



This meeting will be recorded and the sound recording subsequently made available via the Council's website: charnwood.gov.uk/pages/committees

Please also note that under the Openness of Local Government Bodies Regulations 2014 that other people may film, record, tweet or blog from this meeting. The use of any images or sound recordings is not under the Council's control.

To: All Members of the Borough Council

You are requested to attend the meeting of the Charnwood Borough Council to be held in The Preston Room, Woodgate Chambers, Woodgate, Loughborough on Monday, 21st January 2019 at 6.30 pm for the following business.

Chief Executive

Southfields
Loughborough

11th January 2019

AGENDA

1. APOLOGIES
2. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS
3. MINUTES OF THE PREVIOUS MEETING 7 - 19
To confirm the minutes of the Council meeting held on 5th November 2018.
4. ANNOUNCEMENTS
 - 4.1. MAYOR'S ANNOUNCEMENTS
To receive announcements from the Mayor (if any).

4.2. LEADER'S ANNOUNCEMENTS

To consider significant, recent matters affecting the Council or the Borough (if any).

4.3. CHIEF EXECUTIVE'S ANNOUNCEMENTS

To receive announcements from the Chief Executive (if any).

5. PETITIONS

To allow councillors to formally submit petitions for consideration under the Council's petition scheme, as set out in Full Council Procedure 9.8.

6. BUSINESS RESERVED TO COUNCIL

To consider the following matters reserved to Council in accordance with Section 5 of the Constitution:

6.1. MEDIUM TERM FINANCIAL STRATEGY 2019-2022 20 - 55

A report of the Cabinet, enabling the Council to consider a Medium Term Financial Strategy for 2019-2022, is attached.

6.2. TREASURY MANAGEMENT UPDATE - MID-YEAR REVIEW FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018 56 - 73

A report of the Cabinet, enabling the Council to consider the mid-year review of the Treasury Management Strategy and Annual Investment Strategy, plus the various Prudential Borrowing and Treasury Indicators for the first six months of 2018/19, is attached.

6.3. CAPITAL PLAN AMENDMENT REPORT 74 - 87

A report of the Cabinet, seeking approval for changes to the 2018/19 to 2020/21 Capital Plan and its financing, is attached.

6.4. REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS - OUTCOME 88 - 110

A report of the Chief Executive, presenting the outcomes of the required review of polling districts, polling places and polling stations within the Borough, is attached.

6.5. AUTHORISATION OF ABSENCE - COUNCILLOR DAVID GASKELL 111 - 112

A report of the Chief Executive, enabling the Council to consider authorising Councillor David Gaskell's absence from

meetings in accordance with section 85(1) of the Local Government Act 1972, is attached.

6.6. POLITICAL BALANCE AND APPOINTMENTS TO COMMITTEES FOR 2018/19

113 - 118

A report of the Chief Executive, enabling the Council to consider the political balance of the applicable Council committees for 2018/19, appointments to committees in accordance with the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990 and other appointments as required, is attached.

7. CALL-IN REFERENCES

There are no references to Council following the call-in of a Cabinet decision under Scrutiny Committee Procedure 11.7.

8. POSITION STATEMENTS

No requests for position statements have been received.

9. MOTIONS ON NOTICE

No motions on notice have been received.

10. QUESTIONS ON NOTICE

To deal with the following questions on notice, submitted under Full Council Procedure 9.9(a):

10.1. FIVE YEAR HOUSING LAND SUPPLY

Question submitted by Councillor Snartt.

10.2. ALTERNATIVE MEANS OF ASSISTING BEGGARS AND ROUGH SLEEPERS

Question submitted by Councillor Parton.

10.3. PRIORITY NEIGHBOURHOOD AREAS IN CHARNWOOD

Question submitted by Councillor Parton.

10.4. PEOPLE ZONES

Question submitted by Councillor Draycott.

10.5. FOOD SAFETY INSPECTIONS

Question submitted by Councillor Draycott.

10.6. PROVISION OF AFFORDABLE AND SOCIAL HOUSING

Question submitted by Councillor Keith Harris.

10.7. CHIEF EXECUTIVE'S PERFORMANCE AND DEVELOPMENT REVIEWS

Question submitted by Councillor Hayes.

10.8. LOUGHBOROUGH TOWN CENTRE

Question submitted by Councillor Hamilton.

10.9. ACCESS TO SOCIAL HOUSING FOR MEMBERS OF THE ARMED FORCES, VETERANS AND THEIR FAMILIES

Question submitted by Councillor Bradshaw.

10.10. PEST CONTROL SERVICE

Question submitted by Councillor Forrest.

11. MINUTE REFERENCES

There are no minute references.

12. URGENT EXECUTIVE DECISIONS EXEMPTED FROM CALL-IN 119 - 134

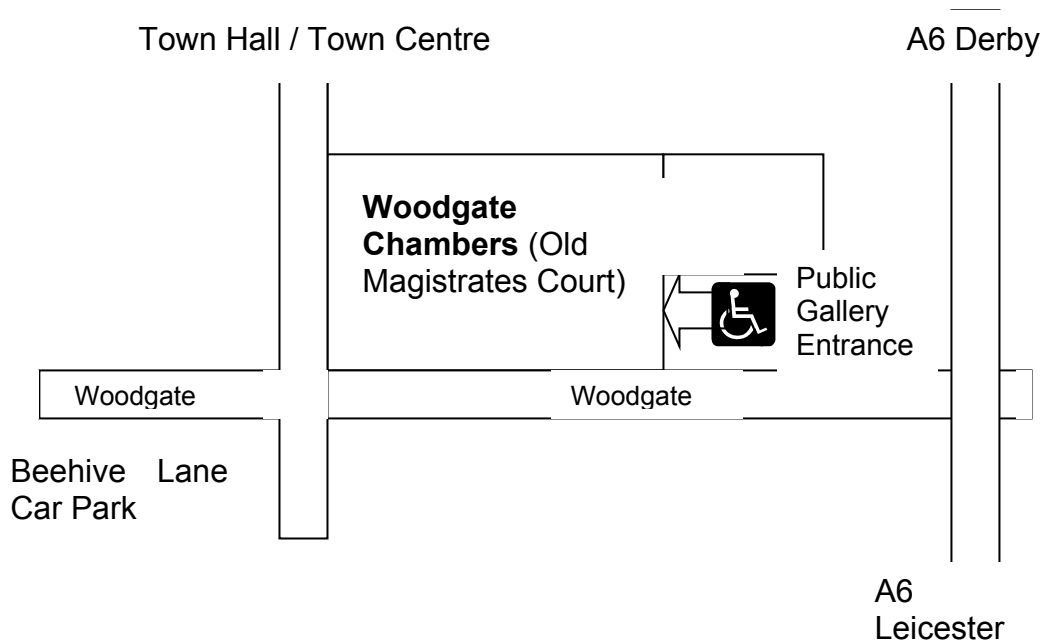
A report of the Chief Executive, informing the Council of a number of urgent decisions that were exempted from call-in in accordance with Scrutiny Committee Procedure 11.9, is attached.

13. EXEMPT ITEMS

To consider exempt items of business, if any.

WHERE TO FIND WOODGATE CHAMBERS AND PUBLIC ACCESS

Woodgate Chambers
70 Woodgate
Loughborough
Leics
LE11 2TZ



INFORMATION FOR ATTENDING THE MEETING



Please turn your mobile phone on to silent during the meeting.



Toilet facilities are available for members of the public at the back of the Public Gallery. Toilet facilities are available for members attending the meeting on the opposite side of the Foyer.



Please note that smoking is not permitted by law within the building and is also not permitted outside the building anywhere on the site. Please observe notices which request no smoking around the entrances.

Forthcoming scheduled meetings of Council

Council Meeting Date	Deadline Date and Time for Councillors to submit Questions on Notice (under Full Council Procedure 9.9(a)), Requests for Position Statements (under Full Council Procedure 9.10) and Motions on Notice (under Full Council Procedure 9.11(a))
Monday, 25th February 2019	Friday, 15th February 2019 at noon
Monday, 25th March 2019	Friday, 15th March 2019 at noon

Councillors, please send your question, request for position statement or motion on notice to:

Karen Widdowson, Democratic Services Manager
Council Offices, Southfield Road, Loughborough, LE11 2TX
Email: democracy@charnwood.gov.uk

CHARNWOOD BOROUGH COUNCIL

**MEETING OF THE CHARNWOOD BOROUGH COUNCIL
HELD IN
THE PRESTON ROOM, WOODGATE CHAMBERS, WOODGATE,
LOUGHBOROUGH
ON 5TH NOVEMBER 2018**

PRESENT

The Mayor (Councillor C. Harris)
The Deputy Mayor (Councillor Seaton)

Councillor Barkley	Councillor Lowe
Councillor Bebbington	Councillor Mercer
Councillor Bentley	Councillor Miah
Councillor Bokor	Councillor Morgan
Councillor Bradshaw	Councillor Murphy
Councillor Brookes	Councillor Pacey
Councillor Capleton	Councillor Page
Councillor Draycott	Councillor Paling
Councillor Forrest	Councillor Parsons
Councillor Fryer	Councillor Parton
Councillor Gerrard	Councillor Poland
Councillor Grimley	Councillor Ranson
Councillor Hachem	Councillor Rattray
Councillor Hadji-Nikolaou	Councillor Rollings
Councillor Hamilton	Councillor Savage
Councillor Hampson	Councillor Shepherd
Councillor Harper-Davies	Councillor Smidowicz
Councillor K. Harris	Councillor Snartt
Councillor Hayes	Councillor Tassell
Councillor Huddleston	Councillor Taylor
Councillor Hunt	Councillor Tillotson
Councillor Jukes	Councillor Vardy

Honorary Aldermen Shields and Tormey

41. COUNCILLOR JOHN SUTHERINGTON

The Mayor opened the meeting and welcomed Councillor Shona Rattray to her first Council meeting following her election for the Birstall Wanlip ward on 13th September 2018.

