

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

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

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

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