that the new formula represents an accurate assessment of need for children and family services? Please share any reflections or suggested changes.

As a lower tier authority, the Council is not directly responsible for the application of the funding formula in respect of social care and therefore are not in a position to comment on the proposed changes.

Question 41

Do you believe that the components of daytime population inflow should be weighted to reflect their relative impact on demand for services?

The Council generally agrees with the proposal to apply differentiated weights to the various components of daytime population inflow, recognising that commuters, day visitors, and overnight visitors each place distinct demands on local services. Using evidence-based or expert-derived weightings seems a practical approach to more accurately reflect the pressures faced by authorities, both urban and rural.

Question 42

Do you agree with/have any comments on the design of the Foundation Formula?

The Council agrees with the proposed design of the Foundation Formula. The methodology appears comprehensive and appropriately balances factors such as deprivation, daytime population, and area cost adjustments.

Question 43

Do you agree with/have any comments on the design of the Fire and Rescue Formula?

As a lower tier authority, the Council is not directly involved in the delivery or funding of fire and rescue services and therefore are not in a position to provide informed comments on the design of the Fire and Rescue Formula.

Question 44

Do you agree with/have any comments on the design of the formula for Highways Maintenance?

As a lower tier authority, the Council is not directly responsible for highways maintenance and therefore does not consider itself well placed to provide informed comment on the design of the highways' maintenance formula.

Question 45

Do you agree with/have any comments on the design of the formula for Home-to-School-Transport?

As a lower tier authority, the Council is not directly responsible for the administration of home to school transport and therefore are not in a position to provide detailed comments on the design of the formula.

Question 46

Do you have any views on the potential impacts of the proposals in this consultation on persons who share a protected characteristic?

Given that North West Leicestershire District Council is among the authorities facing a projected reduction in its core spending power of 5%–7%, the impact of these funding changes will be both immediate and significant. To set a financially sustainable budget, the Council will have no choice but to consider a range of savings measures, balancing the need to protect essential services against the legal requirement to deliver a balanced budget in both the short and medium term. This financial pressure is likely to result in either a reduction in service provision or, in some cases, the cessation of certain services altogether.

The Government has indicated that some flexibility may be available to local authorities in the form of potential increases to council tax. However, at a time when the cost of living crisis continues to affect many households—especially those on lower incomes—any increase in council tax will disproportionately impact the most financially vulnerable residents. This places additional hardship on groups who may already be experiencing financial stress and who are more likely to rely on council services and support.

It is important to emphasise that North West Leicestershire has worked diligently to promote business growth and increase housing supply, contributing positively to both the local and wider economy. Despite these achievements, the proposed changes to the funding formula would see the council penalised, with funding redistributed away from the area. This not only undermines the Council's efforts but also restricts its ability to invest in community development and support services that benefit all residents.

Other significant areas include:

- **Impact on Low-Income Households:** Households with lower incomes are likely to be disproportionately affected by both reductions in service delivery and potential increases in council tax. These residents may already be struggling with rising living costs and may be less able to absorb additional financial burdens. Service reductions could remove or limit vital support such as housing advice, welfare support, and debt counselling, exacerbating existing inequalities.
- **People with Disabilities:** Many council services directly support people with disabilities, including accessible transport, adaptations to homes, social care, and community activities. Reduced funding could lead to

longer waits, service rationing, or the withdrawal of support, impacting independence, well-being, and participation in society.

- **Ethnic Minority Groups:** Minority ethnic communities may be disproportionately impacted if targeted support, engagement, or translation services are reduced or withdrawn. These groups often face systemic barriers and may rely more heavily on council-run services to ensure fair access to housing, employment, and community participation.
- **Rural Communities:** North West Leicestershire includes both urban and rural areas, and rural communities may see greater impacts where service reductions exacerbate existing challenges such as limited public transport, fewer local facilities, and digital exclusion.

It is also essential to highlight that the cumulative nature of these impacts cannot be understated. For example, a low-income older resident with a disability may be hit by increased council tax, reduced social care, and limited access to community facilities at once. People who have more than one of these characteristics could face even bigger difficulties, as the challenges they experience will add up and make things harder overall.

In summary, the proposed funding reforms risk widening existing inequalities in North West Leicestershire. Notably, North West Leicestershire District is recognised as one of the fastest growing districts in the country. According to recent data from the Office for National Statistics, the district's population grew by approximately 10% between 2011 and 2021, significantly outpacing the national average growth rate of 6.6% over the same period. In addition, North West Leicestershire has seen an increase of over 5,000 new homes built in the past decade, and employment rates have risen consistently, with nearly 80% of the working-age population now in employment. This rapid expansion highlights the area's dynamic economy and the increasing demand for public services, infrastructure, and community support. Any reduction in funding, therefore, not only threatens the level of service provision but also risks undermining the district's continued growth and prosperity.

Residents who share certain protected characteristics under the Equality Act 2010—such as age, disability, ethnicity, and socio-economic disadvantage—are likely to be most affected by both funding reductions and increases in council tax. The Council urges the Government to reconsider the redistribution approach and to ensure that transitional arrangements are robust enough to mitigate the most severe impacts on protected groups. Moreover, it is recommended that a detailed equality impact assessment is undertaken, with meaningful engagement of affected communities, prior to any final decisions being made.

About the District Councils' Network

The District Councils' Network (DCN) is a cross-party network of 164 district and 5 unitary councils. We are a special interest group of the Local Government Association, providing a single voice for all district services.

DCN member councils deliver a wide range of local government services to over 21 million people – 37% of England's population. They cover 59% of the country by area. DCN councils are home to 39% of England's businesses and almost a third of national Gross Domestic Product.

Analysis supporting DCN's response

DCN commissioned new financial modelling and analysis from Pixel Financial Management to underpin this response.

Executive Summary

DCN is concerned that the proposals in this consultation will create a real-terms cut to spending power for the majority of districts. This will exacerbate existing financial strain at a time when demand for many district services continues to rise strongly.

The overriding priority should be to ensure that district councils – and successor unitary councils – are properly funded to continue providing the vital frontline, place-based and preventative services that play a crucial role in driving growth and reducing demand on the NHS and wider public sector. As they stand, the reforms will challenge the financial sustainability of many DCN member councils, especially in more rural areas. It is perverse and counter-productive that the new funding model penalises the councils that have done most to drive growth and build new homes.

The modelling we have undertaken with Pixel Financial Management suggests that the impact for individual district councils will be very variable. We are concerned that no exemplifications have been provided for individual councils. Local authorities need clarity about their individual allocations well in advance of budget setting for 2026-27.

Many districts will depend on transitional funding arrangements to cushion the impact. We are especially concerned that up to 41 districts will be offered weaker transitional protection. DCN's strong view is that all councils should benefit from the 0% cash funding floor. If a council does not

receive the 0% floor, the government should offer other flexibility or support to provide equivalent protection.

We would like to highlight several specific points of concern:

Business rates baseline reset

Resetting the business rates baseline in full will have a major impact on districts. We estimate the total net loss for districts from the reset alone would be more than £200m in 2026-27. Ten district councils would lose equivalent to more than 20% of their spending power. Even with transitional protection this would be very difficult for district councils and successor unitary councils to absorb without forcing cuts to important services and undermining investment in growth.

We do not agree with implementing a full business reset in 2026-27. Instead, we urge the government to implement a phased reset over five years and to allocate some of the returned business rates surplus with reference to the distribution of business rates growth prior to the reset.

New Homes Bonus

District councils have played a leading role in delivering new homes. In 2023-24, 45% of new homes in England were built in areas where shire districts were the planning authority – a figure substantially above their population share and proportion of existing dwellings.

The loss of financial incentives for housebuilding is counterproductive and sends the wrong signal at a time when councils need as much support as possible to increase and accelerate housebuilding. The New Homes Bonus helps councils cover the additional infrastructure and service cost caused by new homes. Removing it creates a disincentive for housebuilding.

Temporary accommodation

DCN supports the inclusion of a separate formula for Temporary Accommodation (TA). It is a significant cost pressure for district councils, rising by 228% in just five years. However, it appears that the proposed formula under allocates funding to district councils and could remove up to 8% of their TA funding. We call on the government to look again at the methodology to ensure distribution of TA funding better matches the incidence of TA cost.

Flood defence and coastal protection

DCN is concerned by the proposal to abolish the flood defence and coastal protection funding formulas. This is vital funding for many district councils in coastal and low-lying areas prone to flooding or environmental damage. Distributing the funding through the general formula means some or many of the affected councils will get less funding than they need to pay for these unavoidable costs.

Alongside dedicated funding for flood defences and coastal protection, we continue to call for long-term sustainable funding solution for Internal Drainage Boards. We are disappointed that this issue remains unresolved.

New burdens funding

The consultation appears to indicate that all existing new burdens funding will be rolled into the main settlement. We are concerned that this approach will lead to some councils not receiving full reimbursement for the additional costs they necessarily incur as a result of specific government requirements.

It is particularly important that new burdens funding to operate weekly food waste collections is paid as a separate grant. Rolling this funding stream into the main settlement in 2026-27 would be untransparent and contrary to the New Burdens Doctrine. Otherwise, individual councils will not be compensated for the specific cost they incur.

There continues to be significant uncertainty about how funding for various changes to waste and recycling will work, including Extended Producer Responsibility. We call on MHCLG and Defra to provide a dedicated and comprehensive explanation for Waste Collection Authorities as soon as possible.

Financial flexibilities

The government should be much more ambitious in offering councils flexibility to raise and retain income locally. This could significantly soften the impact of these reforms.

The proposed framework for increasing and devolving fees and charges is far too cautious. There is no good reason why we cannot proceed directly and quickly to free councils to set fees to recover the full cost of services they provide, including penalties arising from enforcement.

We reiterate our call to reform the regime of council tax referendum principles and give all councils much greater flexibility and accountability in deciding the level of council tax.

Detailed Responses

Question 1 – What are your views on the updated SFA resulting in zero allocations, and the use of mitigations to avoid zero allocations?

As far as we can tell, no authorities will receive a “zero allocation” from these funding reforms. In principle, though, we would not support any authority having a negative allocation for either SFA or RSG. Negative values imply that council tax income is being transferred from one part of the country to fund services in another. Local taxpayers will be rightly concerned if their local council tax is being used in this way. We would welcome the use of mitigations to avoid zero allocations, particularly for smaller authorities like district councils where even modest funding reductions can have significant service impacts.

Question 2 – Do you agree with how the government proposes to determine the Isles of Scilly’s Settlement Funding Assessment?

Not applicable.

Question 3 – Do you agree with the government’s plans to simplify the grant landscape?

DCN agrees with the principle of simplifying grants and with the ambition to end wasteful competitive bidding and unnecessary administrative burdens. However, we have several points to raise about the detail of the approach:

- To be able to make proper use of the greater simplicity and flexibility, councils will need more details of the new arrangements promptly, and in any event, before the provisional finance settlement.
- It is important this simplification approach is applied to grants from all government departments, not just MHCLG.
- Any grants provided outside the main settlement should have allocations announced for multiple years. Otherwise, the usefulness and certainty of the multi-year settlement will be undermined.
- Where consolidated grants are created these should be distributed via a new formula and this formula must be consulted on openly and in plenty of time. There should be minimum standards for the process of determining new distributions, with full transparency about how formulas have been developed, and the data/calculations that have been used to determine allocations. Some of the recent grant allocations (e.g. Extended Producer Responsibility Guarantee in 2025-26) have fallen short of these minimum standards.
- There should be a full schedule and timetable of all existing grants that will be rolled into the consolidated grants or into the main settlement over the next 3 years.
- In principle DCN supports creating a Crisis and Resilience Fund with a focus on prevention. But the allocation of the fund will be vital. All funding that relates to housing, including the current Household Support Fund and Discretionary Housing Payments, should be allocated directly to Local Housing Authorities i.e. to district councils in two-tier areas.
- The consultation is not entirely clear about the treatment of new burdens funding. It appears to indicate that all existing new burden grants will be rolled into the main settlement (RSG) and allocated according to Settlement Funding Assessment – unless there is an exception because the grant has a specific distribution. We would welcome clarification that this is the case. If it is, we are concerned that this approach will lead to some councils not receiving full reimbursement for the additional costs they necessarily incur as a result of specific government requirements. The entire point of new burdens is to reimburse councils for the specific cost they incur. We cannot see how this principle can be maintained if new burdens funding is distributed according to the main Settlement Funding Assessment. This gets the balance wrong between simplicity and fairness.
- We have concerns about future new burdens, especially in the context of funding for weekly food waste collections. Paragraph 3.2.4 of the consultation indicates that ‘future new burdens will continue to be funded through new Section 31 grants, in line with the New Burdens Doctrine’ rather than rolled into the main settlement. DCN’s view is that funding

for food waste collections is a future new burden (it is certainly not an existing new burden) and should be allocated by Section 31 grant with a clear distribution methodology that has been consulted upon. We would welcome clarification that this is the government's intention. Rolling new burdens funding food waste into the main settlement in 2026-27 would be perverse, untransparent and contrary to the New Burdens Doctrine. It would mean that individual councils were not being compensated for the specific cost they incur. If this funding stream is rolled into the settlement at a future point, transitional arrangements should shield councils from any significant cliff edge difference between the allocation methodology used for the specific grant and the distribution using Settlement Funding Assessment.

- MHCLG should publish a full list as soon as possible – and certainly well before the provisional settlement – of all existing new burdens grants and any imminent new burden grants that will be rolled into the main settlement.

Question 4 - Do you agree with the formulae for individual services the government proposes to include?

DCN agrees with the inclusion of separate formulae for Adult Social Care, Children and Young People's Services, Home To School Transport, Fire and Rescue, and Highways Maintenance. We have provided more detailed comments about these formulae in response to later consultation questions.

DCN supports the inclusion of a separate formula for Temporary Accommodation. This is a significant cost pressure for many district councils. However, we have reservations about the way the TA formula works. Our initial analysis suggests that over 70% of the TA formula funding will be allocated to London boroughs. This is out of proportion to the share of households in TA (56%) and total expenditure on TA (62%) in London. This results in an under-allocation of TA funding to councils outside London, including DCN members. Our analysis suggests that, as a whole, districts could lose 8% of their TA funding from the shift to the new formula compared to providing all TA funding through the foundation formula. If this is the case, we would urge the government to revisit the methodology for the TA formula.

This should include exploring the proposal made by the Institute for Fiscal Studies to explore using statistical proxies for TA demand based on factors such as local demographics, property tenure and housing costs. We believe this could reduce the risk of an overreliance on past costs obscuring the rapid growth of TA demand facing many districts.

DCN opposes rolling in some of the funding streams without proper protections, such as New Homes Bonus, Funding Floor, and Employer's National Insurance Contribution grants.

DCN has reservations about the methodology used to calculate the weighting of deprivation in the Foundation Formula (see our answer to Question 42).

DCN strongly disagrees with removing the separate formulae for Coast Protection, Flood Defence and Fixed Costs (see our answer to Question 5).

Question 5 – Do you agree with the areas of need the government proposes to no longer include in the assessment through the Foundation Formula?

Disagree.

Some of the deleted Relative Needs Formulae (RNF) were very important to shire district councils.

The Fixed Cost Adjustment (FCA) was particularly important and reflected the basic costs of operation in every authority. The existing FCA ensures the costs of employing basic operational staff is recognised as a baseline for all local authorities regardless of size. Analysis conducted during the 2018 consultation indicated that the fixed cost uplift should be retained and should be weighted at least three times higher. The stated rationale for removing the fixed cost uplift is weak given that no other part of the funding model explicitly accounts for them.

The formulae for flood defence and coast protection are smaller pots of money, very unevenly distributed, and only weakly correlated with population size and deprivation. They are not paid to all authorities. It is vital that flood defence and coastal protection continue to have a bespoke formulae or receive other specific consideration. If it is too complicated to retain individual formulae for flood defence and coastal protection, our strong view is that they should be covered by separate grant funding streams outside the settlement. The approach of rolling these important funding sources into the main settlement is unfair and harmful to councils that unavoidably incur significant cost to provide the necessary coastal and flood protection for their communities. The situation is compounded by the continuing lack of a comprehensive, long-term solution to the steep and growing cost from Internal Drainage Board levies.

Question 6 – Do you agree with the government’s approach to calculating the control total shares for the relative needs formulae?

DCN strongly supports the methodology used to calculate control totals. It is right that they are determined based on actual spending patterns. We support using the most recent data on actual expenditure i.e. from the latest post-audit RO return. This was the approach proposed in the 2018 consultation.

DCN supports splitting the foundation formula control total using the expenditure patterns in shire county areas which have district and county councils. This is the only expenditure data that clearly shows the relative spend of the two types of council.

Question 7 – Do you agree with the Labour Cost Adjustment (LCA) and Rates Cost Adjustment (RCA) equations set out in this chapter?

Agree.

Question 8 – What are your views on the proposed approach to the Area Cost Adjustment?

DCN supports the inclusion of Remoteness Adjustment, and the Accessibility Adjustment within the Labour Cost Adjustment. They recognise the higher unit costs that are incurred by authorities with high levels of sparsity and/or remote from competitive markets.

However, we are concerned about the weighting given to the Accessibility Adjustment and Remoteness Adjustment. Our analysis suggests they do not fully compensate rural authorities for the abolition of the sparsity indicators in the current formula. The ACA elements only provide funding for the additional unit costs in rural areas, whereas the current sparsity indicators provided funding for a wider range of cost pressures, including higher demand for some services in rural areas. In our view, the sparsity and remoteness adjustments should be adapted to cover a wider range of cost pressures. As it stands, the proposed methodology tends to disadvantage rural councils.

More positively, the proposal for the travel time adjustment is an improvement in technical terms. It applies the same methodology to every authority on the same basis, whereas the sparsity and density measures in the current formula have cut-offs, which creates cliff-edges.

DCN supports the methodology for the Rates Cost Adjustment.

Question 9 – Do you agree or disagree with the inclusion of the Remoteness Adjustment? Do you have any evidence to support or contradict the theory that rural areas face additional costs due to separation from major markets?

Agree.

There is a strong case for including the Remoteness Adjustment in the ACA. Delivering a service over a wider geography with people further from population centres increases costs. There is also less likely to be a competitive market for procurement in such remote rural locations.

Question 10 – Do you agree with the government’s proposal to set a notional Council Tax level at the national average level, to achieve the objective of full equalisation?

DCN agrees with the aim of full equalisation.

Overall, DCN supports the approach of using notional council tax as the basis for equalisation.

The assumed national council tax used in the calculation of notional council tax should be set in line with national average Band D.

We recognise that using a notional average is a disadvantage to councils with precepts far below the average, unless they are offered the ability to increase their bills by above the current 3% or 5% referendum threshold. This provides a further reason for implementing DCN’s long-stated call that councils should have full flexibility and accountability in deciding the level of council tax. Some of this group of authorities may not have increased council tax by the maximum in the past because the funding system rewarded them through retained business rates and New Homes Bonus, benefits which they will now lose because of Fair Funding 2.0.

Question 11 – Do you agree with the government’s proposal to fully include the impact of mandatory discounts and exemptions in the measure of taxbase?

Agree.

Question 12 – Do you agree with the government’s proposal to use statistical methods to proxy for the impact of Working Age Local Council Tax Support in the measure of taxbase?

Agree in principle, subject to consultation and review of the intended approach.

Question 13 – What are your views on the proposed statistical approach to proxy for the impact of Working Age Local Council Tax Support?

Disagree.

There is insufficient evidence provided to substantiate the proposed methodology and no evidence that alternatives have been considered.

We do not support the use of Indices of Multiple Deprivation in this context. Using benefit data should be explored because this is much more likely to correlate with the demand for Working Age Local Council Tax Support (WALCTS).

We recognise that some measure of deprivation does need to be taken into account because demand for the WALCTS will be higher in authorities with higher levels of deprivation. We would like to see more transparency about the approach that has been used.

Question 14 – Do you agree with the government’s proposal to assume that authorities make no use of their discretionary discount and premium schemes in the measure of taxbase?

Agree.

These are discretionary schemes. If they were included within equalisation, it would discourage authorities from applying them.

Question 15 – Do you agree with the government’s proposal to apply a uniform Council Tax collection rate assumption to all authorities?

Agree.

We agree that a uniform rate should be applied. But the collection rate assumption should be based on the actual collection rate and not on full collection. The objective of the equalisation calculation is to base the adjustment on actual council tax levels (hence the use of the national average Band D).

Local authorities do not collect 100% of council tax. The actual collection rate of 95.8% should be used.

The justification for using full collection rather than the actual collection rate is “to [ensure] that the incentive for all authorities to reduce tax avoidance remains”. This is misleading. Billing authorities are already incentivised to maximise collection. Using a different collection rate in the resources adjustment will not reduce that incentive.

Question 16 – Do you agree with the government’s proposal to split or allocate the resource adjustment in multi-tier areas according to the average share in Council Tax receipts in multi-tier areas?

Agree.

We agree that the right approach is to use average share of council tax.

However, we would welcome clarification whether the 11.0% share for district councils includes the parish precept. We do not think it should. This income is passed through and cannot be spent by districts. Including it in the district share would overstate income-raising ability.

In addition, we think there may be an anomaly related to councils that have a separate Special Expenses account (because they are only partially parished). Council tax receipts related to Special Expenses cannot be spent on the General Fund. Including these receipts in the resource adjustment materially reduces the funding available for the General Fund i.e. if Council Tax receipts for Special Expenses were excluded, the council’s share of Council Tax would be materially lower than the 11% average share. In some cases, Special Expenses account for more than 10% of an authority’s Council Tax income.

DCN encourages the Government to explore different treatment for councils with Special Expenses accounts. While we recognise this would reduce simplicity, we think it is an important point of fairness.

Question 17 – Noting a potential trade-off of an increased levy charged on business rate growth for some local authorities, do you agree that the level of Safety Net protection should increase for 2026-27?

Agree.

Following the baseline reset in 2026-27, district councils will be fully exposed to any variations in business rates and will not have had the opportunity to build up any growth. Districts are much more exposed to risk in the Business Rates Retention System (BRRS). A higher safety net would be very welcome, particularly in the early years following the reset. DCN would also welcome a review of the safety net in the context of wider changes in the BRRS, and as part of the discussion around the balance between risk and reward needs.

There is also an argument that the safety net level should be at 100% or much closer to 100% in 2026-27 to ensure that the full impact of the changes in the Fair Funding Review can be delivered.

The consultation is silent on the treatment of business rates pools and pilots. DCN believes there is a strong case for them to continue and to be rolled into SFA.

Question 18 – Do you agree with the government’s proposal to end the New Homes Bonus in the Settlement from 2026-27 and return the funding currently allocated to the Bonus to the core Settlement, distributed via the updated Settlement Funding Assessment?

Disagree.

The consultation asserts that there is no evidence that New Homes Bonus (NHB) has acted as an incentive for housebuilding. This assertion is itself not supported by adequate evidence. Given the elevation of housebuilding to a national mission, it would be counterproductive if local councils were not incentivised to support the delivery of housing. This sends the wrong signal at a time when councils need as much support as possible to increase and accelerate housebuilding.

Building new homes creates additional demand for council services and hence additional cost. Council tax income from these new homes will not by itself cover the additional cost. NHB helps councils cover the cost of new homes. Removing it creates a disincentive for housebuilding.

DCN’s strong view is that NHB should be retained unless and until a replacement is agreed.

Question 19 – What measures could the government use to incentivise local authorities to specifically support affordable and sub-market housing?

DCN believes some of the measures in this consultation will disincentivise affordable house building. This includes ending the New Homes Bonus and the approach of fully equalising council tax. To incentivise housebuilding, especially affordable homes, councils need to have confidence that a proportion of their growth in taxbase will be retained locally over an extended period.

We believe it would be possible and desirable to design a housing incentive scheme specifically targeted at affordable housing. This could include additional flexibility on council tax or business rates income if defined thresholds are met.

Question 20 – Are there any further flexibilities that you think could support local decision-making during the transitional period?

MHCLG should offer a big package of additional freedoms and flexibilities for councils to raise and retain income locally. This should include changes to council tax referendum thresholds as well as new freedoms on fees and charges. This is especially important for district councils given their higher gearing to local income and much lower share of government grant.

The current limit of 2.99% or £5 does not provide district councils with the funding required to maintain their vital services. Last year district councils generated 53% of their revenue funding from council tax yet district councils have consistently been given tighter council tax referendum

principles than town and parish councils and Police and Crime Commissioners (PCCs) over a long period.

Increasing the referendum principles to at least 5% or £10 could generate around £100m extra income per year for district council services at no cost to central government. The current £5 limit is only relevant to 20 out of 164 district councils. Even if these additional flexibilities were used in full in 2026-27, it would only cost the average Band D household 22p extra a week. District precepts would remain below PCC precepts in the vast majority of areas.

Additionally, if the government approach is based on national council tax levels, there should be additional flexibility for councils below the average national level to increase council tax up to the average.

We also believe that Special Expenses should be excluded from the baseline used to determine the maximum Council Tax increase. Including them in the baseline puts the group of councils with Special Expenses accounts at a disadvantage compared to councils that have no parishes or very high levels of parishes.

