

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 6 FEBRUARY 2018

Title of report	GENERAL FUND AND SPECIAL EXPENSES REVENUE BUDGET PROPOSALS FOR 2018/19
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk Chief Executive 01530 454500 bev.smith@nwleicestershire.gov.uk Financial Planning Team Manager / Deputy S151 Officer 01530 454707 tracy.ashe@nwleicestershire.gov.uk
Purpose of report	For Cabinet to agree the 2018/19 General Fund and Special Expenses revenue budget proposals for recommendation to Council on 27 February 2018.
Reason for Decision	To enable the Council to set a balanced budget for 2018/19 as required by statute.
Council Priorities	The budget assists the Council to achieve all its priorities.
Implications: Financial/Staff Link to relevant CAT Risk Management Equalities Impact Screening Human Rights Transformational Government	As contained in the report. The budget is relevant to all Corporate Action Teams (CATs). The budget will be monitored throughout the year to ensure savings are achieved and services delivered as planned. The requirement for equalities impact screening and assessments is being assessed during the consultations and details if required will be provided as part of the management responses. None identified. Not applicable

Comments of Head of Paid Service	The report is satisfactory
Comments of Deputy Section 151 Officer	As report author the report is satisfactory
Comments of Monitoring Officer	The report is satisfactory
Consultees	Corporate Leadership Team, 14 November 2017 Cabinet, 12 December 2017 Policy Development Group, 10 January 2018 Trade Unions Federation of Small Businesses Parish and Town Councils
Background papers	None.
Recommendations	<p>CABINET IS RECOMMENDED TO :</p> <ol style="list-style-type: none"> 1. THAT THE ASSURANCE STATEMENT BY THE DEPUTY S151 OFFICER BE NOTED 2. APPROVE THE GENERAL FUND REVENUE BUDGET FOR 2018/19 SUMMARISED IN APPENDIX B 3. APPROVE THE SPECIAL EXPENSES REVENUE BUDGET FOR 2018/19 AS SUMMARISED IN APPENDIX C 4. THAT IT FREEZES THE DISTRICT'S COUNCIL TAX IN 2018/19 5. THAT £900k OF GENERAL FUND RESERVES IS USED TO CREATE A NEW SELF-SUFFICIENCY RESERVE AND THE FORECASTED SURPLUS INCOME OVER EXPENDITURE IN 2017/18 IS ALSO TRANSFERRED TO THE SELF SUFFICIENCY RESERVE 6. THE BUDGETED SURPLUS INCOME OVER EXPENDITURE IN 2018/19 IS TRANSFERRED TO THE SELF SUFFICIENCY RESERVE

1.0 INTRODUCTION

- 1.1 The draft General Fund budget proposals for 2018/19 were considered and approved for consultation by Cabinet on 12 December 2017. The reports were subsequently shared with a number of groups including the Policy Development Group on 10 January 2018. An extract from the minutes of the meeting, which include comments made by members in respect of the proposals are include in Appendix D for Cabinet consideration.
- 1.2 This report summarises any changes made since the last Cabinet report and presents the responses to the budget consultation so that final recommendations can be made to Council on 27 February 2018.
- 1.3 The draft budget presented within this report has been prepared in the context of the continuation of the Governments four year settlement and the provisional Local Government Finance Settlement issued in December 2017 in respect of funding. Budget holders own projections have been used to ascertain the level of required expenditure budgets and locally generated income forecasts.
- 1.4 A new approach to developing expenditure and locally generated income budgets has been taken for the 2018/19 year which has included a greater level of engagement with budget holders and a focus on more sophisticated estimates taken in order to reduce variances between budgeted and outturn position. This new approach has also projected the revenue position for 2019/20 to 2023/24 for indicative purposes only, and this information is presented alongside the budget for 2018/19
- 1.5 Members will be aware that the decision to outsource the Council's Hermitage and Hood Park leisure centre facilities and creation of a new £20m facility was approved by Council on 21 November 2017. Whilst this decision does not impact the Council in 2018/19 above the level of projected project costs agreed (£500k allocated from reserves), the indicative 5 year revenue forecast and 5 year Capital programme will demonstrate the impact of this decision within those years, including the impact of borrowing costs, as per the assumptions of the project.
- 1.6 The Council, along with all counterparties in respect of Business Rates in Leicester and Leicestershire, entered a bid to undertake in a 1 year pilot of 100% business rate retention. In December, the successful pilots were announced and unfortunately on this occasion, the Leicestershire bid was not successful.
- 1.7 Upon reviewing the forecast performance of the Leicester and Leicestershire Business Rate Pool, the Deputy Section 151 Officer, on consultation with the Chief Executive and Portfolio Holder for Finance, has confirmed the Council's intention to continue as a Pool member for 2018/19. Through membership of the Pool, in the region of £2.3m of business rate funding collected in North West Leicestershire will be retained within Leicestershire via a contribution made by the Pool to the Leicester and Leicestershire Economic Partnership (LLEP), rather than the funds being given back to central Government in the form of a levy payment.
- 1.8 The approved 2018/19 budget will undergo regular monitoring and scrutiny during the financial year through quarterly performance monitoring, so that when they arise any

