

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 10 FEBRUARY 2015

Title of report	GENERAL FUND AND SPECIAL EXPENSES REVENUE BUDGETS 2015/16
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk Chief Executive 01530 454500 christine.fisher@nwleicestershire.gov.uk Head of Finance 01530 454520 ray.bowmer@nwleicestershire.gov.uk
Purpose of report	For Cabinet to agree the final 2015/16 General Fund and Special Expenses revenue budget proposals for recommendation to Council on 24 February 2015.
Reason for Decision	To enable the Council to set a balanced budget for 2015/16 as required by statute.
Council Priorities	The budget assists the Council in achieving all its priorities.
Implications:	
Financial/Staff	As contained in the report.
Link to relevant CAT	The budget is relevant to all Corporate Action teams (CATs).
Risk Management	The budget will be managed and monitored throughout the year to ensure savings are achieved and services delivered as planned.
Equalities Impact Assessment	No impact identified.
Human Rights	None identified.
Transformational Government	Not applicable.

Comments of Head of Paid Service	Report is satisfactory
Comments of Deputy Section 151 Officer	As report author the report is satisfactory.
Comments of Monitoring Officer	Report is satisfactory
Consultees	Federation of Small Businesses, Town and Parish Councils, Trade Unions, Policy Development Committee.
Background papers	Cabinet Reports: Medium Term Financial Strategy 2015/16 to 2018/19 – 23 September 2014 General Fund Revenue Budget – Draft Proposals 2015/16 – 18 November 2014
Recommendations	<p>THAT CABINET:</p> <p>1. APPROVES THE ALLOCATIONS FROM THE VFM RESERVE LISTED IN PARAGRAPH 2.9.3</p> <p>2. RECOMMENDS TO COUNCIL:</p> <p>(I) THAT IT NOTES THE LEVEL OF RESERVES AND ASSURANCE STATEMENT BY THE SECTION 151 OFFICER IN SECTION 7 OF THE REPORT.</p> <p>(II) THE SURPLUS INCOME OVER EXPENDITURE IN 2015/16 IS TRANSFERRED TO THE GENERAL FUND RESERVE AT 31 MARCH 2016.</p> <p>(III) THE CONSULTATION RESPONSES DETAILED IN APPENDIX 1 ARE NOTED</p> <p>(IV) APPROVAL OF THE GENERAL FUND REVENUE BUDGET FOR 2015/16 SUMMARISED IN APPENDIX 2.</p> <p>(V) APPROVAL OF THE SPECIAL EXPENSES BUDGET FOR 2015/16 SET OUT IN APPENDIX 3.</p> <p>(VI) THAT IT FREEZES THE DISTRICT'S COUNCIL TAX IN 2015/16.</p>

1.0 INTRODUCTION

- 1.1 The draft General Fund budget proposals for 2015/16 were considered and approved for consultation by Cabinet, on 18 November 2014.

- 1.2 This report summarises progress made since the last Cabinet report was prepared and presents the responses to the budget consultations so that appropriate recommendations can be made to the Council on 24 February 2014 for the Budget and Council Tax for 2015/16.
- 1.3 The Medium Term Financial Strategy (MTFS) approved by Cabinet in September 2014 projected a budget shortfall of £365k for 2015/16. Additional ongoing savings of £1.06m were required between 2016/17 and 2018/19.
- 1.4 Since the Cabinet agreed its draft budget proposals on 18 November 2014 the base budget has been completed, the Government has announced provisional grant funding for 2015/16 and responses to our budget consultations have been received.

1.5 Government Funding Changes

The Government announced the Provisional New Homes Bonus payments for 2015/16 on 16 December 2014 and the Provisional Local Government Finance Settlement for 2015/16 on 18 December 2014. Our 2015/16 New Homes Bonus has been confirmed as £2.123m. This is £223k higher than assumed in the MTFS and reflects the work the Council's officers have done to bring empty homes back into use and ensuring that new homes qualify for New Homes Bonus at the earliest opportunity. Whilst the additional funding is to be welcomed it increases the Council's dependence on this funding at a time when mainstream funding has reduced by around 15%. The Settlement was broadly in line with our MTFS assumptions.

1.6 Local Income and Increased Efficiencies

Managers have worked hard to keep service budgets down and absorb the effects of inflation. This has resulted in base budget savings of over £400k. These are effectively savings made in advance which will contribute to meeting future years' savings targets. As plans are in place to keep reserves at adequate levels, these savings are available to fund the one-off initiatives in 2015/16 detailed in paragraph 1.8 which have been built into next year's proposed budget.

- 1.7 The changes to the savings target since November 2014 are summarised in the table below:

	2015/16
	£000
Shortfall Projected in September	365
<u>Changes in Government Funding:</u>	
Additional New Homes Bonus in 2015/16	(223)
Impact of Provisional Finance Settlement 2015/16	6-
<u>Local Income and Increased Efficiencies</u>	
Absorption of inflation pressures/reductions in Service Budgets	(429)
Budget Savings 2015/16	(361)
Additional budget items	650
Shortfall/(Surplus)	-

1.8 Additional spending 2015/16

Develop affordable housing projects by acquiring sites £400k

Affordable housing can be increased by providing the funding to unlock key sites

Support local sustainable transport between North and South of the District £150k

Working with service providers to pump prime transport e.g. bus routes

Extend free wifi in key towns £100k

Based on support/match funding from Town/parish Councils

2.0 2015/16 GENERAL FUND REVENUE BUDGET

2.1 Pay and Prices Inflation

The price base is November 2014 plus known increases. Provision has been included within the budget for the agreed cost of living pay increase to staff covering the period to 31 March 2016. There is also provision for a further increase of 1% in employer's superannuation contribution. Inflation has been included where there is a contractual obligation for increases in costs

2.2 Collection Fund

The Council is required to estimate the 31st March 2015 position on the Collection Fund (which is the account to which all the Council Tax receipts are credited, and from which all precepts are paid). A small surplus of £25k is projected for this Council. The MTFS assumed a surplus of £50k.

2.3 Central Government Funding

2.3.1 Funding from the Government in respect of Revenue Support Grant and National Non Domestic Rates (NNDR) has a significant influence on the Council's spending plans. The allocations for 2015/16 are compared with the MTFS in the table below:

	MTFS	Provisional Settlement	Change
	£000	£000	£000
Revenue Support Grant	1,737	1,749	11
Baseline Funding/Business Rates	2,035	2,018	-17
New Homes Bonus	1,900	2,123	223
Total	5,672	5,890	217

At the time of writing this report, these allocations are still provisional, but are not expected to change significantly when the Final Settlement is announced on 5 February 2015.