DCN believes the government should be much more ambitious in devolving to councils the flexibility to set fees and charges, and to recover the full cost of providing service. Please see our response to Question 31.

DCN believes there is a good case for fiscal devolution to create new powers for councils to raise and retain income locally. This could start with tourist taxes but should be part of a more ambitious programme. The English Devolution and Community Empowerment Bill provides an ideal opportunity to introduce the primary legislation needed to underpin genuine fiscal devolution.

Question 21 – What are the safeguards that would need to go alongside any additional flexibilities?

Generally, none are necessary. Councils are democratically elected bodies, accountable for their decisions at the ballot box.

In respect of allowing councils to balance their budgets over a multi-year period, we agree that this should be time-limited and should not exceed three years.

Question 22 – Do you agree or disagree that we should move local authorities to their updated allocations over the multi-year Settlement? Please provide any additional information, including the impact this measure could have on local authorities' financial sustainability and service provision.

Disagree.

DCN agrees that the updated allocations should be phased in. Our modelling indicates that 91 out of 164 district councils will lose from the funding reforms. Some of these losses are very

significant indeed. It is vital that the impact is cushioned for these councils and that there is a manageable trajectory to their new funding allocation.

However, our clear view is that the three-year period of the settlement is too short. While there is a case for introducing funding changes within a fixed period, we would strongly prefer that the period was based on the impact on authorities' funding rather than an arbitrary period. For those district councils who are losing, overall funding allocations over the next 3 years will reduce in cash terms. In fact, most of the 41 district councils that will have a below-cash funding floor in 2026-27 will have lower levels of overall resources in 2028-29 than they have in cash terms in 2025-26. This represents very significant real-terms cuts, even with the maximum increase in Band D council tax. It is much less than the increase in spending pressures.

We have concerns about the financial sustainability of some of the district councils worst affected by the reforms. Some of them do not have high levels of unringfenced reserves. Even where they do, we do not agree it is right or prudent for councils to be expected to run down reserves to plug funding gaps that they did not create. Reserves can only be used once. There is also ongoing uncertainty about how the costs of transitioning to new unitary councils through local government reorganisation will be financed. This represents an additional financial pressure that may need to be met from reserves.

We note that there is a group of district councils that will benefit from the 0% cash floor but remain financially vulnerable. They are typically smaller councils where geography or other local circumstances have limited the potential for growth (and hence business rates income and capital receipts). These councils will entirely depend on implementing maximum Council Tax increases to remain at or above the funding floor. The impact of real-terms cuts will be particularly acute for these councils.

Question 23 – Do you agree or disagree that we should use a funding floor to protect as many local authorities' income as possible at flat cash in each year of the Settlement?

Please provide any additional information, including on:

- The level of protection or income baseline, considerate of the trade-off with allocating funding according to the updated assessment of need and resources; and**
- The possible impacts on local authorities' financial sustainability and service provision.**

Agree.

A minimum funding floor is an essential part of a comprehensive transitional protection regime. We note that a 0% cash floor would still mean that councils received a real-terms cut in funding at a time when demand continues to rise.

If it is not possible to offer a higher funding floor, the government should go much further in offering other freedoms and flexibilities to help all councils manage the impact of rising cost and

demand – including on council tax, fees and charges, and fiscal devolution. Please see our answers to questions 10 and 20 for more detail.

We agree that Core Spending Power and Business Rates growth should be included in the income baseline for the purposes of the funding floor calculation. It is particularly important for Business Rates growth to be included.

We understand that around 40 district councils are in line to receive a below-cash funding floor. DCN's strong view is that all councils should have the benefit of the same 0% funding floor if they need it. It is not clear how MHCLG has defined and selected the councils that will not be offered the 0% floor. There should be a clear process/definition for selecting some authorities and not others that is objective and based on evidence/data rather than judgment. We are also concerned about creating a cliff edge between councils marginally above the threshold with a 0% floor and councils marginally below the threshold with a potentially much lower floor. The government's approach must avoid creating a cliff edge. All authorities should be treated consistently and fairly.

If some councils are offered a lower funding floor, our strong preference is for the impact of the lower floor to be phased over the three-year period rather than frontloaded in Year 1. It is unreasonable to expect councils to absorb a significant cash cut – potentially as high as 7% - to their funding next year.

If, contrary to DCN's view, the government does not offer every council the 0% funding floor, it must offer affected councils other support or flexibilities that provide an equivalent level of protection. These flexibilities should include greater council tax flexibility, which should be available to any affected council, regardless of whether its council tax is relatively high or low. We also support exploring the potential for affected councils to have more flexibility to balance their budgets over a multi-year period.

Question 24 – Do you agree or disagree with including projections on residential population?

Disagree.

We do not support the use of population projections because they are not sufficiently reliable or accurate.

Sub National Population Projections (SNPP) are produced using historical data and population component trends that are projected into the future, whereas Mid-Year Estimates (MYE) are produced using changes to the population components measured during the previous year. Projections are not forecasts and do not attempt to predict the impact of future political and economic changes or local development policies.

In other words, projections are based on historic trends and simply projected forwards. It is for this reason that projections can often be significantly inaccurate. The ONS highlights that "...projections become increasingly uncertain as they go forward into the future, particularly for smaller geographic areas and detailed age and sex breakdowns".

Question 25 – Do you agree or disagree with including projections on Council Tax level?

Disagree.

We disagree that projections of council tax levels (Band D) should be used.

Question 26 – Do you agree or disagree with including projections on Council Tax base?

We disagree that council tax projections should be used.

There are no formal council tax projections or forecast published by ONS or any government department. Projections would be based on previous years' trends, which might not reflect future capacity to grow. It would be unacceptable to use such unreliable projections, which would lock-in allocations over 3 years.

Our view is that neither population nor taxbase should be updated within the 3-year allocations. The quality of the projections is insufficiently robust.

Question 28 – Do you agree with the proposed above approach to determining allocations for areas which reorganise into a single unitary authority along existing geographic boundaries?

Agree.

However, we note the Institute for Fiscal Studies analysis that “the formula-based assessed need for a new unitary authority would not be equal to the sum of its former two-tier councils (it would tend to be lower given lower gross cross-border commuting).” If this effect, in combination with the upfront costs of setting up new authorities, means that new authorities begin their operation under aggravated financial strain, they will be set up to fail.

We urge the government to provide additional funding outside of the main finance settlement to enable local government reorganisation to be implemented successfully.

Question 29 – Do you agree that, where areas are reorganising into multiple new unitary authorities, they should agree a proposal for the division of existing funding locally, based on any guidance set out by central government?

Please provide any supporting information, including any further information areas would find helpful in guidance.

Agree.

Government must consider the rate at which efficiency savings can be delivered without undermining existing services. Without this, there is a risk that new councils will start on the wrong foot by having to grapple with cuts to their spending power while trying to stabilise new organisations.

Question 30 – Do you agree that the government should work to reduce unnecessary or disproportionate burden created by statutory duties? If you agree, what specific areas of statutory duties impose significant burden without significant value for residents?

Please provide any examples of changes you would like to see to statutory duties, being as specific as possible.

Numerous requirements have been imposed on local government over decades by successive governments. There is scope for many of them to be removed, reduced or simplified. These include:

- Regime for Freedom of Information and subject access requests
- Planning appeals
- Excessive reporting requirements for annual accounts
- Bureaucratic procedural requirements in legislation or statutory guidance, of which the numerous requirements to publish notices in local newspapers are only one example

We would also support a fundamental review of central government monitoring and reporting requirements and of unnecessary hurdles to data sharing in the public sector.

Question 31 – Do you agree with the proposed framework outlined at paragraph 11.2.3 for assessing whether a fee should be changed?

Please provide any additional information, for example any additional considerations which would strengthen this proposed assessment framework, and any data which would be used to assess against it.

Disagree.

The framework set out in the consultation is very high-level and is not a substitute for concrete action to devolve fee setting. A hierarchy is not required. Instead, a common approach is needed, which we set out below.

The proposal is far too slow and cautious. DCN does not agree that the first step should be for government to increase some fees centrally before considering devolution. There is no reason why we cannot proceed directly and quickly to free councils to set all fees and charges for services they provide, including penalties arising from enforcement.

The approach should be that all fees and charges collected by councils should be set locally to ensure they will meet the cost of specific services in full, unless the council decides there is a reason to charge a below-cost fee.

The view that service users need to be ‘protected’ is understandable, but misplaced. In many cases, service users have discretion to avoid a charge by changing their behaviour. In addition, many charges – such as for obtaining an alcohol licence or building control certificate - are incurred as the result of undertaking a commercial enterprise. If the level of charge does not reflect the cost of the service, other council taxpayers are subsidising something which benefits the individual or company.

It is time to set aside concerns about variation in fees between areas. Council tax varies between areas, as do car parking charges, taxi licensing fees and a range of other fees and charges that councils already set. Private sector companies do not operate universal pricing. For example, prices for fuel vary from area to area and prices for goods can even vary between the same company's superstore and local stores in the same town. Variation is a consequence of devolution. In our view the Government should prioritise devolution and demonstrate that it has reset the relationship between central and local government by bringing forward an urgent, comprehensive programme to delegate setting of all fees, charges and penalties to councils. This should be subject to a requirement not to exceed full cost recovery.

Having fees set by central government creates a rigid system that is not responsive enough to changing circumstances. Even when levels are reviewed, the process of implementing changes through legislation is often ponderous.

The DCN does not believe that changing the criteria used by central government to set this system would make it nimble in the way a locally led system would be.

Question 32 – The government invites views from respondents on how best to balance the need to maintain fee values and the original policy intent of the fee whilst minimising cost of living impacts for service users.

The Government is looking at this question through the wrong lens. Consistent with our earlier response, service users deserve to pay the full price of services that they use rather than expect to have it subsidised by other council taxpayers. The best and simplest solution is to devolve all fee setting to councils, subject only to a requirement not to exceed full cost recovery.

Question 33 – Do you agree that the measures above provide an effective balance between protecting charge payers from excessive increases, while providing authorities with greater control over local revenue raising?

Please provide a rationale or your response. We are also interested in any further mechanisms which could be applied to fees that are updated or devolved, that will help strike a balance between those objectives.

We disagree with the measures outlined in paragraph 11.2.5. It is time to reset the relationship between central and local government and see central government withdraw from the minutiae of what the appropriate fee for a particular service or activity should be.

If councils were empowered to set all fees and charges locally but only at the level that covers the cost of a service, it would ensure that those seeking licences, being inspected or using particular services would bear the cost of them. At the same time, limiting fees to the level required for full cost recovery would ensure that service users do not suffer a financial impact above and beyond that which is necessary to deliver a service without burdening council taxpayers who do not use it.

An additional safeguard would be provided by the fact that councils would be accountable to their local electorates at the ballot box for the level of any fees set locally and for any impacts that arise from them.

Question 34 – Do you agree that we should take action to update fees before exploring options to devolve certain fees to local government in the longer term?

Disagree.

As already indicated, DCN believes that central government reviews of fees are generally unnecessary and unduly lengthy. Responsibility should be devolved to local government immediately. While we recognise that primary legislation would be required, there is an ideal vehicle immediately to hand: the English Devolution and Community Empowerment Bill. If necessary, councils can conduct their own reviews that reflect the specifics of their local circumstances.

If the English Devolution Bill cannot be used, then pending alternative primary legislation, DCN would support rapid steps by ministers to review fees upwards where they are set by secondary legislation.

Question 35 – Do you agree or disagree that these are the right relative needs indicators [for the Adult Social Care formula]? Are there any other Relative Needs Indicators we should consider [for Adult Social Care]? Note that we will not be able to add additional indicators for a 2026-27 update.

DCN supports the proposals to update the Adult Social Care RNF. The current formula is out-of-date and has been heavily criticised. DHSC had commissioned the Personal Social Services Research Unit (PSSRU) to review the current formula, and we support the decision to broadly use that new formula. The Adult RNF will distribute over £26bn in funding within SFA, so it is essential that a robust formula is used.

We can see that the recommended formula broadly follows the structure and weightings used in the 2018 paper published by PSSRU. PSSRU has updated the formula to take into account more recent changes in activity and expenditure and used this analysis to select the most appropriate indicators. We support this approach and the outcome of the research.

Question 36 – Do you agree or disagree with including population projections in the ASC formula, when published, that have been rebased using Census 2021 data?

DCN does not support using population projections within the ASC RNFs. It is very hard to project populations at the local authority level and even more challenging for smaller population cohorts. We favour certainty over projections. Population can be updated at the periodic resets and formula reviews, as long as these are sufficiently frequent (no longer than 3 years).

More specifically, the 2026-27 population projections are a long way from the 2021 rebasing and are likely to introduce more variation in population figures. ONS figures show that the further projections are from the base year, the more inaccurate the figures are.

Question 37 – Do you agree or disagree with our proposal to include a Low Income Adjustment (LIA) for the older adults component of the ASC RNF model?

We support the principle that the formula should factor in the ability of residents to self-fund their care or contribute towards it. These are substantial income streams for local authorities. It is reasonable that they are taken into account when assessing the net costs to local authorities.

The methodology used in the Older Adults RNF is untested. We would like to see some alternatives before deciding whether it is right to support it. Council tax bandings will partially reflect the ability of residents to pay for their care but there are many other factors.

Question 38 – Do you agree or disagree that the overall ASC RNF should combine the two component allocation shares using weights derived from the national ASC net current expenditure data on younger and older adults (in this case 2023 to 2024)?

If you disagree, what other weightings would you use? Please provide details for why you would use these weights and what data it would be based on?

Agree.

Question 39 – Do you agree that ethnicity should be removed as a variable in the CYPS formula? Please explain your reasoning.

Agree. If this approach is supported by the analysis from the researchers, then this would be a reasonable decision.

Question 40 – Do you agree overall that the new formula represents an accurate assessment of need for children and family services? Please share any reflections or suggested changes.

It is difficult to assess the robustness or reasonableness of the new children's formula. We are not questioning the thoroughness of the researchers that have been engaged by DfE, nor the data collection on which that research was based. But there is much more work for DfE to do to defend the credibility of this formula.

Question 41 – Do you believe that the components of daytime population inflow should be weighted to reflect their relative impact on demand for services?

Agree.

We support including visitor population as a factor in the formula. We agree that commuters and tourists use non-social-care services at different levels of intensity than the resident population. Visitors use some services more heavily than permanent residents. This should be reflected through weighting.

We assume the additional costs of accommodating commuters and visitors fall disproportionately on the place-based services that district and unitary councils provide. The weighting should ensure the councils with these responsibilities receive funding that reflects the additional cost they bear.

Question 42 – Do you agree with/have any comments on the design of the Foundation Formula?

DCN supports the aim of linking funding more tightly to demand for services and the cost of providing them. DCN also supports the aim of tackling deprivation and inequality.

We agree that levels of deprivation are a factor in determining need. Most of the districts that have suffered the biggest cuts to spending since 2010 are those with highest levels of deprivation. The most deprived shire districts have lost more than half of their 2010 resources in real terms.

However, DCN believes the weight given to deprivation should reflect the extra costs it creates for councils. Analysis previously undertaken by MHCLG and published in the 2018 consultation found that most of the variation in expenditure for the functions within the Foundation Formula could be explained by population. Adding deprivation increased the explanatory power of the formula, but only marginally (by between 0.4% to 4%). The weighting for deprivation in the proposed fafoundation formulas is considerably higher than this.

We recognise that the increase in funding will be very welcome to councils in the most deprived areas. But it is not clear to us on what basis the deprivation weighting has been calculated and why it is so different to the level implied in the 2018 analysis.

Separately, we encourage the government to change the terminology it uses to describe elements of the Foundation Formula. In particular, we do not agree with using the hierarchical terminology of ‘Upper Tier’ and ‘Lower Tier’. It seems nonsensical that unitary authorities fall within both elements. More importantly, the government’s timetable for Local Government Reorganisation suggests all district councils will be abolished by April 2028. We suggest alternative terminology, such as Foundation Formula 1 (which applies to shire districts and unitaries) and Foundation Formula 2 (which applies to shire counties and unitaries) – and ultimately their replacement with a single Foundation Formula when all councils are unitary.

Question 43 – Do you agree with/have any comments on the design of the Fire and Rescue Formula?

Not applicable.

Question 44 – Do you agree with/have any comments on the design of the formula for Highways Maintenance?

Agree.

DCN agrees that the Highways Maintenance RNF should be based on road length and traffic flow, together with an ACA uplift.

Question 45 – Do you agree with/have any comments on the design of the formula for Home-to-School-Transport?

DCN supports the new formula.

But we do not support the proposal for a cap on distance. In many rural areas, particularly those with the greatest levels of sparsity, it might not be possible to place a child within 20 miles. Authorities will already be incentivised to place a child as close to their home as possible (after all, they will be paying the travel costs). We would like to see the datasets that MHCLG have developed, and to understand the number/ proportion of journeys that have been capped, and the impact on funding for our member.

Question 46 – Do you have any views on the potential impacts of the proposals in this consultation on persons who share a protected characteristic?

As local government generally supports those who are the most vulnerable in society, the proposals to divert resources away from some councils as part of Fair Funding is likely to have a disproportionate impact on people with protected characteristics in those areas.

Local Government Association Response

Questions in the consultation

Question 1. What are your views on the updated SFA resulting in zero allocations, and the use of mitigations to avoid zero allocations?

In our [response to the 2020/21 local government finance settlement \(LGFS\)](#) we said that the Government needed to ensure that the implementation of further business rates retention and the Fair Funding Review (FFR) consider whether negative allocations could be an outcome and, if so, how they would be dealt with. This position remains relevant to FFR 2.0. As stated in the introduction to this response and in answer to question 23, we express strong support for the need for transitional support for councils facing cuts.

Question 2. Do you agree with how the government proposes to determine the Council of the Isles of Scilly's Settlement Funding Assessment? Please provide any additional information, including any explanation or evidence for your response.

The LGA is aware that the particular challenges of the Isles of Scilly has led to an approach to funding the Isles of Scilly outside the main funding formula. We do not have an alternative to propose.

Question 3. Do you agree with the government's plans to simplify the grant landscape? Please provide any additional information, including any explanation or evidence for your response.

In our [reply to the December 2024 consultation](#), we said that local government should be funded through general rather than ring-fenced grant funding, that there should be a reduction in the fragmentation of Government funding and that there should be an end to the use of competitive bidding to allocate grant funding. The current proposals would appear to be along these lines. It is important, for the sake of transparency, that when funding is transferred into the LGFS, the Government constructs a fully adjusted baseline so that any changes can be seen on a like-for-like basis.

We welcome that the Government is seeking to: reduce burdensome reporting requirements; consolidate grants with others where they have similar objectives; and end wasteful competitive bidding processes for local government grants. We also note the proposal that, in cases where the Government considers competitive bids remain the most effective form of distribution, updates to the New Burdens Doctrine will ensure that the costs incurred by local authorities in preparing bids are funded as new burdens.

We also await clarification on which other existing grants will be rolled into the LGFS or included in the new grant streams. In relation to the four consolidated grants to be brought into the LGFS:

- We welcome the Government's strengthened emphasis on prevention and long-term resilience in the new Crisis and Resilience Grant (CRG). However,

we will need to work collaboratively to design guidance and outcomes-monitoring that retains that emphasis. We also note that the new CRG is a reduction on the previously available funding, while need continues to rise.

- On the Children, Families and Youth Grant, we would not want to see the consolidation leading to a reduction of funding. This is particularly important given the numerous changes and reforms underway in children's social care, local government reorganisation, and the Government's ambitions to make improvements in terms of outcomes for children and young people as set out in the 10-year health plan.
- On the Homelessness and Rough Sleeping Grant (HRSG), the [LGA's response to the Homelessness Prevention Grant \(HPG\) consultation](#) broadly welcomed the approach of multi-year settlements, particularly for flexible use of funding in prevention and rough sleeping. However, there are some risks in the proposals particularly relating to temporary accommodation (TA). In our response to the HPG consultation we identified a number of issues with the introduction of a ringfence within the grant for 2025/26 in the context of a growing TA subsidy gap. The proposal in the FFR consultation to split the HPG between the Revenue Support Grant and the HRSG risks exacerbating those issues.
- On the Public Health Grant (PHG), we welcome the fact that PHG has been brought into the LGFS. We have called for this for some time. The grant underpins statutory responsibilities and mandated functions and supports a wide range of preventative services that are often under pressure from competing priorities. However, we note that the Spending Review 2025 made no new commitment to ensure that public health funding keeps pace with rising demand and inflationary pressures. The LGA has highlighted significant cuts to the public health grant, with real-terms reductions of £858 million between 2015 and 2024.

Question 4. Do you agree with the formulae for individual services the government proposes to include? Please provide any additional information, including any explanation or evidence for your response.

In our response to the December 2024 consultation, we agreed that adult social care, children's services, fire and rescue and highway maintenance should have bespoke formulas. We also recognised that there was a case for a bespoke formula for temporary accommodation given the increasing costs of homelessness services with multiple contributory cost and demand drivers. We also noted that some councils would make the case for home to school transport to have a separate block, given the particular pressures in this area. We are glad to see that the Government proposes separate formulas for all these services, although this does not necessarily mean that the LGA endorses the specific formulae proposed as different member councils will have different views on these. More detailed comments are contained in our replies to questions 35 to 45 below.

Question 5. Do you agree with the areas of need the government proposes to no longer include in the assessment through the Foundation Formula? Please provide any additional information, including any explanation or evidence for your response.

We note that the Government proposes to no longer include blocks for concessionary fares, flood defence, coastal protection, Environment Agency (EA) levies, fixed costs and legacy capital financing.

In our [reply to the December consultation on Local Authority Funding Reform](#) we said that a number of member councils would press the case for bespoke formula for services such as concessionary travel, flood defence and coastal protection to help them meet their pressures in these areas. On flood defence they would point to the costs of preventing floods. The Government should be guided by the evidence and should engage with councils affected by the cost pressures on these services as part of arriving at its decision.

We further note that the Government says that its wider assessment aims to capture relative need, including both fixed and variable cost differences through the design of each formula. We are aware that some councils, particularly smaller councils, may press the case for a fixed costs element.

As regards legacy capital financing, we note that the consultation document says most of the debt goes back to 1990 and before, none relates to after 2011, and that the capital financing system introduced in 2013/14 will not be affected by the decision not to have a bespoke capital financing block. However, councils which still have legacy capital financing commitments will argue that there is still a need for a bespoke capital financing RNF.

Question 6. Do you agree with the government's approach to calculating the control total shares for the relative needs formulae? Please provide any additional information, including any explanation or evidence for your response.

We note that the Government proposes calculating control total shares for each formula based on their relative proportion of the total national net current expenditure, using data from the latest year available. It is proposed this calculation would be made by mapping the spend lines which correspond to each formula's service areas and aggregating their spend. LGA policy is that the formulas and the underlying data used for the assessment of relative needs should be updated.

Question 7. Do you agree with the Labour Cost Adjustment (LCA) and Rates Cost Adjustment (RCA) equations set out in this chapter? Please provide any additional information, including any explanation or evidence for your response.

Question 8. What are your views on the proposed approach to the Area Cost Adjustment (ACA)?

As we said in our reply to the December 2024 consultation, we agree with the use of area cost adjustments to account for cost differences in both urban and rural areas.

We had previously ([in our 2019 response](#)) supported an evidence-based approach and said that the principle of considering journey times as an area cost factor reflecting sparsity and density in the revised assessment was sound.

We note that the Government's approach to the LCA and the RCA includes changes from when the assessment was last updated in 2013. These include new adjustments to account for the potential impact of travel times on labour costs, and to control for the impact of high-value business districts on property costs.

Different member authorities will have different views on the construction of the new ACA, including the production of individual rather than area ACAs and the weights given to the different components.

Question 9. Do you agree or disagree with the inclusion of the Remoteness Adjustment? Do you have any evidence to support or contradict the theory that rural areas face additional costs due to separation from major markets?

Councils will have different views on this.

We note that the consultation states that in theory, due to lower economies of scale, the cost of service provision for local authorities may be higher in smaller and sparser markets. We do not have any evidence to either support or contradict this theory.

Question 10. Do you agree with the government's proposal to set a notional Council Tax level at the national average level, to achieve the objective of full equalisation? Please provide any additional information, including any explanation or evidence for your response.

We support the use of notional rather than actual council tax levels, in order to ensure that local authorities are not impacted as a result of historic decisions.

Different authorities will have different views on the weighting given to assumed council tax income within the formula.

Question 11. Do you agree with the government's proposal to fully include the impact of mandatory discounts and exemptions in the measure of tax base? Please provide any additional information, including any explanation or evidence for your response.

We agree that the Government should take account of non-discretionary council tax discounts and exemptions, including that due to the pensioner element of council tax support.

Question 12. Do you agree with the government's proposal to use statistical methods to proxy for the impact of Working Age Local Council Tax Support in the measure of tax base? Please provide any additional information, including any explanation or evidence for your response.

Question 13. What are your views on the proposed statistical approach to proxy for the impact of Working Age Local Council Tax Support?