variances can be identified at an early stage and remedial action taken to deal with them where necessary.

2.0 GENERAL FUND 2017/18 – PROJECTED OUTTURN

- 2.1 The uncommitted balance on the General Fund is currently £2.4m which reflects the balances brought forward from 2016/17.
- 2.2 The third quarter Performance Report due to be considered by Cabinet in March and will presents outturn projections for the current year. A surplus of £1.86m is forecast compared to the original budget of £934k. This surplus will go into general reserves. The main reason for this is additional Business Rates and recycling income, offset by a number of adverse movements across service areas.
- 2.3 The General Fund forecast surplus outturn (as represented by the contribution to General Fund Balance) is £1.86m compared to a budget of £934k.
- 2.4 Forecast income in respect of Business Rates has increased by £1.2m, due to changes in forecasts in the required appeals provision for 2017/18 (as a result of settled, unsuccessful and withdrawn appeals) and the resultant additional income released into the 50% retention system as a result of this. The forecast for business rates would have been higher, however a number of adjustments have been made to the level of gross rates collectable as a result of rateable value reductions (settled appeals). In addition, recycling income is forecast to be £122k more than budgeted, additional council tax and business rates summons income is forecast to be £32k more than budgeted, a reduction on pooled transport costs for the waste service (£77k) and Building Control fee income forecast to be £35k more than budgeted.
- 2.5 The favourable movements have been offset by a number of adverse movements, which include: a reduction in forecast planning fee income (£300k); a reduction in industrial unit rental income (£37k); an increase in the net deficit of the Leisure centres (£159k); an increase in ICT equipment maintenance (£143k); an increase in Digital Transformation costs (£26k) as a result of extending project team secondments; an increase of £22k on Planning Policy relating to agency costs arising on alignment with HMRC regulations.
- 2.6 The forecast uncommitted balance on the General Fund at 31 March 2018 is therefore, a forecast surplus of £4.26m, subject to the proposals detailed in this report to create a self-sufficiency reserve, which will leave a balance of £1.5m in general fund reserves (see 8 below).

3.0 2018/19 NET REVENUE EXPENDITURE PROPOSALS

- 3.1 The Councils net revenue expenditure position is affected by three main elements which include: the revenue expenditure in relation to the provision of services net of income generated through fees and charges and other income (including additional grants authorities apply for, which are not part of central government funding); and financing costs, broadly made up of investment income, interest charged in respect of loans and the minimum revenue provision charge made in respect of unsupported borrowing to fund capital expenditure.

3.2 For 2018/19, there has been an increase in net revenue expenditure for 2018/19 compared to 2017/18 of £1.6m, made up of a number of budgetary pressures (increased expenditure or reduced income) and savings (increased income or reduced expenditure).

3.3 Since presentation of the draft budget to Cabinet in December, the following changes have been made:

3.3.1 Pay Award

At the beginning of December 2017, the Local Government Employers 2 year pay offer was announced. The offer is a 2% pay award in 2018/19 and further increases for 2019/20, dependant on the grading of staff. A provision of 1% was originally included in the draft budget. This has been increased to 2% for 2018/19 with the overall impact on to the General Fund being an additional £203k, taking the total impact to £325k.

3.3.2 Interest Received

Further work to estimate the Council's forecast cashflow and target rate to be achieved on investments has meant that the estimate for interest on balances receivable has increased by a further £37k in addition to the £32k included in the draft budget.