- 2.3.2 The grant assumes £2.182m in locally retained Business Rates. This figure will vary depending on actual yields but is unlikely to fall by more than 7.5% because of safety net arrangements. The minimum income assumed is therefore £2.018m. Under the new arrangements district councils are allocated 40% of increases and decreases in Business Rates paid. There is also a system of levies and safety nets which reduces our share of increases to 20% but at the same time provides a safety net which limits our losses to 7.5% of our funding baseline, which for this authority works out at approximately £164k in 2015/16. As the Council is participating in local pooling arrangements with other councils in the county next year, the safety net will be funded locally so is less secure than the national safety net arrangements which apply when there is no local pooling.
- 2.3.3 In 2013/14 the Council participated in Business Rate “pooling” arrangements. The Pool was dissolved for future years because of the apparent risks and uncertainties. Business rates pooling allows groups of local authorities to join together to have their assessments of levies and safety net eligibility calculated overall rather than at individual authority level. In 2013/14 the Pool made a modest surplus of £707k and the monitoring of business rates in 2014/15 has indicated that the benefits to the individual members of the Pool outweigh the perceived risks. A delegated decision to participate in a Pool from 2015/16 was made in November 2014 and there was no decision to withdraw within 28 days of the publication of the Provisional Finance Settlement i.e. 15 January 2015.

2.4 New Homes Bonus

The Government has announced provisionally that the Council will receive £2.123m in New Homes Bonus in 2015/16. This is £223k more than was assumed in the Medium Term Financial Strategy approved by Cabinet on 23 September 2014. This reflects the targeted work by the Council to return long term voids back into use and ensuring that new properties are listed as early possible. New Homes Bonus payments are made for six years and there is also no guarantee that the scheme will continue in its present form.

2.5 Council Tax

Government Grant is again available to help Councils which freeze or reduce their Council Tax for 2015/16. The sum of £57k grant income has been included in the revenue budget on the basis that the Council will not increase its Council Tax for 2015/16. This is the equivalent of a 1% increase in the District’s Council Tax.

The Government’s announcement that freeze grants will be included in ongoing Revenue Support Grant funding has allowed the Council to continue with the policy adopted six years ago into 2015/16 and that the rate of Council Tax will be frozen.

The income expected to be generated from the Council Tax will increase from £4.611m in the current year to £4.704m in 2015/16 as a result of increases in the tax base.

2.6 Revenues and Benefits Partnership

Under our partnership agreement the Council needs to agree its contribution to the Leicestershire Revenues and Benefits Partnership for the next financial year. The Joint Committee held on 29 January 2015 approved an increase of £59k or 5.1% which is attributable to contractual obligations, inflation and service costs. This has been built into the base budgets. Ongoing salary savings of £96k have, however, also been assumed following the external review of the operation carried out last year and the restructure now

being implemented. The Council's share of the estimated upfront costs of the restructure total £71k and these can be met from employee savings in the current year including £16k from the Partnership itself.

2.7 Budget Savings

2.7.1 At its meeting on 18 November the Cabinet was informed of savings put in place to meet the £365k budget shortfall projected for 2015/16; these have now been built into next year's budget:

Reduction in Revenues and Benefits Partnership Contributions	£100,000
ICT Efficiency Savings	£70,000
Income from Additional Planning Applications	£150,000
Full Year Effect of In Year Savings 2014/15	<u>£45,000</u>
	£365,000

2.7.2 The approved MTFS projected that £1.060m further ongoing savings would be required by 2018/19. The outcome of the Government Spending Review (GSR) 2015 is likely to have the greatest influence on a revised MTFS. Whilst the additional base budget savings we have found for 2015/16 will contribute to bridging future budget shortfalls, new budget pressures are already being identified. It is anticipated that a refreshed MTFS will be presented to Cabinet in September 2015, subject to the GSR announcement, to set the framework for the 2016/17 Revenue Budget.

2.8 General Fund Reserve

2.8.1 The uncommitted balance on the General Fund was £1.137m when the Cabinet approved the Council's Medium Term Financial Strategy in September 2014. The early implementation of efficiency savings allowed the Council to budget for a surplus of £403k in the current year which would take the balance to £1.540m at the end of the financial year. At its meeting in November 2014 the Cabinet approved £158k expenditure from the reserve. The forecast underspending in the current year would increase the balance to £2.414m. There are a number of future risks which signal the need for balances to be at higher than historical levels. The Cabinet is already aware of the volatility which the localisation of Business Rates brings to the Council's finances. Similarly other local income including Planning Fee Income and to a lesser extent Car Park charges, continue to be difficult to project

2.8.2 Future levels of income projected from New Homes Bonus cannot be guaranteed. The Cabinet will recall that in 2013/14 the Government consulted on top slicing a significant proportion of New Homes Bonus from 2015/16 to support infrastructure spending by the Local Enterprise Partnerships (LEPs). Whilst this proposal did not go ahead, it had the potential to reduce the Council's annual funding by around £500k at a stroke. Our MTFS currently assumes a levelling off in New Homes Bonus from the seventh year of the scheme in 2017/18. New Homes Bonus payments are made for six years so by Year 7 of the scheme the earlier years' payments will start to drop out. There is however always a risk that changes could be made to the scheme, or it could be discontinued altogether. The MTFS assumes that all our New Homes Bonus will be used to support the Revenue Budget and this means that in 2015/16 £2.1m expenditure on our mainstream services will be funded in this way.

2.8.3 Updates on Projects funded from the 2013/14 Underspending

At its meeting on 29 July 2014 the Cabinet approved resources for a number of projects funded from the previous financial year's underspending. The progress of these projects is summarised in Appendix A.

2.9 Value For Money (VFM) Reserve

2.9.1. At its meeting on 29 July 2014 the Cabinet approved resources for a number of projects funded from the Value for Money Reserve. Progress on these projects is summarised in Appendix B.

2.9.2 At its 18 November meeting the Cabinet also agreed to establish a Business Bidding fund utilising £500,000 from the VFM Reserve. The main features of the fund include:

- Supporting new businesses which create jobs locally
- Helping Small and Medium Enterprises
- Facilitating community initiatives to form collectives and co-operatives
- Encouraging organisations which adopt Green Footprint principles

A scheme is currently being devised, to include detailed criteria against which bids will be assessed, with a view to the first money becoming available for bids during the first quarter of 2015/16

2.9.3 Proposals for further projects to be funded from the VFM Reserve.

The uncommitted balance of the Value For Money Reserve is now £452,000 and is available for allocation. The following projects have been put forward for cabinet to consider:

Support to the Voluntary and Community Sector in North West Leicestershire £100k.

The Council has been engaging with representatives of the Voluntary and Community Sector in North West Leicestershire who have identified a need for sector support to enable and facilitate their further involvement and support for local communities. Potential opportunities exist for a range of funding opportunities but mainly through working as a partnership or a consortium. The main focus is and will be supporting vulnerable families, "Not in Employment, Education or Training" (NEET) individuals and residents with identified needs into employment through a variety of pathways and activities from confidence building, skills development and work experience.

The request from the evolving partnership is for a two year funded post employed by the Council to assist with identifying need through research, sharing key funding opportunities, supporting the partnership at a strategic and operational level and developing Public, Private and VCS relationships within the District. It is estimated that £100,000 would be required to include a two year post including on-costs, and a small revenue budget to enable research, training events and meetings to be undertaken.

Update Key Strategies to inform future investment and delivery plans £50k

The strategies include housing new build/acquisition, the Growth Plan, Planning and a new strategy on Leisure/Culture/Tourism.

A Second Round of “20 4 7” £250k

The scope of this programme will be considered through soft testing with local communities/Town and Parish Councils.