In our [2019 response](#) we said that it was important that local council tax support schemes for working age people should be adequately reflected and that the Government should use a formula-based approach to estimate the likely demand for local council tax support schemes for working-age households. As a result, the potential demand rather than actual policy decisions would be adjusted for, with individual councils covering the costs or retaining the savings from any deviation. It would appear that this is the objective of working age local council tax support adjustment.

Question 14. Do you agree with the government's proposal to assume that authorities make no use of their discretionary discount and premium schemes in the measure of tax base? Please provide any additional information, including any explanation or evidence for your response.

We have previously argued that the tax base calculations should not take account of discretionary discounts and exemptions or premiums, other than working age local council tax support. This proposal is in line with the principle that the financial costs and benefits of local decisions should be retained in full by councils.

Question 15. Do you agree with the government's proposal to apply a uniform Council Tax collection rate assumption to all authorities? Please provide any additional information, including any explanation or evidence for your response.

We agree that actual council tax collection rates should not be taken into account as this could inadvertently penalise councils with higher collection rates. However, we had previously [noted](#) that there is a very strong correlation between 2017/18 collection rates and the average score of the 2015 index of multiple deprivation and that the ability to collect council tax could be adjusted for using a formula approach instead of actual council tax collection rates.

Question 16. Do you agree with the government's proposal to split or allocate the resource adjustment in multi-tier areas according to the average share in council tax receipts in multi-tier areas? Please provide any additional information, including any explanation or evidence for your response.

We note that the Government expresses a preference for average rather than actual tier splits. The use of average tier splits is in accordance with the principle of simplicity, but we are aware that different councils will have different views.

Question 17. Noting a potential trade-off of an increased levy charged on business rate growth for some local authorities, do you agree that the level of Safety Net protection should increase for 2026-27? Please provide any additional information, including any explanation or evidence for your response.

The Government should introduce a transitional mechanism as part of any reset to ensure that local authority services that residents rely on are not put at risk. Councils may have different views on the level of the safety net.

Question 18. Do you agree with the government's proposal to end the New Homes Bonus in the LGFS from 2026-27 and return the funding currently allocated to the Bonus to the core Settlement, distributed via the updated Settlement Funding Assessment? Please provide any additional information, including any explanation or evidence for your response.

We have argued consistently that the New Homes Bonus (NHB) should be separately funded and not drawn from a top slice of Revenue Support Grant (RSG) or other grants, as drawing the NHB from a top slice of RSG means that those councils who are unable to deliver homes above the baseline threshold lose out on core funding distributed on the basis of need. We agree that any top-sliced funding for NHB should be returned to local government.

We had previously noted that the NHB makes up a significant part of some councils' budgets, particularly but not confined to shire districts, and that any changes to the methodology for the NHB should come with transitional funding to ensure that local authority services that residents rely on are not put at risk.

Question 19. What measures could the government use to incentivise local authorities to specifically support affordable and sub-market housing?

A key strength of the NHB is that it is simple to understand and easy to evidence. The core principle of any housing incentive scheme is that it should incentivise the increase of housing supply, including affordable and social housing, to match local need. Within such a scheme, we would be supportive of an affordable housing premium and the potential for incentivising energy efficient homes. However, we do not have specific proposals.

Question 20. Are there any further flexibilities that you think could support local decision-making during the transitional period?

The LGA would point to the suggestions in recent LGA publications such as our [letter to the Chancellor of the Exchequer](#) and its annexes as part of our Spending Review 2025 submission.

Question 21. What are the safeguards that would need to go alongside any additional flexibilities?

Further discussion is needed to identify these flexibilities and to ensure they do not have unintended consequences including for key financial controls within the current framework.

Question 22. Do you agree or disagree that we should move local authorities to their updated allocations over the three-year multi-year Settlement? Please provide any additional information, including the impact this measure could have on local authorities' financial sustainability and service provision.

Question 23. Do you agree or disagree that we should use a funding floor to protect as many local authorities' income as possible, at flat cash in each year of the Settlement? Please provide any additional information, including on: (i) the level of protection or income baseline, considerate of the trade-off with allocating funding according to the updated assessment of need and resources; and (ii) the possible impacts on local authorities' financial sustainability and service provision.

The Government needs to ensure that change does not put the sustainability of individual council's finances and services at risk. The consultation's proposals on transitional protection are key in this context. While the offer of a cash flat floor appears reasonable at first it does not protect councils from real terms cuts in their Core Spending Power (CSP). The consultation is also clear that not all councils will receive the cash floor, meaning they potentially face cash-terms cuts in CSP over the period. Given the scale of cost and demand pressures faced by the sector currently real terms cuts and cash terms cuts will be challenging for any council.

We recognise that reforming the allocation system will mean that some councils will do better than others. Nonetheless, the Government must take steps to protect councils from both cash terms and real terms cuts as a result of the proposals set out in this consultation. But this should not be accomplished by curbing the gains of those that benefit from the proposals. If additional funding outside the current envelope cannot be found, Government must provide additional flexibilities to support councils in this period. Further discussion is needed to identify these flexibilities and to ensure they do not have unintended consequences including for key financial controls within the current framework.

It is possible that some councils may not have reached their new funding assessment by the end of the spending review period. Rather than leaving these councils facing a cliff-edge the Government needs to set out at the earliest opportunity how it intends to address this issue. This will allow councils to plan accordingly.

Question 24. Do you agree or disagree with including projections on residential population?

In our responses to the previous Government's consultations, in [March 2018](#) and [February 2019](#), we supported the use of population projections in order to reflect changing population size and structure. We understand there is a balance to be struck between using up to date data and predictability. However, councils' ability to deliver the high quality, value for money services needed by their residents is dependent on both the sufficiency and the certainty of their funding. They need multi-year and timely finance settlements to allow councils to plan ahead and make

meaningful financial decisions that improve value for money and financial sustainability.

Question 25. Do you agree or disagree with including projections on Council Tax level?

The LGA policy is that any data should not presuppose council tax increases, therefore we are not in favour of this.

Question 26. Do you agree or disagree with including projections on Council Tax base?

We would note that the end of a specific housing incentive coupled with the use of projections for tax base and council tax will have a negative effect on authorities with high housing growth and call on the Government to consider the implications for these councils.

Question 27. Please provide any additional information, including any explanation or evidence for your response and any views on technical delivery. If you agree, what is your preferred method of projecting residential population, Council Tax level and Council Tax base?

We do not have any additional information to add.

Question 28. Do you agree with the above approach to determining allocations for areas which reorganise into a single unitary authority along existing geographic boundaries? Please provide any additional information, including any explanation or evidence for your response.

We note that the approach outlined has been adopted in unitarisations in recent years. We do not have any other comments.

Question 29. Do you agree that, where areas are reorganising into multiple new unitary authorities, they should agree a proposal for the division of existing funding locally based on any guidance set out by central government? Please provide any supporting information, including any further information areas would find helpful in guidance.

Guidance and worked examples would be helpful.

Question 30. Do you agree that the government should work to reduce unnecessary or disproportionate burden created by statutory duties? If you agree, what specific areas of statutory duties impose significant burden without significant value for residents?

We agree that the Government should work to reduce unnecessary or disproportionate burden created by statutory duties: reviewing the list of statutory duties will only partly address the issue. In the [Local Government White Paper](#) we said that there is a clear mismatch between the funding available to local government and what we are expected to deliver. We said that the funding envelope needs to meet statutory duties. This is a basic requirement for the sector to be able to function. There are some statutory services, such as waste, where councils would

welcome a more flexible approach to service delivery which could help with funding issues. Furthermore, many chief executives, during our consultation before the publication of the Local Government White Paper, said they consider many of the non-statutory services they provide, such as parks, as central to helping manage people's needs.

Question 31. Do you agree with the proposed framework outlined at paragraph 11.2.3 for assessing whether a fee should be changed? Please provide any additional information, for example any additional criteria which would strengthen the above assessment framework, and any data which would be used to assess against additional criteria.

We have called for the full localisation of sales, fees and charges, including road user charges and workplace parking levies. Councils should have flexibility to set planning fees at a local level so that they can cover their full costs relating to planning, in order to help to future-proof the sector, and ensure planning departments can continue to support the delivery of much-needed new homes, including affordable homes and infrastructure.

Question 32. The government invites views from respondents on how best to balance the need to maintain fee values and the original policy intent of the fee whilst minimising cost of living impacts for service users.

Democratically elected local authorities, accountable to the electorate, are the best means of determining the right level for fees and charges.

Question 33. Do you agree that the measures above provide an effective balance between protecting charge payers from excessive increases, while providing authorities with greater control over local revenue raising? Please provide a rationale for your response. We are also interested in any further mechanisms which could be applied to fees that are updated or devolved, that will help strike a balance between those objectives.

Please see the answer to question 32.

Question 34. Do you agree that we should take action to update fees before exploring options to devolve certain fees to local government in the longer term? Please provide any additional information, including any explanation or evidence for your response.

As stated in the answer to question 32, we would like to see the localisation of sales, fees and charges.

Question 35. Do you agree or disagree that these are the right Relative Needs Indicators for the Adult Social Care RNFs? Are there any other Relative Needs Indicators we should consider? Note that we will not be able to add additional indicators for a 2026-27 update.

In our [2019 consultation response](#), the LGA called for the formula to cover the main emergent drivers of demand for adult social care in individual areas. However,

we have heard concerns that the formula includes data originally collected in 2012/13.

Question 36. Do you agree or disagree with including population projections in the ASC formula, when published, that have been rebased using Census 2021 data? Please provide any additional information, including any explanation or evidence for your response.

We have called for the most up to date data to be used and are supportive of the use of population projections in order to reflect changing population size and structure.

Question 37. Do you agree or disagree with our proposal to include a Low-Income Adjustment (LIA) for the older adults component of the ASC RNF model? Please provide any additional information, including any explanation or evidence for your response.

We note that the purpose of the Low Income Adjustment (LIA) is to account for contributions made by adult social care users to their care costs and that this has been applied to the Older Adults block only. However, we note that the formula used to calculate the LIA only explains a relatively low percentage of the differences in the proportion of spend on adult social care that local authorities fund from contributions from service users. We further note that if the LIA was removed from the older adults RNF component, the impact on final allocation shares would be small. We call on DHSC and MHCLG to continue work on an up to date formula which explains spending variation.

Question 38. Do you agree or disagree that the overall ASC RNF should combine the two component allocation shares using weights derived from the national ASC net current expenditure data on younger and older adults (in this case 2023 to 2024)? If you disagree, what other weightings would you use? Please provide details for why you would use these weights and what data it would be based on?

We note that the latest expenditure data suggests that the weighting between older and younger adults be changed for 60:40 to 48:52. We note that this is in line with the most recent data and we do not have an alternative to suggest, although some councils, particularly those with large numbers of elderly residents, may consider that it does not reflect the spending pressures in their authority.

The weights used for older and younger adults are taken from NHS Digital's ASC-FR data set, but the overall weighting of the adult social care RNF is based on MHCLG's RO data. The consultation does not specify why the RO is not used in both instances. The consultation also does not explain why Better Care Fund spend on social care is included in the weights for older and younger adults when this funding is not within the scope of the consultation.

Question 39. Do you agree that ethnicity should be removed as a variable in the CYPS formula? Please explain your reasoning.

The LGA does not have policy on whether ethnicity should be included as a variable but have argued that the formulae should be based on evidence.

Question 40. Do you agree overall that the new formula represents an accurate assessment of need for children and family services? Please share any reflections or suggested changes.

In our [2019 response](#), we welcomed an evidence-based approach, the use of multi-level modelling and lower area level data in constructing the children and young people's services formula. In our response to the December 2024 consultation, we said that it would appear that the approach builds on this work but it was important that the analysis, selection and weighting of factors are published, including how the new formula draws on work previously commissioned by MHCLG and DfE. The current consultation contains more analysis and different member councils will have different views as to how accurately it measures demand.

We would query how the formula will be updated, for example, given the changes to free school meals' eligibility. It is also not clear how successful the new formula will be in capturing the impact of spend on unaccompanied asylum-seeking children (UASC), given the gap between Home Office rates and the full cost of supporting UASC, especially UASC care leavers.

We also note that weights are given to the different metrics within the children and young people's services formula based on a three-year average covering the period 2021/22 to 2023/24. Consideration needs to be given to the fact that spend, funding and activity in that year will have been affected by the COVID-19 pandemic.

Question 41. Do you believe that the components of daytime population inflow should be weighted to reflect their relative impact on demand for services? Please provide any additional information, including any explanation or evidence for your response.

The LGA does not have a policy on how to set the weights for the different elements of daytime population. However, our general policy is for any weights to be based on evidence.

Question 42. Do you agree with/have any comments on the design of the Foundation Formula? Please provide any additional information, including any explanation or evidence for your response.

The LGA said in [its reply to the 2019 consultation](#) that deprivation should remain as a factor in the foundation formula, with development of a clear evidence base for the weighting for this cost driver. We did not express a view on the deprivation measure to be included. We are aware that different authorities will have different views on the inclusion of the Indices of Multiple Deprivation and the extent to which it does or does not capture all the facets or pockets of deprivation.

We also note that the Foundation Formula relies on the use of three-year averages in relation to net spend and daytime populations. It is not clear which years this relates to for the daytime population, but for net spend it covers the years 2021/22 to 2023/24. Consideration needs to be given to the fact that spend and funding in that year will have been affected by the COVID-19 pandemic. In particular, the Sales,

Fees and Charges Income Compensation Scheme may have had a distorting effect on net spend figures in 2021/22 as recorded in MHCLG's RO data.

Question 43. Do you agree with/have any comments on the design of the Fire and Rescue Formula? Please provide any additional information, including any explanation or evidence for your response.

We note that it has not been possible to produce a new fire RNF, as opposed to updating the existing formula. We support a collaborative approach between authorities with fire responsibilities and the Government to develop a new fire RNF that includes the relevant risk factors which drive fire and rescue spending.

Question 44. Do you agree with/have any comments on the design of the formula for Highways Maintenance? Please provide any additional information, including any explanation or evidence for your response.

We note that there is no higher weighting for heavy goods vehicles in the proposed formula. In our reply to the December 2024 consultation, we noted that the previous Government's 2017 consultation said that traffic volume, particularly that of heavy goods vehicles, has a significant impact.

We note that the weights in the new formula have been set with reference to expenditure data including 2021/22. The continuation of the COVID-19 pandemic in that year may have affected patterns of spend in that year. Furthermore, the continued use of the Sales, Fees and Charges Income Compensation Scheme in early 2021/22 will have affected the level of net spend as the scheme provided grant funding – recorded in net spend – to partially offset losses in sales, fees and charges income – which is not recorded in net income.

Question 45. Do you agree with/have any comments on the design of the formula for Home-to-School-Transport? Please provide any additional information, including any explanation or evidence for your response.

We are glad that a bespoke Home to School Transport formula has been included. We suggest that the Government should be guided by the evidence and should engage with councils as part of arriving at its decision on the final formula. Different councils will have different views on the proposed formula and the weightings applied. More widely, there needs to be a review of the Home to School Transport Policy.

Question 46. Do you have any views on the potential impacts of the proposals in this consultation on persons who share a protected characteristic?

It is important that a comprehensive equalities impact assessment is undertaken to ensure the reforms do not have unintended consequences for those with protected characteristics. The LGA refers the Government to the replies of individual councils for the individual examples requested.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 23 SEPTEMBER 2025



Title of Report	REVIEW OF CORPORATE GOVERNANCE POLICIES	
Presented by	Councillor Keith Merrie Finance and Corporate Portfolio Holder PH Briefed <input type="checkbox"/>	
Background Papers	<u>Audit and Governance Committee report 6 August 2025</u>	Public Report: Yes
	<u>Audit and Governance Committee minutes 6 August 2025</u>	Key Decision: Yes
Financial Implications	The annual refresh and update of the policies is good practice and will enhance financial management within the Council.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The policies are reviewed annually to ensure any updates in the law are noted so that the Council acts in accordance with the law.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	The suite of Corporate Governance Policies is regularly reviewed to ensure the Council operates effectively, in line with the appropriate standards	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To seek Cabinet's comments on and approval of the Council's updated corporate governance policies, following review and approval by the Audit and Governance Committee.	
Reason for Decision	To ensure that the Council has an up-to-date suite of governance policies in place reflecting the law and best practice.	
Recommendations	THAT CABINET APPROVES THE CORPORATE GOVERNANCE POLICIES LISTED IN PARAGRAPH 1.2 OF THE REPORT.	

1.0 BACKGROUND

1.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. In discharging this responsibility, the Council has in place arrangements for the governance of its affairs and staff.

1.2 The following documents constitute the Council's suite of Corporate Policies:

Policy	Last Reviewed
Anti-Fraud and Corruption Policy	2024
Anti-Money Laundering Policy	2024
Confidential Reporting (Whistleblowing) Policy	2024
Risk Management Policy	2024
RIPA Policy	2024
Local Code of Corporate Governance	2024
Information Governance Framework	2024
Data Protection Policy	2024
Information Security Policy	2024
Information Rights Policy	2024
Records Management Policy	2024

1.3 An annual review of the suite of policies has been undertaken and the revised draft policies are appended to this report.

1.4 Cabinet may recall that last year the Council adopted a new Information Governance Framework (the "Framework"), which incorporated four policies in relation to Data Protection, Information Rights, Information Security and Records Management. Underneath the policies sits a suite of guidance and procedures for use by officers within the Council to ensure compliance with the policies within the Framework. As the Framework has been in place for nearly a year, a more thorough review has been undertaken to assess whether the balance is right between requirements contained in policies and information contained in guidance. That review has taken longer than expected, as it involves cross-working between various services, including Information Governance and IT. Considering this, the review of these policies will be taken to the Audit and Governance Committee in November 2025 and then brought to Cabinet at its next available meeting. It is intended that in future years, the Framework and associated policies will fall back within the Annual Corporate Governance Policies review.

2.0 POLICY REVIEW

2.1 Save for those in bold text, the policies outlined in paragraph 1.2 have been reviewed by the relevant officers responsible for them.

2.2 The main changes to each policy are summarised below:

Anti-Fraud and Corruption Policy

There have been no changes in legislation that affect this policy since the previous review. Therefore, only minor amendments have been made including updates to names referenced within the policy.

Anti-Money Laundering Policy

There have been no changes in legislation that affect this policy since the previous review. Therefore, there have not been any amendments made to the policy following this review.

Confidential Reporting (Whistleblowing Policy)

There have been no changes in legislation that affect this policy since the previous review. Therefore, only minor amendments have been made including updates to names, contact details and the Council's address.

Risk Management Policy

There have been no changes in legislation that affect this policy since the previous review. Therefore, there have not been any amendments made to the policy following this review.

RIPA Policy

There have been no changes in legislation that affect this policy since the previous review. Therefore, there have not been any amendments made to the policy following this review.

Local Code of Corporate Governance

There have been no changes in legislation that affect this policy since the previous review. Therefore, only minor amendments have been made to the formatting of the document.

The updated policies were considered by the Audit and Governance Committee at their meeting on 6 August 2025. A copy of the report and the draft minutes of the meeting can be accessed via the background papers. The Committee did not require any amendments to be made to the policies.

Policies and other considerations, as appropriate	
Council Priorities:	A well-run council.
Policy Considerations:	As detailed within the report.
Safeguarding:	Whistleblowing, surveillance using RIPA and Protecting people's data are all considered to be safeguarding our communities.
Equalities/Diversity:	The opportunity for whistleblowing helps to ensure any risk of inequality or lack of diversity can be highlighted.
Customer Impact:	Anti-fraud, anti-money laundering and corruption will protect the customer from financial impact.

Economic and Social Impact:	Anti-fraud, anti-money laundering and corruption will protect the customer from any negative economic impacts
Environment, Climate Change and Zero Carbon:	N/A.
Consultation/Community/Tenant Engagement:	N/A.
Risks:	As part of its Corporate Governance arrangements, the Council must ensure that Risk management is considered and satisfactorily covered in any report put before elected Members for a decision or action. The purpose of this report is to set out the review undertaken by Corporate Governance Policy authors and detail the changes made. As part of this, the Risk Management Policy is reviewed annually.
Officer Contact	<p>Paul Stone Strategic Director of Resources</p> <p>Paul.Stone@nwleicestershire.gov.uk</p>



RISK MANAGEMENT POLICY

Item	Details
Reference:	Corporate Management – 1 - RMP
Status:	Draft
Originator:	Andy Barton
Owner:	Paul Stone
Version No:	8.0
Date:	

Key policy details

Approvals

Item	Date of Approval	Version No.
Consulted with	N/a	
Reviewed by Audit and Governance Committee	7 August 2024	7.0
Approved by Cabinet	24 September 2024	7.0
Reviewed by Audit and Governance Committee		8.0

Policy Location

This policy can be found on the Council's website and on the Sharepoint page under current policies tab.

Equality Impact Assessment (EIA)

Completed by	Completion date
Paul Stone	13 June 2024

Revision history

Version Control	Revision Date	Summary of Changes
8.0	16 June 2025	No changes.

Policy Review Plans

This policy is subject to a scheduled review once every year or earlier if there is a change in legislation or local policy that requires it.

Distribution

Title	Date of Issue	Version No.
Audit and Governance Committee	6 August 2025	8.0
Cabinet	23 September 2025	8.0
Available on NWL website		8.0

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1. INTRODUCTION

1.1 The Council has adopted the principles of risk management in order to meet the following objectives:

- to protect the health, safety and welfare of its employees and the communities it serves.
- to protect its property, assets and other resources.
- to protect the services it provides; to maintain its reputation and good standing in the wider community; and
- to deliver its overall objectives and priorities.

2. RISK MANAGEMENT STRUCTURE

2.1 Risk Management is co-ordinated corporately by the Health and Safety Officer and through the Corporate Risk Management Group (RMG) chaired by Director of Resources. It also refers and reports to Corporate Leadership Team on a quarterly basis, thereby reaching all services in the Council and ensuring senior management oversight and involvement. Progress on Corporate Risk Management is reported to Members through performance reports to the Audit and Governance Committee, at least quarterly. The Corporate Portfolio Holder is the Cabinet member with overall responsibility for risk management.

2.2 The RMG consists of delegates from various council services, each bringing valuable insights to the Council's risk management strategy and the continual evaluation of the Corporate Risk Register.

2.3 Risk management is embedded in the culture of the Council through:

- the continued adoption of the Council's risk management policy statement.
- a nominated officer lead, currently the Director of Resources.
- the RMG and Corporate Leadership Team accountability.
- an established uniform procedure for the identification, analysis, management and monitoring of risk.
- training and briefings in conjunction with appropriate third parties; and
- regular monitoring and reporting through the corporate performance management system and control mechanisms.
- Briefings and workshops held with Audit and Governance Committee Members.

2.4 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit play a vital role in advising the Council that these arrangements are in place and operating effectively. Each year the Council's Audit Manager produces a risk-based annual Audit Plan. This is informed by a risk assessment which includes a review of corporate and service risk registers, and consultation with key stakeholders and senior management. The Plan is developed to deliver a programme of internal audits to provide independent assurance to senior management and Members. Internal audit undertakes a risk based approach for individual assignments and gives a rating of the level of assurance that is awarded within

each system / business area. This demonstrates the extent to which controls are operating effectively to ensure that significant risks to the achievement of the Council's priorities are being addressed.