3.3.3 Planning Fee Income

As part of the Government's Budget announcement in December, it was confirmed that Planning Local Authorities were now able to increase their planning fees by 20% with effect from 17th January 2018, subject to the additional income being used to discharge planning functions. The budget has therefore been increased by £200k to reflect this 20% fee increase. The draft budget in December presented a proposed reduction of £100k, the final proposal therefore is an increase to the base budget of £100k.

3.3.4 Self-Build and Brownfield Register Grant

Confirmation has been received since the December Cabinet that a Government grant to cover the costs of developing the Self Build and Brownfield Register of £45k will be received in 2018/19.

3.3.5 Planning Service

Funding for two new posts to strengthen the Council's position in respect of enforcement planning - Compliance Officer and part time Planning Enforcement Officer at a total cost of £46k.

A further £179,000 forecast additional costs upon restructuring the Planning service.

3.3.6 De-minimus service developments

Additional service developments and budgetary pressures of £20k and below, identified following the December Cabinet meeting, totalling £93k.

3.3.7 Net Financing Costs

Further analysis undertaken following the December Cabinet report have identified that the net financing costs for 2018/19 will represent an additional cost of £27k (as opposed to a saving).

3.3.8 Net recharges from the General Fund

Recharges from the General Fund have reduced by £27k, taking the total increase from the 2017/18 budgeted position to £86k.

- 3.4 A summary of the updated proposals showing the movement from the 2017/18 budgeted position can be found in Appendix A.

4.0 2018/19 FUNDING

- 4.1 The main sources of funding available to finance revenue expenditure are locally retained business rates, Council tax and government grants.
- 4.2 The provision local government finance settlement was announced on the 22 December 2017 which confirmed the level of New Homes Bonus, Revenue Support Grant and the tariff and levy charges against business rates to be retained by the Council. Since the settlement announcement, there has been further changes to the tariff charged against our business rates income. Due to the timing of this announcement on 18 January, the revised resultant business rate income has not been updated in the draft budget, although it is anticipated that these changes will mean that business rate income will increase.
- 4.3 For 2018/19 there is an estimated increase in total funding of £998k. A summary of the estimates for 2018/19, can be found in the Budget Summary for 2018/19, Appendix B.
- 4.4 Business Rates Retention affects councils as the level of business rates yield has a direct impact on the Council's funding, with both the risks and rewards of business rate growth and contraction currently being shared between central government and local authorities, with 40% being retained by the Council. Under the existing 50% Business Rates retention system, the level of business rates to be retained by the Council is not ultimately confirmed until after the end of the financial year when the actual level of Business Rates is reported. This means that the Council is not able to accurately predict the actual level of business rates likely to be collected during the following year until after the final budget has been approved at Council in February. In addition, it is difficult to forecast business growth, although the Council does have a good awareness of this and as a consequence is to be able to introduce some assumptions into budget predictions.
- 4.5 The budgeted level of retained business rate income for 2018/19 is £4.9m. This estimate includes forecast growth between this period and the end of the 2017/18 financial year and for 2018/19. The budgeted level of income reflects the anticipated level of rates to be collected in 2018/19, offset against the increased tariff, levies and set aside of additional appeals provision for the 2018/19 year. For 2018/19 the appeals provision is forecast to increase by £764k. The assumed level of growth in rates collected is £1.9m, offset by the removal of on commercial premises anticipated to be removed from the rating list at a value of £700k. From 2020/21 that there will be a move towards business rate retention, with the local share moving from 50% to 75%. The Government is yet to determine when the full 100% business rate retention system will be implemented, with this being announced along with the baseline setting in late 2019 as part of the conclusion of the Fair Funding review. Further details of these proposals can be found in the Medium Term Financial Strategy 2018 – 2023.