The Mayor informed Council of the death of Councillor John Sutherland. The Mayor stated that Councillor Sutherland had been a councillor since 1999 and had served the people of Charnwood, and Anstey in particular, with dedication and distinction for all those years, always accompanied by kindness and his warm sense of humour. The Mayor invited councillors to stand for a minute's silence in memory of Councillor Sutherland and in sympathy with his family and friends.

The Mayor then went on to state that that the meeting was being recorded and the sound recording would be made available on the Council's website. In addition, under the Openness of Local Government Bodies Regulations people may film, record, tweet or blog the meeting and that was outside the Council's control.

42. APOLOGIES

Apologies for absence had been received from Councillors Campsall, Cooper, Gaskell, Radford and Smith and from Honorary Aldermen Bush and Stott.

43. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

The Mayor referred to the fact that councillors may have received lobbying emails and leaflets from the Campaign to Protect Rural England and the South and East Leicestershire Action Group in relation to item 6.3 on the agenda, the Leicester and Leicestershire Strategic Growth Plan, and in particular the proposed A46 expressway. The Mayor advised that if any councillor felt that they did not have an open mind on the matter then they should declare that and not take part in consideration of that agenda item.

The following disclosures of pecuniary and personal interests were made:

- (i) by Councillor Bentley – personal interests in items 6.3, Leicester and Leicestershire Strategic Growth Plan, and 8B, To Update the Council on the Current Situation regarding Local Government in Leicestershire, as a member of Leicestershire County Council;
- (ii) by Councillor Fryer – personal interests in items 6.3, Leicester and Leicestershire Strategic Growth Plan, and 8B, To Update the Council on the Current Situation regarding Local Government in Leicestershire, as a member of Leicestershire County Council;
- (iii) by Councillor Grimley – a personal interest in item 6.3, Leicester and Leicestershire Strategic Growth Plan, as he represented an area that would be affected by the Plan and had received representations from parish councils and parish meetings in his ward and interested local groups; he had expressed concerns about the proposals but would listen to the debate and had an open mind;
- (iv) by Councillor Miah – personal interests in items 6.1, Capital Plan Amendment Report, 6.3, Leicester and Leicestershire Strategic Growth Plan, and 8B, To Update the Council on the Current Situation regarding Local Government in Leicestershire, as a member of Leicestershire County Council;
- (v) by Councillor Parton – personal interests in items 6.1, Capital Plan Amendment Report, 6.3, Leicester and Leicestershire Strategic Growth Plan, and 8B, To Update the Council on the Current Situation regarding Local Government in Leicestershire, as a member of Leicestershire County Council, and a personal interest in item 10.5, Loughborough Town Centre Initiatives to Encourage Retail Health, as a member of the Loughborough Town Team appointed by Leicestershire County Council;

- (vi) by Councillor Poland – personal interests in items 6.3, Leicester and Leicestershire Strategic Growth Plan, and 8B, To Update the Council on the Current Situation regarding Local Government in Leicestershire, as a member of Leicestershire County Council;
- (vii) by Councillor Rollings – a personal interest leading to bias in item 6.3, Leicester and Leicestershire Strategic Growth Plan, as two clients of the firm that he worked for had made representations on the Plan; although he had not been directly involved he would withdraw during the consideration of the item;
- (viii) by Councillor Seaton – personal interests in items 6.3, Leicester and Leicestershire Strategic Growth Plan, and 8B, To Update the Council on the Current Situation regarding Local Government in Leicestershire, as a member of Leicestershire County Council;
- (ix) by Councillor Shepherd – personal interests in items 6.3, Leicester and Leicestershire Strategic Growth Plan, and 8B, To Update the Council on the Current Situation regarding Local Government in Leicestershire, as a member of Leicestershire County Council;
- (x) by Councillor Taylor – personal interests in items 6.3, Leicester and Leicestershire Strategic Growth Plan, and 8B, To Update the Council on the Current Situation regarding Local Government in Leicestershire, as a member of Leicestershire County Council.

44. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of Council held on 3rd September 2018 were confirmed as a correct record and signed.

Councillor Hayes stated that he wished it to be recorded that minutes 36(a) and 36(b) were an abbreviated version of what had been said at the meeting.

45. ANNOUNCEMENTS

45.1 MAYOR'S ANNOUNCEMENTS

The Mayor welcomed Professor Allison, Vice-Chancellor of Loughborough University and Rahul Mathesing, President of Loughborough Students' Union to the meeting.

Professor Allison stated that Loughborough's twin town of Epinal had presented a gift of a beehive to Loughborough to commemorate the sixtieth anniversary of the twinning of the two towns in 2016. The beehive had been donated to the University by the then Mayor, Councillor Gaskell, and this year it had produced 200 pounds of honey.

As a token of the University's appreciation and to thank the Council for its support Professor Allison wished to present a jar of the honey, which had been named Loughborough Gold, to each councillor. In addition Professor Allison referred to the support given to the University by the Council's Civic Officers, former Mayors Paul Day and Diane Wise, and former Leader of the Council David Slater.

The Mayor thanked Professor Allison and welcomed Rahul Mathasing as the new Students' Union President.

45.2 LEADER'S ANNOUNCEMENTS

The Leader made the following announcements.

Vichai Srivaddhanaprabha

People across Leicestershire and the footballing world were shocked and deeply moved by the death of the chairman of Leicester City Football Club and four other people at the weekend. The club is a committed and integral part of the city and county community and its achievements have brought immeasurable joy and pride to many people. To show its support for the club the Council has been lighting the outside of the Southfields offices in blue and has done so again tonight. A book of condolence in memory of those who died has also been opened. It is in the Council's main reception for anyone who wishes to write a message. I have also written to Leicester City Football Club on behalf of the Council to express our sincere condolences to everyone at the club following the tragic events.

Defence and National Rehabilitation Centre

I would like to welcome the Government's recent Budget announcement to provide an extra £70 million for the Defence and National Rehabilitation Centre at Stanford Hall. While just over the Charnwood border, this world-class facility is very close to Loughborough and we are proud to support it. This Council is a long-time supporter of the Armed Forces, having signed the Armed Forces Covenant and secured funding, with colleagues from Rushcliffe and Melton councils, for a project to improve support for serving and former military personnel. This extra Government funding means that, in time, members of the public will also be able to receive treatment at the DNRC as well as military personnel. This is great news for the area.

Update on Local Government Reform in Leicestershire

As a preliminary announcement prior to the Council's consideration of a wider position statement regarding local government arrangements in Leicestershire, I would like to confirm that Leicestershire's MPs have written to the leaders of all seven district councils and the leader of Leicestershire County Council about their respective reviews of the structure of local government in Leicestershire and specifically the County Council's ambition to create a single unitary council. The MPs have made it very clear that in their view, which is supported by the Secretary of State, commissioning any reviews of the local authority structure is "wholly unnecessary" and any such reviews should immediately stop - which the district councils accept.

45.3 CHIEF EXECUTIVE'S ANNOUNCEMENTS

The Chief Executive made no announcements.

46. PETITIONS

No petitions were submitted.

47. BUSINESS RESERVED TO COUNCIL

47.1 CAPITAL PLAN AMENDMENT REPORT

A report of the Cabinet, seeking approval for changes to the 2018/19-2020/21 Capital Plan and its financing, was submitted (item 6.1 on the agenda filed with these minutes).

It was proposed by Councillor Barkley, seconded by Councillor Taylor and

RESOLVED that the Acquisition of Affordable Housing to meet housing need Housing Revenue Account (HRA) scheme be increased by the sum of £941k and that this sum be added to the Capital Plan in 2019/20 and that it proceeds.

Reason

To confirm that the Acquisition of Affordable Housing to meet housing need HRA scheme should be increased to the sum of £941k, and that the cost be funded 30% from retained 141 capital receipts and 70% from HRA Reserves.

47.2 GAMBLING STATEMENT OF PRINCIPLES 2019-2022

A report of the Licensing Committee, enabling the Council to consider a revised Statement of Principles made under the Gambling Act 2005, was submitted (item 6.2 on the agenda filed with these minutes).

It was proposed by Councillor Pacey and seconded by Councillor Lowe that the Statement of Principles made under the Gambling Act 2005, set out in Annex A to the report of the Licensing Committee, be approved and adopted with effect from 31st January 2019.

In response to a question, Councillor Pacey stated that the Council would look again at the production of a risk map as referenced in the first issue raised in the GamCare consultation response.

RESOLVED that the Statement of Principles made under the Gambling Act 2005, set out in Annex A to the report of the Licensing Committee, be approved and adopted with effect from 31st January 2019.

Reason

To ensure that, under Section 349 of the Gambling Act 2005, the Council has an up to date Statement of Principles to adhere to which sets the Council's policy in respect of meeting the licensing objectives and responsibilities under the Gambling Act 2005.

47.3 LEICESTER AND LEICESTERSHIRE STRATEGIC GROWTH PLAN

A report of the Cabinet, enabling the Council to consider the revised Leicester and Leicestershire Strategic Growth Plan, was submitted (item 6.3 on the agenda filed with these minutes).

Having disclosed a personal interest leading to bias, Councillor Rollings left the meeting prior to the consideration of the item.

It was proposed by Councillor Vardy, seconded by Councillor Morgan and

RESOLVED

1. that the Strategic Growth Plan (SGP) "Leicester and Leicestershire 2050: Our Vision for Growth" (attached at Appendix A to the report of the Head of Planning and Regeneration, attached as an Annex to the report of the Cabinet) be approved;
2. that the Chief Executive, following consultation with the Leader and the Joint Strategic Planning Manager, be authorised to agree prior to publication any final minor amendments to the SGP which do not significantly change the overall content or purpose of the document prior to its publication.

Reasons

1. Approval of the Strategic Growth Plan will put in place a key long-term strategy for the future development and prosperity of Leicester and Leicestershire.
2. The revised Strategic Growth Plan document is being submitted to each participating authority for approval during the autumn/early winter and it is likely that, during this process, the need for some minor changes will be identified. Enabling the Chief Executive to make such amendments following consultation with the Leader and Joint Strategic Planning Manager will avoid unnecessary delay. The Joint Strategic Planning Manager reports to all partner organisations and acts on behalf of the Members' Advisory Group (MAG).