3. AIMS OF THE POLICY

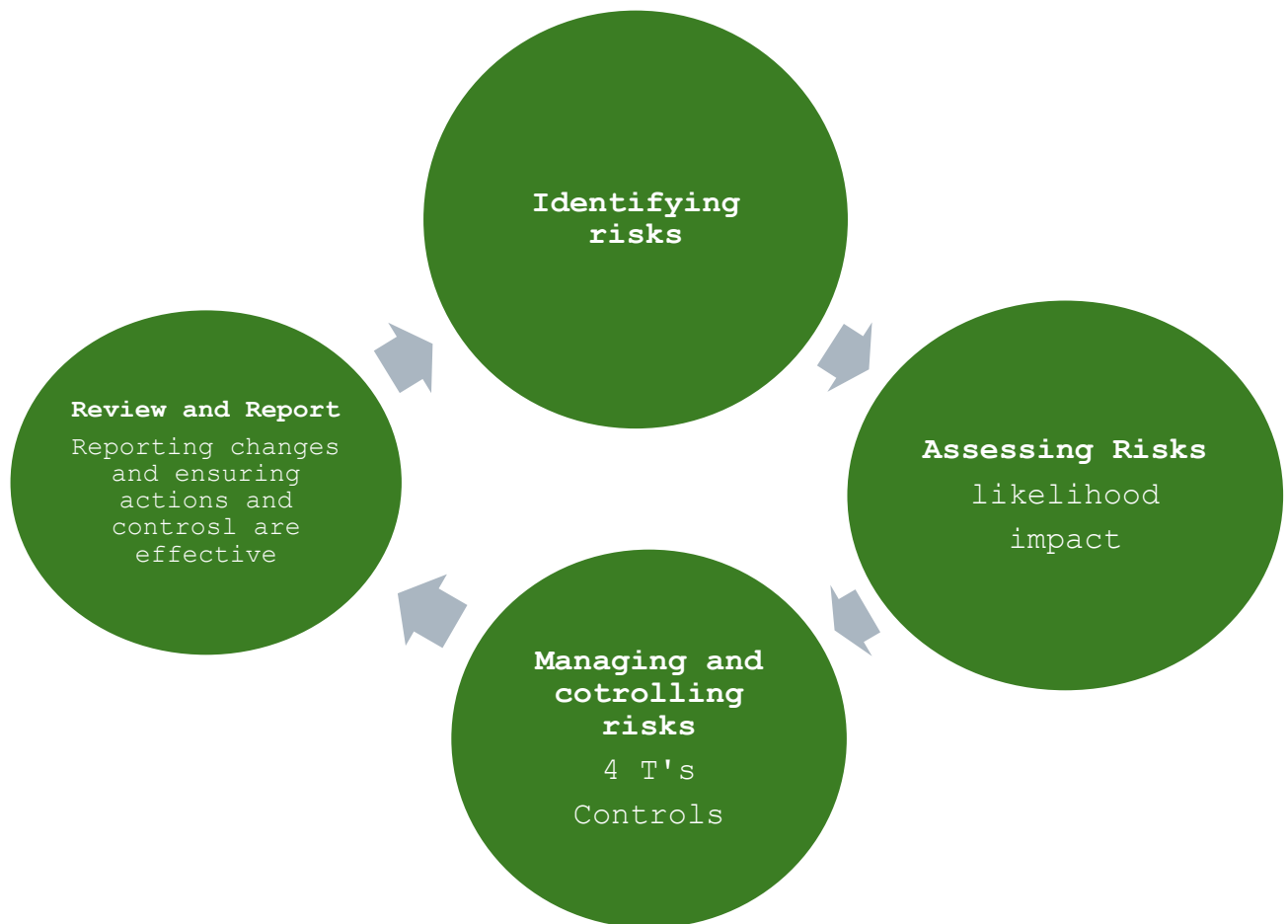
- 3.1 The Council will strive to maintain its diverse range of services to the community and visitors to the North West Leicestershire area. It will protect and continue to provide these services by ensuring that its assets, both tangible and intangible, are protected against loss and damage. The Council is committed to a programme of risk management to ensure its ambitions for the community can be fulfilled through:

“The identification, analysis, management and financial control of those risks which can most impact on the Council’s ability to pursue its approved delivery plan”.

- 3.2 The Council is committed to using risk management to maintain and improve the quality of its own services as well as any contribution by partnerships through its community leadership role. The Risk Management Policy has the following aims and objectives:

- to continue to embed risk management into the culture of the Council.
- to promote the recognition of risk within the Council’s defined corporate aims and objectives.
- continue to raise risk awareness within the Council and its partners.
- to manage risk in accordance with best practice.
- to comply with legislation and guidance.
- to improve safety and increase safety awareness.
- to protect Council property, services and public reputation.
- to reduce disruption to services by having effective contingency or recovery plans in place to deal with incidents when they occur.
- to minimise injury, damage, loss and inconvenience to residents, staff, service users, assets, etc arising from or connected with the delivery of Council services.
- to review robust frameworks and procedures for the identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice.
- to maximise value for money.
- The CMG will consistently conduct reviews of the Risk Management Policy and the associated processes through the Council's Corporate Leadership Team (CLT) to confirm their ongoing applicability and effectiveness for the Council. This annual review will also assess performance against the aims and objectives set out above. CLT will be accountable to Members for the effective management of risk within the Council. This will be achieved through the quarterly reporting of corporate risks to Audit and Governance Committee.

4. RISK MANAGEMENT POLICY



4.1 The overall objective of the Council's Risk Management Policy is to ensure that risks to the Council's objectives, services, employees, partnerships and contractors are identified, recorded, amended, prioritised and then addressed by being treated, tolerated, transferred or terminated. The Policy incorporates:

(a) Identification / Consideration of Risks

- Identifies corporate and operational risks, assesses the risks for likelihood and impact, identifies mitigating controls and allocates responsibility for the mitigating controls.
- Requires the consideration of risk within all service plans and reviews and the regular review of existing risks as identified in the risk register.
- Requires, reports supporting strategic policy decisions and project initiation documents, to include a risk assessment.

- Externally horizon scans for impending risks that may impact the Council, communicate the risk to the appropriate risk owner so they can assess for likelihood and impact, identify mitigating controls and allocate responsibility for the mitigating controls.

(b) Development Delivery

- Allocates responsibility for embedding risk management to a senior officer and Member, to jointly champion.
- Embeds risk management into; strategic planning, financial planning, policy making and review, and performance management.
- Requires that an update report arising from the work of the RMG is presented to Corporate Leadership Team for discussion and information on a quarterly basis.
- Develops arrangements to monitor and measure performance of risk management activities against the Council's strategic aims and priorities.
- Considers risks in relation to significant partnerships, which requires assurances to be obtained about the management of those risks.

(c) Member Involvement / Responsibility

- Quarterly reports will be produced for Audit and Governance Committee on the management of business risks together with recommendation of appropriate actions.
- Reporting to Cabinet and Portfolio members where necessary.

(d) Training / Awareness

- Requires relevant training and toolkits to be given to appropriate staff to enable them to take responsibility for managing risks within their environment.
- Requires the maintenance of documented procedures for the control of risk and the provision of suitable information, training and supervision.
- Develops appropriate procedures and guidelines.
- Considers positive risks (opportunities) and negative risks (threats).
- Facilitates risk management awareness training for all members.

(e) Review

- Maintains and reviews a register of corporate business risks linking them to strategic business objectives and assigning ownership for each risk.
- Requires an annual review of the risk management process, including a report to CLT, localised Risk Registers where necessary and quarterly reporting to the Audit and Governance Committee.

- In the case of new or changing strategic risks, reports to Audit and Governance Committee through the quarterly performance reporting process.
- Requires each team / department to review their individual Risk Registers as and when required (but no less than quarterly) managed by the respective CLT member.

(f) Business Continuity

- Develops contingency plans in areas where there is a potential for an occurrence having a catastrophic effect on the delivery of the Council's services.

(g) Insurance

- Ensures the appropriate officer responsible for insurance is notified of any new risks.
- Ensures adequate records are maintained and retained to support the Council's defence against disputed insurance claims.

(h) Controlling the Risks

Traditionally in risk management there are four ways to mitigate the risks to the organisation, these being typically referred to as **Treat, Tolerate, Transfer and Terminate** and are known collectively as the "4 Ts".

- **Tolerate** means the risk is known and accepted by the organisation. In such instances the senior management team should formally sign off that this course of action has been taken.
- **Transfer** means the risk mitigation is transferred i.e. it is passed to a third party such as an insurer or an outsourced provider, although it should be noted that responsibility for the risk cannot be transferred or eliminated.
- **Terminate** means the Council stops the process, activity, etc or stop using the premises, IT system, etc which is at risk and hence the risk is no longer relevant.
- **Treat** means the Council aims to reduce the likelihood of the threat materialising or else reduce the resultant impact through introducing relevant controls and continuity strategies.

5. RISK APPETITE

- 5.1 The Council's risk appetite guides how much risk it is willing to seek or accept to achieve its objectives. The Council recognises it will need to take risks, both in its ordinary business and to achieve the priorities set out in the Council Delivery Plan. Good risk management ensures the Council makes well informed decisions, and understands the associated risks. By ensuring that the Council properly respond to risks it will be more likely to achieve its priorities. It also provides control and a high level of due diligence consistent with the Council's responsibilities in managing public money.
- 5.2 The Council recognises effective risk management considers not just threats but also opportunities. So, the Council's approach to risk is to seek the right opportunities and, where possible, minimise threats. By encouraging managed risk taking and considering all of the available options the Council seeks a balance between caution and innovation.
- 5.3 The Council's risk appetite reflects its current position; encouraging managed risk taking for minor to moderate level risks but controlling more closely those risks that come

further up the scale. The Council's appetite for risk will vary over time depending on its ambitions and priorities and the environment it works in. Resources are aligned to priorities and arrangements are in place to monitor and mitigate risks to acceptable levels.

- 5.4 Beyond the Council's risk appetite is its risk tolerance. This sets the level of risk that is unacceptable, whatever opportunities might follow. In such instances the Council will aim to reduce the risk to a level that is within its appetite. Whilst appetite may be lower, tolerance levels may be higher, and the Council recognises that it is not possible or necessarily desirable to eliminate some of the risks inherent in its activities. In some instances, acceptance of risk within the public sector is necessary due to the nature of services, constraints within operating environment and a limited ability to directly influence where risks are shared across sectors.
- 5.5 The Council illustrates its risk appetite and tolerance in its grading of risks within the risk register. Risks that are red represents the outer limit of the Council's risk appetite, and those amber or green indicates the tolerance. Where risks are identified as red, the Council will seek to reduce these risks through the 4 T's identified above. The Council is unlikely to take risks that will cause a significant negative consequence for its objectives, and only would consider doing so where this is a clear and overarching need to do so.

6. CORPORATE RISK MANAGEMENT GROUP

- 6.1 The Corporate Risk Management Group is made up of technical experts and corporate leads from the Council's Service Areas. Members of the Group act as "champions" for risk within their services and the Group provides a link into the CLT.
- 6.2 The role of the Group is to maintain a formal framework that will assist with the management of risk and business continuity, by developing the corporate lead and advising CLT on the expected outcome. The objectives of the Group are:
- to assess and advise on the reduction of prevailing risks within the Council's services, to the benefit of staff and the public.
 - to discuss, agree and recommend as appropriate, on matters relating to corporate risk policy.
 - to make reports and recommendations to CLT.
 - to discuss operational risks insofar as they relate to matters of cross-directorate interest.
 - to oversee the implementation of the Council's Risk Management Policy, and to promote a holistic approach to its ongoing management.
 - to promote good risk management practices with the aim of reducing potential liabilities.
 - to consider and identify new risks, and ideas / schemes for risk reduction.
 - to provide a forum to discussion on risk management issues.

These will be achieved through the following:

- using the Council's Risk Management reporting system.
- monitoring the Risk Management Policy.
- reviewing the Council's risk register and associated action plans, acting as a forum for examining and rating risks and making recommendations to CLT.
- developing a comprehensive performance framework for risk management, and developing and using key indicators capable of showing improvements in risk management and providing early warning of risk.
- supporting the development and review of internal standards and procedures regarding significant risk areas.
- supporting the development and implementation of relevant training, awareness and education programmes.
- supporting the development and implementation of adequate, relevant and effective reporting, communication and information dissemination systems with managers and staff.
- supporting the effective monitoring and review of near misses, untoward incidents and accidents, legal and insurance claims and verifying that appropriate management action has been taken promptly to minimise the risk of future occurrence.
- supporting the review of the risk register and action plans to ensure that appropriate management action is taken appropriately to tolerate, treat, transfer or terminate the risk.
- monitoring compliance with legal and statutory duties.
- providing progress reports to CLT and members, drawing to their attention significant business risks.
- encouraging localised Risk Registers to be created where necessary, as well as supporting dynamic risk assessment.

7. PROCEDURES

- 7.1 The Council will adopt uniform procedures for the identification, analysis, management and monitoring of risk. These will be embodied in a formal risk management framework, which will be subject to annual review by the Audit and Governance Committee, following consideration by CLT.

The approved framework is set out in Appendix A to this Policy document.

8. FUNDING FOR RISK MANAGEMENT

- 8.1 The annual Service and Financial Planning process will include a review of operational risks and consider the allocation of funds for risk management initiatives as part of the annual budget process. If additional funds are required approval will be sought initially from CLT.

9. BENEFITS OF EFFECTIVE RISK MANAGEMENT

9.1 Effective risk management will deliver a number of tangible and intangible benefits to Individual services and to the Council as a whole, for example:

Improved Strategic Management

- Greater ability to deliver against objectives and targets
- Increased likelihood of change initiatives being delivered effectively
- Improved reputation, hence support for regeneration
- Increased confidence to take controlled risks

Improved Operational Managements

- Reduced interruptions to service delivery: fewer surprises!
- Reduced managerial time spent dealing with the consequences of a risk event occurring
- Improved health and safety of employees and others affected by the Council's activities
- Compliance with legislation and regulations

Improved Financial Management

- Better informed financial decision-making
- Enhanced financial control
- Reduced financial costs associated with losses due to service interruption, litigations, etc.
- Improved containment of insurance premiums Improved Customer Service
- Minimal service disruption to customers and a positive external image

10. CURRENT CHALLENGES FACING THE COUNCIL

10.1 The Council provides a range of services to the residents of North West Leicestershire and the environment within which it operates is always evolving and changing. The current key challenges facing the Council include:

- Ensuring financial sustainability over the medium term.
- Ensuring business continuity and information technology security arrangements are futureproof.
- Working with partners to establishing the East Midlands Freeport
- Keeping abreast of Government policy changes, for example the requirements of the Office for Local Government.
- Continually developing compliance and assurance frameworks to ensure robust decision making.

- Recruiting to and retaining key positions across the Council.

APPENDIX A

RISK MANAGEMENT FRAMEWORK

(A) What is the framework?

This framework promotes a set of uniform risk management procedures through which directorates will identify, analyse, monitor and manage the risks faced by the Council.

For the purposes of the framework, risk management is defined as *“the identification, analysis, management and financial control of those risks that can impact on the Council’s ability to deliver its services and priorities.”*

Risk management is, therefore, concerned with better decision making, through a clear understanding of all associated risks before final decisions are made by either members or officers. When risks are properly identified, analysed and prioritised it is possible to formulate action plans that propose management actions to reduce risk or deal adequately with the consequences of the risks should they occur. The underlying aim is to treat, terminate or transfer risk to bring them to an acceptable manageable level within the Council, monitor tolerated risk, ensuring services to the public can be maintained, and that the Council’s priorities can be fulfilled.

Risk management, therefore, supports the Council’s service planning process by positively identifying the key issues that could affect the delivery of the service objectives.

(B) Why does the Council need to consider risk management as part of its service planning?

All organisations must deal with risks, whatever their nature. As a general principle the Council will seek to reduce or control all risks that have the potential to:

- harm individuals.
- affect the quality-of-service delivery or delivery of the council’s priorities.
- have a high potential of occurrence.
- would affect public confidence.
- would have an adverse effect on the council’s public image.
- would have significant financial consequences.
- have a potential for litigation in line with exposure detailed below.

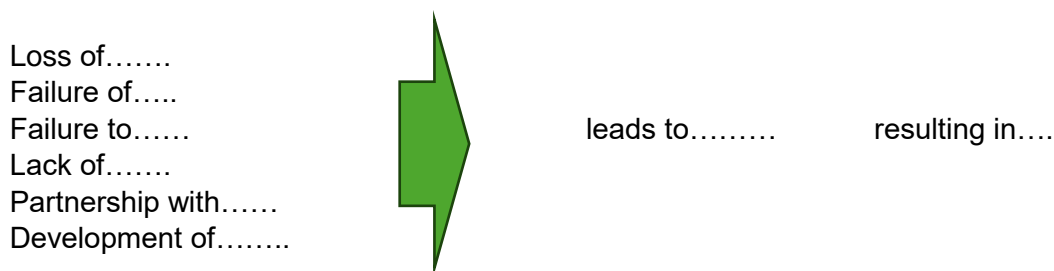
Risk Management cannot, therefore, be considered in isolation but needs to be an integral part of decision-making and service planning processes of the Council. Risk management must be fully embedded in:

- service planning,
- performance management,
- best value,
- committee reports.

(C) Identifying and assessing risk

In identifying risks, it is important to consider what could prevent or hinder the Council from achieving its objectives. There are three parts to a risk – an **event** that has a **consequence** that leads to an **impact** on the Council's objectives.

Typical risk phrasing could be:



You will also need to identify whether the risk is:

- **Strategic:** risks that are significant in size and duration and will impact on the reputation and performance

of the Council as a whole and in particular on its ability to deliver its four strategic priorities.

- **Corporate:** risks to corporate systems or processes that underpin the organisation's overall governance,

operation and ability to deliver services.

- **Partnership:** risks to a partnership meeting its objectives or delivering agreed services/projects.

- **Operational:** risks specific to the delivery of individual services/service performance/project.

Once risks have been identified, an assessment of their significance is required. This requires a robust and transparent scoring mechanism to be used uniformly across Council directorates.

Scoring should be a group exercise including managers and frontline employees. This is because people's perceptions vary and this can have an effect on scoring the risk. Employees who experience a risk every day can become complacent and fail to see how serious it may actually be, whilst a group will usually see the wider impact.

A decision on risk ownership is also required. The owner should be at management level and be responsible for ensuring that controls identified to manage the risk are in place and that they are effective. Delegation of responsibility for particular actions to other employees is acceptable, but overall control of risk must remain with management.

Tables 1 and 2 below set out a scoring mechanism for assessing the likelihood and the impact of exposure to risk.

Table 1 - assessing the likelihood of exposure

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

Table 2 - assessing the impact of exposure

1. Minor	<p>Loss of a service for up to one day. Objectives of individuals are not met. No injuries.</p> <p>Financial loss over £1,000 and up to £10,000. No media attention.</p> <p>No breaches in Council working practices. No complaints / litigation.</p>
2. Medium	<p>Loss of a service for up to one week with limited impact on the general public.</p> <p>Service objectives of a service unit are not met.</p> <p>Injury to an employee or member of the public requiring medical treatment.</p> <p>Financial loss over £10,000 and up to £100,000.</p> <p>Adverse regional or local media attention - televised or newspaper report.</p> <p>Potential for a complaint litigation possible. Breaches of regulations / standards.</p>

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

(D) Prioritisation of risk

Table 3 brings together in a matrix the likelihood and impact of risk.

Table 3 - a risk matrix

		Likelihood			
		1	2	3	4
Impact	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4

Based on this matrix, the Council must decide on the level of risk it is prepared to accept as part of its ongoing operations. Any risk above the agreed level should be considered unacceptable and will therefore need to be managed. The risks in the above matrix fall into three zones; red, amber and green. Table 4 sets out the Council's intended response to these risks.

Table 4 - intended responses to risk

Red	Controls and/or mitigating actions are required to reduce the risk to an acceptable level. Effort should be focused on reducing the risk of any items appearing in this zone, hence moving them to the amber or green zone.
Amber	Risks will require ongoing monitoring to ensure they do not move into the red zone. Depending on the resources required to address the red risks, it may be appropriate to develop controls/mitigating actions to control these risks.
Green	Existing controls and/or mitigating actions are sufficient and may be excessive. More resource committed to reduce these risks is likely to be wasted. Consideration should be given to relaxing the level of control to release resources for mitigating higher level risks.

(E) Format of the risk register

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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Severity score			Likelihood	Impact	Severity
CR1	Name of Risk Risk Consequence	4	3	12	Treat		3	2	6
Existing Controls	<ul style="list-style-type: none">								
Planned mitigating actions						Delivery timescales			
Comments and progress on actions									

(F) Roles of Officers

The Council's work is delivered largely through its officers. Set out below is a summary of the roles of different groups of officers in the risk management process:

Lead officer – to oversee the overall risk management process and ensuring reporting to Audit and Governance Committee, Cabinet and if necessary, Council. Keep this Risk Management Policy under annual review.

CLT Members – to instil the importance of Risk Management as set out in this policy, to ensure that risk registers etc as set out in this policy are addressed in their areas of responsibility, and to take part in the overall management of risk across the Council.

Head of Human Resources and Organisational delivery – to address training needs related to the management of risk as they arise through Team Management plans and the coverage of risk training plan for the organisation as a whole.

Project sponsors – to ensure the projects under their sponsorship comply with the Risk Management Policy.

Team Managers – to ensure risk management is instilled into Team Plans as they are developed and ensure that risk management is taken forward as part of the operation of their respective areas of control.

Members of Corporate Risk Management Group – to act as champions of risk in their service areas, and deliver the objectives of the group as set out in this policy.

All staff – to ensure that they are aware of risk management, the corporate policy regarding risk, and identify, report or manage risk as appropriate within their control.

(G) Roles of Members

Audit and Governance Committee The role in addressing outstanding internal audit recommendations is multifaceted and crucial for the integrity of an organisation's governance and risk management frameworks. By actively pursuing the resolution of outstanding recommendations, audit committee members help to strengthen the organization's controls and risk management practices.

The Corporate Risk Register is reviewed by CLT on a quarterly basis. Where the discussion reveals that one or more of the criteria outlined below is met, then the relevant Director or Head of Service may be invited to an upcoming Audit and Governance Committee to discuss in more detail if needed.

Criteria for inviting the Director or Head of Service to the Audit and Governance Committee:

- There has been limited progress on the implementation of mitigating actions, over at least two successive quarters
- There is a deteriorating direction of travel, with either increased likelihood / impact of the risk.
- There are significant or emerging likely impacts from a budget perspective, reputational view, or a failure to meet statutory requirements in the area of risk.
- The risk has been considered by the Corporate Risk Management Group and is recommended for review by Audit and Governance Committee.

- There is a forecasted change in the context of the risk (i.e. national policy changes), which requires a review of the likelihood and impact; alongside a challenge on the effectiveness of any current controls.



ANTI-FRAUD AND CORRUPTION POLICY

Item	Details
Reference:	Internal Audit – 1 – AF&CP
Status:	Draft
Originator:	Kerry Beavis
Owner:	Kerry Beavis
Version No:	2.8
Date:	

Key policy details

Approvals

Item	Date of Approval	Version No.
Consulted with	N/A	N/A
Reviewed by Audit and Governance Committee		2.8
Approved by Cabinet		2.8

The policy owner has the authority to make the following minor changes without approval

N/A

Policy Location

This policy can be found on the Council's website and the SharePoint page.

Equality Impact Assessment (EIA)

Completed by	Completion date
Kerry Beavis	30 July 2024

Revision history

Version Control	Revision Date	Summary of Changes
2.1	September 2015	
2.2	October 2019	
2.3	May 2020	
2.4	June 2021	
2.5	June 2022	
2.6	June 2023	Minor amendments – name and job title changes.
2.7	July 2024	Minor amendments – name change
2.8	July 2025	Minor amendments – name change

Policy Review Plans

This policy is subject to a scheduled review annually or earlier if there is a change in legislation or local policy that requires it.

Distribution

Title	Date of Issue
Audit and Governance Committee	
Cabinet	
Available on NWL website	

	Contents
1.	Introduction
2.	Scope
3.	Definitions
4.	Culture
5.	Responsibilities
6.	Prevention and deterrence
7.	Detection and investigation
8.	Raising concerns
Appendix A	

ANTI-FRAUD AND CORRUPTION POLICY

1. INTRODUCTION

- 1.1 North West Leicestershire District Council has a duty to ensure that it safeguards the public money that it is responsible for. The Council expects the highest standards of conduct and integrity from all that have dealings with it including staff, members, contractors, volunteers and the public. It is committed to the elimination of fraud and corruption and to ensuring that all activities are conducted ethically, honestly and to the highest standard of openness and accountability so as to protect public safety and public money.
- 1.2 All suspicions or concerns of fraudulent or corrupt practice will be investigated. There will be no distinction made in investigation and action between cases that generate financial benefits and those that do not. Any investigations will not compromise the Council's commitment to Equal Opportunities or the requirements of the Human Rights Act or any other relevant statutory provision.

2. SCOPE

- 2.1 This policy provides an overview of the measures designed to combat any attempted fraudulent or corrupt act, whether attempted internally or externally. The policy is designed to:
- encourage prevention;
 - promote detection;
 - ensure effective investigation where suspected fraud or corruption has occurred;
 - prosecute offenders where appropriate; and
 - recover losses in all instances of fraud or financial irregularity where possible.

3. DEFINITIONS

3.1 Fraud

The Fraud Act 2006 is legislation that has been introduced in order to provide absolute clarity on the subject of fraud. Section 1 of the Act introduced a new general offence of fraud and three ways of committing it:

- fraud by false representation;
- fraud by failing to disclose information; and
- fraud by abuse of position.

Fraud by false representation requires:

- dishonesty;
- an intent to make gain or cause loss; and
- the person makes the representation knowing that it is or might be untrue or misleading.

Fraud by failing to disclose information requires:

- dishonesty;
- an intent to make gain or cause loss; and
- failure to disclose information where there is a legal duty to disclose.

Fraud by abuse of position requires:

- dishonesty;
- an intent to make gain or cause loss; and
- abuse of a position where one is expected to safeguard another person's financial interests.

3.2 Corruption

Corruption is a form of dishonesty or criminal activity undertaken by a person or organisation entrusted with a position of authority, often to acquire illicit benefit.

3.3 Bribery

Broadly the Bribery Act 2010 defines bribery as giving or receiving a financial or other advantage in connection with the “improper performance” of a position of trust, or a function that is expected to be performed impartially or in good faith.

3.4 Money Laundering

Money laundering describes offences involving the integration of the proceeds of crime, or terrorist funds, into the mainstream economy. Whilst the risk of money laundering to the Council is relatively low and the provision of The Money Laundering Regulations 2007 do not strictly apply to the Council, the Council has adopted an Anti-Money Laundering policy as good practice. This policy supports staff in complying with the money laundering provisions included within the Proceeds of Crime Act 2002 and the Terrorism Act 2000.