- 4.6 Following an announcement made by Government in mid-January that has amended the amount of tariff that must be paid from business rates. Our budgetary position for 2018/19 reflects this change.
- 4.7 The Council Tax Collection Fund is monitored throughout the year and the forecast surplus will be available from the 2017/18 collection fund towards next year's budget. The budget for 2018/19 has increased by £4k from £285k to £289k.
- 4.8 The budgeted level of Council tax income has increased by approximately £252k, from £4.96m for the 2017/18 year to £5.2m for the 2018/19 year. The Council is not planning to increase the District's share of the Council Tax in 2018/19. This will be the ninth year without an increase. The increase in collected council tax is therefore a direct result of the upwards movement in the council tax base used to estimate the number of homes within North West Leicestershire for council tax setting purposes. For the 2018/19 year, growth estimates in respect of the number of new of properties liable for council tax have also been included which represent £105k worth of the upward movement in council tax. These properties have been identified and monitored by the Council's Planning Policy team and the Revenues and Benefits Partnership, and included in the council tax base calculation at parish level at assumed bandings, before conversion to Band D equivalents. This is a new approach for 2018/19 and will be monitored closely throughout the year.
- 4.9 The level of New Homes Bonus for next year was confirmed as part of the Governments provisional local government finance settlement announced in December. The Council will receive £2.9m next year.
- 4.10 The level of Revenue Support Grant that the Council will receive was also confirmed in the provisional settlement. The Council will receive £235k in 2018/19.

5.0 2018/19 DRAFT BUDGET POSITION

- 5.1 Given the proposals in respect of net revenue expenditure and funding forecasts as detailed above, the predicted surplus and contribution to General Fund reserves 2018/19 is £299k surplus. The draft Budget Summary for 2018/19 can be found in Appendix B.

6.0 INDICATIVE DRAFT BUDGET POSITION 2019/20 - 2022/23

- 6.1 Included in Appendix B for illustrative purposes only is the forecast revenue budget position for 2019//20 to 2022/23. These estimates have been developed by budget holders across the Council, taking into consideration known budgetary changes and assumed inflationary increases. These estimates are then included as the Council's forecast base budget within the Medium Term Financial Strategy.
- 6.2 Specifically, following the Council decision in November 2017 to outsource the Council's two leisure centres, these forecasts include the removal of expenditure within the Community Services directorate. This includes an increase in the net financing costs representing the increase in minimum revenue provision and interest costs on internal and external borrowing, the reduction in service management recharges of £200k per annum from 2019/20 and a prudent assumed income of £250k per annum representing the anticipated management fee that will be paid by the operator to the Council.

7.0 MEDIUM TERM FINANCIAL STRATEGY

- 7.1 The Council's Medium Term Financial Strategy 2018 – 2023 (MTFS) is presented to members as a separate agenda item at this meeting for approval.
- 7.2 The MTFS is part of a new approach which will allow members to plan for the medium term in respect of its General Fund, HRA and Capital Programme budgets, with any future savings targets estimated along with recommendations of remedial actions or commercial initiatives.
- 7.3 The MTFS has been updated following announcement of the provisional local government settlement for 2018/19 and is presented to Cabinet and Council in February alongside budgets for approval. The MTFS provides the potential likely impact of the outcome of the Fair Funding review (anticipated top take effect from 2020/21) and the 100% business rate retention scheme, alongside proposals to increase the self-sufficiency by reducing the reliance on government grants in future years.

8.0 SELF SUFFICIENCY RESERVE

- 8.1 It is seen as good practice to hold a balance which is equivalent to 10% of a council's net budget. This equates to approximately £1.3m at the 2018/19 budgeted level for NWLDC
- 8.2 Noting the buoyant level of General Fund reserves as detailed in paragraph 5.1 it is proposed that some of this reserve is held specifically for the purpose of balancing the forecast budget deficits arising on the General Fund from 2020/21 as detailed in the Medium Term Financial Strategy.
- 8.3 It is therefore proposed that £900k of the existing £2.4m of general fund reserves is moved to a Self Sufficiency reserve for the purposes of creating the self-sufficiency reserve and that the forecast surplus of £1.86m for 2017/18 is also paid into this reserve.
- 8.4 The reserve will assist the Council in ensuring that it meets its obligation of delivering an ongoing balanced budget by ensuring that there is sufficient resources available to deliver the change programme required to counteract future projected deficit years.
- 8.5 This ensures a minimum working balance of £1.5m held within the General Fund reserve which is in excess of 10% the anticipated level of net expenditure to 2022/23 (as detailed in Appendix B).

