



## Council Delivery Plan

Comments to Cabinet Tuesday, 24 October 2023

**The Labour Group remain concerned about the proposed Council Delivery Plan and wish to bring the following issues to the attention of the ruling group prior to Full Council.**

At the heart of the administration's Council Delivery Plan is a vision to 'support a clean, green and prosperous place where people want to live, work and visit'. To achieve these important objectives, the Council must be well run and financially prudent.

Whilst NWLDC has claimed that it is 'well run' this is actually far from reality. The claim that financial prudence has allowed them to keep the precept at the same level for 12 years belies the fact that the Council's finances are in a critical state.

Over the last decade, services have diminished, employment conditions for employees of the Council have worsened and, critically, the reserves of the Council have reduced.

A failure to maintain its financial integrity can only lead to further failure.

### **FINANCIAL BACKGROUND**

One of the Council's Key Performance Indicators is that 'The Council lives within its means [and that] it is financially sustainable'. The measure of this is that it has a Financially Balanced General Fund Medium Term Financial Plan (MTFP) Reduction of funding gap in each year.

The Council's Medium Term Financial Plan anticipates a worsening financial position with a deficit likely to rise from £1.6m in 2024/25 to a shortfall – by the time of the next election – of £3.9m each year.

Whilst the administration appears to deliver a balanced budget for 2023 (in line with its Legal Obligation<sup>1</sup>) it is likely that amount that they expect to spend will be more than the amount of money they expect to receive.

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<sup>1</sup>The provisions of the Local Government Finance Act 1992 set out what the council has to base its budget calculations upon require the council to set a balanced budget with regard to the advice of its Chief Finance Officer. A sound budget is essential to ensure effective financial control in any organisation.

As was identified at the Corporate Scrutiny Committee, these figures underestimate the current impact of inflation. The spending for 2023 is expected to exceed the forecast due to financial circumstances which result from current government policy. The UK has the highest inflation in the G7, it is expected to experience persistent high inflation through this year and next, and it will have the lowest real GDP growth of any of the advanced European economies.

In the draft submission issued for Corporate Scrutiny in July 2023 an 'over-optimistic' inflation rate was used at a time when the rate used was already known to be incorrect. The Chair of the Corporate Scrutiny Committee requested that a revised forecast be provided. This request remains outstanding.

The actual rate of inflation is far in excess of the forecast allowance. This is a known risk<sup>2</sup> for which the Council has not taken full cognisance.

### **Council Tax**

Council tax is a local tax which helps councils pay for the services that are provided. We use the money collected for council tax to maintain roads and street lighting, for vital local services like schools, rubbish and recycling collections, and libraries. The Council also receives monies from Government grants, transport services, parking tickets and fines, leisure centres, and income from business rates and licencing.

In Leicestershire the council tax is calculated by adding together the amounts needed by:

- Leicestershire County Council
- Leicestershire Police (via the Police and Crime Commissioner)
- Leicester, Leicestershire and Rutland Combined Fire Authority
- District Councils
- Parish Councils.

Leicestershire County Council has increased their cost for 2023/2024 by 5%, of which 3% is for general expenditure and 2% is for Adult Social Care.

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<sup>2</sup> This was also confirmed in July 2023, by the Local Government Association (LGA) who estimated that councils in England were facing funding gaps of £2bn in 2023/24 and £900m in 2024/25. However, this was based upon estimates of inflation at between 3% - 4%; and following an updated Inflation Forecast from the Bank of England, this has now been revised to funding gaps of £2.4bn in 2023/24 and £1.6bn in 2024/25.

Leicestershire and Rutland Fire Authority has increased their element of the charge by **6.7%**.

The Police and Crime Commissioner has increased their charge by **5.8%**.

### **The current cost to North West Leicestershire residents**

In 2023/24, a resident in a Band D property will pay up to<sup>3</sup> £2,036.36 in council tax (not including the amount paid to parish or town councils, or special expenses).

The money is split as follows:

Leicestershire County Council	£1,525.26	74.90%
Police and Crime Commissioner	£273.23	13.42%
North West Leicestershire District Council	£158.58	7.79%
Leicestershire Fire and Rescue	£79.29	3.89%
<b>Total</b>	<b>£2036.36</b>	<b>100%</b>

Despite the critical financial issues facing NWLDC, the administration has seen fit to keep the precept the same as for the previous 12 years. Whilst they like to present this as fiscally prudent it is a financially naïve stance given the forecast funding gap of £8.6m over the next 4 years and the as yet undefined impact of inflation in the current 2023/24 financial year.

This political stance achieves nothing. Ultimately the residents of the District will have to cover the shortfall in funding and a failure to increase the precept is simply deferring the inevitable. Importantly, services have worsened.

It is worth noting that a modest increase in the precept for NWLDC of 2.5% would result in an increase of £3.20 per month in the overall Council Tax for a Band D property and this would significantly address the Funding gap for the current and future years.

Failure to address this problem at the current time is the financial equivalent of 'kicking the can up the road'.

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<sup>3</sup> Council Tax Support: If you (or your partner if you're a couple) are over pension age and on a low income, you can get a discount up to the full amount of your Council Tax bill. If you (and your partner if you're a couple) are working age, you can get a discount of up to 85% of your bill.