4. **CULTURE**

- 4.1 The Council has determined that the culture and tone of the organisation will be one of honesty and opposition to fraud and corruption. The Council will not tolerate malpractice or wrongdoing in the provision of its services and is prepared to take vigorous action to stamp out any instances of this kind of activity. The fight against fraud and corruption can only be truly effective where these acts are seen as anti-social unacceptable behaviour and whistle blowing is perceived as a public-spirited action.
- 4.2 The prevention/detection of fraud/corruption and the protection of public money are responsibilities of everyone, both internal and external to the organisation. The Council's elected members and employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status, in the knowledge that such concerns will wherever possible be treated in confidence. The public also has a role to play in this process and should inform the Council if they feel that fraud/corruption may have occurred. The Nolan Committee on Standards in Public Life set out the seven guiding principles (Appendix A) that apply to people who serve the public.
- 4.3 Concerns must be raised when members, employees or the public reasonably believe that one or more of the following has occurred or is in the process of occurring or is likely to occur:

- a criminal offence;
 - a failure to comply with a statutory or legal obligation;
 - improper or unauthorised use of public or other official funds;
 - a miscarriage of justice;
 - maladministration, misconduct or malpractice;
 - endangering an individual's health and/or safety;
 - damage to the environment; and
 - deliberate concealment of any of the above.
- 4.4 The Council will ensure that any allegations received in any way, including by anonymous letter or telephone call, will be taken seriously and investigated in an appropriate manner. The Council has a [Confidential Report \(Whistleblowing\) policy](#) that sets out the approach to these types of allegation in more detail.
- 4.5 The Council will take action against those who defraud the Council or who are corrupt or where there has been financial malpractice. There is a need to ensure that any investigation process is not misused and, therefore, any abuse (such as employees raising malicious allegations) may be dealt with as a disciplinary matter.
- 4.6 Where fraud or corruption has occurred due to a breakdown in the Council's systems or procedures, the relevant Head of Service will ensure that appropriate improvements in systems of control are implemented in order to prevent re-occurrence.

5. RESPONSIBILITIES

5.1 Responsibilities of Elected Members

As elected representatives, all members of the Council have a duty to protect the Council and public money from any acts of fraud and corruption. This is done through existing practice, compliance with the Members' Code of Conduct, the Council's Constitution including Financial Regulations and Standing Orders and relevant legislation.

5.2 Responsibilities of the Monitoring Officer

The Monitoring Officer is responsible for ensuring that all decisions made by the Council are within the law. The Monitoring Officer's key role is to promote and maintain high standards of conduct throughout the Council by developing, enforcing and reporting appropriate governance arrangements including codes of conduct and other standards policies.

5.3 Responsibilities of the Section 151 Officer

The Director of Resources has been designated as the statutory officer responsible for financial matters as defined by s151 of the Local Government Act 1972. The legislation requires that every local authority in England and Wales should 'make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has the responsibility for the administration of those affairs'.

Under the Director of Resources responsibilities, 'proper administration' encompasses all aspects of local authority financial management including:

- compliance with the statutory requirements for accounting and internal audit;
- managing the financial affairs of the Council;
- the proper exercise of a wide range of delegated powers both formal and informal;
- the recognition of the fiduciary responsibility owed to local tax payers.

Under these statutory responsibilities the Section 151 Officer contributes to the antifraud and corruption framework of the Council.

5.4 Responsibilities of Employees

Each employee is governed in their work by the Council's Standing Orders and Financial Regulations, and other codes on conduct and policies (Employee Code of Conduct, Health and Safety Policy, ICT and Cyber Security Policy). Included in the Employee Code of Conduct are guidelines on Gifts and Hospitality, and advice on professional and personal conduct and conflicts of interest. These are issued to all employees when they join the Council. Appropriate disciplinary procedures will be invoked where there is a breach of policy.

Employees are responsible for ensuring that they follow instructions given to them by management, particularly in relation to the safekeeping of the assets of the Council.

Employees are expected always to be aware of the possibility that fraud, corruption and theft may exist in the workplace and be able to share their concerns with management.

5.5 Role of the Leicestershire Revenues and Benefits Partnership Fraud Investigation Team

The Fraud Team based at the Leicestershire Revenues and Benefits Partnership is responsible for the investigation of all revenues and benefit related alleged/suspected fraud cases. Due to the specialised nature of these investigations, a separate sanctions policy has been developed that covers all aspects of the investigation process.

5.6 Role of the External Auditors

Independent external audit is an essential safeguard of the stewardship of public money. This is currently carried out by Azets through specific reviews that are designed to test (amongst other things) the adequacy of the Council's financial systems and arrangements for preventing and detecting fraud and corruption. It is not the external auditor's function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity and will act without undue delay if grounds for suspicion come to their notice.

5.7 Role of the Public

This policy, although primarily aimed at those within or associated with the Council, enables concerns raised by the public to be investigated, as appropriate, by the relevant person in a proper manner.

5.8 Conflicts of Interest

Both elected members and employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of services, internal tendering, planning and land issues etc. Effective role separation will ensure decisions made are seen to be based on impartial advice and avoid questions about improper disclosure of confidential information.

6. PREVENTION AND DETERRENCE

6.1 Responsibilities of the Corporate Leadership Team (CLT)

Managers at all levels are responsible for the communication and implementation of this policy. They are also responsible for ensuring that their employees are aware of the Council's policies and procedures relating to financial management and conduct and that the requirements are being met. Managers are expected to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities. Special arrangements may be applied from time to time for example where employees are responsible for cash handling or are in charge of financial systems and systems that generate payments, for example payroll or the Council Tax system. These procedures should be supported by relevant training.

Management has responsibility for the prevention of fraud and corruption within all departments. It is essential that managers understand the importance of soundly designed systems which meet key control objectives and minimise opportunities for fraud and corruption. They are responsible for assessing the potential for fraud and corruption within their own department's activities and for implementing appropriate strategies to minimise this risk.

The Council recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts and agency staff. The Council's formal recruitment procedures contain appropriate safeguards in the form of written references, the verification of qualifications held and employment history. Disclosure and Barring Service (DBS) checks are undertaken for employees working with or who may have contact with children and vulnerable adults.

6.2 Role of Internal Audit

Internal Audit plays a preventative role in trying to ensure that systems and procedures are in place to prevent and deter fraud and corruption. Internal Audit may be requested to investigate cases of suspected financial irregularity, fraud or corruption, except Benefit fraud investigations and Single Person Discount fraud, in accordance with agreed procedures. Within the Financial Procedures Rules in the Constitution, representatives of Internal Audit have the authority to:

- enter any Council owned or occupied premises or land at all times (subject to any legal restrictions outside the Council's control);
- have access at all times to the Council's records, documents and

- correspondence;
- require and receive such explanations from any employee or member of the Council as he or she deem necessary concerning any matter under examination; and
- require any employee or member of the Council to produce cash, stores or any other Council owned property under their control.

Internal Audit liaises with management to recommend changes in procedures to reduce risks and prevent losses to the Authority.

6.3 **Working with Others and Sharing Information**

The Council is committed to working and co-operating with other organisations to prevent fraud and corruption and protect public funds. The Council may use personal information and data-matching techniques to detect and prevent fraud, and ensure public money is targeted and spent in the most appropriate and cost-effective way. In order to achieve this, information may be shared with other bodies for auditing or administering public funds including the Cabinet Office, the Department of Work and Pensions, other local authorities, National Anti-Fraud Network, HM Revenues and Customs, and the Police.

6.4 **National Fraud Initiative (NFI)**

The Council participates in the National Fraud Initiative (NFI). This requires public bodies to submit a number of data sets, for example payroll, Council Tax, and accounts payable (but not limited to these) which is then matched to data held by other public bodies. Any positive matches (e.g. an employee on the payroll in receipt of housing benefit) are investigated.

6.5 **Data Sharing**

In the interests of protecting the public purse and the prevention and detection of fraud, members of staff are actively encouraged to report any instances of fraud. We have published fair processing notices on our website and also display this information in our public areas, notifying members of the public that we will share information held between departments and other third-party organisations as appropriate in order to prevent and detect crime.

6.6 **Training and Awareness**

The successful prevention of fraud is dependent on risk awareness, the effectiveness of training and the responsiveness of staff throughout the Council. The Council recognises that the continuing success of this policy and its general credibility will depend in part on the effectiveness of training and awareness for members and employees and will therefore take appropriate action to raise awareness levels.

6.7 **Disciplinary Action**

The Council's Disciplinary Procedures will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees. Theft, fraud and corruption are serious offences which may constitute gross misconduct against the Council and employees will face disciplinary action if there is evidence that they have been involved in these activities, including benefit fraud. Disciplinary action will be taken in addition to, or instead of, criminal proceedings depending on the circumstances of each individual case.

Members will face appropriate action under this policy if they are found to have been involved in theft, fraud or corruption against the Authority. Action will be taken in addition to, or instead of criminal proceedings, depending on the circumstances of each individual case but in a consistent manner. If the matter is a breach of the Members' Code of Conduct then it will be dealt with under the arrangements agreed by the Council in accordance with the Localism Act 2011.

6.8 Prosecution

In terms of proceedings, the Council will endeavour to take action in relevant cases to deter others from committing offences against the Council. Any prosecution will be in accordance with the principles contained within The Code for Crown Prosecutors.

6.9 Publicity

The Council will optimise the publicity opportunities associated with anti-fraud and corruption activity within the Council. Wherever possible, where the Council has suffered a financial loss action will be taken to pursue the recovery of the loss.

All anti-fraud and corruption activities, including the update of this policy, will be publicised in order to make employees and the public aware of the Council's commitment to taking action on fraud and corruption when it occurs.

7. DETECTION AND INVESTIGATION

- 7.1 Although audits may detect fraud and corruption as a result of the work that they are undertaking, the responsibility of the detection of financial irregularities primarily rests with management. Included within the audit plans are reviews of system controls including financial controls and specific fraud and corruption tests, spot checks and unannounced visits.

In addition to Internal Audit, there are numerous systems and management controls in place to deter fraud and corruption, but it is often the vigilance of employees and members of the public that aids detection. In some cases frauds are discovered by chance or 'tip-off' and the Council will ensure that such information is properly dealt with within its Confidential Reporting (Whistleblowing) policy.

The Council is committed to the investigation of all instances of actual, attempted and suspected fraud committed by employees, members, consultants, suppliers and other third parties and the recovery of funds and assets lost through fraud.

Any suspected fraud, corruption or other irregularity should be reported to Internal Audit. The Audit Manager will decide on the appropriate course of action to ensure that any investigation is carried out in accordance with Council policies and procedures, key investigation legislation and best practice. This will ensure that investigations do not jeopardise any potential disciplinary action or criminal sanctions.

Action could include:

- investigation carried out by Internal Audit staff;
- joint investigation with Internal Audit and relevant directorate management;
- directorate staff carry out investigation and Internal Audit provide advice and guidance;
- referral to the Police.

The responsibility for investigating potential fraud, corruption and other financial irregularities within the Council lies mainly (although not exclusively) with the Internal Audit section.

8. RAISING CONCERNS

- 8.1 All suspected or apparent fraud or financial irregularities must be raised, in the first instance, directly with the manager or if necessary in accordance with the Council's [Confidential Reporting \(Whistleblowing\) Policy](#). Advice and guidance on how to pursue matters of concern may be obtained from the Council's nominated contact points who are:

- Chief Executive: allison.thomas@nwleicestershire.gov.uk
Telephone 01530 454500
- Monitoring Officer: kate.hiller@nwleicestershire.gov.uk
Telephone 01530 454379
- Section 151 Officer: paul.stone@nwleicestershire.gov.uk
Telephone 01530 454495
- Audit Manager: kerry.beavis@nwleicestershire.gov.uk
Telephone 01530 454728

APPENDIX A

THE SEVEN PRINCIPLES OF PUBLIC LIFE

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisation that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and action that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Committee on Standards in Public Life - The Nolan Report (1995)



ANTI-MONEY LAUNDERING POLICY

Item	Details
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Originator:	Kerry Beavis
Owner:	Kerry Beavis
Version No:	2.7
Date:	

Key policy details

Approvals

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Reviewed by Audit and Governance Committee		2.7
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The policy owner has the authority to make the following minor changes without approval

N/A

Policy Location

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Equality Impact Assessment (EIA)

Completed by	Completion date
Kerry Beavis	30 July 2024

Revision history

Version Control	Revision Date	Summary of Changes
2.1	September 2015	
2.2	May 2020	
2.3	June 2021	
2.4	June 2022	
2.5	June 2023	Minor amendments - name changes.
2.6	July 2024	Minor amendments - name changes.
2.7	July 2025	No changes

Policy Review Plans

This policy is subject to a scheduled review once annually or earlier if there is a change in legislation or local policy that requires it.

Distribution

Title	Date of Issue
Audit and Governance Committee	

Cabinet	
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	Contents
1.	Introduction
2.	Scope of the policy
3.	Definition of money laundering
4.	Requirements of the money laundering legislation
5.	The money laundering reporting officer (MLRO)
6.	Client identification procedures
7.	Reporting procedure for suspicions of money laundering
8.	Consideration of the disclosure by the money laundering reporting officer
9.	Training

ANTI-MONEY LAUNDERING POLICY

1. INTRODUCTION

- 1.1 The Council is committed to the highest possible standards of conduct and has, therefore, put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements. Although local authorities are not directly covered by the requirements of the Money Laundering and Terrorist Financing (Amendment) Regulations 2023, they are bound by the Proceeds of Crime Act 2002 and the Terrorism Act 2006, both of which place a number of duties and responsibilities on local authorities and employees and members of the same, in order that they do not find themselves subject to criminal prosecution.

2. SCOPE OF THE POLICY

- 2.1 This policy applies to all employees, whether permanent or temporary, and members of the Council. Its aim is to enable employees and members to respond to a concern they have during their dealings for the Council. Individuals who may have a concern relating to a matter outside work should contact the Police.

3. DEFINITION OF MONEY LAUNDERING

- 3.1 Money laundering is a term designed to cover a number of offences. These offences relate to the improper handling of funds that are the proceeds of criminal acts, or terrorist acts, so that they appear to come from a legitimate source. It relates to both the activities of organised crime but also to those who benefit financially from dishonest activities such as receiving stolen goods. The Proceeds of Crime Act 2002 (POCA), as amended by the Serious Organised Crime and Police Act 2005, creates a range of criminal offences arising from dealing with proceeds of crime.

The four main offences that may be committed under money laundering legislation are:

- concealing, disguising, converting, transferring or removing criminal property from anywhere in the UK;
- entering into or becoming concerned in an arrangement which a person knows, or suspects facilitates, the acquisition, retention, use or control of criminal property by or on behalf of another person;
- acquiring, using or possessing criminal property.*
- entering into or being concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property** by concealment, removal, transfer or in any other way.

It is also an offence to attempt, conspire or incite to commit any of the above offences and to aid, abet, counsel, or procure the commission of any of the above offences.

* Criminal property is something which constitutes a person's benefit from criminal conduct or represents such benefit; it is not limited to money and there is no minimum amount.

** Terrorist property includes money or other property likely to be used for terrorism,

proceeds of terrorist acts, and proceeds of acts carried out for the purposes of terrorism.

There are also two 'third party' offences:

- failing to disclose information relating to money laundering offences (in respect of both criminal property and terrorist property) where there is reasonable grounds for knowledge or suspicion ***; and,
- tipping off or informing someone who is, or is suspected of, being involved in money laundering activities, in such a way as to reduce the likelihood of or prejudice an investigation.

*** It is important to note that whilst the disclosure obligations and tipping off offences in relation to criminal property will not always strictly apply to local authorities all individuals and businesses have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from terrorism, proceeds of acts carried out for the purposes of terrorism or likely to be used for terrorism, where that information has come to them in the course of their business or employment.

3.2 The Terrorism Act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purpose of terrorism or resulting from acts of terrorism.

3.3 Although the term 'money laundering' is generally used to describe the activities of organised crime for most people it will involve a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.

3.4 Potentially very heavy penalties (unlimited fines and imprisonment up to fourteen years) can be handed down to those who are convicted of one of the offences above.

4. REQUIREMENTS OF THE MONEY LAUNDERING LEGISLATION

4.1 The main requirements of the legislation are to:

- appoint a money laundering reporting officer;
- maintain client identification procedures in certain circumstances;
- implement a procedure to enable the reporting of suspicions of money laundering;
- maintain record keeping procedures.

5. THE MONEY LAUNDERING REPORTING OFFICER (MLRO)

5.1 The Council has designated the Section 151 Officer as the Money Laundering Reporting Officer (MLRO). He can be contacted on 01530 454495 or at paul.stone@nwleicestershire.gov.uk.

In the absence of the MLRO or instances where it is suspected that the MLRO themselves are involved in suspicious transactions, concerns should be raised with the Deputy Section 151 Officer, who can be contacted on 01530 454492 or at anna.crouch@nwleicestershire.gov.uk.

6. CLIENT IDENTIFICATION PROCEDURES

- 6.1 Although not a legal requirement, the Council has developed formal client identification procedures which must be followed when Council land or property is being sold. These procedures require individuals and, if appropriate, companies to provide proof of identity and current address.

If satisfactory evidence is not obtained at the outset of a matter, then the transaction must not be progressed and a disclosure report, available on the intranet, must be submitted to the Money Laundering Reporting Officer.

All personal data collected must be kept in compliance with the Data Protection Act 2018.

7. REPORTING PROCEDURE FOR SUSPICIONS OF MONEY LAUNDERING

- 7.1 Where you know or suspect that money laundering activity is taking/has taken place or become concerned that your involvement in a matter may amount to a prohibited act under the Act, you must disclose this as soon as practicable to the MLRO. The disclosure should be within 'hours' of the information coming to your attention, not weeks or months.
- 7.2 Your disclosure should be made to the MLRO using the disclosure form, available on the intranet.

The report must include as much detail as possible including:

- full details of the person involved;
- full details of the nature of their/your involvement;
- the types of money laundering activity involved;
- the dates of such activities;
- whether the transactions have happened, are ongoing or are imminent;
- where they took place;
- how they are undertaken;
- the (likely) amount of money/assets involved; and
- why, exactly, you are suspicious.

Along with any other available information to enable the MLRO to make a sound judgement as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable them to prepare their report to the National Crime Agency (NCA), where appropriate. You should also enclose copies of any relevant supporting documentation.

If you are concerned that your involvement in the transaction would amount to a prohibited act under sections 327-329 of the Proceeds of Crime Act 2002, then your report must include all relevant details, as you will need consent from the NCA, via the MLRO, to take any further part in the transaction – this is the case even if the client gives instructions for the matter to proceed before such consent is given. You should therefore make it clear in the report if such consent is required and whether there are any deadlines for giving such consent should be clarified e.g. a completion date or court deadline.

- 7.3 Once you have reported the matter to the MLRO you must follow any directions they may give you. You must NOT make any further enquiries into the matter yourself; any necessary investigation will be undertaken by the NCA. Simply report your suspicions to the MLRO who will refer the matter on to the NCA if appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.
- 7.4 Similarly, at no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering, even if the NCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO; otherwise, you may commit a criminal offence of 'tipping off'.
- 7.5 Do not, therefore, make any reference on a client file, to a report having been made to the MLRO - should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

8. CONSIDERATION OF THE DISCLOSURE BY THE MONEY LAUNDERING REPORTING OFFICER

- 8.1 Upon receipt of a disclosure report, the MLRO must note the date of receipt on their section of the report and acknowledge receipt of it. They should also advise you of the timescale within which they expect to respond to you.
- 8.2 The MLRO will consider the report and any other available internal information they think is relevant, e.g.
- reviewing other transaction patterns and volumes;
 - the length of any business relationship involved;
 - the number of any one-off transactions and linked one-off transactions;
 - any identification evidence held;

and undertake such other reasonable enquiries they think appropriate in order to ensure that all available information is taken into account in deciding whether a report to the NCA is required (such enquiries being made in such a way as to avoid any appearance of tipping of those involved). The MLRO may also need to discuss the report with you.

- 8.3 Once the MLRO has evaluated the disclosure report and any other relevant information, they must make a timely determination as to whether:
- there is an actual or suspected money laundering taking place; or
 - whether there are reasonable grounds to know or suspect that this is the case; and
 - whether they need to seek consent from the NCA for a particular transaction to proceed.
- 8.4 Where the MLRO does so conclude, then they must disclose the matter as soon as practicable to the NCA on their standard report form and in the prescribed manner, unless they have a reasonable excuse of non-disclosure to the NCA (for example, if you are a lawyer and you wish to claim legal professional privilege for not

disclosing the information).

- 8.5 Where the MLRO suspects money laundering but has a reasonable excuse for nondisclosure, then they must note the report accordingly, they can then immediately give their consent for any ongoing or imminent transactions to proceed. In cases where legal professional privilege may apply, the MLRO must liaise with the Council's Monitoring Officer to decide whether there is a reasonable excuse for not reporting the matter to the NCA.
- 8.6 Where consent is required from the NCA for a transaction to proceed, then the transaction(s) in question, must not be undertaken or completed until the NCA has given specific consent, or there is deemed consent through the expiration of the relevant time limits in which the NCA must respond, and no response has been received.
- 8.7 Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then they shall mark the report accordingly and give their consent for any ongoing or imminent transaction(s) to proceed.
- 8.8 All disclosure reports referred to the MLRO and reports made by them to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.
- 8.9 The MLRO commits a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and does not disclose this as soon as practicable to the NCA.

9. TRAINING

- 9.1 Officers considered likely to be exposed to suspicious situations, will be made aware of these by their senior officer and provided with appropriate training.
- 9.2 Additionally, all employees and members will be familiarised with the legal and regulatory requirements relating to money laundering and how they affect both the Council and themselves.
- 9.3 Notwithstanding the paragraphs above, it is duty of officers and members to report all suspicious transactions whether they have received their training or not.



CONFIDENTIAL REPORTING (WHISTLEBLOWING) POLICY

Item	Details
Reference:	Internal Audit – 3 - CR
Status:	Draft
Originator:	Kerry Beavis
Owner:	Kerry Beavis
Version No:	2.6
Date:	

Key policy details

Approvals

Item	Date of Approval	Version No.
Consulted with	N/A	
Reviewed by Audit and Governance Committee		2.6
Approved by Cabinet		2.6

The policy owner has the authority to make the following minor changes without approval

N/A

Policy Location

This policy can be found on Council's website and on the Sharepoint page.

Equality Impact Assessment (EIA)

Completed by	Completion date
Kerry Beavis	30 July 2024

Revision history

Version Control	Revision Date	Summary of Changes
2.1	May 2020	
2.2	June 2021	
2.3	June 2022	
2.4	June 2023	
2.5	July 2024	Minor amendments, including name changes and updates to the external audit firm and the Council's address.
2.6	July 2025	Minor changes – name change

Policy Review Plans

This policy is subject to a scheduled review annually or earlier if there is a change in legislation or local policy that requires it.

Distribution

Title	Date of Issue	Version No.
Audit and Governance Committee		2.6
Cabinet		2.6
Available on NWL website		2.6

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CONFIDENTIAL REPORTING (WHISTLEBLOWING) POLICY

“North West Leicestershire District Council is committed to the prevention, deterrence, detection and investigation of fraud, corruption, and malpractice in all forms. It encourages employees and members of the Council and its contractors who have serious concerns about any aspect of its work, including matters of health and safety, to voice those concerns.”

1. INTRODUCTION

- 1.1 The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, we expect employees, members and others that we deal with, who have serious concerns about any aspect of the Council's work to come forward and voice those concerns. This Confidential Reporting Policy is intended to encourage and enable employees, members, contractors, or suppliers to raise serious concerns **within** the Council rather than overlooking a problem or “blowing the whistle” outside.
- 1.2 This Policy provides guidance on the way in which concerns may be raised.

This Policy also sets out how matters can be taken further if a person remains dissatisfied with the Council's response to any concerns raised.
- 1.3 Employees, members, contractors, and suppliers are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council, or they perceive that it could harm their chances of future business or their career prospects. They may also fear harassment or victimisation. In such circumstances individuals may consider it to be easier to ignore the concern rather than report what may only be a suspicion of malpractice. This Policy document makes it clear that individuals raising concerns will do so without fear of victimisation, subsequent discrimination, or disadvantage.
- 1.4 It is recognised that, where concerns are raised, most cases will have to proceed on a confidential basis. The Council will do everything it can to protect the confidentiality of those individuals' raising concerns. However, there may be times when the person making the complaint can be identified due to the nature of the allegation made and, in such cases, it will not be possible to keep the identity of the complainant confidential. In addition, there may be times when the Council will believe it is appropriate to let the subject of a complaint know who made any allegation.
- 1.5 The Council recognises that individuals raising concerns, termed “qualifying disclosures” under the Public Interest Disclosure Act 1998 are entitled to protection under that Act and/or this Policy and may be eligible to compensation if they subsequently suffer victimisation, discrimination, or disadvantage. Under the Enterprise and Regulatory Reform Act 2013, any disclosure using the Whistleblowing Policy, within reasonable belief of the worker making the disclosure will only be protected if it is made in the public interest. It must also show one or more of the following:
 - (a) that a criminal offence has been committed, is being committed or is likely to be committed,
 - (b) that a person has failed, is failing or is likely to fail to comply with any

- legal obligation to which he is subject,
- (c) that a miscarriage of justice has occurred, is occurring or is likely to occur,
- (d) that the health or safety of any individual has been, is being or is likely to be endangered,
- (e) that the environment has been, is being or is likely to be damaged, or
- (f) that information tending to show any matter falling within any one of the preceding paragraphs has been, is being or is likely to be deliberately concealed.