**Green footprints – Supporting the expansion of the community/business volunteers
£50k**

This will involve pump priming activities whilst attracting sponsorship to provide a return on at least some of the upfront investment.

2.10 Earmarked Reserves and Provisions (Excluding Value for Money (VFM) Reserve)

The Council's earmarked General Fund revenue reserves and provisions (excluding the General Fund Reserve and the VFM Reserve) stood at £1.540m at 1 April 2014. A review of the committed expenditure against these reserves has been undertaken and it is estimated that around £1.5m will remain at 31 March 2015. All of this is earmarked for a particular use in the future, it is therefore not available for the Council's general use.

2.11 Revenue Budget Contingency

This was set at the lower level of £100,000 in 2014/15 compared to £250,000 in previous years. These resources would normally only be called upon if there were unexpected increases in costs or loss of income during the year and they could not be met from underspendings elsewhere. This contingency has not been called upon in the last two years. Although it is best practice to include a contingency in the budget, Service Managers are always encouraged to fund financial pressures from their own budgets in the first instance. The level of the contingency will continue to be reviewed as part of the updating of the Medium Term Financial Strategy to ensure it remains appropriate. As part of the MTFs report in September the Cabinet included an ongoing contingency of £300k to cover any loss of income resulting from changes in the payment of recycling credits by the County Council. The loss of income in 2015/16 remains subject to negotiations and based on existing budget assumptions an amount of £217k has now been used to reduce the recycling income budget in 2015/16 and the balance of £83k has been added to the Revenue Budget Contingency, increasing it to £183k.

3.0 GENERAL FUND 2014/15 – PROJECTED OUTTURN

3.1 The summary budget shown at Appendix E shows the 2014/15 budget, projected outturn and 2015/16 budget. An underspending of £1.032m has been projected for 2014/15.

3.2 The main reasons for the projected underspending in 2014/15 are as follows:

(A) Additional Local Income:

Planning and Development Fees	£ 718k	
Recycling income	£ 85k	
Investment Income	£ 48k	£ 851k

(B) Internal Efficiencies:

Salaries/Vacancy Management	£ 115k	
Other more minor variances (net)	£ 66k	£ 181k

Total **£1.032m**

3.3 Since 1 April 2013 local authorities have been sharing the benefit of additional business rates with Central Government. Any reductions in business rates including closures and rating appeals are also shared. The difficulties in projecting business rates income are highlighted later in this report and currently the Projected Outturn assumes no increase or decrease in business rates for the year.

3.4 In paragraph 2.8.1 it was explained that the General Fund Reserve would increase to £2.414m based on the outturn projections above. Section 2.8 explains the need to keep reserves at a higher level than the £1m which has been assumed for a number of years. The resources held are however significant and the Cabinet may consider allocating part of this to projects following confirmation of the underspending when the 2014/15 accounts are closed and subject to major changes in grant income announced in the Government Spending Review expected in late Summer/Early Autumn 2015.

4.0 REVENUE BUDGET 2015/16 – PROPOSALS IN SUMMARY

4.1 Summary

The following table summarises the headline figures for 2015/16 as contained in Appendix E.

Expenditure	2015/16
	£
Chief Executive's Department	4,503,410
Director of Services	5,722,700
Non Distributed Costs & Other	140,550
Corporate Items & Financing	1,621,930
Recharges Out of General Fund	(1,378,560)
2015/16 Budget Requirement	10,610,030
Funding Sources	
NNDR & Formula Grant	3,699,690
Council Tax Freeze Grant 2015/16	58,050
New Homes Bonus	2,123,060
Council Tax	4,704,120
Transfer from Collection Fund	25,110
Total Funding Available	10,610,030

6.0 CONSULTATION

- 6.1 The responses from the trade unions, Town & Parish Councils and the federation of Small Businesses are attached at Appendix C. The Cabinet's Revenue Budget Proposals and draft Capital Programmes were presented to the Policy and Development Group meeting on 7 January 2015. The comments of Policy Development Group are included in the minutes attached at Appendix D.

7.0 SPECIAL EXPENSES

7.1 Coalville Special Expenses

As with the Council's own revenue budget, the special expenses budget for Coalville has been prepared on the basis of a nil increase in Council Tax and is included in Appendix F. It incorporates the information considered by the Coalville Special Expenses Working Party on 16 December 2014.

7.2 Other Special Expenses

The Council also levies special expense precepts in some of the parished areas of the District. In the main these relate to grounds maintenance works that the Parish Councils have chosen for the District to perform. A schedule showing the estimated level of expenditure and proposed precepts is included in Appendix F.

8.0 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

- 8.1 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.
- 8.2 Taking into account identified risks the Section 151 Officer, the Head of Finance, considers that the estimates which form the General Fund budget are robust; the proposals are deliverable and will produce a balanced budget for 2015/16 as required by Section 25 of the Local Government Act 2003.
- 8.3 Details of the Council's reserves are set out from paragraph 2.8 and again the Section 151 Officer is satisfied that these remain adequate.
- 8.4 The Special Expenses estimates are similarly considered to be robust.
- 8.5 The budget process for the 2015/16 year concludes with the approval of all the revenue budgets and the capital programmes by the full Council on 24 February 2015, following which the Council will also determine the level of Council Tax in 2015/16.

APPENDIX A

Projects funded from the 2013/14 Revenue Budget underspending approved by Cabinet 29 July 2014.

Supporting Affordable Housing (£1m)

Contributions to three Housing Associations to improve the viability of schemes and allow them to qualify for funding (£500k).

The £500,000 was allocated to three Housing Associations – Waterloo Housing Group, emh homes and Nottingham Community Housing Association – all of whom were successful in attracting HCA funding in the latest NAHP bid round to provide 263 homes across the district by April 2018. Using a combination of their own funding, the Government grant and this gap funding from the District Council, the three housing associations will bring almost £27 million of inward investment into the district, providing employment opportunities, supporting construction jobs and sustaining local businesses.

Other Affordable Housing Schemes (up to £500k).

The Council approached emh homes (emh) in March 2014 to help with the Regeneration of Coalville town centre by putting affordable housing on the Pick and Shovel site, a dilapidated former pub. emh responded positively with a proposal to demolish the current building and replace it with 14 dwellings, planning permission for which was approved in December 2014.

Being a 'gateway' site into the town, the quality of design needs to meet the Council's Urban Design expectations, and this was reflected in the estimated construction costs. To bring forward the proposal, a funding gap needed to be filled, in part by the Homes and Community Agency (HCA) affordable homes grant programme, and in part by the Council. The HCA has now confirmed a grant award of £420k for the scheme, and the Council is contributing up to £500k, towards the total estimated scheme costs of £2m.

As well as transforming an eyesore building in Coalville town centre, the new properties will help address the current high demand on the housing register for 1 bedroom homes. This will allow existing tenants to downsize from larger properties and also meet demand from new applicants for properties close to shops, transport and other amenities.

Local Business Fund - £500k (£250k from Whitwick Business Reserve surplus)

Cabinet agreed the principle of creating a reserve to support the delivery of the Growth Plan as part of the process of approving the Growth Plan. Authority to spend the Local Business Fund is delegated to the Chief Executive in consultation with the Business Portfolio holder. Consultation on the Local Growth Plan ran until 12 December 2014.