48. CALL-IN REFERENCES

Councillor Rollings rejoined the meeting.

There were no call-in references from Scrutiny.

49. POSITION STATEMENTS

The texts of the position statements were submitted (item 8 on the agenda filed with these minutes).

49.1 RESPONSE TO THE ROLLOUT OF UNIVERSAL CREDIT IN THE BOROUGH

The position statement was presented by Councillor Mercer and the following issues were raised:

- (i) The introduction of Universal Credit was a significant change to the benefits system. The Government's aim was to simplify the benefits system, including replacing tax credits, and make working more financially advantageous for individuals.
- (ii) Problems with the introduction of Universal Credit had been well documented along with the difficulties experienced by claimants, especially the most vulnerable. There was a particularly problem associated with the gap between making a claim and receiving benefit payments.
- (iii) The Council had to deal with the introduction of Universal Credit and had responded by putting in place a comprehensive set of measures. The work of Council officers in doing so on behalf of vulnerable residents was commended.
- (iv) There were concerns that the introduction of Universal Credit would result in an increase in Council rent arrears.
- (v) Some councillors had received correspondence relating to difficulties experienced by people as a result of the introduction of Universal Credit and others had not.
- (vi) Concerns were expressed regarding how some claimants had been treated by Council staff.

In summing up Councillor Mercer stated that the priority of Universal Credit was encouraging people into work. He was proud of the work Council officers had done in dealing with the introduction of Universal Credit.

49.2 TO UPDATE THE COUNCIL ON THE CURRENT SITUATION REGARDING LOCAL GOVERNMENT IN LEICESTERSHIRE

The position statement was presented by Councillor Morgan and the following issues were raised:

- (i) Any structural change in local government would require an Act of Parliament and evidence of local support. Local MPs had stated that they were not willing to support Leicestershire County Council's proposal for a single unitary authority.
- (ii) All councillors should have been involved in determining the Council's position on the matter. It should not be determined solely by the Leader of the Council or local MPs.

- (iii) Some form of reorganisation at a point in the future should not be ruled out and it could take the form of one, two or three unitary authorities. A structure with two or three councils would be closer to local people.
- (iv) It was important that local authorities in Leicestershire worked together to consider the options that were available.
- (v) Undertaking further work on the matter at the current time appeared to be a waste of Council resources.
- (vi) Different views were expressed regarding the savings that would result from reorganisation.
- (vii) Leicestershire County Council intended to continue with its consultation exercise and that would enable the views of stakeholders and the public to be known.

In summing up Councillor Morgan stated that any dialogue and process of change would take time. It was important that any proposals were the best ones for the public as the process of reorganisation itself could have a negative effect on the services that were provided.

50. MOTIONS ON NOTICE

No motions on notice had been submitted.

51. QUESTIONS ON NOTICE

The questions on notice and the responses of the Leader or his nominee were submitted (item 10 on the agenda filed with these minutes).

51.1 COUNCILLOR DRAYCOTT - CHARNWOOD LOTTERY

Councillor Draycott thanked the Lead Member for her response and stated that one reason for the low take up of the lottery was that the chances of winning one of the prizes were very low. Information regarding the chances of winning was available on the Council's website but had not been highlighted in the committee reports relating to the introduction of the lottery. A low take up would mean that it would take longer for the costs of setting up the scheme to be recovered.

Councillor Taylor provided an update on the number of people and organisations participating in the lottery and stated that the main reason people bought tickets was to contribute to good causes rather than because of the chance that they might win a prize. It was necessary for there to be a platform, which had to be paid for, in order for the lottery to operate.

51.2 COUNCILLOR DRAYCOTT - INTRODUCTION OF UNIVERSAL CREDIT

Councillor Draycott stated that the Council had done first class work to prepare for the introduction of Universal Credit but it was still having an effect on people. There were 242 tenants on Universal Credit who were in rent arrears and 40 had received a notice of seeking possession or other legal action. The Lead

Member also could not say how many rent arrears letters had been sent out to those tenants. She asked the Lead Member to intervene in those 40 cases so that the tenants were not evicted. The total amount of arrears of Universal Credit claimants was £129,000 and, as reported to the Housing Management Advisory Board, substantial arrears were building up.

Councillor Mercer stated that he had looked at the 40 cases in more detail and only one of those tenants had gone into arrears after Universal Credit had been introduced. The Council always had some tenants who were in arrears. The Council would help those tenants who were struggling to pay. The Council would only evict tenants if they were deliberately avoiding paying their rent and then only following a gradual process which took longer than the waiting time for the initial payment of Universal Credit. It was too early to say what the overall effect of Universal Credit on arrears would be.

51.3 COUNCILLOR BRADSHAW - LICENSING OF HOUSES IN MULTIPLE OCCUPATION

Councillor Bradshaw thanked the Lead Member for the response and requested that further information be provided regarding:

- the total number of houses in multiple occupation (HMOs) in Charnwood and the number of those that were in Loughborough
- the total number of HMOs that had a licence in Charnwood and the number of those that were in Loughborough
- the total number of HMOs that appeared to require a licence, based on research undertaken at Loughborough University, in Charnwood and the number of those that were in Loughborough.

Councillor Smidowicz stated that she would provide the information requested. Information had been publicised in the local press regarding the number of HMOs but not all of the HMOs identified by the research would require a licence. Not all HMOs were occupied by students and not all HMOs were in Loughborough. The Council was prioritising those properties where there might be problems and ensuring that HMOs had the appropriate gas safety certificates and electrical wiring checks.

NOTE: The information requested is set out in the appendix to these minutes.

51.4 COUNCILLOR PARTON - WASTE ACCUMULATION COMPLAINTS AT HOUSES IN MULTIPLE OCCUPATION

Councillor Parton stated that for some students careful disposal of waste was not a priority and some landlords were not interested in the issue. He asked whether the licensing of landlords would have an effect on the problem and stated that he and Councillor Mercer would be making a suggestion that Loughborough University should contribute to a waste education programme for students.

Councillor Smidowicz stated that she had visited five different wards and been shocked by the waste that had been left. From the nature of the waste it was clear that not all of the people causing those problems were students. She was surprised that people had not complained to the Council about the problems and there was a role for councillors and the public to ensure that the Council was aware of those problems.

51.5 COUNCILLOR PARTON - LOUGHBOROUGH TOWN CENTRE INITIATIVES TO ENCOURAGE RETAIL HEALTH

Councillor Parton stated that it was important that the public understood both how difficult trading conditions were and what the Council, Loughborough BID and the Loughborough Town Team were doing to provide support for Loughborough town centre. It was important that everybody worked together as the problems for traders would only get worse.

Councillor Vardy thanked Councillor Parton for his question and stated that the recent Budget had included an announcement about Business Rates relief for small businesses and funding to help with the reinvigoration of high streets. It was not yet clear how those initiatives would operate in practice but the Council would seek for some of that funding to be directed to Charnwood. It was important that the Council did what it could but businesses also had to respond imaginatively to meet the challenges ahead.

51.6 COUNCILLOR PARTON - THE WORK OF COMMUNITY HUBS

Councillor Parton referred to his role as Community Cohesion Champion. He had recently visited the three Community Hubs in Loughborough and had been greatly impressed by the work that was being done there and the people who were undertaking that work in areas that were affected by deprivation and increased isolation.

Councillor Taylor thanked Councillor Parton for what he had said and stated that she echoed his words. The Community Hubs did great work and she was very proud of them.

51.7 COUNCILLOR MIAH - CEMETERY PROVISION FOR LOUGHBOROUGH

Councillor Miah thanked the Lead Member for her honest answer. He stated that the Cabinet had got it wrong to initially support the Allendale Road site and that scrutiny had done its job. However there had been no consequences arising from that and the extra costs that had been incurred by the Council as a result, and the Lead Member should therefore apologise.

Councillor Bokor stated that she was bemused by Councillor Miah's statement. It had been an excellent example of decision making including the value of scrutiny. The process of checks and balances had worked and following further examination of all the options the Cabinet's preferred option had been supported by public consultation.

52. MINUTE REFERENCES

There were no minute references.

53. CHANGES TO THE DELEGATION OF EXECUTIVE FUNCTIONS

A report of the Chief Executive, informing the Council of changes to the delegation of Executive functions, was submitted (item 12 on the agenda filed with these minutes).

54. URGENT EXECUTIVE DECISIONS EXEMPTED FROM CALL-IN

A report of the Chief Executive, informing the Council of a number of urgent decisions that were exempted from call-in in accordance with Scrutiny Committee Procedure 11.9, was submitted (item 13 on the agenda filed with these minutes).

In response to a question from Councillor Draycott, Councillor Morgan stated that a written response would be provided by the Lead Member for Housing regarding whether the purchase of three-bedroomed properties, as opposed to two-bedroomed properties and bungalows, as additional Housing Revenue Account properties for rental was in accordance with the Council's policy.

NOTE: The written response referred to above is still awaited.

55. APPOINTMENTS TO COMMITTEES

A report of the Chief Executive, to confirm changes to the membership of committees, was submitted (item 14 on the agenda filed with these minutes).

It was proposed by Councillor Morgan, seconded by Councillor Barkley and

RESOLVED that the appointments set out below be made:

Committee	Past representative	New representative
Overview Scrutiny Group	Vacancy	Councillor Gerrard
Appeals and Reviews Committee (Vice-chair)	Councillor Gaskell	Councillor Hunt
Member Conduct Committee	Councillor Gaskell	Councillor Ranson
Plans Committee	Councillor Gaskell	Councillor Gerrard

Reason

To reflect the wishes of the Conservative group in making appointments to committees and to comply with sections 11.2(d) and 12.4(a) of the Council's Constitution.

Note:

These minutes are subject to confirmation as a correct record at the next meeting of the Council which is scheduled for Monday 21st January 2019

COUNCIL - 5TH NOVEMBER 2018

Responses to questions and requests for additional information

Minute No. 51.3 - Councillor Bradshaw – Licensing of Houses in Multiple Occupation

The following information was requested.