1.6 This policy is designed for workers. Workers include:

- Employees;
- Agency workers;
- People that are training with an employer;
- Self-employed workers, if supervised or working on site.

1.7 The procedures outlined in this Policy **are in addition to** the Council's complaints procedures and other statutory reporting procedures applying to some divisions.

1.8 This Policy has been discussed with the relevant trade unions and has their support.

1.9 The principles of this Policy also apply to concerns of the general public.

2. **AIMS AND SCOPE OF THE POLICY**

2.1 This Policy aims to:

- encourage workers to feel confident in raising concerns that are in the public interest and to question and act upon concerns;
- provide avenues for workers to raise those concerns and receive feedback on any action taken;
- ensure that workers receive a response to their concerns and that they are aware of how to pursue matters if they are not satisfied;
- reassure workers that they will be protected from the risk of reprisals or victimisation if they have a reasonable belief that they have made any disclosure in good faith.

2.2 If Council employees have concerns relating to their employment with the organisation, these should be raised under the Council's Grievance Policy. This Policy is intended to cover major concerns that fall outside the scope of other policies and procedures. As stated in paragraph 1.5, these include:

- conduct which is an offence or a breach of law,
- disclosures related to miscarriages of justice,
- health and safety risks, including risks to the public as well as other employees,
- damage to the environment,
- the unauthorised use of public funds,
- possible fraud and corruption,
- sexual or physical abuse of clients, or
- other unethical conduct.

3. SAFEGUARDS - HARASSMENT OR VICTIMISATION

- 3.1 The Council is committed to good practice and high standards and aims to be supportive of employees and others using this policy.
- 3.2 The Council recognises that the decision to report a concern can be a difficult one to make. Workers are legally entitled to protection from unfair treatment if:
- (a) they honestly think what they are reporting is true,
 - (b) they believe that they are telling the right person,
 - (c) they believe that raising concerns is in the public interest.

Put simply, if an individual is acting in good faith when raising any concerns, they should have nothing to fear because they will be doing their duty to their employer, and/or the Council and those for whom the Council provides a service. In the event that the concerns raised are substantiated, they will be ensuring that bad practice / unethical behaviour / illegal conduct is curtailed.

- 3.3 The Council will not tolerate any harassment or victimisation (including informal pressures) against individuals who raise concerns in good faith under this Policy and will take appropriate action to protect those who raise a concern in good faith and, where necessary, will take action against those subjecting any complainant to harassment, victimisation or any other pressures as a result of raising concerns.
- 3.4 Any investigation into allegations of matters listed in paragraph 2.2 of this Policy will not influence, or be influenced by, any disciplinary, redundancy or similar procedures which may already affect either the person raising the concerns or the individual(s) who are the subject of those concerns.

4. CONFIDENTIALITY

- 4.1 All attempts will be made to ensure any concerns raised will be treated in confidence and to protect the identity of the person making the complaint where they so wish. The Council cannot ensure confidentiality where the individual has themselves informed others of any alleged concerns.
- 4.2 In addition, there may be times when the identity of the person making the complaint is clear due to the nature of any allegations made. In such cases, the Council cannot take any steps to protect the individual's identity. The individual will, however, still be entitled to the same protection against harassment, victimisation, and other pressures as if their identity remained confidential.
- 4.3 In a small number of cases, the Council may find it is appropriate to disclose the identity of the individual raising the concern to the person who is the subject of any complaint. It will, however, inform them of this before doing so. Again, they will receive the same protection against harassment, victimisation, and other pressures as if their identity had remained confidential.
- 4.4 It should be noted that, whilst every effort will be made to protect an individual's identity, the Council may, at an appropriate time ask them to come forward as a witness. If they do become a witness in any case, they will be entitled to the same

protection against harassment, victimisation, and other pressures that they are entitled to when making the initial complaint under this Policy.

5. ANONYMOUS ALLEGATIONS

- 5.1 This Policy aims to protect those raising concerns and, therefore, it is hoped that any person raising concerns will do so in their own name whenever possible.
- 5.2 Whilst any concern will be taken seriously, those expressed anonymously will carry less weight but will be given consideration by the Council; an investigation into the matters raised will be investigated at the discretion of the Council.
- 5.3 In exercising this discretion, the factors to be taken into account will include:
- the nature and seriousness of the issues raised,
 - the apparent credibility of the concern, and
 - the probable likelihood of being able to confirm the allegation from attributable sources.
- 5.4 If the Council does not know who has made an allegation, it will not be possible for the Council to offer reassurance and protection to the individual.

6. UNTRUE ALLEGATIONS

- 6.1 If an allegation is made in good faith but is not confirmed following an investigation by the Council, no action will be taken against the person making the allegation. This should encourage those who have concerns to raise them in the appropriate manner without fear of any reprisals.
- 6.2 If, however, an allegation is made frivolously, maliciously or for personal gain, disciplinary action may be taken against the person making that allegation where appropriate.

7. HOW TO RAISE A CONCERN

- 7.1 Advice and guidance on how to pursue matters of concern may be obtained from the Council's nominated contact points who are:
- Chief Executive:
allison.thomas@nwleicestershire.gov.uk
Telephone 01530454500
 - Monitoring Officer:
kate.hiller@nwleicestershire.gov.uk
Telephone 01530 454379
 - Section 151 Officer:
paul.stone@nwleicestershire.gov.uk
Telephone 01530 454495
 - Audit Manager:
kerry.beavis@nwleicestershire.gov.uk
Telephone 01530 454378

- 7.2 Concerns may be raised verbally or in writing, to any of the above-named individuals. If raising a concern in writing, it should be addressed to the named individual at the:

Whitwick Business Centre
Whitwick Business Park
Stenson Road
Coalville
Leicestershire
LE67 3FJ

Clearly mark the envelope "Confidential".

Alternatively, any concerns can be raised with North West Leicestershire District Council's external auditors:

Azets

6th Floor
Bank House
Cherry Street
Birmingham
B2 5AL

- 7.3 Concerns can be raised in the following ways –

- A written report using the following format:
 - the background and history of the concern (giving relevant dates);
 - the reason why the situation is of particular concern.
- A verbal report of any concerns identified by contacting one of the officers named at paragraph 7.1 above to arrange a mutually convenient appointment. When arranging an appointment, it would be helpful to refer to raising a matter under the Confidential Reporting Policy.
 - When making a verbal report set out the facts using the same format identified at paragraph 7.3 above.

- 7.5 The earlier concerns are raised the easier it is for the Council to investigate and take any relevant action.

- 7.7 When raising a concern, the individual will not be expected to prove beyond doubt the truth of an allegation but will need to demonstrate to the person contacted that there are reasonable grounds for concern.

- 7.8 An individual may wish to consider discussing their concern with a colleague or trade union representative first and may find it easier to raise the matter if two (or more) share any concerns.

- 7.9 The individual wishing to raise a concern may invite a trade union representative, professional association representative or a member of staff to be present during

any meetings or interviews in connection with the concerns raised, any meetings may be arranged off-site if appropriate.

- 7.10 If an individual feels unable to raise concerns directly with the Council, they should report the matter to a “prescribed person”. This will ensure that their legal rights are protected. The list of prescribed persons can change and so up to date information can be obtained by accessing an online brochure entitled;

“Whistleblowing: list of prescribed people and bodies”
available at www.gov.uk

8. HOW THE COUNCIL WILL RESPOND

- 8.1 The Council will respond to concerns but within the constraints of maintaining confidentiality or observing any legal restrictions. In any event, a confidential record of the steps taken will be kept in accordance with the Data Protection Act 2018.
- 8.2 The Council may also ask to meet with the individual raising the concern in order to gain further information. Do not forget that testing out concerns is not the same as either accepting or rejecting them. It is sometimes necessary to test out any concerns raised in order to identify how strong any evidence may be.
- 8.3 Where appropriate, the matters raised may be:

- investigated internally,
- referred to the police,
- referred to the external auditor,
- made the subject of an independent enquiry.

Following any of the action above, a concern may be upheld or may be dismissed.

- 8.4 In order to protect individuals and those accused of misdeeds or possible malpractice, the Council will undertake initial enquiries to decide whether an investigation is appropriate and, if so, what form it should take. In most cases, it is anticipated that these initial enquiries will be completed within ten working days of an allegation being made. The overriding principle, which the Council will have in mind when deciding what steps to take, is whether the matter falls within the public interest. Any concerns or allegations which fall within the scope of any other specific procedures (for example, misconduct or discrimination issues) will normally be referred to the relevant service area for consideration under those procedures.
- 8.5 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.
- 8.6 Within seven working days of a concern being raised, the nominated contact will write to the individual raising the concern:
- acknowledging that the concern has been received,
 - indicating how the Council propose to deal with the matter,
 - give an estimate of how long it will take to provide a final response,
 - advising whether any initial enquiries have been made,

- providing information on staff support mechanisms, and
- advising whether further investigations will take place and if not, why not.

8.7 The amount of contact between the officers considering the issues and the individual will depend on the nature of the matters raised, the potential difficulties involved, and the clarity of the information provided. If necessary, the Council will seek further information from the individual.

8.8 The Council will take steps to minimise any difficulties the individual may experience as a result of raising a concern. For instance, if they are required to give evidence in criminal or disciplinary proceedings the Council will arrange for them to receive advice about the procedure.

8.9 The Council accepts that an individual needs to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform the individual of the outcome of any investigation.

9. THE RESPONSIBLE OFFICER

9.1 The Chief Executive has overall responsibility for the maintenance and operation of this Policy. That officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger confidentiality) and will immediately notify the Monitoring Officer and Section 151 Officer of all issues raised under this Policy and will report as necessary to the Council.

10. HOW THE MATTER CAN BE TAKEN FURTHER

10.1 This Policy is intended to provide individuals with an avenue within the Council to raise concerns. The Council hopes the individual will be satisfied with any action taken. If not, and they feel it is right to take the matter outside the Council, the following are possible contactpoints:

- one of the “prescribed persons”
- trade union
- local Citizens Advice Bureau
- relevant professional bodies or regulatory organisations
- a relevant voluntary organisation (Public Concern at Work - 020 7404 6609)
- the Police.

10.2 If the matter is taken outside the Council, the individual should ensure that they do not disclose confidential information. Check with one of the Council’s nominated contact points about that (see 7.1).



**LOCAL
CODE OF
CORPORATE GOVERNANCE**

Item	Details
Reference:	LCCG -01
Status:	Draft
Originator:	Tracy Bingham
Owner:	Anna Crouch
Version No:	8
Date:	30 June 2025

Key policy details

Approvals

Item	Date of Approval	Version No.
Consulted with	N/A	
Reviewed by Audit and Governance Committee		
Approved by Cabinet		

The policy owner has the authority to make the following minor changes without approval.

- Minor amendments as a result of changes in national policy and changes to local priorities

Policy Location

This policy can be found on the Council's website.

Equality Impact Assessment (EIA)

Completed by	Completion date
Anna Crouch	12 August 2024

Revision history

Version Control	Revision Date	Summary of Changes
1	2009	
2	October 2017	
3	May 2020	
4	June 2021	
5	May 2022	
6	July 2023	New section on the current challenges facing the Council. Changes to formatting
7	July 2024	Changes to formatting
8	July 2025	Changes to formatting

Policy Review Plans

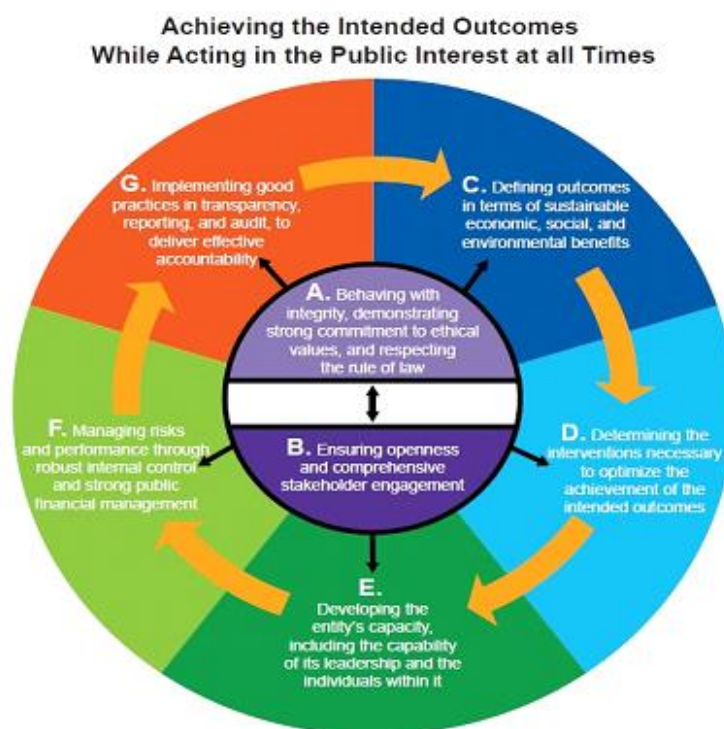
This policy is subject to a scheduled review once a year or earlier if there is a change in legislation or local policy that requires it.

Distribution

Title	Date of Issue	Version No.
Audit and Governance Committee	06/08/25	8
Cabinet		
Website updated		

1. INTRODUCTION

- 1.1 In 2014, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the International Federation of Accountants (IFAC) collaborated to produce The International Framework: Good Governance in the Public Sector. The International Framework defines governance as comprising the arrangements put in place to ensure that intended outcomes for stakeholders are defined and achieved. It states that in order to deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.
- 1.2 CIPFA, in association with the Society of Local Authority Chief Executives (SOLACE), has published their Framework entitled 'Delivering Good Governance in Local Government 2016'.
- 1.3 The diagram below illustrates¹ the core principles of good governance in the public sector and how they relate to each other: Principles A and B permeates implementation of principles C to G.



¹ Delivering Good Governance in Local Government 2016

- 1.4 In North West Leicestershire, good governance is about how the Council ensures that it is doing the right things, in the right way and for the benefit of the communities it serves. The starting place for good governance is having shared values and culture and a framework of overarching strategic policies and objectives underpinned by robust systems and processes for delivering these.
- 1.5 By ensuring good governance is in place, the Council will ensure it has high standards of management, strong performance, the effective use of resources and good outcomes which in turn will lead to increased public trust.

- 1.6 The Council is committed to the seven core principles of good practice contained in the CIPFA framework and will test its governance arrangements against this framework and report annually (via its annual assurance review and Annual Governance Statement).
- 1.7 These seven core principles, also known as the Nolan Principles - The Seven Principles of Public Life, apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies (NDPBs), and in the health, education, social and care services. A link to the Government website setting out the principles is below:

[The Seven Principles of Public Life - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/the-seven-principles-of-public-life)

2 SUMMARY OF COMMITMENT

- 2.1 By adopting this Local Code of Corporate Governance, we are responding to the CIPFA/SOLACE Joint Working Group Guidance and Framework entitled 'Delivering Good Governance in Local Government'.
- 2.2 In doing so the Council will:
- Accept the core principles set out in section 3 below as the basis for its Corporate Governance arrangements.
 - Publish an Annual Governance Assurance Statement with the Council's Statement of Accounts.
 - Draw up Action Plans of improvements to corporate governance arrangements, such plans to be monitored by the Audit and Governance Committee.

3 FUNDAMENTAL PRINCIPLES OF CORPORATE GOVERNANCE

- 3.1 Set out in this document is the Council's proposed Local Code of Corporate Governance which is based on the seven core principles (as set out in the illustration above) adopted for local government from the report of the Independent Commission of Good Governance in Public Services.

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of rule	
Sub-Principle	The Council is committed to:
Behaving with Integrity	<ul style="list-style-type: none"> • Ensuring members and officers behave with integrity and lead as a culture where acting in the public interest is visible and consistently demonstrated thereby protecting the reputation of the organisation. • Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (The Nolan Principles). • Leading by example and using these standard operating principles or values as a framework for decision making and other actions. • Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure they are operating effectively.
Demonstrating strong commitment and ethical values	<ul style="list-style-type: none"> • Seeking to establish, monitor and maintain the organisation's ethical standards and performance. • Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation. • Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values. • Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.
Respecting the rule of law	<ul style="list-style-type: none"> • Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations. • Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. • Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders. • Dealing with breaches of legal and regulatory provisions effectively and ensuring corruption and misuse of power are dealt with effectively.

Principle B – Ensuring Openness and comprehensive stakeholder engagement	
Sub-Principle	The Council is committed to:
Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	<ul style="list-style-type: none"> • Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided. • Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear. • Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.
Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> • Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably. • Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively. • Ensuring that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.
Engaging stakeholders effectively, including individual citizens and service users	<ul style="list-style-type: none"> • Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes. • Ensuring that communication methods are effective, and that members and officers are clear about their roles with regard to community engagement. • Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs. • Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account. • Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity. • Taking account of the interests of future generations of taxpayers and service users.

Principle C – Defining outcomes in terms of sustainable economic, social, and environmental benefits	
Sub-Principle	The Council is committed to:
Defining outcomes	<ul style="list-style-type: none"> • Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions. • Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer. • Delivering defined outcomes on a sustainable basis within the resources that will be available. • Identifying and managing risks to the achievement of outcomes. • Managing service user expectations effectively with regard to determining priorities and making the best use of the resources available.
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> • Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision. • Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints. • Ensuring fair access to services. • Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes	
Sub-Principle	The Council is committed to:
Determining interventions	<ul style="list-style-type: none"> • Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore, ensuring best value is achieved however services are provided. • Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.
Planning interventions	<ul style="list-style-type: none"> • Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets. • Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered. • Considering and monitoring risks facing each partner when working collaboratively including shared risks. • Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances. • Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured. • Ensuring capacity exists to generate the information required to review service quality regularly. • Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan Informing medium- and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.
Optimising achievement of intended outcomes	<ul style="list-style-type: none"> • Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints. • Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term. • Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage. • Ensuring the achievement of 'social value' through service planning and commissioning.

Principle E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it	
Sub-Principle	The Council is committed to:
Developing the entity’s capacity	<ul style="list-style-type: none"> • Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness. • Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the Council’s resources are allocated so that outcomes are achieved effectively and efficiently. • Recognising the benefits of partnerships and collaborative working where added value can be achieved. • Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.
Developing the capability of the entity’s leadership and other individuals	<ul style="list-style-type: none"> • Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained. • Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body. • Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the Council in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other’s authority. • Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: <ul style="list-style-type: none"> ○ ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged. ○ ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis. ○ ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external. • Ensuring that there are structures in place to encourage public participation. • Taking steps to consider the leadership’s own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections. • Holding staff to account through regular performance reviews which take account of training or development needs Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.

Principle F – Managing risks and performance through robust internal control and strong public financial management	
Sub-Principle	The Council is committed to:
Managing Risk	<ul style="list-style-type: none"> • Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making. • Implementing robust and integrated risk management arrangements and ensuring that they are working effectively. • Ensuring that responsibilities for managing individual risks are clearly allocated.
Managing Performance	<ul style="list-style-type: none"> • Monitoring service delivery effectively including planning, specification, execution and independent post implementation review. • Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook. • Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (OR, for a committee system). • Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making. • Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement. • Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).
Robust internal control	<ul style="list-style-type: none"> • Aligning the risk management strategy and policies on internal control with achieving the objectives. • Evaluating and monitoring the Council's risk management and internal control on a regular basis. • Ensuring effective counter fraud and anti-corruption arrangements are in place. • Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. • Ensuring an effective audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon.

Managing Data	<ul style="list-style-type: none"> • Ensuring effective arrangements are in place for the safe collections, storage, use and sharing of data, including processes to safeguard personal data. • Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies. • Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.
Strong Public Finance Management	<ul style="list-style-type: none"> • Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operation performance. • Ensuring well-developed financial management is integral at all levels of planning control and control, including management of financial risks and controls

Principle G – Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Sub-Principle	The Council is committed to:
Implementing good practice in transparency	<ul style="list-style-type: none"> • Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate. • Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.
Implementing good practice in reporting	<ul style="list-style-type: none"> • Reporting at least annually on performance, value for money and the stewardship of its resources. • Ensuring members and senior management own the results. • Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (Annual Governance Statement). • Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate. • Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.
Assurance and effective accountability	<ul style="list-style-type: none"> • Ensuring that recommendations for corrective action made by external audit are acted upon. • Ensuring an effective internal audit service with direct access to Audit and Governance Committee members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon. • Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations. • Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement. • Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.

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CORPORATE POLICY AND PROCEDURE ON THE REGULATION OF INVESTIGATORY POWERS ACT 2000 AND THE INVESTIGATOR POWERS ACT 2016

Item	Details
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Key policy details

Approvals

Item	Date of Approval	Version No.
Reviewed by Audit and Governance Committee		1.6
Approved by Cabinet		1.6

The policy owner has the authority to make the following minor changes without approval:

None

Policy Location

This policy can be found on the Council's website and the Sharepoint page under current policies tab.

Equality Impact Assessment (EIA)

Completed by	Completion date
Kerryn Woollett	3 July 2024

Revision history

Version Control	Revision Date	Summary of Changes
1.1	May 2020	
1.2	June 2021	
1.3	June 2022	No changes
1.4	June 2023	Change job title "Head of Legal and Commercial Services" to "Head of Legal and Support Services". Change Authorising Officers (para 8.6) to include Heads of Service to reflect change in constitution.
1.5	July 2024	Change to date Home Office Codes of Practice last published.
1.6	July 2025	No changes

Policy Review Plans

This policy is subject to a scheduled review once every year or earlier if there is a change in legislation or local policy that requires it.

Distribution

Title	Date of Issue	Version No.
Audit and Governance Committee		1.6
Cabinet		1.6
Available on NWL website		1.6

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CORPORATE POLICY AND PROCEDURE ON THE REGULATION OF INVESTIGATORY POWERS ACT 2000 AND THE INVESTIGATORY POWERS ACT 2016

1. INTRODUCTION

- 1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) is concerned with the regulation of surveillance and other intelligence gathering by public authorities in the conduct of their legitimate business.
- 1.2 The Investigatory Powers Act 2016 (IPA) sets out the extent to which certain investigatory powers may be used to interfere with privacy. In particular about the interception of communications, equipment interference and the acquisition and retention of **communications data**.
- 1.3 Section 6 of the Human Rights Act 1998 provides that it is unlawful for a public authority to act in a way which is incompatible with a European Convention right. Article 8 of the European Convention on Human Rights says that everyone has the right to respect for their private and family life, their home and their correspondence.
- 1.4 The use of surveillance and other intelligence gathering techniques may amount to an interference with rights protected by Article 8 of the European Convention on Human Rights and could amount to a violation of those rights unless the interference is in accordance with the law.
- 1.5 The aim of RIPA and the IPA is to provide a balance between preserving people's right to privacy and enabling enforcement agencies to gather evidence for effective enforcement action. RIPA provides a statutory framework for the authorisation of certain types of **covert** intelligence gathering which is consistent with the Human Rights Act 1998 and the European Convention on Human Rights. Similarly, the IPA provides a statutory framework for the lawful interception and use of **communications data**.
- 1.6 The Council has approved a policy for tackling fraud and corruption. In limited circumstances the Council may wish to use surveillance techniques or **communications data** for the purpose of enforcing this policy or other of its statutory functions. The requirements of RIPA and the IPA are most likely to apply to those sections of the Council with enforcement / investigatory functions.
- 1.7 Section 27 of RIPA provides that conduct authorised under RIPA will be "lawful for all purposes." This means a person authorised under RIPA is entitled to engage in the conduct which has been authorised under RIPA and the Council will be protected from challenges to both the gathering of, and the subsequent use of, covertly obtained information enabling the Council to show that it has acted lawfully.
- 1.8 RIPA also provides a statutory mechanism for authorising the use of a "**covert human intelligence source**", e.g. undercover agents.
- 1.9 The IPA permits access to **communications data** in specific circumstances.
- 1.10 Non-compliance with RIPA or the IPA may result in:
 - 1.10.1 evidence being disallowed by the courts;
 - 1.10.2 a complaint to the Investigatory Powers Commissioner's Office;

- 1.10.3 a complaint to the Local Government and Social Care Ombudsman; and/or
- 1.10.4 the Council being ordered to pay compensation.

It is essential therefore that the Council's policies and procedures, as set out in this document, are followed. A flowchart of the procedures to be followed is at Appendix 1.