To support the tourism and cultural offer in the district, the Council has recently agreed a grant contribution of £50,000 to the National Forest Charitable Trust to assist with the development of a 'High and Low Ropes project' which secured planning permission in January 2014 at the Conkers site. In total this is a £250,000 project which will significantly widen the appeal of Conkers and improve its profitability. It is anticipated the project will be delivered in early 2015 and the project would not happen without the Council's support. In return and in addition, the Council has negotiated a mix of benefits including day visitor

tickets and room hire amounting to the value of £12,000 a year for five years. The remaining £450,000 will be spent on eligible projects to deliver Local Growth Plan actions.

Improving the Environment in Coalville and around the District (£360k)

Match funding for National Heritage Lottery Fund bids in Coalville Conservation Area (£35k)

Designating Coalville Conservation Area gives the Council access to the Townscape Heritage Scheme and potentially between £1m and £2m funding. The National Heritage has advised the Council to bid for £700,000 in the first round which will require a 5% contribution from the Council. Further match funding may be required for future bids. Details were provided in a report to Cabinet on 24 June 2014. A bid was submitted to the Heritage Lottery Fund. Coalville's CHOICE is a heritage led regeneration project which seeks to conserve and restore historic buildings in and around Marlborough Square. Representatives of the Heritage Lottery fund visited the Council on 7th January 2015 and a final decision on the success of the bid was expected at the end of January. Should the bid be successful, the Council will draw down the match funding element of the project to ensure the heritage aspects can be delivered

Improvements to Shop fronts (£225k)

The Shop front Improvement Scheme aims to enhance shop fronts in selected areas as a means of supporting the growth of local businesses, improving the local environment and improving the image of the town centre for local residents, shoppers and visitors. Applicants must be local, independent business owners and it is expected that the funding made available to applicants will require some element of match funding

Originally it was proposed to launch the initiative during 2014 however the loss of the Council's Conservation officer has led to some delay in its delivery. This project is now being run in parallel with the HLF bid. We are in active negotiations with the County Council, with a view to using their expertise to administer the project, given that it has current specific project management capacity and recent experience of operating a similar project in Melton Borough.

Indoor Market Improvements – Phase 2 (£100k)

The Council investment to date has focussed on exterior improvements to the Market Hall (roof repairs, new public space creation and demolition/relocation of public toilets). This investment has to date generated seven new licenced traders, whilst end of year market income forecasts have been raised from a Period 3 forecast of £102,000 to £111,000. The changes to the toilet provision as part of the initial investment and service review is also projected to realise an annual £20,000 saving. The Council has also received many positive comments regarding the new open market forecourt which has already been used for farmers markets, childrens activities and the popular Christmas Lights Switch On Event.

Phase 2 will now focus on interior improvements in consultation and design with the market traders. It is anticipated (subject to cost) to include improved flooring, internal decoration, energy efficient lighting with improved lux levels, new more flexible stalls, internal and external signage.

The on-going monthly meetings with Market traders have agreed the phasing for the indoor improvements which will commence with indoor lighting improvements to the central market area, to be followed by redecoration of stalls and walls and finally improvements to flooring. Final quotes are currently being sourced with works expected to commence towards the end of Quarter 4 this year and continue into Quarter 1 of 2015/16. It is anticipated the full £100,000 will be required for the highlighted internal improvements.

Investing in Our Communities (£350k)

District Wide Programme (£210k)

Community groups across North West Leicestershire have now received £240,000 as winners of the '£20,000-for-Seven' fund including £30,000 for "Other Highly Commended Schemes" that was also agreed by Cabinet on the 29 July 2014 as part of the Provisional Financial Outturn 2013/14 report. The winners were decided by a public vote, with more than 2,100 people voting for their favourite projects. The grants provided saw seven groups win £20,000, and seven groups win 10,000 to boost their community projects, and three further projects being 'highly commended' and receiving a £10,000 grant. The projects funded range from new clubhouses and communal facilities, to IT equipment and a community media bus (see full list below).

The Council's contributions were matched 100% other sources of external income, in many cases much more and a total of at least

Winners of £20,000

- Castle Donington Parish Council - Youth activity provision
- Whitwick Scout Group - A centre for Scouting in the Whitwick area
- Castle Rock High School - The Sanctuary @ Castle Rock
- St. Matthews Church, Worthington - Disabled access, toilet and servery
- Friends of Ashby Bath Grounds - Footpath for improved accessibility at Ashby Bath Grounds
- Ellistown and Battleflat Parish Council - South Street Sports
- Measham Parish Council - Skatepark for Measham

Winners of £10,000

- Castle Donington Town Bowls Club - Bowls Club Pavilion
- Kegworth Village Hall Management Committee - Kegworth Community Hub
- 1188 (Coalville) Squadron Air Training Corps - ICT for ATC
- The Friends of Newbold School - Newbold Playing Field – 21st Century Makeover

- Appleby Magna Parish Council - Community Media Mini Bus
- Donisthorpe Youth Club - Changing rooms comes to Donisthorpe Youth Club
- Heather Parish Council – Improvements to Heather Village Hall

Other Highly Commended Schemes (£30k)

Investing in our Communities is an innovative Grant scheme to support Parish Councils and Community Groups to access medium sized grants to help facilitate key community projects. Funding was requested to fund seven locality projects of £20,000 and seven district wide projects of £10,000. Access to this funding was through a public on-line voting system. It was recognised that some schemes were very worthy but did not secure enough votes to win a grant award. Therefore, this resource was requested for three further grants of £10,000 awarded by the Council to schemes considered as Highly Commended by a multi-agency panel:

- Whitwick Parish Council - Workout in Whitwick: Free Fitness 4 Families
 - New Bardon Community Interest Company - A new community centre and garden
- Whitwick Community Enterprises - One Stop Shop for young people

Supporting Cycling in Ashby (£40k)

The proposed cycling improvement schemes for Ashby are still subject to on-going discussion with Leicestershire County Council with further meetings planned in Quarter 4. To date no funding has been released.

Urban Planting (£20k)

The District Council is committed to working with and encouraging local community groups and Parish Councils to create sustainable urban planting schemes as one small part of our contribution to being in the National Forest. The annual District Council Free Tree scheme is extremely popular and last year's offer which included a range of fruit trees was very quickly oversubscribed. This resource complements the Free Tree scheme and focuses on the development of more Community Orchards and Community vegetable gardens.

The proposed urban tree planting scheme is scheduled to be implemented in February and March 2015. A number of sites across the district (Ashby de la Zouch, Measham, Moira and the area of Coalville) have been identified. A match fund of £8000 has been discussed with The National Forest Company, with a formal application being submitted by the end of January 2015. Presently up to £8000 has been allocated for tree planting schemes in quarter four. Further work in quarter four will identify additional sites for implementation in the Autumn 2015 planting season (quarter three), the remaining £12,000 will be allocated to enable this planting, with additional funding sought from the National Forest Company. All tree planting works are to be undertaken by the grounds maintenance team.