Question	Response
Total number of HMOs in Charnwood and the number of those that are in Loughborough	2,509 HMOs in Charnwood 1,853 of which are in Loughborough.
Total number of HMOs that have a licence in Charnwood and the number of those that are in Loughborough	393 Licensed HMOs in Charnwood 391 of which are in Loughborough
Total number of HMOs that appear to require a licence based on research undertaken at Loughborough University and the number of those that are in Loughborough	189 (2 storey or less 'new' licensable HMOs) in Charnwood 183 of which are in Loughborough

Minute No. 54 Urgent Executive Decisions Exempted from Call-in

A written response regarding whether the purchase of three-bedroomed properties, as opposed to two-bedroomed properties and bungalows, as additional Housing Revenue Account properties for rental was in accordance with the Council's policy is still awaited.

COUNCIL – 21ST JANUARY 2019

Report of the Cabinet

ITEM 6.1 MEDIUM TERM FINANCIAL STRATEGY 2019-2022

Purpose of Report

To consider a Medium Term Financial Strategy for 2019-2022.

Recommendation

That the Medium Term Financial Strategy 2019-2022, as appended to the report to the Cabinet (attached as an Annex), be approved.

Reason

To identify the financial issues affecting the Council and the Borough in the medium term in order to provide a base for priorities to be set and to inform the Council's budget-setting process.

Policy Justification and Previous Decisions

The Medium Term Financial Strategy is prepared annually and is the key document for medium term financial planning within the authority. It is one of the Council's main strategies and helps the Council identify its priorities and set targets for what it plans to achieve.

The draft Medium Term Financial Strategy 2019-2022 was scrutinised by the Budget Scrutiny Panel on 2nd October 2018.

At its meeting on 15th November 2018, the Cabinet considered a report of the Strategic Director of Corporate Services to bring forward the Medium Term Financial Strategy 2019-2022 for consideration and recommendation to Council. That report is attached as an Annex and includes a correction to the appended Medium Term Financial Strategy 2019-2022 as detailed in Cabinet Minute 51 2018/19.

The Cabinet resolved that it be recommended to Council that the Medium Term Financial Strategy 2019-2022 be approved, to identify the financial issues affecting the Council and the Borough in the medium term in order to provide a base for priorities to be set and to inform the Council's budget-setting process.

Implementation Timetable including Future Decisions and Scrutiny

The Medium Term Financial Strategy will provide a base for priorities to be set and inform the Council's budget-setting process.

Report Implications

Financial Implications

There are no financial implications associated with the recommendation of the Cabinet further to those detailed in the report of the Strategic Director of Corporate Services, which is attached as an Annex.

Risk Management

There are no risks associated with the recommendation of the Cabinet further to those detailed in the report of the Strategic Director of Corporate Services, which is attached as an Annex.

Key Decision: Yes

Background Papers: [Budget Scrutiny Panel 2nd October 2018 – Minutes](#)

Officer to Contact: Laura Strong
Democratic Services Officer
(01509) 634734
laura.strong@charnwood.gov.uk

CABINET – 15TH NOVEMBER 2018

Report of the Strategic Director of Corporate Services

Lead Member: Councillor Tom Barkley

Part A

ITEM MEDIUM TERM FINANCIAL STRATEGY 2019 - 2022

Purpose of Report

To bring forward a Medium Term Financial Strategy (MTFS) for consideration by Cabinet and recommendation to Council.

Recommendations

That it be recommended to Council that the MTFS 2019 to 2022, attached as an Appendix, be approved.

Reasons

To identify the financial issues affecting the Council and the Borough in the medium term in order to provide a base for priorities to be set and to inform the Council's budget setting process.

Policy Justification and Previous Decisions

The MTFS is prepared annually and is the key document for medium term financial planning within the authority. It is one of the Council's core strategies and helps the Council identify its priorities and set targets for what we plan to achieve.

The Draft MTFS was approved for consultation by Cabinet at their meeting on 13th September 2018 (minute ref: 36), and was scrutinised by the Budget Scrutiny Panel on 2nd October 2017 and this final version will be available for scrutiny by the Overview Scrutiny Group on 12th November 2018.

If agreed by Cabinet, this MTFS will go to full Council for approval on 21st January 2019.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no direct financial implications arising from this report.

Risk Management

There are no direct risks associated with the decision Cabinet is asked to make in respect of this report.

Key Decision: Yes

Background Papers: None

Officer to contact Simon Jackson
Strategic Director of Corporate Services
01509 634699
simon.jackson@charnwood.gov.uk

Part B

Background

1. The draft Medium Term Financial Strategy (MTFS) 2019 to 2022 was considered by both Cabinet and the Budget Scrutiny Panel on 13th September and 2nd October 2018 respectively.
2. The Budget Scrutiny Panel made a number of comments and observations in respect of the draft MTFS 2019 to 2022 and asked that the Lead member for Finance & Property consider the matters raised and respond to the Panel with his comments and views thereon.
3. The various issues raised for consideration by the Panel are set out in the minutes of that meeting.
4. This final version of the Medium Term Financial Strategy was updated in October 2018. In this version it has been possible to gain a little more certainty around the New Homes Bonus award for 2019/20 and some refinement of the projections for the ongoing costs of the environmental Services contract has been undertaken. Following recent budget monitoring reports it has also been deemed appropriate to revise the potential level of savings that can be achieved in future years in respect of identified underspends.
5. In summary the financial projections now show:
 - 2019/20 will see £1.097m use of reserves (including a £0.2m adjustment to the collection fund) assuming that £0.5m of transformation and efficiency savings can be delivered
 - 2020/21 will see a further £0.526m use of reserves assuming that £0.7m of transformation and efficiency savings can be delivered]
 - 2021/22 will see revenues exceed expenditure by £0.073m, therefore adding this amount back into reserves, assuming that £1.0m of transformation and efficiency savings can be delivered.
6. Over the three year MTFS period this would imply a net use of reserves of £1.550m, with the Council reaching a stable-state financial position in the final year of the MTFS.
7. Whilst the MTFS has been compiled having regard to available information, the level of uncertainty within the financial projections is particularly significant, due principally to outcome of the government's Fair Funding review, due for completion in the latter part of 2019, and the new local government funding regime likely from the 2020/21 financial year.

8. It is worth reiterating the MTFS is not the actual budget (which has to be approved by the full Council) and no assumption, analysis or projection should be construed as any decision which would constrain the Council's budget setting process.

Appendix

Charnwood Borough Council Medium Term Financial Strategy 2019 – 2022



FINAL – OCTOBER 2018

**Charnwood Borough Council
Medium Term Financial Strategy
2019 – 2022**

Table of Contents

1. Foreword	3
2. Executive summary	5
3. Introduction	6
4. Political, economic and regulatory outlook	8
5. Financial projections - overview	9
6. The local government financing regime	9
7. Treasury management and projected investment income	19
8. Key operational assumptions	20
9. Transformation and Efficiency Plans	22
10. Existing financial resources and use of prudential borrowing	25
11. Financial Projections 2018 - 2021	27
12. Risk and sensitivities	29
13. Note on the Housing Revenue Account	30
14. Reserve Strategy, Action plans and Efficiencies	30
15. Monitoring, Delivery and Review	30

VERSION CONTROL

<i>Version</i>	<i>Author</i>	<i>Comments</i>
0.0	Simon Jackson	Initial draft (August)
0.1	Simon Jackson	Initial draft – continued (August)
1.0	Simon Jackson	Final SJ version – 17 Aug 2018
1.1	Clare Hodgson	Minor amends – 21 Aug 2018
2.0	Simon Jackson	Update – October 2018
2.1	Simon Jackson	Update – refined – 23 October 2018

1. Foreword

Mahatma Ghandi is reported to have said “*The future depends on what you do today*”. Here at Charnwood we are laying strong financial foundations for our future which include investing in the local economy and reviewing our treasury strategy in order to be less dependent upon central funding, as well as developing transformation and efficiency plans to ensure we make the most of the resources we have available.



Autumn is the time that we reflect on the Council’s financial position and consider our prospects in the medium term, with the outcome of this process set out in the Medium Term Financial Strategy. I am pleased to share this edition of our Strategy and hope that it provides a sense of the financial opportunities, uncertainties and challenges facing the Council in the next few years.

The Council remains in a sound financial position with good levels of financial reserves. We have a history of prudent financial management and our expenditure remains under control. However, if there is one message that we should draw from this year’s Medium Term Financial Strategy it is that there is no room for complacency.

It is generally accepted that public finances are limited whilst demand for public services is increasing. Nationally, local government competes for resources with the likes of the NHS, Ministry of Defence and Department for International Aid, in an environment where economic growth – and the associated tax revenues - is uncertain. Within the local government sector there is evidence that some services, such as adult and children’s social care, are under stress and there is lobbying from certain groups of local authorities to secure additional funding in these areas. We have also seen the financial failure of one major local authority and reports suggesting that others are on the brink. The outcome of the government’s ‘Fair Funding review’ which is due in late 2019 and has the potential to create a material impact on local government funding from the 2020/21 financial year is therefore of fundamental interest to all within the sector.

Moving forward, an increasing proportion of our revenue will be generated locally and this offers us an opportunity to contribute to, and benefit from, economic growth across the Borough, particularly that arising from housing growth and our Enterprise Zone sites. However, this opportunity comes with a complex web of rules and restrictions which increase our funding risks and limits the quantum of income we are able to retain for local service delivery and investment. And as I note previously, the Fair Funding review could materially alter our financial position. Combined with the

usual inflationary pressures on our costs and increasing demand for our services, such as those arising from the roll-out of Universal Credit and new responsibilities arising from the Homelessness Reduction Act, taking a forward look at our finances is, as ever, a challenging task.

There are a wide range of potential outcomes that could occur in the period and the revisions that have been made to reflect more up to date information on our housing numbers, adversely affecting our New Homes Bonus, are illustrative of the estimation challenges we face. Generally, but in particular within the current climate, new information which may have a significant impact on our finances arrives on a regular basis and although the preparation of the MTFS is an annual exercise, in reality we keep our financial position under review on an ongoing basis.