9.0 SPECIAL EXPENSES

- 9.1 The forecast outturn for 2017/18 in respect of Special Expenses budget is £500k at quarter 3 compared to a budget of £499k. Subject to this outturn, the balance brought forward will reduce from £64k to £63k at 31 March 2018.
- 9.2 For 2018/19, the expenditure budget has increased by £20k as a result of service management increases (£14k), grounds maintenance increases (£5k), events (£4k), offset by increased cemetery income (£3k).

- 9.3 During 2018 there will be a review of the special expenses budgets and the way in which they operate to ensure future sustainability.

10.0 CONSULTATION

- 10.1 There were no responses or comments received from the trade unions, Town & Parish Councils and the Federation of Small Businesses. The Cabinet paper of 12 December 2017, containing the draft budget proposals were presented to the Policy and Development Group on 12 January 2018. The comments of the Policy Development Group are included in an extract of the draft minutes attached at Appendix D.

11.0 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

- 11.1 The Local Government Act 2003 requires the Council's Chief Financial Officer (Section 151 Officer) to comment on the robustness of the estimates and also on the adequacy of the proposed reserves. Members must have regard to these comments when making a decision on the budget proposals for the forthcoming year.
- 11.2 The Deputy Section 151 Officer considers that the estimates which form the draft General Fund budget are robust and prudent, and the proposals are deliverable.
- 11.3 The Deputy Section 151 Officer also considers that the overall level of General Fund reserves is adequate.

Expenditure Saving / Increase in Income

Title	Value
Trade Waste Income	£56,000
Increase in investment income	£69,000
Reduction in DFG contribution	£93,000
Reduction in Local Council Tax Support	£25,000
Removal of provisions with base budget	£132,000
Increased Planning Fee income as a result of increasing by 20%, net of forecast reduction	£100,000
Self-Build and Brownfield Register Government Grant	£45,000
Increase in recharges from the General Fund	£86,000
Total	£606,000

Increased Expenditure/ Reduction in Income

Title	Value
Local Plan review costs	£120,000
Planning appeals legal support	£50,000
Reduction in recycling income	£346,000
Waste services route optimisation	£20,000
Increase in Leisure centres net deficit	£132,000
Property services	£74,000
ICT supplies and services	£234,000
Benefits payments	£21,000
Staffing costs, including: <i>Incremental increases £123,000</i> <i>Pay Award £325,000</i> <i>Living Wage £5,000</i> <i>Pension increases, £102,000</i> <i>Establishment changes implemented in 2017/18 but not previously budgeted for £254,000</i> <i>Other £69,000</i>	£878,000
Budget provision to support improvements identified through the Annual Governance Statement	£20,000
Compliance Officer and Planning Enforcement Officer	£46,000
Additional costs of Planning Service following proposed restructure	£179,000
Increase in Net Financing costs	£27,000
Other de-minimus changes (below £20k)	£93,000
Total	£2,240,000