Area Based Support (£50k)

This proposal was to increase capacity within the Community Focus team to enable area based support, communication and reporting. It was proposed to fund officer support until March 2016 in order to capacity build with key community groups, support Investing in our Communities projects, improve advice and guidance to Parish Councils and support in developing community plans. This additional resource will expand the capacity of Community Focus to allow a dedicated officer support for each of Coalville, Ashby and Northern Parish areas whilst linking to internal service area focussed officers enabling a clearer point of contact with the Council with regard to resolving local community issues.

A third Community Focus Officer has now been recruited to the team and has commenced full time duties. The team now offers dedicated officer support to Ashby, Coalville and the Northern parish areas liaising closely with Parish Councils and Community organisations. Initial feedback from partners has been complimentary due to improved communication, swifter acknowledgement and/or resolution of issues and signposting to appropriate agencies. The post is on a fixed term contract until 31 March 2016.

APPENDIX B

Projects funded from the Value For Money Fund approved by Cabinet 29 July 2014.

Improving the Customer Experience (Phase 2)

£300k

An update was provided in a report to Cabinet on 13 January 2015 detailing progress made to date and outlining plans for the second phase of the programme.

Phase 1 achieved total savings of about £45,000 per annum to date with further savings of £22,000 per annum targeted, as well as improving the telephone service, increasing use of the website and improving operational efficiency through the introduction of a new waste management system that will go live in January 2015.

Phase 2 is currently being planned and will build on these achievements. Further details of phase 2 be reported on as the programme develops, with projects focusing on staff and customer communication to drive channel shift across all services.

Rural Broadband (Phase 2)

£216k

The Cabinet approved the Council's continued involvement in the Leicestershire Broadband – Superfast Extension project at its meeting on 21 October 2014

A collaboration agreement for Phase 2 is being prepared by Leicestershire County Council for all participating districts to agree. A draft agreement is expected in February 2015.

BT will present raw data to Leicestershire County Council in February after which consultants will prepare the business case for each district. It is anticipated that the business case will be completed by the end of March 2015.

Commissioning of Commercial Projects

£ 50k

The Council has a number of key frontline services which are trading against a commercial market on a daily basis. In order for the Council to consider if further investment and expansion of these services will generate increased financial returns a series of service specific Business Development reports are recommended to be commissioned. The initial tranche of reports to be commissioned will include Trade Waste, Grounds Maintenance and Off Street Enforcement, it is also proposed that an officer resource is seconded initially on a part time basis to lead this work and develop a Corporate Commercial approach to Business Development reporting direct to the Head of Community Services.

An appointment has now been made to the post of Business Development Manager and the Officer has commenced as at the start of Quarter 4. The two day a week position reporting to the Head of Community Services is initially focussing on meeting Team Managers to prioritise areas of potential Business Development whilst identifying best practice from other public sector bodies nationally. The next phase will include the development of business plans against prioritised commercial opportunities.

Spin Studio Project

£30k

The Council's Leisure Centre memberships are at an all time high with over 2,800 members paying £70,000 per month through Direct Debit payments. The main reason for taking out a membership is to access Health & Fitness facilities which include our gyms and fitness classes. Our most popular fitness class is Spinning but this is currently limited only to Hood Park Leisure Centre with approximately 10 classes a week. Customers are consistently requesting Spinning be brought to Hermitage and this proposal is to develop the former crèche into a fitness studio to accommodate Spinning and other classes. The resource will cover new flooring, air conditioning, storage area improvements and up to 15 Spin bikes.

The Hermitage Leisure Centre 'Studio 2' has now been completed on time and on budget and has now officially opened to customers for use. The studio is now programmed for Spinning (brand new to Hermitage) as well as for a variety of other fitness classes and uses. Initial (week 1) feedback has been extremely positive with full classes being reported for evening spin classes and membership sales although always positive post Christmas performing well.

Urban Area Highway Verge Improvements

£15k

The County Council is currently liaising with the District and Parish Councils regarding grass verge cutting and highway grounds maintenance programmes. The District Council will be considering this matter later in the financial year but it is clear that following resident surveys these areas were considered low priority for the County Council's resources. In order to support our key towns and village centres to maintain their urban area highway planting schemes to an attractive standard it is proposed that this resource is made available to match fund any contribution made by a Parish/Town Council (including Coalville Special Expenses) up to a maximum of £5,000. Proposed schemes will be assessed and costed by the Council's Grounds Maintenance team and if required undertaken by them.

The Improvement scheme has been advertised and promoted with all Parish Councils and a number of applications made. Officers are currently assessing the applications, making formal offers to applicants and finalising grant conditions. This initial phase is likely to allocate up to £12,000 (100% match funded by applicants giving a total improvement spend of up to £24,000 on Highway improvements) with a final tranche for the remainder being promoted and considered in Quarter 4.

Staff Performance Programme

£100k

As part of the successful Best Employee Experience (BEE) programme the next phase of development is undertaken by engaging an external coaching specialist (£10,000). Phase 2 will look at mainstreaming the management culture which will result in greater staff engagement, development and ultimately improved performance for individuals, teams and the Council.

General Fund Budget Consultation – Comments Received

Whitwick Parish Council

Welcome NWLDC's commitment to continue passing on part of the Council Tax Support grant to parish councils in the next financial year.

Kegworth Parish Council

On behalf of Kegworth Parish Council I write to let you know that my Councillors made no objections to the District Council's proposed budget when the matter was discussed at its last Parish Council Meeting

Anne Neilson – Unison

The view in Unison is that while the Council has surplus funds, (thanks in large part to an increase in planning fees) it should, perhaps, try to look after its poorest citizens by adjusting the Local Council Tax Support Scheme so that those most in need do not have to pay any Council Tax.

We would like to see the Council Tax increased by the maximum allowable i.e.2% so that the extra resource of £38,000 would be available every year. If Council Tax had increased in previous years then the extra resource would be more. The County Council has seen fit to increase Council Tax for 2015/16 and an increase for North West Leicestershire is long overdue.

APPENDIX D

MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 7 JANUARY 2015

Present: Councillor J G Coxon (Chairman)

Councillors N Clarke, D Everitt, J Geary, A C Saffell, S Sheahan and M Specht

In Attendance: Councillors

Officers: Mr R Bowmer, Mr D Gill, Mr G Jones and Mr D O'Nyons

18. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors V Richichi and N Smith.

Councillor N J Rushton was also invited to attend however, unfortunately due to County Council Commitments he had to decline.

Councillor S Sheahan commented that it would have been good to have Councillor N J Rushton in attendance, and that nothing had stopped him from appointing a substitute.

19. DECLARATION OF INTERESTS

Councillor J G Coxon declared a non-pecuniary interest in item 5 – Draft Revenue Budget Proposals and Capital Programmes 2015/16 as a Member of Ashby Town Council.

Councillor D Everitt declared a non-pecuniary interest in item 5 – Draft Revenue Budget Proposals and Capital Programmes 2015/16 as a Member of Whitwick Parish Council.

Councillor M Specht declared a non-pecuniary interest in item 5 – Draft Revenue Budget Proposals and Capital Programmes 2015/16 as a Member of Coleorton Parish Council.

Councillor A C Saffell declared a non-pecuniary interest in item 5 – Draft Revenue Budget Proposals and Capital Programmes 2015/16 as a Member of Castle Donington Parish Council.