Finally, it is important to stress that the numbers presented within the MTFS *do not* represent the budget – publication of these numbers does not in any way constrain the budgetary decisions we will make for the 2019/20 financial year – but clearly the MTFS projections provide food for thought as we move forward in the budget setting process.

Councillor Tom Barkley

Cabinet Lead Member for Finance

October 2018

2. Executive summary

This Medium Term Financial Strategy considers the financial outlook for Charnwood Borough Council ('Charnwood', or the 'Council') for the three financial years 2019/20, 2020/21 and 2021/22. The document's focus is on the 'General Fund'; certain aspects of the Housing Revenue Account are also discussed but the outlook for this is dealt with separately within the 30 year Housing Revenue Account business plan.

At the core of this document are the financial projections for these three years which show the funding challenges during this period. The numbers set out the challenge in three elements:

1. The core financial projections based on known changes to funding streams and the cost base *and* assuming no management action is taken to otherwise mitigate funding shortfalls
2. Indicative projections of the impact of Council efficiency and transformation projects and initiatives that aim to bridge the funding gaps
3. Funding shortfalls for which other efficiency and transformation will be required, or where reserves will be required to balance the budget

In summary the financial projections show:

- 2019/20 will see £1.1m use of reserves (including a £0.2m adjustment to the collection fund) assuming that £0.5m of transformation and efficiency savings can be delivered]
- 2020/21 will see a further £0.5m use of reserves assuming that £0.7m of transformation and efficiency savings can be delivered]
- 2021/22 will see revenues exceed expenditure by £0.1m, therefore adding this amount back into reserves, assuming that £1.0m of transformation and efficiency savings can be delivered

Over the three year MTFS period this would imply a net use of reserves of £1.550m, with the Council reaching a stable-state financial position; ie. expenditure would be matched to income. If achieved, this outcome would be acceptable, but, as the paragraphs below outline, this will require a certain amount of fortune alongside the concerted efforts of both Members and officers of the Council.

Health warning

The numbers presented above come with a very significant health warning. Whilst prepared with all information available, the outcome of the government's Fair Funding review, due for completion in the latter part of 2019, could result in a fundamental reset of the Council's funding base. This review will inform the future share of business rates that the Council is able to retain under the prospective new business rates retention scheme

(due for implementation from 2020/21) and, in particular, the future of the New Homes Bonus Scheme which currently generates around £4m per annum for the Council. Further discussion and scenario modelling of different scenarios for New Homes Bonus are set out in the body of this document but suffice to say, ***the financial projections for the latter years of the MTFs (2020/21 and 2021/22) therefore carry a significant risk.***

Other risks

Beyond the fundamental funding uncertainty the projections above also contain other inherent risks, principally that the Council experiences unavoidable 'service pressures', or is unable to deliver the transformation and efficiency plan (or generate equivalent savings).

This final version of the Medium Term Financial Strategy was updated in October 2018. In this version it has been possible to gain a little more certainty around the New Homes Bonus award for 2019/20 and some refinement of the projections for the ongoing costs of the environmental Services contract has been undertaken. Following recent budget monitoring reports it has also been deemed appropriate to revise the potential level of savings that can be achieved in future years in respect of identified underspends. Overall, however, there are inevitably significant gaps in our knowledge of our circumstances in the future and in particular, the outlook for 2020/21 and 2021/22 will remain very uncertain.

Budgetary approach for 2019/20

It is true to say that the Council has good levels of revenue reserves and there is no requirement to make any 'knee jerk' decision involving immediate cuts to services. But, although sometimes masked within the budget outturn reports, – due to the necessary timings of the originating budget reports and the estimates contained therein - is the fact that the Council is now starting to utilise its reserves. This is apparent from the latest set of financial statements which show that in total, the General Fund revenue reserves (comprising the Working Balance, the Reinvestment Reserve and others) fell from £12.6m on 31 March 2017 to £11.2m on 31 March 2018. So whilst the Council does have the resources to adapt our service offering to reflect future financial realities, this will require proactive planning and effective implementation of these plans. There is no room for complacency.

The budgetary approach proposed is therefore that budgetary targets will be set, informed by the MTFs, that will require the total cost of services to be constrained within an overall affordability envelope.

3. Introduction

The Medium Term Financial Strategy (MTFS) takes a forward look at the political, economic and regulatory environment facing the Council and uses these to create a high level financial model of future potential revenues and costs.

This model is used to identify potentially significant funding surpluses or shortfalls that may arise in the medium term, and to inform the Council's budget setting process. It takes into account existing expenditure patterns together with identified and material cost pressures. The model also incorporates projected savings and efficiencies from the implementation of existing strategies, policies and projects to attempt a holistic view of the Council's future financial position.

In order to balance the desire to take a long term view of the Council's financial future, and the limits on our ability to create meaningful forecasts over such a period, the MTFS has been developed to cover three years, from 1 April 2019 to 31 March 2022.

The purpose of this document can be summarised as follows:

- Outline the principal factors that will influence the availability of the Council's financial resources in the medium term
- Inform and define the medium term service delivery plans of the Council in financial terms
- Inform the budget setting process for the 2019/20 financial year
- Provide the financial basis for the Council to decide its corporate priorities for future years.

This is a high level strategic document which summarises plans over the medium term as they currently stand, based upon current information, projections and assumptions. As additional updated information becomes available these plans will be subject to change and a comparison of the previous MTFS to this document will reflect such changes. In this document a certain amount of detailed budgetary information is presented but this should be regarded as indicative and illustrative. Whilst this document will inform the 2019/20 budget setting process, some of the figures quoted here will be amended and refined as more information comes to light and the 2019/20 budgets are developed.

It is worth reiterating what this document is not; it is ***not*** the actual budget (which has to be approved by the full Council) and no assumption, analysis or projection should be construed as any decision which would constrain the Council's budget setting process.

Scope of the MTFS

This strategy document concentrates on the General Fund, which deals with non-housing revenue items and derives its income from charges, government grants, council tax and business rates. The Housing Revenue Account (HRA) has its own business plan and both General Fund and HRA capital expenditure are subject to a three year programme which is reviewed separately from revenue items. However, the impact of capital investment and the HRA on the General Fund is considered as part of this strategy. The Council's finances are actively managed on

an ongoing basis and the adoption of this strategy will require executive decisions to carry out any significant actions identified.

4. Political, economic and regulatory outlook

At the time of writing the political and economic outlook appears very uncertain. Within the United Kingdom politics and economics are dominated by the exit from the European Union scheduled for March 2019. The terms of this exit are not yet known and the possibility of delays in the process cannot be ruled out. Internationally, there is a trend of protectionism, resulting in increased barriers to trade, which may reduce global economic growth in the medium term. Analysis from PwC (a consultancy) published in July 2018 summarises the UK outlook as follows:

In our main scenario, we project UK growth to remain modest at around 1.3% in 2018 and 1.6% in 2019. This is due to continued subdued real consumer spending growth and the drag on business investment from ongoing economic and political uncertainty relating to the outcome of the Brexit negotiations.

The stronger global economy, and the competitive value of the pound, have boosted UK exports and inbound tourism, offering some support for overall UK GDP growth that should continue through 2018. However, the Eurozone economy has slowed recently and any further escalation of international trade tensions could dampen global growth in 2019 and beyond.

Service sector growth should remain modest but positive in 2018-19, while manufacturing also retains some positive momentum despite a slowdown in early 2018. But the construction sector has fallen back due to the weakness of commercial property investment and this looks set to continue.

From the Charnwood perspective the key concerns are how the wider political and macro-economic factors feed through into the availability of funding for the public sector, what proportion of this will be allocated to local government, and within this allocation – no doubt informed by the Fair Funding review – what the funding settlement for each Council will be.

Both the demand for the Council's services and its income streams are affected by the general economic health of the Borough, and the prevailing interest rate has a direct impact on interest receipts. Areas of deprivation do exist in the Borough but as a whole Charnwood is above averagely prosperous, with a ranking of 237 out of 326 English local authorities¹ (where '1' is the most deprived and '326' the least deprived local authority respectively). This relative prosperity is an important factor in the projected housing growth in the Borough, as evidenced in our draft Local (Development) Plan. If correct, the growth in housing will generate a significant part of

¹ English local authority Index of Multiple Deprivation 2015 (IMD average ranks – File 10; latest result available)

the Council's total income over the next three years based on the current local government financing regime.

More detailed assumptions around the key individual components of the Council's revenue streams and expenditure are set out in subsequent paragraphs of this Strategy.

5. Financial projections - overview

At the heart of this MTFS is the high level financial model. This is used to derive an estimate of the Council's future revenues and costs and the associated impact on the Council's reserves. Subsequent sections describe how the model has been developed and the key assumptions used, as follows:

- Local government financing regime: discusses the projected mix of council tax and government grant revenues over the period of the MTFS
- Treasury management and investment income: discusses the Council's current approach to fund investment and projected levels of interest receivable, together with comments on envisaged future activities.
- Key operational assumptions: describes the derivation and key assumptions underpinning the projections of operational income and expenditure
- Existing financial resources and use of prudential borrowing: describes how revenue and capital expenditure of the Council may be financed over the period of the MTFS using reserves or prudential borrowing
- General Fund financial projections: presents the projected financial outlook for the Council over the period of the MTFS in tabular form

6. The local government financing regime

The Council's funding is derived from a mixture of council tax receipts, new homes bonus payments, a share of locally collected business rates and direct government grant funding. A key continuing theme from the government has been the drive towards financial independence for local authorities and the move towards localism. In practice this means a reduction in levels of direct (formula) grant funding, offset by retention of a share of local business rates and other grant funding relating to housing growth. Development is currently underway around plans for local retention of business rates collected to be increased to 75% (compared to the current 50% retention scheme); it is envisaged, although not formally confirmed, that the new arrangements will be in place from the 2020/21 financial year.

Whilst the future arrangements for local retention of business rates are still somewhat uncertain there seems little doubt that the Revenue Support Grant will be eliminated with the final payments made in the 2019/20 financial year.