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL SUMMARY BUDGET 2018/19

APPENDIX B

2017/18	2017/18		2018/19	2019/20	2020/21	2021/2022	2022/23
Budget	Forecast	Service	Budget	Indicative	Indicative	Indicative	Indicative
£	Outturn		£	£	£	£	£
	@P9						
	£						
277,360	253,660	Chief Executive	283,930	285,770	292,740	299,890	307,210
395,020	440,200	Human Resources	403,010	416,620	427,580	438,880	450,470
653,320	659,800	Economic Development	737,890	705,400	693,340	693,320	709,390
7,750	8,400	Joint Strategic Planning	8,080	8,420	8,670	8,930	9,200
112,200	68,570	Director of Resources	112,310	116,450	119,600	122,820	126,130
2,467,140	2,290,640	Legal & Support Services	2,517,880	2,616,070	2,676,660	2,766,470	2,828,690
2,004,450	2,199,010	Finance	2,729,540	2,806,820	2,930,680	3,052,040	3,179,070
		Savings in corporate overheads/increase in income as a result of leisure outsourcing		(200,000)	(200,000)	(200,000)	(200,000)
5,917,240	5,920,280	Total Chief Executive's Department	6,792,640	6,755,550	6,949,270	7,182,350	7,410,160
346,540	331,951	Director of Services	341,360	350,520	359,890	369,510	379,360
4,432,530	4,356,839	Community Services	5,196,910	4,854,720	5,019,490	5,201,340	5,352,010
482,940	502,470	Strategic Housing	485,310	505,480	523,280	537,530	552,180
300,440	638,450	Regeneration & Planning	434,910	436,100	367,270	409,490	602,880
		Anticipated income from leisure outsourcing			(250,000)	(250,000)	(250,000)
5,562,450	5,829,710	Total Director of Services	6,458,490	6,146,820	6,019,930	6,267,870	6,636,430
10,090	47,060	Non Distributed - Revenue Expenditure on Surplus Assets	9,580	9,660	9,720	9,790	9,860
77,400	120,430	Non Distributed - Retirement Benefits	77,810	80,060	82,380	84,770	87,230
45,310	35,280	Corporate & Democratic Core	44,600	42,990	45,740	44,380	47,160
11,612,490	11,952,760	NET COST OF SERVICES	13,383,120	13,035,080	13,107,040	13,589,160	14,190,840
(1,187,020)	(1,231,840)	Net Recharges from General Fund	(1,273,160)	(1,194,050)	(1,193,660)	(1,193,390)	(1,193,110)
10,425,470	10,720,920	NET COST OF SERVICES AFTER RECHARGES	12,109,960	11,841,030	11,913,380	12,395,770	12,997,730
		CORPORATE ITEMS AND FINANCING					
		<u>Corporate Income and Expenditure</u>					
1,053,104	1,053,104	Net Financing Costs	1,080,408	1,153,627	1,770,203	2,086,303	2,039,349
(76,000)	(135,899)	Investment Income	(145,300)	(114,022)	(114,022)	(114,022)	(114,022)
167,821	167,821	Localisation of Council Tax Support Grant - Parish & Special Expenses	139,081	113,889	88,696	63,503	63,503
0	0	Various Chief Executive items (Annual Governance Statement improvements)	20,000	0	0	0	0
11,570,395	11,805,946	NET REVENUE EXPENDITURE	13,204,149	12,994,524	13,658,257	14,431,554	14,986,560
934,465	1,862,958	Contribution to/(from) Balances/Reserves	298,604	78,706	(1,443,948)	(1,828,266)	(2,451,203)
12,504,860	13,668,904	MET FROM GOVT GRANT & COUNCIL TAX (Budget Requirement)	13,502,753	13,073,231	12,214,309	12,603,288	12,535,356
		Financed By					
572,000	572,670	Formula Grant	235,000	0	0	0	0
2,840,452	2,840,452	New Homes Bonus	2,904,589	2,896,005	2,986,620	3,196,544	2,940,857
284,880	284,880	Transfer from Collection Fund	289,160	150,000	75,000	62,500	50,000
4,957,528	4,957,528	Council Tax	5,209,670	5,304,747	5,400,232	5,497,436	5,596,390
3,850,000	5,013,374	National Non-Domestic Rates Baseline	4,864,334	4,722,479	3,752,457	3,846,808	3,948,109
12,504,860	13,668,904	TOTAL FUNDING AVAILABLE	13,502,753	13,073,231	12,214,309	12,603,288	12,535,356