Councillor S Sheahan declared a non-pecuniary interest in item 5 – Draft Revenue Budget Proposals and Capital Programmes 2015/16 as a Member of Leicestershire County Council.

20. PUBLIC QUESTION AND ANSWER SESSION

There were no questions received.

21. MINUTES

The Deputy Monitoring Officer asked the Chairman to consider a clarification to the minutes. At the last meeting, The Deputy Monitoring Officer advised that the Members for each authority made the appointments in respect of the Leicestershire Revenues and Benefits Partnership; and as such there would be Member involvement.

However, following the Meeting the Deputy Monitoring Officer was advised that appointments in relation to the Revenues and Benefits Partnership had been delegated to the Management Board and that no Members sit on the Management Board.

Chairman's initials

Councillor S Sheahan commented that Partnerships such as the Revenue and Benefits one take democracy further away from the people as it excluded Members.

RESOLVED THAT:

The minutes of the meeting held on 1 October 2014 be approved and signed by the Chairman as a correct record.

22. DRAFT REVENUE BUDGET PROPOSALS AND CAPITAL PROGRAMMES 2015/16

The Head of Finance presented the report to Members, stating that this Item gave the Committee the opportunity to comment on the Councils Revenue Budget proposals for the next financial year and invited Members to make comments that would be minuted and presented to Cabinet on the 10th February 2015 and Council on the 24th February 2015.

The Head of Finance drew attention to the two Appendices of the report and went through each individually. He informed Members that Appendix 1 was a copy of a Report that went before Cabinet on November 2014 which provided details of the Cabinets 2015/16 General Fund Revenue Budget proposals and the savings that had been put in place, to meet the projected budget shortfall.

The Head of Finance informed Members that the report first of all picked up with the Medium Term Financial Strategy 2015/16 – 2018/19 that had been approved by Cabinet which identified a budget shortfall of £365,000 for the ensuing year and an overall shortfall of £1.4 million by the end of the Medium Term Financial Strategy in 2018/19.

Members were informed that an under spending of approximately £800,000 was forecast in 2014/15 from the General Fund, and that the main reason for this was due to an increase in income. In particular from planning fees, Recycling Income and savings incurred from reducing the number of Employees.

It was highlighted, that there were a number of financial uncertainties that the Council was facing. The Head of Finance explained how volatile the Council's income from business rates was.

The Head of Finance explained that the Council used to receive a pre-determined allocation from Central Government, however as a result of recent changes, income was volatile, and that now made it difficult to monitor the budget and prepare the budget going forward. There was much less certainty in determining how much income the Council would receive.

Another area of uncertainty that was highlighted was around the New Homes Bonus Scheme. The Head of Finance stated that there was always a risk that changes could be made to the scheme, or it could be discontinued altogether and consequently there was a risk of around £2 million within the Councils budget planning as a result.

Members were informed that Budget Savings for the next year were going to be achieved by actions that had already been put in place and he provided the Policy Development Group with an update on the following initiatives introduced to meet the projected shortfall of £365,000 for 2015/16:

Reduction in Revenues and Benefits Partnership Contributions:

Chairman's signature

The Head of Finance informed Members that it had been identified that the Partnership between the three partner Councils would create savings approaching £400,000 a year, which North West Leicestershire District Council would receive a share off.

ICT Efficiency Savings:

It was stated that efficiency savings in ICT, mainly around contracts and the renewal of ICT programme Licences were saving money and that the ICT budget had been reduced by £70,000 in 2015-16.

Income from Additional Planning Applications:

Members were informed that income from Planning Applications had increased and that a modest increase in the target raised by Planning Applications from £550,000 to £700,000 was now assumed.

Councillor S Sheahan enquired whether there were any other updates the Head of Finance could provide about the report, given that the report was two months old, and asked how long officers expected Planning Application fees to continue to rise.

The Head of Finance advised that the only significant update was around the actual figure of the New Homes Bonus that was quoted in the report at £1.9 Million; the actual figure was closer to £2.1 Million which represented an additional £200,000 for the Council. In addition, he stated that planning income was quite volatile and difficult to predict. He added that there were a number of major applications reaching their conclusion thus it was expected that income generated by Planning Application fees would fall in the next couple of years.

Councillor S Sheahan asked if having a Local Plan would have an impact on the number of Planning Applications received.

In response, The Deputy Monitoring Officer confirmed that in the absence of a Local Plan, over the past years there have been a lot of speculative developers that have tried their luck, and that the Council has had difficulty in reaching decisions because of the lack of Local Plan Policy. He added that once a Local Plan was in place there would be a possibility that the number of Planning Applications would reduce.

Councillor S Sheahan acknowledged that there had been £150,000 worth of savings in employees. He asked whether officers had identified any areas where service pressures suggested a need for additional spending on employees.

The Head of Finance insisted that the Council was proactive in reacting to pressures on services, and identified a recent example were the Council had recently employed additional staff in the Planning Department to manage the increased workload and to maintain the same level of service. In addition, the Deputy Monitoring Officer informed Members that staffing levels were kept under review of all departments, and that if officers were aware of staffing pressures and where appropriate additional employees are sought.

Councillor S Sheahan commented that it was essential to have the right level of staff and is something that should consistently be reviewed and highlighted to Cabinet when necessary.

Councillor A C Saffell informed Members that he had previously been informed by the Head of Finance that staffing levels at the Council were within 20 or so of the most number of employees the Council had ever employed. He felt that this represented a small reduction especially when cuts from Central Government and reductions at other

Chairman's signature

local authorities were considered. He speculated whether the New Homes Bonus had been brought into the General Fund in order to maintain staff levels, despite the fact the Council was doing less work now than in the past. He asked why the Council were depriving Local Communities of the New Homes bonus to support staff numbers.

In response the Head of Finance informed Members that the £150,000 figure stated within the report was a result of an under spending on staffing largely as a result of vacancies. He added that the report was not about significant staff reductions. The Deputy Monitoring Officer explained that officers were unable to answer that question.

Councillor N Clarke, queried why the report failed to include or mention Waste Recycling Credits, expressing his opinion that this should have been included as a future uncertainty.

The Head of Finance explained that the current year detailed in the report was not affected by Leicestershire County Council's decision on the Waste Recycling Credits, and informed Members that the issue had been considered in the last Medium Term Financial Strategy Report which contained contingencies for losses of income predicted of up to £300,000.

Councillor S Sheahan concurred with Councillor A C Saffell comments made about the New Homes Bonus, however queried his comments made about staff levels. He stressed his opinion that Planning Applications and Waste Recycling Credits should be run sustainably, stating that the Council's proposal to increase the level of reserves held in the General Fund to compensate for future financial uncertainties was not sustainable, and a different approach should be adopted.

Councillor S Sheahan enquired whether there had been any assessment of claimant impact as a result of the changes made to the Revenues and Benefits Partnership.

The Head of Finance stated that the new structure of the partnership was based on advice received from the Institute of Revenues, Rating and Valuation whom have worked alongside other authorities and partnerships and have recommended different ways of working without any impact on the client. He added that he was not aware of any particular impact analysis that has been conducted, but was confident that one would follow after the implementation of the changes and that adjustments could be made if necessary.