**The Council Delivery Plan omits to mention that the administration's failure to increase Council Tax in line with inflation over the last thirteen years has limited their ability to provide effective services.**

At no point does the Plan make it clear how the administration intend to deliver their admittedly limited aspirations without the necessary resources. Neither is there any Plan to invest the capital the Council does have to save on revenue costs.

This is unfair on our residents, who experience a cut in services. It is unfair on our staff, who are having to deal with the strain of reduced staffing. It is unfair on local government as a whole to defer this issue to a future administration and risk this Council becoming insolvent.

**A Labour administration would be open with residents about the political choices that led to the shortfall, and this inherited financial situation.**

## **ACHIEVING NET ZERO**

It is disappointing, though understandable, that the Council does not consider its housing stock to be part of the Council's own operations and is therefore deferring the improvement in our tenants' homes to Scope 3. What is not acceptable is saying 'Targets will be set once current assessment work completed' for the current year 2023/24. Action is needed now if this Council is to achieve its net zero target by 2050.

Actions also need to be effective. Replacing old gas boilers with so-called 'hydrogen-ready' boilers will be a false solution if there is no country-wide domestic hydrogen network<sup>4</sup>. These boilers will be reaching the end of their planned life before 2050.

Investment in domestic insulation will cost money in the short term. It will save money in the long term by reducing damp, mould and general degradation of our housing stock.

**A Labour administration would prioritise leveraging additional funds to insulate our Council homes and uprate their carbon footprint.**

## **PRIVATE LANDLORDS**

This indicator is not only inappropriate, but the data has been superseded. Minimum Energy Efficiency Standards are not a target for Council's to achieve but a regulatory requirement for private sector landlords and, for them, the target is 100% or else.

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<sup>4</sup> National Infrastructure Commission report: 18 Oct 23

It is up to the Council's enforcement team to be the 'or else' and to enforce these targets. The Enforcement team reported to Community Scrutiny the welcome news that 98% of NWLeics landlords are now fully compliant. That left 118 families living in substandard accommodation. At that meeting officers agreed that a better target would be to set a time frame to get this 2% of landlords to be compliant.

Councillors who sit on Scrutiny Committees are there to act as a critical friend to the administration. The failure to take notice of their comments, especially when these are backed up by senior officers, suggests that this Council does not understand the point of Scrutiny or value the work done by cross-party committees.

**A Labour administration would work with private sector landlords to develop a Landlord's Charter so that would-be tenants can see which landlords are up to the mark when it comes to providing safe, refurbished, energy efficient homes.**

#### **POVERTY OF AMBITION**

The administration's Plan is characterised by low aspirations and weak performance indicators throughout. When it comes to managing its own housing stock, the Plan relies on 'tenant satisfaction' as a measure of a high-quality service rather than more specific measures of success such as timeliness of response, number of repeat calls or visits for the same problem. When it comes to measuring the performance of the Leisure Centres, run for this Council by Everyone Active, the Plan limits its ambition to a Quest<sup>5</sup> rating of 'Good or Higher'. Given that Ashby Leisure Centre and Lido has already secured a 'Very Good' Quest assessment banding and the Whitwick and Coalville Leisure Centre, whilst as yet unassessed, was shortlisted in the 2022 annual UK Fitness Awards in the 'Best Newcomer' category, this suggests the administration has very low expectations. This undermines and underestimates the staff who have put so much effort into achieving the current quality marks.

Measuring the success of the Leisure Centres from an industry-led perspective does not ensure that the Council's whole population, geographically and demographically, are accessing these facilities and achieving their own health and well-being objectives. This was discussed at Community Scrutiny where Everyone Active were keen to provide an annual postcode analysis to assist the Committee to measure their performance.

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<sup>5</sup> <https://questaward.org/about-us/about-quest#:~:text=Quest%20continues%20to%20be%20the,the%20changes%20within%20the%20industry.>

Given the administration's lack of respect for Scrutiny, it is hardly surprising that this measure is not reflected in the administration's Plan.

These are only two examples from a document whose appendices demonstrate a general reluctance to set meaningful targets and measure the administration's responsibilities.

**A Labour administration would work with staff, residents and scrutineers to ensure all key performance indicators in its Council Delivery Plan were specific, measurable, achievable, relevant, and time-bound.**

### **INVESTING IN NORTH WEST LEICESTERSHIRE**

The Council Delivery Plan refers to a number of Regeneration Frameworks. It is unclear how any of the proposed Regeneration plans will address the fundamental financial instability of the Council and fundamental problems facing our residents.

Whilst the Labour Group are keen to see investment in our communities, the Council Delivery Plan now takes such a high-level approach that it is difficult to see how the Corporate Scrutiny Committee will be able to assess performance.

The lack of social and genuinely affordable homes is now nationally recognised to be a critical infrastructure deficit<sup>6</sup> yet this Council Delivery Plan does nothing to address this issue.

**A Labour administration would prioritise invest-to-save business cases for regeneration projects, such as industrial units, that provide good jobs, grow local businesses and bring a long-term income stream for the Council. A Labour administration would reschedule its Housing Revenue Account commitments and set ambitious targets for investment in social housing.**

**Cllr Simon Lambeth  
Chair of Corporate Scrutiny  
For and on behalf of the Labour Group**

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<sup>6</sup> [https://england.shelter.org.uk/support\\_us/campaigns/social\\_housing\\_deficit](https://england.shelter.org.uk/support_us/campaigns/social_housing_deficit)