SPECIAL EXPENSES BUDGET SUMMARY

APPENDIX C

SPECIAL EXPENSES	2017/18		2018/19	2019/20	2020/21	2021/22	2022/23
	Budget	Forecast Outturn @ P9					
	£	£	£	£	£	£	£
COALVILLE							
Parks, Recreation Grounds & Open Spaces	263,400	268,326	266,690	271,840	277,960	282,700	287,520
Broomley's Cemetery	19,210	12,264	14,960	14,890	14,790	14,700	14,600
C/V War Memorials/Grass Verge Cutting	16,220	16,753	16,420	16,700	16,990	17,290	17,590
One Off Grants	2,000	2,000	2,000	2,060	2,120	2,180	2,240
CV Public Conveniences & Vehicle Activated Signs	500	500	550	570	590	610	630
Coalville Events	55,110	60,240	58,960	60,240	58,840	60,490	62,180
	356,440	360,083	359,580	366,300	371,290	377,970	384,760
WHITWICK							
Cemetery	11,650	11,097	13,580	13,590	13,580	13,560	13,540
Grass Verge Cutting	630	627	640	650	660	670	680
	12,280	11,724	14,220	14,240	14,240	14,230	14,220
HUGGLESCOTE							
Cemetery	17,140	21,150	17,660	17,780	17,890	17,990	18,080
	17,140	21,150	17,660	17,780	17,890	17,990	18,080
PLAY AREAS/CLOSED CHURCHYARDS GROUNDS MAINTENANCE:							
OSGATHORPE	360	359	370	380	390	400	410
COLEORTON	3,330	3,337	3,390	3,440	3,490	3,540	3,590
RAVENSTONE	360	359	370	380	390	400	410
MEASHAM	1,900	1,901	1,930	1,960	1,990	2,020	2,050
LOCKINGTON-CUM-HEMINGTON	1,870	1,870	1,900	1,930	1,960	1,990	2,020
OAKTHORPE & DONISTHORPE	3,880	3,876	3,940	4,000	4,060	4,120	4,180
STRETTON	1,360	1,362	1,380	1,400	1,420	1,440	1,460
APPLEBY MAGNA	1,640	1,637	1,660	1,680	1,710	1,740	1,770
OTHER SPECIAL EXPENSES	14,700	14,701	14,940	15,170	15,410	15,650	15,890
SPECIAL EXPENSES (NET COST OF SERVICE)	400,560	407,658	406,400	413,490	418,830	425,840	432,950
Service Management recharges	92,560	92,560	106,270	107,920	109,590	111,280	113,000
NET COST OF SERVICES AFTER RECHARGES	493,120	500,218	512,670	521,410	528,420	537,120	545,950
Contribution to/(from) Balances/Reserves	5,722	(1,376)	13,930	7,505	2,823	(3,539)	(10,018)
MET FROM GOVT GRANT & COUNCIL TAX (Budget Requirement)	498,842	498,842	526,600	528,915	531,243	533,581	535,932
FUNDED BY:							
Precept	435,339	435,339	463,097	465,412	467,740	470,078	472,429
Localisation of Council Tax Support Grant	63,503	63,503	63,503	63,503	63,503	63,503	63,503
	498,842	498,842	526,600	528,915	531,243	533,581	535,932

EXTRACT of the DRAFT MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 10 JANUARY 2018

Present: Councillor M Specht (Chairman)

Councillors N Clarke, T Eynon, J Geary, D Harrison, G Hoult, P Purver, V Richichi, A C Saffell and N Smith

In Attendance: Councillors R Bayliss, J Legrys, T Pendleton, S Sheahan

Officers: Mr J Arnold, Ms T Ashe, Mr C Lambert, Mr J Newton, Mr D Scruton, Ms K Greenbank, Mrs R Wallace and Ms E Warhurst.

DRAFT REVENUE BUDGET PROPOSALS, GENERAL FUND AND HOUSING REVENUE ACCOUNT

The Financial Planning Team Manager presented the report to Members and highlighted the proposal to not increase council tax for the ninth year. She also informed Members that the Performance Working Group had met earlier in the day to discuss the proposals and comments received were positive.

Councillor J Geary referred to the forecast reduction in CCTV income and asked for further details as to why this was. The Financial Planning Team Manager agreed to provide the information outside of the meeting.

Regarding the Housing Revenue Account rent budgets, Councillor J Geary asked why only 58 percent of properties were at their target rent at the end of October 2017. The Director of Housing explained that when rent targets were introduced nationally, the Council decided to maintain rent at a lower level rather than making increases as other local authorities had, this meant that NWLDC was behind with targets. Now that the Government has stopped local authorities from increasing rent, NWLDC were unable to close the gap.

Councillor D Harrison felt that maintaining zero percent increase in council tax for nine continuous years was a real achievement and was something to be proud of.

Councillor T Eynon raised concerns regarding the potential shortfalls identified for the future and the need for refinancing to address it. The Director of Housing explained that there were many financial variables over the next 25 years and the Council would be paying off significant amounts over the time period. He reassured Members that it was normal practice to refinance and officers were comfortable with the proposals. He added that the figures in front of Members indicated the worst scenario.

Councillor N Smith commented that it was difficult to know what financial position the Council would be in in 25 years' time and was therefore happy with the response from the Director of Housing. He also shared Councillor D Harrison's views on the zero percent increase in council tax and was especially proud that all services had still been retained.

It was moved by Councillor D Harrison, seconded by Councillor V Richichi and

RESOLVED THAT:

- a) The report be noted.
- b) The comments made be fed back to Cabinet when considering the report on 6 February 2018.