Councillor N Clarke enquired why £500,000 of the Value for Money Reserve had been committed to the creation of a Business Bidding Fund, he stated that he did not object to supporting local businesses, however he was unsure what benefits would result from this decision.

The Head of Finance expressed the importance of Business rates and the need to bring business into the District in order to maintain incomes generated by the Business Rate Base.

Councillor S Sheahan, felt that it was important to ensure that the Business Bidding Fund would provide value for money and suggested that a future scrutiny report/ panel might be best to assess this. In addition, Councillor S Sheahan urged that the Local Plan be fully funded and insisted that the Plan should be seen through to completion.

The Head of Finance Presented Appendix 2 to Members.

He informed Members that the projected outturn for 2014/15 on General Fund schemes totals £2,402,000. He added that this was a planned increase of £108,000 on the original budget for the year of £2,294,000.

Chairman's signature

Furthermore, the Head of Finance gave a brief update of Individual Schemes currently being undertaken under the General Fund Capital Programme 2015/16 to 2019/20.

Councillor S Sheahan, felt that £984,000 proposed to spend on new vehicles was a lot of money, and enquired what proportion of the Councils Fleet of Vehicles this represented.

The Head of Finance did not have an exact figure to give to Members, but informed Members that he would find out, and report back to Members with the answer. He informed Members that the sum of £984,000 is what the Council usually spends annually on Vehicles, and that the Council tended to buy Vehicles out-right opposed to leasing them as this represented the best value for money.

Councillor A C Saffell enquired why many of these schemes had been included in the General Fund rather than Special Expenses, in particular the decision to spend £400,000 on the Wellbeing Centre at Hood Park Leisure Centre. He stated that residents in Castle Donington did not use this Centre; however they would still be contributing to the improvements.

The Head of Finance advised that the use of Special Expenses funds are only used for expenses that benefit people who live in certain areas, which subsequently excludes other people from benefiting. He stated that the Wellbeing Centre at Hood Park Leisure Centre would be open to everyone and that people from all over the District could travel to use the services there.

In response Councillor A C Saffell insisted that people travel to Castle Donington to specifically use their football pitches, which are fully funded by Castle Donington Parish Council. He suggested that if the District were prepared to fund one Leisure Centre then they should be prepared to fund all of them.

The Deputy Monitoring Officer advised that a decision was taken in the past by Members not to treat the Leisure Facilities in Coalville and Ashby de la Zouch as a special expense because they attract people from across the whole District and it would be unfair to place the burden on the Special Expense of Coalville or the Parish Precept of Ashby Town Council.

Councillor A C Saffell acknowledged the officer's comments however expressed that the situation was unfair. Councillor S Sheahan suggested that Councillor A C Saffell speak with Councillor N J Rushton to see whether the Cabinet had any plans to build a Leisure Centre in the Northern Parishes of the District when funding permits.

Councillor S Sheahan asked whether homes improved under the Decent Homes Programme had seen their value increase and if officers knew by how much.

The Director of Housing assured Members that he was confident that homes that had been improved had increased in market value, given the extensive improvements made, such as new Kitchens and Bathrooms. However he stated that the Council had no intention of disposing of properties that had undergone improvements. He advised Members that the Council was in the process of renewing their Asset Management Strategy and that they could look into the possibility of having the homes valued to assess how much the value of properties had increased.

The Deputy Monitoring Officer informed Members that there was a mechanism incorporated into the Right to Buy Scheme that relates to improvements made to properties in the last ten years that can have an impact on the valuation of properties. He informed Members that if a property that had been improved by the Decent Homes

Chairman's signature

programme, had later been purchased on the Right to Buy Scheme the money spent on improving the property was taken into account when a sale price was calculated.

Councillor M Specht asked whether there was a penalty clause incorporated into the Decent Homes Programme which meant that tenants were prevented from applying for the Right to Buy Scheme for a period of time after improvements had been made.

The Director of Housing informed Members that there were no such period, and as such tenants were able to apply for the Right to Buy Scheme as soon as the Decent Homes Programme improvements had been made. He also referred to the previous explanation given by the Deputy Monitoring Officer. The Deputy Monitoring Officer added that if a tenant requested to buy a Council property undergoing the Decent Homes Programme then the property would be removed from the programme as a result.

Councillor J Geary enquired if many tenants had taken up the Right to Buy Scheme once homes had been improved.

The Director of Housing explained that a couple of years ago there was a rise in the number of Right to Buys compared to recent years, however at the present the current number was appropriately twelve homes. He stated that the previous increase was most likely a result of Central Government deciding to increase the discounts offered to tenants buying their Council homes. He added that he did not think that the Decent Homes Programme had contributed to the number of take ups of the Right to Buy Scheme.

RESOLVED THAT:

That the Committee provides any comments it may have for consideration by the Cabinet when it meets on 10 February 2015 prior to their recommendations being taken to Council on 24 February 2015.

23. HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS FOR 2015/16

The Director of Housing presented the report to Members.

He informed Members that the report was an updated version of a report that had been presented to Cabinet on 18 November 2014. He stated that the overall forecast for the current year shows a deficit close to £900,000, largely as a result of unplanned expenditure on the Decent Homes Programme. Members were informed that this deficit was funded from the Housing Revenue Account Reserves, and that the reserves currently stood at £4.37 Million.

In relation to rents, the Director of Housing advised Members that the current government policy (due to expire in March 2015) was to try and achieve rent convergence or target rents nationally for all social housing tenants. The idea being that Council and Housing Association tenants should pay similar rents for similar properties. He advised Members that historically the Council had charged low rents and that currently only 25% of the Council's tenants paid target rent; in contrast most local authorities had 90% of tenants paying the target rent. New government guidelines, effective from April 2015, suggest that rent increases should be limited to the Consumer Price Index plus 1% each year. He advised that for councils like NWLDC, which still had nearly three quarters of its properties at rents considerably below target rent levels, this would have a substantial impact on the future business plan, and income projections would fall significantly. This could potentially have a detrimental impact with limited funding being available to maintain the decency programme and invest in future stock improvements.

Chairman's signature

Following a review of the current rent plan, alternative rent increase options were developed for consideration for consultation by Cabinet, and it was agreed by Cabinet to approve option C, which would see rents increase by CPI plus 1% plus up to £4 per week until target rent was reached. This would entail NWLDC using its discretion to set its own rent levels and not following the guidelines.

The Director of Housing advised Members if the Council adopted the new government guidelines, then the Council would have to borrow £7.3 million by 2022 to meet repayments on a £13 million loan. By adopting option C the Council would only have a liability of £1.2 million in 2022. It would also mean the Council having an additional £9 million of income over the next 10 years to invest in Housing.

Councillor S Sheahan expressed his concerns that the Housing Revenue Account spending was not being kept under control, and cited the £900,000 deficit as an example. He asked officers to explain how they would address the deficit and prevent tenants from having to subsidise overspending on the decent homes programme.

The Director of Housing responded that he was confident spending was under control and highlighted that deficit was a result of some incorrect assumptions about what central government would fund and what the Council would have to fund, and wasn't a case of over spending on the Decent Homes Programme. He advised Members that the Council do monitor the contractors providing Decent Homes Improvements and that a new team manager had recently been appointed to focus on the Decent Homes Programme. He added, that he wanted to see value for money from the Councils contractors and that the actions taken by the Council would help realise that.