For Charnwood, the critical uncertainty is around the future of the New Homes Bonus which forms a major component of Council funding at present. Latest information released by the Government offers no assurances that this funding stream will continue beyond 2019/20 but no alternative approaches to the distribution of this funding pot have yet been proposed.

The principal features of the financing regime and key assumptions and sensitivities in respect of Charnwood are discussed in more detail in the following paragraphs.

Council tax

Anecdotal evidence suggests that there is resistance from local citizens to any significant increases in Council Tax. With this in mind, the Coalition government (2010 – 2015) introduced legislation requiring council tax increases above a certain level to be endorsed by the public through a local referendum and this restrictive approach has continued under the current Conservative administration. However, in recognition of increasing evidence that local authorities are struggling financially the Government has somewhat relaxed the limits at which a local authority would trigger a referendum and in recent years has allowed all District and Borough Councils to increase council tax by up to a maximum of £5 or three percent per band D property as well as allowing authorities with Social Care responsibilities an additional two percent increase on top of the standard cap that would have triggered a referendum. For the purposes of the MTFs, these limits are assumed to apply to District and Borough Councils for each of the financial years considered.

In comparison to other districts, Charnwood's council tax charges are still amongst the lowest in the country as the data from the Department of Communities and Local Government below illustrates:

Table1: Comparison of District Band D Council Tax Charges 2018/19

	Council Tax Band D	Rank (of 201)		Council Tax Band D	Rank (of 201)
NATIONAL PICTURE			LEICESTERSHIRE AUTHORITIES		
<u>Lowest</u>					
Breckland	£85	1	Hinckley & Bosworth	£127	14
West Oxfordshire	£94	2	Charnwood	£139	23
Hambleton	£104	3	Blaby	£158	54
Charnwood	£139	23	Harborough	£168	79
			North West Leicestershire	£173	90
			Melton	£197	133
			Oadby & Wigston	£218	165
<u>Median</u>					
South Holland	£178	100			
North Devon	£178	101			
East Staffordshire	£179	102			
<u>Highest</u>					
Weymouth & Portland	£301	199			
Preston	£305	200			
Ipswich	£352	201			
			* Calculation includes Band D and Share of Loughborough Special Rate (or Equivalent) spread across whole tax base		
			Source: MHCLG		

Given Charnwood's low tax charge and future funding uncertainties it is assumed that Council Tax will increase by the maximum amount of £5 in all of the financial years covered by this MTFS.

The actual amount of Council Tax collected will also vary in line with the tax base, essentially the number of properties against which Council Tax is levied. The tax base for this purpose is expected to increase by 2% year on year over the period of this document. This assumption has been reconsidered for this October version of the MTFS given the lower than expected housing growth for the purposes of the New Homes Bonus calculation. However, given specific information relating to houses under construction (in mid-October 2018 some 800 houses were under construction, suggesting that a c1% increase in the council tax base will arise within the following four months) and the view that underlying housing growth remains strong, this assumption has not been amended.

Table 2: Projected Council Tax income tax increase

<i>(Amounts £000)</i>	<i>2018/19 budget</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>
Assumed council tax income	6,502	6,917	7,347	7,791

Loughborough Special Rate

The town of Loughborough does not have the equivalent of a Town Council and the role that this organisation would fulfill is therefore undertaken by Charnwood Borough Council.

The Loughborough Special Rate is levied on the residents of Loughborough by the Borough Council and is used for activities specifically related to Loughborough town. This set of activities is comparable to those performed by Towns and Parishes and used by other Councils in equivalent situations. These activities have been validated by the Council and include maintenance of parks, cemeteries and memorials, management of allotments and costs associated with the Loughborough Fair and festive decorations. A full list of activities is set out in the Budget Book issued by the Council each year and available at:

https://www.charnwood.gov.uk/files/documents/2018_19_budget_book/2018-19%20Budget%20Book.pdf

For the purposes of the MTFS the Special Rate is assumed to have no increase in rate for any of the years included within the projections. This will have no overall effect upon the council tax income for the Council as a whole because (as stated below) the £5 cap includes increases to the Loughborough Special Rate. No changes to the items included in the Special Rate have been assumed².

It should be noted that for the purposes of assessing whether Council Tax increases are excessive when the government calculates the year on year level of increase for Charnwood, it includes both the main Borough charge and the Loughborough Special Rate. The projections show that even with no increase in the rate, actual income will increase in line with tax base increases.

Table 3: Projected Loughborough Special Rate income

<i>(Amounts £000)</i>	<i>2018/19 budget</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>
No increase in rate, 2% expansion of tax base	1,194	1,215	1,237	1,259

Revenue Support Grant

Revenue Support Grant (or 'formula' grant) is (historically) allocated to each local authority by the government using an assessment of need based on the characteristics of population, geography and other sources of finance available to an individual local authority. The actual calculations are complex and opaque but a clear trend in the reducing value of this grant is apparent. The Council's RSG reduced from £4.2m in 2014/15 to £3.0m in 2015/16, £2.1m in 2016/17 and £1.3m in 2017/18. The final two years of RSG are £0.7m for 2018/19 and £0.2m for 2019/20; beyond this year no RSG will be receivable.

² As noted in previous paragraphs it must be reiterated that assumptions made here in respect of Loughborough Special Expenses do not constitute a decision; in practice, both the Loughborough rate and the composition of Loughborough expenses could be amended should full Council conclude this was appropriate.

The RSG figures were given as a multi-year settlement therefore the figures shown below should not be subject to change.

Table 4: Revenue Support Grant

<i>(Amounts £000)</i>	<i>2018/19 budget</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>
As notified	745	165	0	0

Local share of national non-domestic rates ('business rates' or 'NNDR')

From 1 April 2013 the structure of local government finance changed, with local authorities retaining a share of business rates collected in their area. The calculations are based on target rates of collection set by government and are somewhat complex, but result in Charnwood retaining around 9% of the total collected, equating to around £4.5m. Local authorities can increase their business rate income by growing the business rate take in their area; conversely, if collections fall then local authorities bear an element of risk.

Recent experience in Charnwood suggests a 'flat' picture with no material business rates growth envisaged over the period of the MTFs although in the medium term initiatives such as the development of the Loughborough University Science Park and Charnwood Campus and the inclusion of these in an Enterprise Zone are expected to offer some upside.

In comparison with other authorities Charnwood is comparatively less reliant on locally retained business rates and has relatively few single significant sites in respect of business rate valuations. For example, Charnwood is not the site of a power station, airport, major retail park (such as Fosse Park) or regional distribution centre (such as Magna Park). Some risk does exist however, principally around the long tail of outstanding rate appeals for which we would have to bear our share of lost revenue should those appeals prove successful. Additionally business rate income is now our second largest source of external funding.

The additional revenue from the envisaged 75% business rate retention arrangements may replace reductions in RSG and New Homes Bonus but may also come with additional responsibilities that give rise to additional costs. At this point in time it appears likely that the new arrangements will come into effect from 2020/21 but the details of this arrangement are still under development. Potentially of more import is the outcome of the Government's Fair Funding review which is due to conclude in 2019. This will inform the Government assessment of Charnwood's 'baseline funding need', around which the new business rate retention arrangements will be based.

Since the draft version of the MTFs was prepared, the Council has been party to a bid to participate in a 75% business rate retention pilot for 2019/20, in conjunction with other local authorities in Leicestershire. If successful, participation would

almost certainly provide a one-off boost to the Council’s budget in the 2019/20 financial year, perhaps in the order of £250k. It is likely that the outcome of the bid will be known in December 2018. Given that a similar bid proved unsuccessful in respect of the 2018/19 business rate retention pilots it has not been considered appropriate to amend the projections in respect of this matter.

In the absence of additional information this MTFs assumes that the Council’s baseline funding level will remain in line with the current figure, and increase with inflation combined with the projected growth in business rates of 3.4% per annum. This is consistent with the assumption adopted in the previous version of the MTFs.

Table 5: Projected local share of business rates

(Amounts £000)	2018/19 budget	2019/20	2020/21	2021/22
As modelled	4,957	5,125	5,300	5,480

New Homes Bonus

The New Homes Bonus (NHB) was designed to provide an incentive payment for local authorities to stimulate housing growth in their area. The calculation is based on council tax statistics submitted each October and, up to 2016/17, a ‘bonus’ was payable for the following six financial years based on each (net) additional property using a standardised council tax Band D amount (this varies with the national average but is historically £1,500+ per property). In two-tier local government areas this payment is split in the ratio 20% to county councils, 80% to district councils.

The NHB scheme started in 2011/12, so 2016/17 was the first year in which the Council received a full six years funding. Up until 2016/17 the amount of NHB received grew naturally due to the cumulative funding effect since the scheme was introduced in 2011/12. From 2017/18 the mechanism under which NHB funding levels are determined changed. The number of years over which the funding is received reduced to five in 2017/18 then a further reduction to four years applied from 2018/19 onwards. Additionally a ‘deadweight’ growth upon which no bonus is payable (‘deadweight’ growth) was been introduced, further reducing future payments. The deadweight growth was set at 0.4% in respect of 2018/19; in future years it is suggested that this may be subject to change dependent on national affordability criteria but no information on any prospective change is available.

More fundamentally, as alluded to earlier in this document, there appear to be significant doubts around the future of NHB from the 2020/21 financial year. In recent weeks there have been suggestions that HM Treasury believe that the scheme has ‘failed’ in that it has not created any material growth in housing supply. At the time of writing there is no official word on any variation or alternative and the approach in the core MTFs projection is to assume that the scheme continues in its current format due to a lack of any more obvious assumption. However, some alternative scenarios are considered in subsequent paragraphs in this document.

Since the draft MTFS was prepared in the Summer, final numbers for housing growth in Charnwood, derived from the council tax system and reflected in the annual 'CTB 1' government return have become available. The growth shown was below the estimate implicit within the projection for NHB in respect of the 2019/20 financial year and it is therefore appropriate to reflect on the previous modelling and reconsider estimates for the 2020/21 and 2021/22 financial years.