2. TYPES OF SURVEILLANCE

- 2.1 Surveillance includes monitoring, observing, listening to persons, watching or following their movements, listening to their conversations and other such activities or communications. It also includes recording any of the aforementioned activities.
- 2.2 Surveillance may be "**overt**" or "**covert**".
- 2.3 Surveillance will be "**overt**" if the act of surveillance is not calculated to be hidden from view, even if the motives of the person undertaking the surveillance remain concealed.
- 2.4 Most of the surveillance carried out by the Council is done overtly – there is nothing secretive, clandestine or hidden about it. In many cases, officers will be behaving in the same way as a normal member of the public, and/or will be going about Council business openly. Similarly, surveillance will be **overt** if the subject has been told it will happen (e.g. where a noisy householder is warned that noise will be recorded if it continues).
- 2.5 Surveillance is "**covert**" if, and only if, it is carried out in a manner that is calculated to ensure that persons who are subject to the surveillance are unaware that it is or may be taking place. RIPA regulates two types of **covert** surveillance.
- 2.6 The first type of **covert** surveillance is "**directed surveillance**". "**Directed surveillance**" means surveillance that is:
 - 2.6.1 **covert**;
 - 2.6.2 not intrusive;
 - 2.6.3 undertaken for the purposes of a specific investigation or specific operation;
 - 2.6.4 undertaken in such a manner as is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation); and
 - 2.6.5 undertaken otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under RIPA to be sought for the carrying out of the surveillance.
- 2.7 RIPA states that "**private information**" includes any information relating to a person's private or family life. The Home Office Covert Surveillance and Property Interference Revised Code of Practice (latest edition at time of writing was February 2024) states that as a result, "**private information**" is capable of including any aspect of a person's private or personal relationship with others, such as family (which should be treated as extending beyond the formal relationships created by marriage or civil partnership) and professional or business relationships.

- 2.8 RIPA sets out a number of grounds on which an authorisation for **directed surveillance** can be considered necessary. In the case of a Local Authority, only one of these grounds is applicable, that ground is that **directed surveillance** is necessary “for the purpose of preventing or detecting crime or of preventing disorder”.
- 2.9 The fact that **covert** surveillance occurs in a public place or on business premises does not mean that it cannot result in the obtaining of private information about a person. Prolonged surveillance targeted on a single person will usually result in the obtaining of private information about that person as well as others that he or she comes into contact or associates with.
- 2.10 An example of **directed surveillance** would be when officers follow a person over a period of time to find out whether they are working at the same time as claiming benefit. Similarly, although town centre CCTV cameras will not normally require a RIPA authorisation, if a camera is directed in such a way as to observe a particular individual, this would amount to **directed surveillance** and an authorisation would be required.
- 2.11 The second type of **covert** surveillance is “**intrusive surveillance**”. Surveillance is intrusive if, and only if, it is **covert** surveillance that is carried out in relation to anything taking place on any residential premises or in any private vehicle and involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.
- 2.12 A Local Authority cannot carry out **intrusive surveillance** under RIPA. **Intrusive surveillance** can only be carried out by the police and other law enforcement agencies.

3. CONDUCT AND USE OF COVERT HUMAN INTELLIGENCE SOURCES

- 3.1 A person is a **Covert Human Intelligence Source (CHIS)** if he or she establishes or maintains a personal or other relationship with another person in order to covertly obtain or disclose information.
- 3.2 RIPA sets out special rules relating to the management and use of information supplied by a **CHIS** and a duty of care is owed to the **CHIS** in how the information is used.
- 3.3 The conduct or use of a **CHIS** requires prior authorisation. Again, the ground on which a **CHIS** may be used by a Local Authority is “for the purpose of preventing or detecting crime or of preventing disorder.”
- 3.4 A RIPA authorisation may not be required in circumstances where members of the public volunteer information to the Council as part of their normal civic responsibilities, however, this will depend on how the information has been obtained. If the person has obtained the information as an ‘insider’ i.e. in the course of a personal or other relationship or “as a result of the existence of such a relationship” then the person is likely to be a **CHIS**, even if the relationship was not formed or maintained for that purpose.
- 3.5 If the person has obtained the information as an outside observer then he or she is not a **CHIS**.
- 3.6 Where contact numbers are set up by the Council to receive information then it is unlikely that persons reporting information will be **CHISs** and similarly, people who complain about anti- social behaviour, and are asked to keep a diary, will not normally be **CHISs** because they are not being required to establish or maintain a relationship for a **covert**

purpose.

Juvenile CHISs

- 3.7 Special safeguards apply to the use or conduct of juveniles, that is, those under 18 years old, as a **CHIS**. On no occasion should the use or conduct of a **CHIS** under 16 years of age be authorised to give information against their parents or any person who has parental responsibility for them. In other cases, authorisations should not be granted unless the special provisions, contained within the Regulation of Investigatory Powers (Juveniles) Order 2000 (as amended), are satisfied.
- 3.8 Authorisations for juvenile sources should be granted by those listed in the table at Annex A of the Home Office Covert Human Intelligence Sources Revised Code of Practice (latest edition at time of writing was December 2022). In this Council, only the Chief Executive may authorise the use of a juvenile or vulnerable individual as a CHIS. The duration of such an authorisation is four months from the time of grant or renewal (instead of twelve months), and the authorisation should be subject to at least monthly review. For the purpose of these rules, the age test is applied at the time of the grant or renewal of the authorisation.

4. OPEN SOURCE (ONLINE) COVERT ACTIVITY

- 4.1 The use of the internet may be required to gather information during an operation, which may amount to **directed surveillance**. The Home Office Covert Surveillance and Property Interference Revised Code of Practice (latest edition at time of writing was February 2024) advises that simple reconnaissance of websites, that is, preliminary examination with a view to establishing whether a site or its contents are of interest, is unlikely to interfere with a person's reasonably held expectation of privacy and therefore is not likely to require a **directed surveillance** authorisation. However, where there is an intention to use the internet as part of an investigation and private information is likely to be obtained, a RIPA authorisation should be considered. When conducting an investigation which involves the use of the internet factors to consider are:
- officers must not create a false identity in order to "befriend" individuals on social networks without an authorisation under RIPA;
 - officers viewing an individual's public profile on a social network should do so only to the minimum degree necessary and proportionate in order to obtain evidence to support or refute the suspicions or allegations under investigation;
 - repeated viewing of open profiles on social networks to gather evidence or to monitor an individual's status, must only take place once a RIPA authorisation has been granted and approved by a Magistrate; and
 - officers should be aware that it may not be possible to verify the accuracy of information on social networks and, if such information is to be used as evidence, take reasonable steps to ensure its validity.
- 4.2 Further, where an investigator may need to communicate covertly online, for example, contacting individuals using social media websites without disclosing his or her identity, a **CHIS** authorisation should be considered.

5. USE OF PERSONAL DEVICES FOR BUSINESS USE

- 5.1 Use of a personal device to access the internet or social media for business use, for example, as part of investigation, is still captured by RIPA. Consequently, officers are advised not to use personal devices for business use, particularly using a personal device to access the internet and social media for business use.

6. THE COUNCIL OWNED DRONE

- 6.1 Use of a drone has the potential to capture **private information**. **Collateral intrusion** is also highly likely when using a drone. Therefore, consideration should be given to whether a RIPA authorisation is required. A drone can be a very useful tool to use in an investigation, however, if there is the potential to gather **personal information** the subject of the investigation and/or the landowner will either need to be notified of the use of the drone (such that any use of the drone is not covert) or a RIPA authorisation will be needed. If the drone is to be flown over a residential area or highly populated area, where the potential for **collateral intrusion** is high, notification that the drone will be used will be published on the Council's website prior to the flight.

7. LOCAL AUTHORITY DIRECTED SURVEILLANCE CRIME THRESHOLD

- 7.1 A **Crime Threshold** applies to the authorisation of **directed surveillance** by Local Authorities under RIPA (see article 7A of the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010). This **Crime Threshold** does not apply to the authorisation of a **CHIS** by a Local Authority.
- 7.2 Local Authorities can only authorise use of **directed surveillance** under RIPA for the purpose of preventing or detecting criminal offences or disorder associated with criminal offences that are:
- 7.2.1 punishable, whether on summary conviction or on indictment, by a maximum term of at least six months imprisonment; or
- 7.2.2 relate to the underage sale of alcohol or tobacco.
- 7.3 If the **Crime Threshold** is not met, though surveillance is still required, a Non-RIPA form should be completed. A Non-RIPA form requires the applicant officer to consider necessity and proportionality as per a RIPA authorisation, however, there is no requirement for approval by a Justice of the Peace.

8. AUTHORISATION PROCESS - DIRECTED SURVEILLANCE AND USE OF A CHIS

Stage 1 - Request for Authorisation

- 8.1 **Directed surveillance** or the use of a **CHIS** can only be authorised by a Local Authority if the authorisation is *necessary* for the purpose of preventing or detecting crime or preventing disorder and the authorised surveillance is *proportionate* to what is sought to be achieved by carrying the surveillance out. When authorising the use of a **CHIS** arrangements also need to be in place for management of the **CHIS** and to ensure the security and welfare of the **CHIS**.
- 8.2 For **directed surveillance** or the use of a **CHIS**, only the approved RIPA forms, available on the Home Office website (<https://www.gov.uk/government/collections/ripa-forms--2>) may be used. Any other form will be rejected by the Authorising Officer. The applicant officer should complete the appropriate form

providing as much detail as possible then submit to the appropriate Authorising Officer for authorisation.

- 8.3 If in doubt about the process to be followed or the information required in the form, an applicant officer should always seek the advice of the Head of Legal and Support Services or the Audit Manager before applying for an authorisation under RIPA.
- 8.4 The applicant officer will be responsible for ensuring that copies of all forms are forwarded to the Audit Manager within seven days of issue. As a control measure the Audit Manager will supply the applicant officer with a referenced copy of the authorisation which they should keep in their department in secure storage. Officers should ensure that material passing between them is sent in such a way that it cannot be read or intercepted by other people.

Stage 2 - Considering an Application for Authorisation

- 8.5 **Directed surveillance** or use of a **CHIS** can only be lawfully carried out if properly authorised and carried out in strict accordance with the terms of the authorisation.
- 8.6 The Secretary of State has specified by statutory instrument (the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010)) that, for any district council in England, Directors, Heads of Service or Service Managers or equivalent are designated persons for the purpose of s.28 and s.29 of RIPA, that is, they may act as Authorising Officers for the purpose of authorising applications for **directed surveillance** or the use of a **CHIS**. In this Council, the Chief Executive, the Directors and Heads of Service are designated to act as Authorising Officers under the Constitution (Part 2, Sec G4, Para 1.5).
- 8.7 Before signing a form seeking authorisation, the Authorising Officer must have regard to this Policy and Procedure, to any relevant Code of Practice, to any advice from the Head of Legal and Support Services or the Audit Manager and to any other relevant guidance.
- 8.8 The Authorising Officer must also satisfy himself / herself that the surveillance proposed in the application is:
 - 8.8.1 *in accordance with the law*;
 - 8.8.2 *necessary* in the circumstances of the particular case on the ground of preventing or detecting crime or preventing disorder; and
 - 8.8.3 *proportionate* to what it seeks to achieve.
- 8.9 In considering whether or not the proposed surveillance is proportionate, the Authorising Officer will need to consider:
 - 8.9.1 The seriousness of the crime or disorder which the surveillance seeks to detect and weigh this against the type and extent of surveillance proposed. For minor offences, it may be that surveillance is never proportionate; and

- 8.9.2 whether there are other more non- intrusive ways of achieving the desired outcome. If there are none, the Authorising Officer will need to consider whether the proposed surveillance is no more than necessary to achieve the objective, as the least intrusive method will be considered proportionate by the courts.
- 8.10 The Authorising Officer will also need to take into account the risk of intrusion into the privacy of persons other than the specified subject of the surveillance. This is known as “**collateral intrusion**”. Measures must be taken whenever practicable to avoid or minimise, so far as practicable, **collateral intrusion**.
- 8.11 When authorising the conduct or use of a **CHIS** the Authorising Officer must also be satisfied that appropriate arrangements are in place for the management and oversight of the **CHIS**. This must address health and safety issues through a risk assessment. The Authorising Officer must also have regard to any adverse impact on community confidence that may result from the use or conduct of the information obtained.
- 8.12 The authorisation does not take effect until a Justice of the Peace has made an order approving the grant of the authorisation.

Stage 3 - Judicial Approval

- 8.13 If the Authorising Officer is satisfied that the surveillance is *necessary* and *proportionate*, they will instruct Legal Services to seek approval from a Justice of the Peace sitting at the Magistrates’ Court.
- 8.14 Legal Services will request a hearing date from the Court. The time taken to obtain a hearing date from the Court will need to be taken into account when scheduling any proposed surveillance.
- 8.15 Urgent approvals should not be necessary.
- 8.16 If the approval is urgent and cannot be handled the next working day then the applicant officer should:
 - 8.16.1 phone the Court’s out of hours legal staff contact. You will be asked about the basic facts and urgency of the authorisation. If the police are involved in the investigation you will need to address why the police cannot authorise the application.
 - 8.16.2 If urgency is agreed, then arrangements will be made for a suitable Magistrate to consider the application. You will be told where to attend and give evidence.
 - 8.16.3 Attend the hearing as directed with two copies of the signed RIPA authorisation form.
- 8.17 At the hearing the Council will provide the Court with a copy of the authorisation signed by the Authorising Officer, together with any supporting documents relevant to the matter showing the necessity and proportionality of the authorisation and which contain all the information relied upon. Also included will be a summary of the circumstances of the case.
- 8.18 The hearing will be in private heard by a single Justice of the Peace (Magistrate / District Judge) who will read and consider the application.
- 8.19 On reviewing the papers and hearing the application the Justice of the Peace will determine whether they are satisfied that there were, at the time the authorisation was granted, and continue to be reasonable grounds for believing that the authorisation is

necessary and proportionate. In addition, they must also be satisfied that the Authorising Officer had the relevant authority to authorise the Council's own internal authorisation prior to it passing to the Court.

- 8.20 For authorisations for the use of a **CHIS** the Justice of the Peace will also need to be satisfied that there were and are reasonable grounds for believing appropriate arrangements are in place for the management and oversight of the **CHIS**.
- 8.21 The Justice of the Peace may ask questions of the Council in order to satisfy themselves of the necessity and proportionality of the request.
- 8.22 In considering the application the Justice of the Peace may decide to:
 - 8.22.1 grant an Order approving the authorisation or renewal. The authorisation or renewal will then take effect and the Local Authority may proceed to use surveillance in accordance with the authorisation;
 - 8.22.2 refuse to approve the authorisation or renewal. The RIPA authorisation will not take effect and the Local Authority may not use the proposed surveillance. Where an application has been refused the Council may wish to consider the reasons for that refusal. For example, a technical error in the form may be remedied without the need to go through the internal authorisation process again. The Council may then wish to reapply for judicial approval once those errors have been remedied;
 - 8.22.3 refuse to approve the grant or renewal and quash the authorisation or notice. A Justice of the Peace must not exercise its power to quash an authorisation unless the applicant (the Council) has had at least two business days' notice from the date of the refusal in which to make representations.

Stage 4 - Duration and Review

- 8.23 If the Justice of the Peace approves the authorisation, the authorisation will last, in the case of **directed surveillance**, a period of three months and, in the case of a **CHIS**, a period of 12 months.
- 8.24 Authorising Officers must then conduct regular reviews of authorisations granted in order to assess the need for the surveillance to continue. Reviews should be conducted on a monthly basis as a minimum. The Authorising Officer may decide that reviews should be conducted more frequently, particularly where a high level of collateral intrusion is likely.
- 8.25 A review involves consultation with the applicant officer and any other persons involved in the surveillance. The applicant officer must give sufficient information about the surveillance and any information obtained by the surveillance for the Authorising Officer to be satisfied that the authorised surveillance should continue. Applicant officers should be pro-active in preparing reports to assist Authorising Officers carry out reviews.

Stage 5 – Renewals

- 8.26 If it appears that the surveillance will continue to be *necessary* and *proportionate* beyond the three-month period for **directed surveillance** or 12 months for use of a **CHIS**, the authorisation must be renewed.
- 8.27 An application for renewal should be made by the applicant officer by completing the appropriate form which is available from the Home Office website (<https://www.gov.uk/government/collections/ripa-forms--2>). This form should then be submitted to the Authorising Officer who must then consider the matter afresh, including taking into account the benefits of the surveillance to date and any collateral intrusion that has occurred.
- 8.28 The Authorising Officer must be satisfied that it is *necessary* and *proportionate* for the authorisation to continue and that the **Crime Threshold** continues to be met. The authorisation for renewal must then be approved by a Justice of the Peace for it to take effect.
- 8.29 An authorisation may be renewed and approved before the initial authorisation ceases to have effect but the renewal takes effect from the time at which the authorisation would have expired. If necessary, a renewal can be granted more than once.

Stage 6 - Cancellations

- 8.30 The Authorising Officer who granted or last renewed the authorisation must cancel the authorisation if the grounds for granting (or renewing) no longer apply or if the authorisation is no longer *necessary* or *proportionate*.
- 8.31 An authorisation can be cancelled on the initiative of the Authorising Officer following a periodic review or after receiving an application for cancellation from the applicant officer. Forms for the cancellation of **directed surveillance** and use of a **CHIS** are available on the Home Office website.

(<https://www.gov.uk/government/collections/ripa-forms--2>)

9. COMMUNICATIONS DATA

- 9.1 The term “**communications data**” includes the “who”, “when”, “where”, and “how” of a communication but not the content i.e. what was said or written. It includes the way in which, and by what method, a person or thing communicates with another person or thing. It excludes anything within a communication including text, audio and video that reveals the meaning, other than inferred meaning, of the communication.
- 9.2 It can include the address to which a letter is sent, the time and duration of a communication, the telephone number or e-mail address of the originator and recipient, and the location of the device from which the communication was made. It covers electronic communications including internet access, internet telephony, instant messaging and the use of applications. It also includes postal services.
- 9.3 The acquisition of **communications data** is permitted under Part 3 of the IPA and will be a justifiable interference with an individual’s human rights under the European Convention on Human Rights only if the conduct being authorised or required to take place is *necessary* for the purposes of a specific investigation or operation, *proportionate* and *in accordance with law*.
- 9.4 Training should be made available to all those who participate in the acquisition and

disclosure of **communications data**.

- 9.5 The Home Office has published the “Communications Data Code of Practice” (latest edition at time of writing was November 2018). This code should be readily available to persons involved in the acquisition of **communications data** under the IPA and persons exercising any functions to which this code relates must have regard to the code.
- 9.6 The IPA stipulates that conduct to be authorised must be *necessary* for one or more of the purposes set out in the IPA. For Local Authorities this purpose is “for the applicable crime purpose” which means:
- 9.6.1 where the **communications data** is wholly or partly events data (events data covers information about time-bound events taking place across a telecommunication system at a time interval, for example, information tracing the origin or destination of a communication that is, or has been, in transmission), the purpose of preventing or detecting serious crime; or
- 9.6.2 in any other case, the purpose of preventing or detecting crime or of preventing disorder.
- 9.7 “Serious Crime” means:
- 9.7.1 an offence for which an adult is capable of being sentenced to one year or more in prison;
- 9.7.2 any offence involving violence, resulting in a substantial financial gain or involving conduct by a large group of persons in pursuit of a common goal;
- 9.7.3 any offence committed by a body corporate;
- 9.7.4 any offence which involves the sending of a communication or a breach of privacy; or
- 9.7.5 an offence which involves, as an integral part of it, or the sending of a communication or breach of a person’s privacy.
- 9.8 A Local Authority may not make an application that requires the processing or disclosure of internet connection records for any purpose.

10. AUTHORISATION PROCESS - COMMUNICATIONS DATA

- 10.1 Acquisition of **communications data** under the IPA involves four roles:
- 10.1.1 The Applicant Officer - The applicant officer is a person involved in conducting or assisting an investigation or operation within a relevant public authority who makes an application in writing or electronically for the acquisition of **communications data**;
- 10.1.2 The Single Point of Contact (SPoC) - The SPoC is an individual trained to facilitate the lawful acquisition of **communications data** and effective co-operation between a public authority, the Office for Communications Data Authorisations (OCDA) and telecommunications operators and postal operators. To become accredited an individual must complete a course of training appropriate for the role of a SPoC and have been issued the relevant SPoC unique identifier. The Home Office provides authentication services to enable telecommunications operators and postal operators to validate SPoC credentials;

- 10.1.3 The Senior Responsible Officer - Within every relevant public authority there should be a Senior Responsible Officer. The Senior Responsible Officer must be of a senior rank in a public authority. This must be at least the same rank as the designated senior officer specified in Schedule 4 of the IPA. Where no designated senior officer is specified the rank of the senior responsible officer must be agreed with the Home Office; and
- 10.1.4 The Authorising Individual - **Communications data** applications can be authorised by three separate categories of individual depending on the circumstances of the specific case. The Authorising Individual for Local Authorities is the authorising officer in the OCDA. Section 60A of the IPA confers power on the IPC to authorise certain applications for **communications data**. In practice the IPC will delegate these functions to his staff. These staff will sit in a body which is known as the OCDA.
- 10.2 An authorisation provides for persons within a public authority to engage in conduct relating to a postal service or telecommunication system, or to data derived from such a telecommunication system, to obtain **communications data**. The following types of conduct may be authorised:
- 10.2.1 conduct to acquire **communications data** - which may include the public authority obtaining **communications data** themselves or asking any person believed to be in possession of or capable of obtaining the **communications data** to obtain and disclose it; and/or
- 10.2.2 the giving of a notice - allowing the public authority to require by a notice a telecommunications operator to obtain and disclose the required data.

Stage 1 - Making an Application

- 10.3 Before public authorities can acquire **communications data**, authorisation must be given by an Authorising Individual. An application for that authorisation must include an explanation of the necessity of the application.
- 10.4 Necessity should be a short explanation of the investigation or operation, the person and the **communications data** and how these three link together. The application must establish the link between the three aspects to be able to demonstrate the acquisition of **communications data** is necessary for the statutory purpose specified.
- 10.5 When granting an authorisation, the authorising individual must also believe that conduct to be proportionate to what is sought to be achieved by obtaining the specified **communications data** – that the conduct is no more than is required in the circumstances. This involves balancing the extent of the interference with an individual's rights and freedoms against a specific benefit to the investigation or operation being undertaken by a relevant public authority in the public interest.
- 10.6 As well as consideration of the rights of the individual whose data is to be acquired consideration must also be given to any actual or potential infringement of the privacy and other rights of individuals who are not the subject of the investigation or operation.
- 10.7 The applicant officer will complete an application form setting out for consideration the necessity and proportionality of a specific requirement for acquiring **communications data**.
- 10.8 The application should record subsequently whether it was authorised by an authorising individual and when that decision was made. Applications should be retained by the public authority and be accessible to the SPoC.

Stage - 2 Consultation with the Single Point of Contact

- 10.9 A SPoC must be consulted on all Local Authority applications before they are authorised.
- 10.10 Amongst other things the SPoC will:
- 10.10.1 assess whether the acquisition of specific **communications data** from a telecommunications operator or postal operator is reasonably practicable or whether the specific data required is inextricably linked to other data; and
 - 10.10.2 advise applicants on the most appropriate methodology for acquisition of data where the data sought engages a number of telecommunications operators or postal operators.
- 10.11 The National Anti-Fraud Network ('NAFN') is hosted by Tameside Metropolitan Borough Council.
- 10.12 In accordance with section 73 of the IPA, all Local Authorities who wish to acquire **communications data** under the IPA must be party to a collaboration agreement. In practice this means they will be required to become members of NAFN and use NAFN's shared SPoC services. Applicant officers within Local Authorities are therefore required to consult a NAFN SPoC throughout the application process. The accredited SPoCs at NAFN will scrutinise the applications independently. They will provide advice to the Local Authority ensuring it acts in an informed and lawful manner.
- 10.13 In addition to being considered by a NAFN SPoC, the local authority making the application must ensure someone of at least the rank of the senior responsible officer in the local authority is aware the application is being made before it is submitted to an authorising officer in OCDA. The local authority senior responsible officer must be satisfied that the officer(s) verifying the application is (are) of an appropriate rank and must inform NAFN of such nominations. In this Council the Chief Executive is the Senior Responsible Officer and the officers notified to the NAFN (notified in March 2019) as able to verify applications are the Head of Legal and Support Services and the Audit Manager.
- 10.14 NAFN will be responsible for submitting the application to OCDA on behalf of the local authority.

Stage 3 - Authorisation of Applications

- 10.15 The (OCDA) performs this function on behalf of the IPC. An authorising officer in OCDA can authorises requests from Local Authorities.
- 10.16 The authorising individual is responsible for considering and, where appropriate, authorising an application for **communications data**. It is their responsibility to consider the application and record their considerations at the time, in writing or electronically in order to show that they have understood the need for the application and considered necessity and proportionality to a standard that will withstand scrutiny. Comments should be tailored to a specific application as this best demonstrates the application has been properly considered.

- 10.17 If the authorising individual believes the acquisition of **communications data** meets the requirements set out in the IPA and is necessary and proportionate in the specific circumstances, an authorisation will be granted. If the authorising individual does not consider the criteria for obtaining the data have been met the application should be rejected and/or referred back to the SPoC and the applicant officer.