Councillor N Clarke sought clarification on why Option C had been chosen opposed to Option A. He stated that the proposed rent increase of 5.4% sounded extremely high considering the well publicised lack of increase in wages and salaries. He stated that being the Councillor for the Ward with the most Council Tenants in the District, it is something that he feels quite strongly about.

The Director of Housing acknowledged that Option C would result in two years of higher increases in rents, however in the longer term rents were lower under option C than Option A. In addition, he stated that under Option A the Council might lose revenue through the Housing Benefit Subsidy Limitation rules. If the Council chose to increase its rents too quickly at too high a level, a portion of the Housing Benefit it received might have to be returned to the Treasury.

In response Councillor N Clarke stated that he felt that the increases in rents tenants were facing were a result of overspending on the Decent Homes Programme and that this should be scrutinised in the ensuing months. He also queried the proposal to re-let all properties at target rent levels, even when tenants with a tenancy prior to April 2008 were transferring to another property, as he felt the higher rent would act as a disincentive for those affected tenants to apply for transfers. The Director of Housing advised that as 94% of properties would be at target rent by April 2016, any such disincentive would only apply for a period of 12 months, so the impact would be limited.

RESOLVED THAT:

That the Committee provides any comments it may have for consideration by the cabinet when it meets on 10 February 2015 prior to their recommendations being taken to Council on 24 February 2015.

Chairman's signature

24. ITEMS FOR INCLUSION IN THE FUTURE WORK PROGRAMME

Councillor S Sheahan requested that a scrutiny of the Business Bidding Fund be included. However, the Head of Finance stated that there would not be much to scrutinise by the time of next meeting, as he did not expect the Council to have awarded many grants to business by then.

Councillor S Sheahan also suggested that an item on the Community Task and Finish Group should be included.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 8.14 pm

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL SUMMARY BUDGET 2015/16

2014/15 Budget £	2014/15 F'cast Out- turn	Service	2015/16 Budget £
247,140	249,320	Chief Executive	259,160
291,790	283,440	Human Resources	293,440
2,289,370	2,135,009	Legal & Support Services	2,275,005
1,816,610	1,832,624	Finance	1,675,803
4,644,910	4,500,393	Total Chief Executive's Department	4,503,408
386,410	326,829	Director of Services	351,780
3,801,860	3,665,332	Community Services	4,035,940
433,300	439,570	Strategic Housing	456,630
762,160	115,560	Regeneration & Planning	878,350
5,383,730	4,547,291	Total Director of Services	5,722,700
54,160	50,150	Corporate & Democratic Core	54,550
35,920	25,570	Non Distributed - Revenue Expenditure on Surplus Assets	8,000
78,940	77,420	Non Distributed - Retirement Benefits	78,002
10,197,660	9,200,824	NET COST OF SERVICES	10,366,660
(1,406,740)	(1,393,690)	Net Recharges from General Fund	(1,378,560)
8,790,920	7,807,134	NET COST OF SERVICES AFTER RECHARGES	8,988,100
		Corporate Items and Financing	
		Corporate Income and Expenditure	
0	0	Acquisitions of Sites	400,000
1,148,480	1,148,480	Net Financing Costs	1,030,857
(43,000)	(91,000)	Investment Income	(92,000)
160,000	160,000	Corporate Contingency	183,000
86,672	86,672	Localisation of Council Tax Support Grant - Parish	100,076
10,143,072	9,111,286	NET REVENUE EXPENDITURE	10,610,033
403,425	1,435,211	Contribution to (from) General Fund Balance	(0)
10,546,497	10,546,497	AMOUNT TO BE MET FROM GOVERNMENT GRANT AND COUNCIL TAX (Budget Requirement)	10,610,033
		Financed By	
1,774,674	1,774,674	Formula Grant	1,761,262
55,953	55,953	Council Tax Freeze Grant	58,056
1,395,484	1,395,484	New Homes Bonus	2,123,066
147,136	147,136	Transfer from Collection Fund	25,106
660,614	660,614	Localisation of Council Tax Support Grant	0
4,610,555	4,610,555	Council Tax	4,704,117
2,062,631	2,062,631	National Non-Domestic Rates Baseline	2,102,044
(160,550)	(160,550)	National Non-Domestic Rates Safety Net	(163,618)
10,546,497	10,546,497	TOTAL FUNDING AVAILABLE	10,610,033
		SPECIAL EXPENSES	
792,730	770,681	Community Services	584,280
(107,040)	(107,040)	Net Financing Costs	(99,080)
685,690	663,641	NET COST OF SERVICES AFTER RECHARGES	485,200
		Financed By	
6,165	(15,884)	Use of Reserves	(487)
584,140	584,140	Council Tax	418,004
95,385	95,385	Localisation of Council Tax Support Grant	67,683
685,690	663,641		485,200

APPENDIX F

SPECIAL EXPENSES	2014/15		2015/16
	ORIGINAL ESTIMATE	PROJECTED OUTTURN	ESTIMATE
	£	£	£
COALVILLE			
Parks, Recreation Grounds & Open Spaces	256,860	260,920	262,990
Broomley's Cemetery	22,960	3,340	10,960
C/V War Memorials/Grass Verge Cutting	17,640	20,640	17,830
One Off Grants	3,000	3,000	3,000
Coalville Events	40,700	41,820	42,810
RCCO	0	0	10,000
	341,160	329,720	347,590
WHITWICK			
Parks, Recreation Grounds & Open Spaces	120,500	120,297	0
Cemetery	16,930	10,940	10,500
Grass Verge Cutting	4,410	4,410	610
Asset Protection	12,500	12,500	0
	154,340	148,147	11,110
HUGGLESCOTE			
Parks, Recreation Grounds & Open Spaces	34,250	35,540	0
Cemetery	17,240	11,940	14,360
Grass Verge Cutting	3,300	3,300	0
One Off Grants	750	750	0
Asset Protection	3,500	3,500	0
	59,040	55,030	14,360
PLAY AREAS/CLOSED CHURCHYARDS			
GROUNDS MAINTENANCE:			
OSGATHORPE	340	340	350
COLEORTON	3,190	3,190	3,240
KEGWORTH	400	0	0
RAVENSTONE	340	340	350
MEASHAM	1,820	1,820	1,850
LOCKINGTON-CUM-HEMINGTON	1,790	1,790	1,820
OAKTHORPE & DONISTHORPE	3,710	3,710	3,760
STRETTON	1,300	1,300	1,320
APPLEBY MAGNA	1,570	1,570	1,590
OTHER SPECIAL EXPENSES	14,460	14,060	14,280
SPECIAL EXPENSES (NET COST OF SERVICE)	569,000	546,957	387,340
Service Management recharges	116,690	116,690	97,860
ANNUAL RECURRING EXPENDITURE	685,690	663,647	485,200
FUNDED BY:			
Use of Reserves	6,165	-15,876	-488
Precept	584,140	584,139	418,005
Localisation of Council Tax Support Grant	95,385	95,384	67,683
	685,690	663,647	485,200