Calculation of New Homes Bonus

In common with previous years, for 2019/20, the New Homes Bonus is calculated by comparing the number of houses on the council tax register, as reflected in the annual CTB 1 return completed in October 2018, to the equivalent return from 2017. The return includes the impact of both new houses and the net change in houses within existing stock that have become empty (or been reoccupied). This 'raw' number is then converted to Band D equivalent figure analogous to the calculation of the council tax base, and then adjusted by the 'deadweight' percentage described above. For the purposes of the projections in this MTFS the deadweight percentage of 0.4% (of the total council tax base) is used, being consistent with previous years; there is, however, no guarantee that this rate will remain unchanged.

Review of previous NHB modelling

The figures used in the draft (previous version) of the MTFS were based upon assumptions derived from historical information and internal estimates of housing growth informed by the extant Local Plan. The tables below (updated for the 2019/20 NHB figure now known) show the relevant data sets.

Table 6: Housing completions estimated: Five year land supply 2018 - 2023

	2018/19	2019/20	2020/21	2021/22	2022/23
Estimated completions	1,097	1,462	1,218	882	866

It should be noted that the above estimates relate to financial years so therefore the impact is lagged in respect to NHB – so the first six months of 2018/19 here relates to the second half of the year on which the 2019/20 NHB calculations are based. However, these estimates are consistent with recent growth data from the council tax base and suggest that an assumption of growth in housing in the range 1,000 to 1,250 for the purposes of NHB over the period of the MTFS is reasonable.

Table 7: Change in council tax register year on year, as aligned to NHB award years

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Additional properties (Band D equivalent)	626	727	569	901	1,153	953

Table 8: Charnwood New Homes Bonus 2013/14 – 2019/20

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Additional properties (adjusted for NHB calculation purposes)	626	727	569	642	877	686
Associated NHB (year) £000	733	878	716	829	1,198	964
Cumulative NHB (grant) £000	2,897	3,775	4,491	4,004	3,621	3,707

Following completion of the CTB1 return the number of additional properties for NHB purposes can now be calculated as 686. This is somewhat lower than the June (draft MTFs) forecast of 903 additional properties resulting in a lowered estimate of NHB receivable for 2019/20. The revised estimate of £3.7m cumulative NHB receivable for 2019/20 is some £300k lower than the equivalent June figure of £4m. It should be stressed here that whilst the number of additional houses in respect of the 2019/20 NHB calculation is now known the revenue figures remain estimated at this stage as the government has not yet confirmed other factors within the calculation, and in particular, the deadweight percentage that will be applied.

This revision to the NHB estimates has a significant impact on the overall model; in itself this equates to an adverse £300k in each year of the MTFs, implying an additional £0.9m use of reserves to 31 March 2022.

There is no doubt that the gross number of new houses appearing on the council tax register in the year to October 2018 was below expectations, but this shortfall was exacerbated by two other effects:

- An adverse mix effect; a high proportion of new houses were placed in lower council tax bands such that when converting to Band D equivalent
- The change in the number of empty properties within the existing housing stock (not connected with new supply)

For the 2018/19 NHB calculations the impact of converting properties to Band D had a small positive effect on the numbers – ie. the increase for the purposes of NHB was enhanced as the average additional property was in one of the higher council tax bands. For 2019/20 are seeing a reverse effect was experienced – there are relatively high numbers of lower council tax banded properties within the overall additions resulting in an adverse impact of about 34 properties. The impact of this mix effect in recent years is tabulated below:

Table 9: Estimated impact of the mix effect on NHB calculations 2016/17 – 2019/20

	2016/17	2017/18	2018/19	2019/20
Mix effect on conversion to Band D: favourable / (adverse)	(4)	(13)	22	(34)

Overall there are usually around 300 to 600 empty properties at any one time, a small number (<1%) in the scheme of the total number (c78,000) on the council tax register, but the net effect of movements in the context of NHB can be significant. At the point of the

data cut there were 500 empty properties compared to 465 in October 2017. Therefore, an adverse impact of the equivalent of 35 houses can be attributed to this factor.

Given the revised estimate for 2019/20 and taking into account the above factors the following approach and assumptions have been adopted for the MTFS period.

1. The New Homes Bonus scheme will operate in its current format throughout the period of this MTFS.
2. The deadweight percentage will continue to be applied at 0.4% for each year of the MTFS.
3. Underlying housing growth in the Borough remains strong. The five year land supply numbers (estimated housing completions as per Table 6) are still considered valid, implying gross housing additions in the range 1,100 to 1,300 in the latter two years of the MFTFS period. Additional evidence for this are the latest figures from the planning team (October 2018) indicating that there are 800 houses under construction in the Borough suggesting (based on a typical 15-week construction period) that the 2020/21 NHB numbers will be in line with projections set out in the draft version of this MTFS.
4. The Charnwood Local Plan 2011 – 2028 Core Strategy (adopted in 2015) has an aspiration that the mix in housing developments be balanced to more match community need (policy CS3). Planning evidence shows a need to increase the number of smaller homes (two bedroom properties in particular) and this may explain why an increase in the proportion of council tax additions are lower banded properties compared to previous periods (despite developers generally pushing for larger homes). Whilst there is not necessarily a direct link between the size of a property and its subsequent council tax banding it does seem possible that the efforts to manage the mix of housing developments in recent years may have contributed to the adverse mix effect seen in respect of the NHB calculation.
5. Movement on net empty properties maybe positive or negative and (especially given a data cut at a point in time) the projections are not therefore adjusted for this effect.

Based on the above, the MTFS therefore assumes that:

- Projections for 2019/20 are adjusted for the actual numbers of net housing additions; net additional properties are therefore reduced from 903, as set out in the draft MTFS to 686
- Projections for 2020/21 and 2021/22 are still considered fundamentally reasonable given underlying housing growth (based on the land supply numbers gross additions in the order of 1,300 houses per annum could be expected) but are refined to reflect a likely adverse mix effect for the actual numbers of net housing additions; net additional properties are therefore reduced from 930, as set out in the draft MTFS to 900 for 2020/21 and from 958 to 925 in respect of 2021/22

The revised NHB projections for this MTFS period are tabulated below:

Table 10: Assumed growth in Housing and associated NHB grant receivable

	2018/19	2019/20	2020/21	2021/22
Net additional properties (draft MTFS - June)	877	903	930	958
Net additional properties (final MTFS - October)	877	686	900	925
Deadweight percentage applied	0.4%	0.4%	0.4%	0.4%
Standardised council tax rate	£1,591	£1,638	£1,687	£1,738
Associated NHB	£1,197k	£964k	£1,280k	£1,351k
Cumulative NHB	£3,621k	£3,707k	£4,271k	£4,793k
Cumulative NHB (draft MTFS)	£3,621k	£4,008k	£4,630k	£5,214k

(The projections for cumulative NHB are lower than for the draft MTFS by £301k, £359k and £421k for each of the years 2019/20, 2020/21 and 2012/22 respectively.)

Sensitivity of New Homes Bonus

The significant uncertainty around the future of NHB beyond 2019/20 means that this income stream can be regarded as particularly vulnerable. Loss of NHB may be mitigated through increased business rate retention if the Fair Funding review takes account of this income stream, either 'permanently' or through some temporary transition arrangements. Possible sensitivities include:

- NHB continues in current format but housing growth strengthens in latter years of the MTFS due to strong housing growth (thereby improving the financial outlook)
- NHB continues in the current format but the deadweight percentage is increased to fit HM Treasury affordability constraints
- NHB continues but the allocation between Districts and Counties is altered (say, from 80/20 in favour of Districts to a 50/50 split)
- NHB is discontinued from 2020/21 but funding due from previous years is continued
- NHB is discontinued but an alternative allocation of the total pot is paid out (in which case Charnwood, as a major beneficiary of NHB, would likely be a loser)
- NHB is discontinued in its entirety from 2020/21

The variation in Council funding under these alternative scenarios is tabulated below:

Table 11: Variation in NHB income under alternative scenarios

(Monetary amounts £000)	2019/20	2020/21	2021/22
FAVOURABLE			

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22
Stronger housing growth than projected in MTFS (1,000 net additional properties for 2020/21 and 2021/22)	0	135	239
(ADVERSE)			
Deadweight percentage altered by government to 0.6% in each year of the MTFS	(176)	(361)	(555)
Tier split altered – 50% allocation to Districts (80% under current rules)	0	(640)	(1,315)
No additional NHB from 2020/21 but NHB paid in respect of previous years	0	(1,280)	(2,631)
Revised distribution method is applied to the national NHB pot from 2020/21; Charnwood is allocated £3m (an arbitrary figure but one that broadly reflects what an 'average' allocation might look like) for latter years of the MTFS period	0	(1,271)	(1,793)
All NHB discontinued from 2020/21	0	(4,271)	(4,793)

7. Treasury management and projected investment income

The majority (currently 82%) of Charnwood's investments are short-term, mainly made up of cash deposited for short periods on money markets. The remainder are made up of loans to other local authorities for periods of up to 2 years and longer term holdings in property funds. In recent years these have had a value in the range of £39-56m at any point in time. Broadly, these amounts represent a combination of Council Reserves (such as monies earmarked to fund the Capital Plan), business rates and council tax collected on behalf of the County Council, local police and fire authorities, and parishes. The investment income generated from these balances remains an important source of funding for the Council despite the ongoing low level of interest rates.

In selecting its investments, the Council must balance the rates of return available whilst ensuring the security and liquidity of its investments. As a body that must take its stewardship of public money seriously, the Council adopts a prudent treasury management strategy. This strategy is subject to Council approval each year and aims to allow the Council's finance team appropriate levels of latitude in the day to day management of treasury operations within closely defined operational parameters.

The investment strategy is weighted towards security and liquidity of capital and, in general, it is envisaged that this approach will continue. However, this strategy assumes a continuation of the trend of recent years to seek increased returns through loans to other public sector bodies and investments in a wider range of financial instruments, such as property funds, in which the Council made an investment earlier this year. Therefore, whilst security and liquidity remain paramount, the Council is now adopting a more proactive approach and is accepting a slight degradation in risk and liquidity factors³⁴ in exchange for higher returns.