Stage 4 - Refusal to Grant an Authorisation

- 10.18 Where a request is refused by an authorising officer in OCDA, the public authority has three options:

10.18.1 not proceed with the request;

10.18.2 resubmit the application with a revised justification and/or a revised course of conduct to acquire **communications data**; or

10.18.3 resubmit the application with the same justification and same course of conduct seeking a review of the decision by OCDA. A public authority may only resubmit an application on the same grounds to OCDA where the senior responsible officer or a person of equivalent grade in the public authority has agreed to this course of action. OCDA will provide guidance on its process for reviewing such decisions.

Stage 5 - Duration of Authorisations and Notices

- 10.19 An authorisation becomes valid on the date upon which the authorisation is granted. It is then valid for a maximum of one month. This means the conduct authorised should have been commenced, which may include the giving of a notice, within that month.

- 10.20 Any notice given under an authorisation remains in force until complied with or until the authorisation under which it was given is cancelled.

- 10.21 All authorisations should refer to the acquisition or disclosure of data relating to a specific date(s) or period(s). Any period should be clearly indicated in the authorisation. The start date and end date should be given, and where a precise start and end time are relevant these must be specified.

- 10.22 Where an authorisation relates to the acquisition or obtaining of specific data that will or may be generated in the future, the future period is restricted to no more than one month from the date upon which the authorisation was granted.

- 10.23 Authorising individuals should specify the shortest possible period of time for any authorisation. To do otherwise would impact on the proportionality of the authorisation and impose an unnecessary burden upon the relevant telecommunications operator(s) or postal operator(s).

Stage 6 - Renewal of Authorisations

- 10.24 Any valid authorisation may be renewed for a period of up to one month by the grant of a further authorisation. A renewed authorisation takes effect upon the expiry of the authorisation it is renewing.

- 10.25 Renewal may be appropriate where there is a continuing requirement to acquire or obtain data that will or may be generated in the future. The reasons for seeking renewal

should be set out by the applicant officer in an addendum to the application upon which the authorisation being renewed was granted.

10.26 Where an authorising individual is granting a further authorisation to renew an earlier authorisation, they should:

10.26.1 Consider the reasons why it is necessary and proportionate to continue with the acquisition of the data being generated; and

10.26.2 Record the date and, when appropriate to do so, the time when the authorisation is renewed.

Stage 7 - Cancellations

10.27 An authorisation may be cancelled at any time by the Local Authority or OCDA and must be cancelled if, at any time after the granting of the authorisation, it is no longer necessary for a statutory purpose or the conduct required by the authorisation is no longer proportionate to what was sought to be achieved.

10.28 In practice, it is likely to be the public authority that is first aware that the authorisation is no longer necessary or proportionate. In such cases the SPoC (having been contacted by the applicant officer, where appropriate) must cease the authorised conduct.

10.29 A notice given under an authorisation (and any requirement imposed by a notice) is cancelled if the authorisation is cancelled but is not affected by the authorisation ceasing to have effect at the end of one month period of validity.

11. CENTRAL CO-ORDINATION

11.1 The Chief Executive will be the Senior Responsible Officer for the overall implementation of RIPA and the IPA.

11.2 The Head of Legal and Support Services will be responsible for:

11.2.1 giving advice and assistance to all staff concerned with the operation of RIPA and the IPA;

11.2.2 arranging training for all staff concerned with the operation of RIPA and the IPA; and

11.2.3 maintaining and keeping up to date this corporate policy and procedure.

11.3 The Audit Manager will be responsible for:

11.3.1 maintaining a central and up to date record of all authorisations;

11.3.2 along with the Head of Legal and Support Services, giving advice and assistance to all staff concerned with the operation of RIPA and the IPA; and

11.3.3 allocating reference numbers to authorisations.

12. WORKING WITH OTHER AGENCIES

- 12.1 When another agency has been instructed on behalf of the Council to undertake any action under RIPA, this Council will be responsible for obtaining a RIPA authorisation and therefore this Policy and Procedure must be used. The other agency must then be given explicit instructions on what actions it may undertake and how these actions are to be undertaken.
- 12.2 When another agency (e.g. Police, HMRC, etc):
 - 12.2.1 wish to use the Council's resources (e.g. CCTV surveillance systems) for RIPA purposes, that agency must use its own RIPA procedures and, before any officer agrees to allow the Council's resources to be used for the other agency's purposes he or she must obtain a copy of that agency's RIPA form, a copy of which must be passed to the Audit Manager for inclusion on the central register;
 - 12.2.2 wish to use the Council's premises for their own RIPA action, and is expressly seeking assistance from the Council, the request should normally be granted unless there are security or other good operational or managerial reasons as to why the Council's premises should not be used for the other agency's activities. Suitable insurance or other appropriate indemnities may need to be sought. In such cases, the Council's own RIPA forms should not be used as the Council is only assisting and not involved in the RIPA activity of the other agency.

13. OTHER SOURCES OF INFORMATION

- 13.1 The Home Office has issued Codes of Practice on **directed surveillance**, **CHISs** and **communications data**. These Codes of Practice supplement this policy and procedure document and should be used as a source of reference by all officers whose task it is to apply the provisions of RIPA and the IPA and their subordinate legislation.

14. RECORDS MANAGEMENT

- 14.1 The Council must keep a detailed record of all authorisations, judicial approvals, reviews, renewals, cancellations and rejections in the relevant services. A central record of all authorisation forms, whether authorised or rejected, will be maintained and monitored by the Audit Manager.
- 14.2 All Authorising Officers must send all original applications for authorisation to the Audit Manager. Each document will be given a unique reference number, the original will be placed on the central record and a copy will be returned to the applicant officer.
- 14.3 Copies of all other forms used and the judicial approval form must be sent to the Audit Manager bearing the reference number previously given to the application to which it refers.

Service Records

- 14.4 Each service must keep a written record of all authorisations issued to it, and any judicial approvals granted, to include the following:
 - 14.4.1 a copy of the application and a copy of the authorisation together with any supplementary documentation and notification of the approval given by the Authorising Officer;
 - 14.4.2 a record of the period over which the operation has taken place;

- 14.4.3 the frequency of reviews prescribed by the Authorising Officer;
- 14.4.4 a record of the result of each review;
- 14.4.5 a copy of any renewal of an authorisation and any supporting documentation submitted when the renewal was requested;
- 14.4.6 the date and time when any instruction was given by the Authorising Officer, including cancellation of such authorisation;
- 14.4.7 a copy of the order approving or otherwise the grant or renewal of an authorisation from a Justice of the Peace; and
- 14.4.8 the required date of destruction and when this was completed.

Central Record Maintained by the Audit Manager

- 14.5 A central record of all authorisation forms, whether authorised or rejected, is kept by the Audit Manager. The central record must be readily available for inspection on request by the Investigatory Powers Commissioner.
- 14.6 The central record must be updated whenever an authorisation is granted, reviewed, renewed or cancelled. Records will be reviewed after a period of 6 years from the date on which the relevant criminal or civil proceedings file is closed for archive and deleted when no longer necessary.
- 14.7 The central record must contain the following information:
 - 14.7.1 the type of authorisation;
 - 14.7.2 the date on which the authorisation was given;
 - 14.7.3 name / rank of the Authorising Officer;
 - 14.7.4 details of attendances at the Magistrates' Court to include date of attendances at court, the determining Justice of the Peace, the decision of the Justice of the Peace and the time and date of that decision;
 - 14.7.5 the unique reference number (URN) of the investigation / operation. This will be issued by the Audit Manager when a new application is entered in the Central Record. The applicant officer will be informed accordingly and should use the same URN when requesting a renewal or cancellation;
 - 14.7.6 the title of the investigation / operation, including a brief description and names of the subjects, if known;
 - 14.7.7 if the authorisation was renewed, when it was renewed and who authorised the renewal, including the name and rank / grade of the Authorising Officer;
 - 14.7.8 whether the investigation / operation is likely to result in the obtaining of **confidential information** (information is confidential if it is held subject to an express or implied undertaking to hold it in confidence or it is subject to a restriction on disclosure or an obligation of confidentiality contained in existing legislation. Examples might include consultations between a health professional and a patient, information from a patient's medical records; or matters subject to legal privilege);

- 14.7.9 if the authorisation was reviewed, when it was reviewed and who authorised the review, including the name and rank / grade of the Authorising Officer;
- 14.7.10 the date and time that the authorisation was cancelled.
- 14.8 It should also contain a comments section enabling oversight remarks to be included for analytical purposes.
- 14.9 The Audit Manager co-ordinating RIPA and IPA applications ensures that there is an awareness of the investigations taking place. This would also serve to highlight any unauthorised **covert** surveillance being conducted.

Retention and Destruction of Material

- 14.10 Departments must ensure that arrangements are in place for the handling, storage and destruction of material obtained through the use of **covert** surveillance, a CHIS and/or the acquisition of communications data which accord with the Council's Information Management Policy. Records will be reviewed after a period of 6 years from the date on which the relevant criminal or civil proceedings file is closed for archive and must be destroyed as soon as they are no longer necessary. **Confidential material must be destroyed as soon as it is no longer necessary.** It must not be retained or copied unless it is necessary for a specified purpose. Where there is doubt, advice must be sought from the Head of Legal and Support Services or the Senior Responsible Officer.

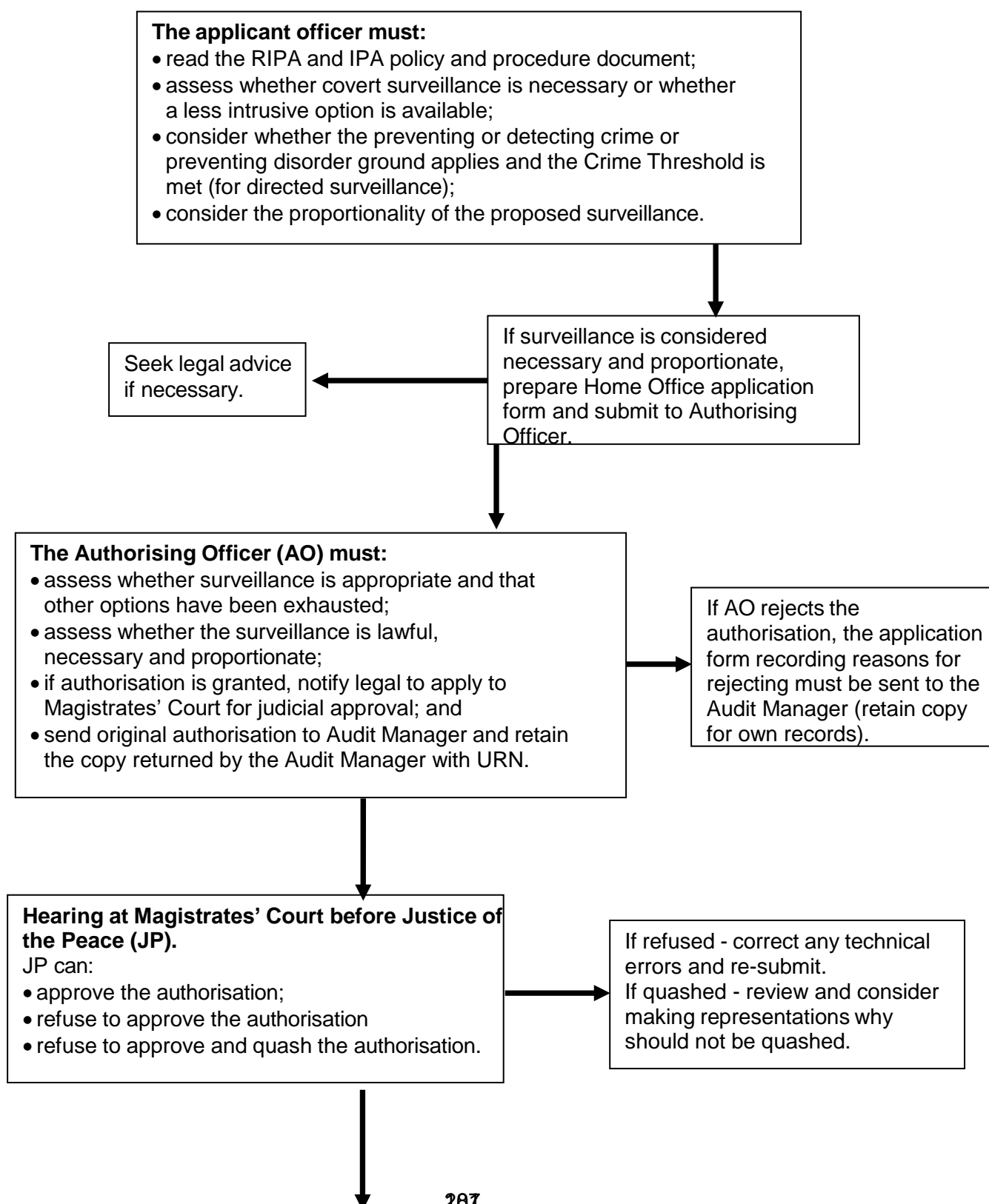
15. REVISION HISTORY

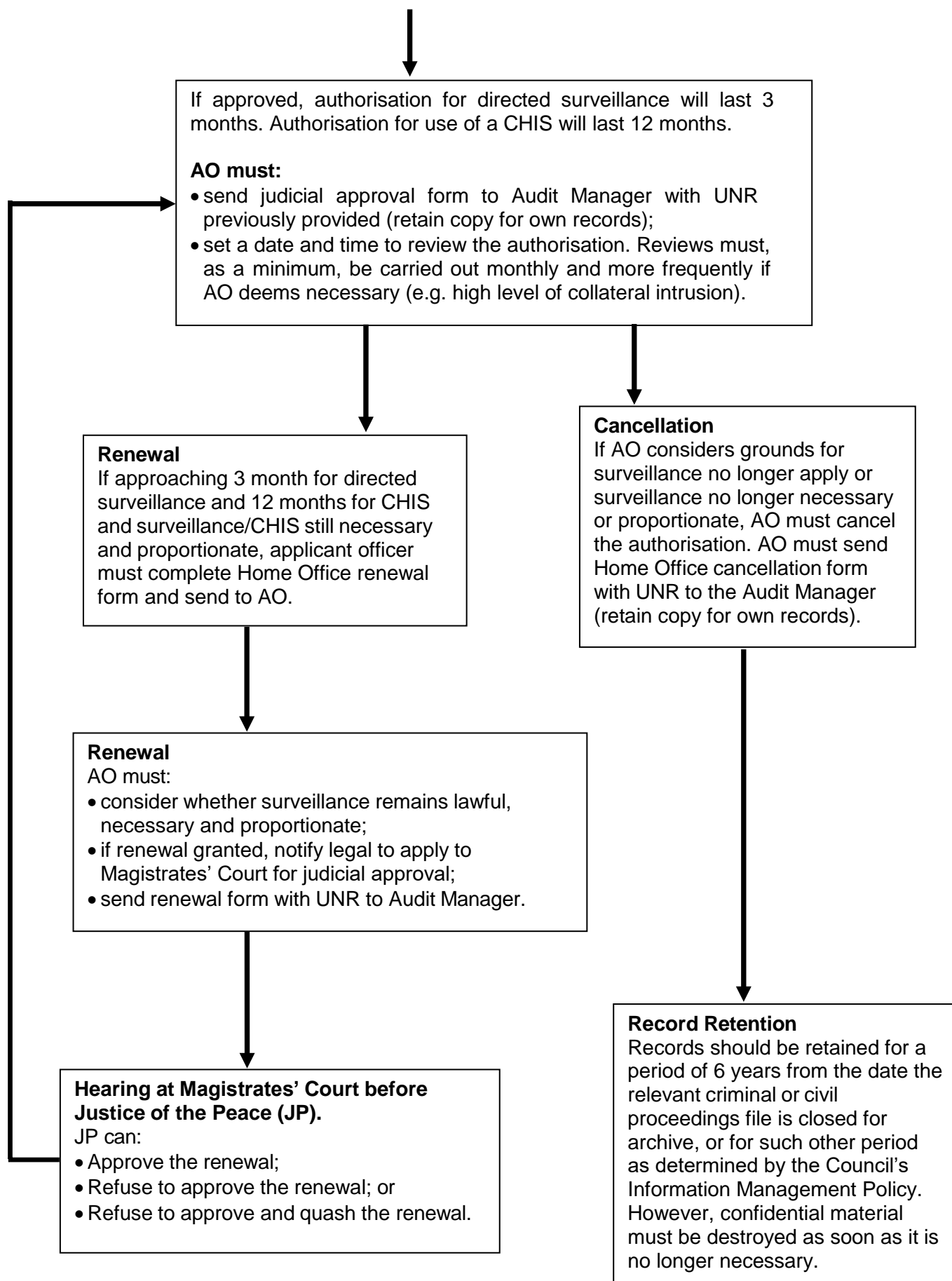
Date	Action
December 2006	ASG Revised
May 2009	ASG Reviewed
June 2010	AW Reviewed and updated
March 2012	ASG Revised
October 2012	HO Guidance issued
September 2013	RH Reviewed and updated
October 2015	DMG Reviewed and updated
9 December 2015	Approved by Audit and Governance Committee
12 January 2016	Approved by Council

APPENDIX 1

RIPA - AUTHORISATION OF DIRECTED SURVEILLANCE / USE OF A CHIS PROCEDURE

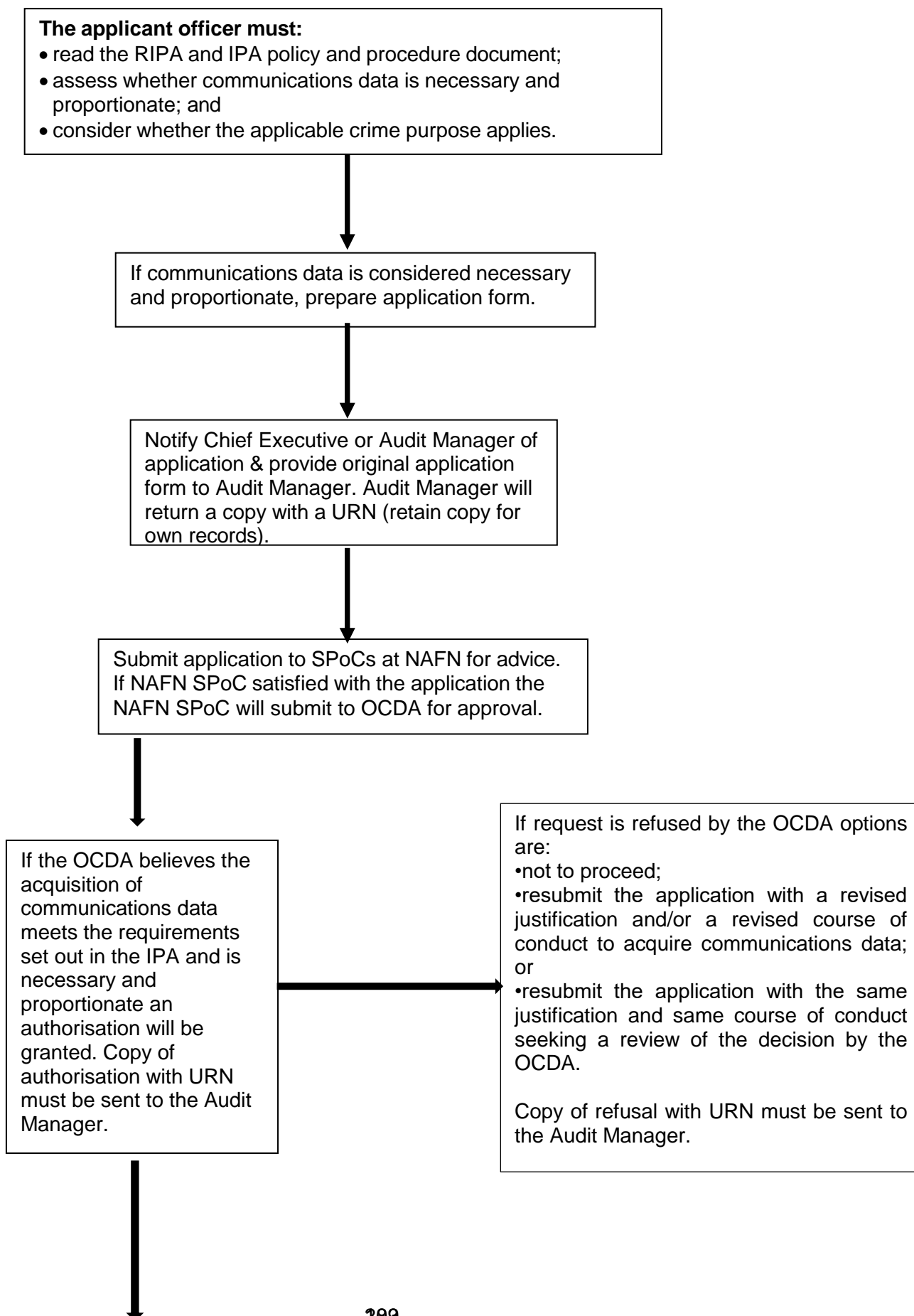
(Note: Note: Only the Chief Executive may authorise the use of a juvenile or vulnerable individual as a CHIS)

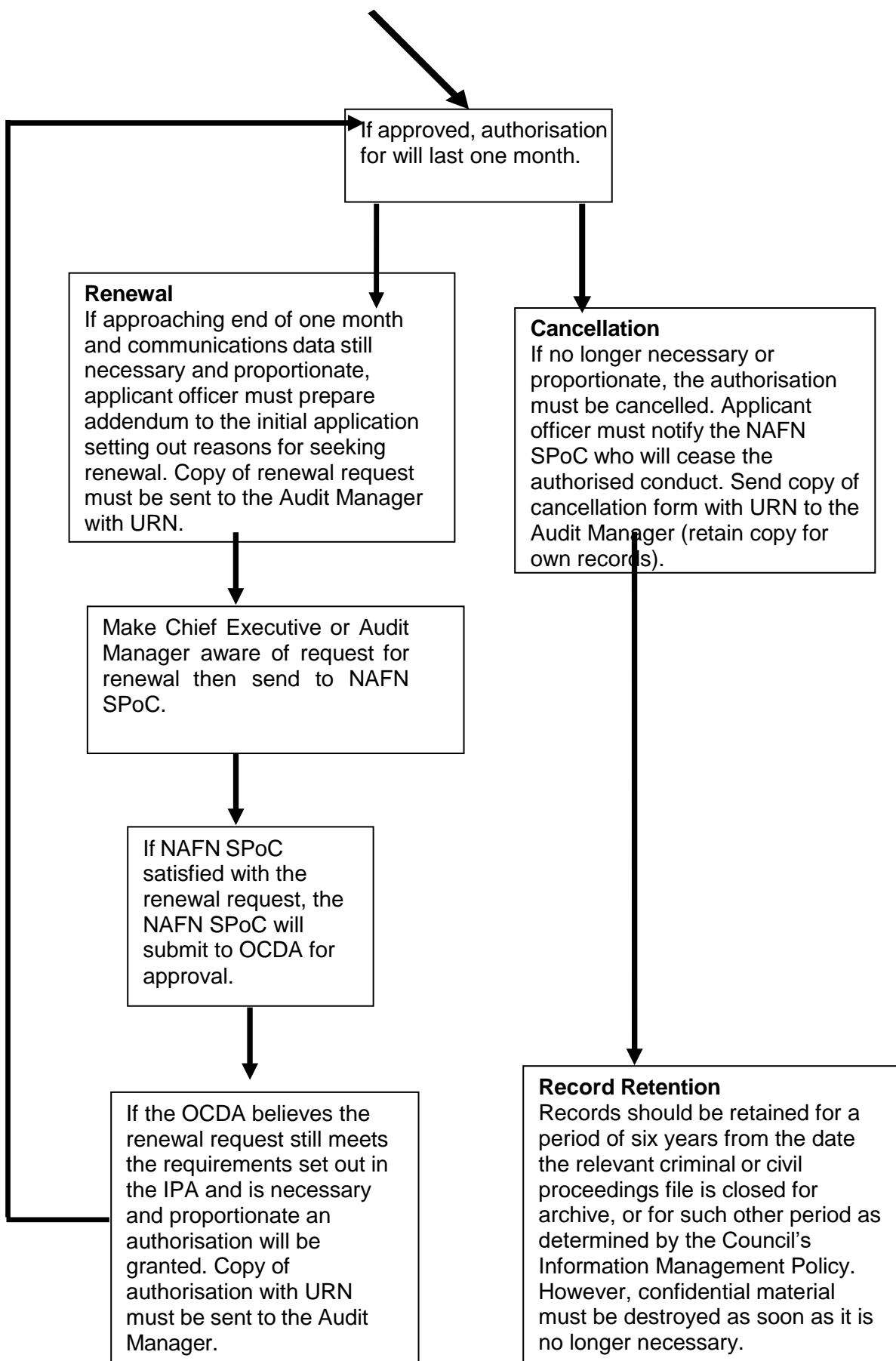




APPENDIX 1

IPA - COMMUNICATIONS DATA AUTHORISATION PROCESS





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