³ Context here is important; the Council's investments can / will still be regarded as low risk within the range of all available financial investment opportunities

The Council retains the services of treasury consultants to assist in its investment management. Their modelling is reflected in the outlook for investment income set out in the table below. It should be noted that these figures assume a mix of investments in line with that of recent years, with the likely (small) increase in investment returns (reflecting expected increases in the base rate) offset by a small decrease in average cash balances under investment.

A more proactive approach to investment is expected to yield additional returns over and above those shown below; these are analysed separately for presentational purposes in Section 9 of this document, which covers the Council's transformation and efficiency plans.

Table 12: Investment income (interest receivable) projections

<i>(Amounts £000)</i>	2018/19	2019/20	2020/21	2021/22
Assumed returns	300	325	325	325

8. Key operational assumptions

The Council's 'Net Service Expenditure' is the total amount spent on services, offset by income associated with the provision of those services such as planning fees receivable, income generated by the Council's car parks, or service specific grant income. The basis of the Council's projected Net Service Expenditure for the purposes of the MTFS is the 2018/19 budget. Known 'one-offs' (income or expenditure arising in 2018/19 only) are removed and then the numbers are adjusted for a limited number of known contractual commitments.

Since the draft MTFS was prepared in June some additional refinement of the Environmental Services contract numbers has been possible and revised numbers are included in the table below. The impact in each year was favourable, principally due to movements in the RPIX index; the rate applicable for 2019/20 is now available and, at 3.3%, is lower than the 4% previously assumed for this year. For consistency this newly available figure is also assumed to apply in the latter years of the MTFS period. Compared to the draft MTFS prepared in June, the (favourable) differences are £64k in 2019/20, £150k in 2020/21, and £217k in 2021/22.

The principal adjustments to the 2018/19 budget are tabulated below:

Table 13: Principal adjustments to the 2018/19 budget made for MTFS purposes

<i>(Monetary amounts £000 unless stated)</i>	2019/20	2020/21	2021/22
Wages and salaries	+2%	+2%	+2%
<ul style="list-style-type: none"> 2% annual increases assumed in line with most recent pay settlement 	= 266	= 274	= 282
Payroll on-costs	+1%	+1%	+1%
<ul style="list-style-type: none"> 1% annual increases assumed reflecting requirement for 			

⁴ Changes such as described have, or would, require Full Council approval of the Treasury Management Strategy

<i>(Monetary amounts £000 unless stated)</i>	2019/20	2020/21	2021/22
increased pension contributions	= 133	= 137	= 141
<i>Specific contractual commitments:</i>			
Member allowances	7	7	8
<ul style="list-style-type: none"> Linked to staff salary increases 			
Leisure contract	9	(35)	(44)
<ul style="list-style-type: none"> Includes more beneficial income terms in later years Includes inflationary element 			
Environmental services contract (refuse collection and street cleaning)	294	910	1,301
<ul style="list-style-type: none"> Increases reflect ending of extension period in 2020 and requirement to replace refuse freighter fleet Includes inflationary element Amounts do not include additional efficiencies separately identified in transformation and efficiency plan (see Section 9) 			
Revenues & Benefits contract (council tax collections and housing benefit disbursements)	(12)	(109)	(113)
<ul style="list-style-type: none"> Savings reflect existing contract terms plus anticipated savings arising from cessation of existing contract in 2020 Includes inflationary element Amounts do not include additional efficiencies separately identified in transformation and efficiency plan (see Section 9) 			

Operating income

The Council generates income from various activities. For information the top five sources of income and the associated projections are tabulated below:

Table 14: Projected operating income

<i>(Amounts £000)</i>	2018/19 budget	2019/20	2020/21	2021/22
Planning fees	1,293	1,293	1,293	1,293
Garden waste collections (excludes additional amounts presented separately and identified in transformation and efficiency plan - see Section 9)	1,214	1,214	1,214	1,214
Off street car park income	910	910	910	910
Sales - general	682	682	682	682
Rents - general	628	660	660	660

Of note within these projections:

- A prudent view is taken of planning fees as it is believed that many major fee generating applications associated with the Core Strategy have already been submitted
- A similarly prudent view is taken of other fee income except that;

- The potential for the generation of additional fee income (principally related to garden waste collections) is reflected in the transformation and efficiency plan at Section 9.

Expenditure pressures

Additional expenditure may be unavoidable due to policy, legislative or commercial pressures. Other than set out above these service pressures are not included at this stage as these will form part of the more detailed annual budget setting process which requires a business case to be completed.

Table 15: Total amount – Net Service Expenditure

<i>(Amounts £000)</i>	<i>2018/19 budget</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>
As modelled	18,221	18,592	19,515	20,345

9. Transformation and efficiency plans

Charnwood has a record of generating efficiencies through continuous improvement and is also engaged in a number of initiatives designed to transform the customer experience, existing ways of working, to increase returns on financial and non-financial assets, review pricing policies for chargeable services and to generate efficiencies. The Council's approach to transformation and the generation of efficiencies was discussed as part of the Peer Challenge process undertaken by the Council in March 2018. An agreed action was that the Council would provide more information of these plans and in response a summary of these activities is set out below.

Treasury management

The Council has always sought to balance security and liquidity of financial assets against available financial returns. Although interest rates may finally be on an upward curve they remain at historically low levels and whilst remaining prudent, it is considered appropriate to widen the range of treasury activities to increase returns generated. This approach is a continuation of that adopted in recent years where the Council has started offering loans to other local authorities and investing in property funds.

Asset creation – Messenger Close

The Council is in the process of developing storage compounds at the 'brown field' Messenger Close site. The site is due for completion and occupation in 2018/19 and should be fully on-stream for the whole of the MTFs period.

Investment in commercial assets

Other Councils have invested in commercial assets, such as warehouses, hotels and retail units, with a primary objective of making a financial return. This approach

naturally carries an element of risk, particularly if financed by borrowing, and there are technical constraints that may make investment returns less attractive than immediately apparent. Nonetheless, this is clearly an activity that should at least be considered by Charnwood and exploration of member risk appetite in this regard will be undertaken in forthcoming months.

Commercialisation – increased fees and charges

The Council reviews fees and charges on a regular basis. Whilst not all charges are set with a view to maximising revenue (as other policy considerations may mitigate against this) revenue generation is usually a major consideration. Over the period of this MTFS it is envisaged that, in particular, additional revenue will be generated through increasing charges for the garden waste collection service.

Commercialisation – new ventures

Initiatives are in progress to develop additional revenues through the introduction of a trade waste service and commercialising other services through joint venture (or similar) arrangements with neighbouring local authorities.

Major contract efficiencies

Charnwood has a number of major contracts for the delivery of services including refuse collection, street cleaning, revenues and benefits, maintenance of open spaces, and leisure centres. Two of these – covering environmental services, and revenues and benefits, are due for renewal in 2020 and it is envisaged that some reductions in the cost of the service, over and above the core expenditure assumptions noted in Section 8, can be achieved.

Transformation – accommodation

The Council has yet to take full advantage of new technology that enables 'agile working' a loose concept that could include increased levels of home working and hot desking. Successful implementation should yield cashable savings by reducing the accommodation footprint. Initial exploration of accommodation options is underway and achievement of savings within the MTFS period is realistic.

Transformation – efficiencies enabled through ICT

The existing On-line Customer Experience project seeks to enable and improve the ability of customers to transact with the Council digitally. Having invested in technology it is logical that this initiative, alongside other digital initiatives such as the Document Management and Digital Democracy projects should deliver efficiencies in ways of working.

Continuous improvement

Given the Council's record of continuous improvement – and of outturn underspends versus budgets – it is reasonable to assume further efficiencies at service level can

be generated. Based on the level of net underspending at the end of Period 6 (some £500k for the general fund) the savings projected here have been increased by £50k per annum for each year of the MTFs.

The additional income generated or cashable savings deliverable from the above list is inevitably somewhat speculative, and plans and business cases will be refined as far as possible for the final version of this document. For the purposes of this draft MTFs the positive net financial impact of the Council's transformation and efficiency plans is tabulated as follows:

Table 16: Net positive impact of transformation and efficiency plans

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22
Proactive treasury management • Additional amount to that noted in Section 7 Table 12	25	25	25
Asset creation • Reflects full occupation of Messenger Close from 2019/20	15	15	15
Commercial investment • Speculative – assumes £1m generating 5% return in 2020/21 and £2m generating 5% return in 2021/22	0	50	100
Commercialisation – increased fees and charges • Major proportion to be generated through increased garden waste scheme revenues. Note – this revenue increase is based upon the existing charging structure in place at October 2018 • Additional amount to that noted in Section 8 Table 13	250	260	270
Commercialisation – new ventures • Principally trade waste	(10)	0	20
Major contract efficiencies • Includes Environmental Services, Open Spaces, Leisure and Revenues & Benefits contract opportunities • Additional amount to that noted in Section 8 Table 13	20	60	90
Transformation – accommodation • Speculative, but based on proposition that accommodation footprint will be reduced allowing the ICS building to be vacated	0	0	50
Transformation – ICT enabled new ways of working • 1x FTE cashable saving to be found in each financial year (to be managed through natural wastage)	30	60	90
Continuous improvement – service level efficiencies • Not specified but justified by history of underspends	150	230	300
Total	480	700	960

The figures quoted above should be regarded as indicative and illustrative only. Some refinement of the numbers has been carried for the final version of this MTFs, but in many cases will remain somewhat speculative. The key message here however is that should elements of the plan fail to deliver savings (or income growth) in line with those projected above, then other savings will need to be generated from other areas of the Council's operations.

10. Existing financial resources and use of prudential borrowing

Currently, Charnwood retains a number of reserves on its balance sheet, representing amounts that the Council may use to deliver or enhance Council services. Broadly, these are of three types:

- The General Fund balance that can be used to fund any type of expenditure
- Balances that may be used to fund any type of expenditure but which have been earmarked for specific uses by the Council
- Balances that are restricted in use by Government regulation that can be used to fund only specific types of expenditure, usually of a capital nature

There are also other balances on the Council's balance sheet created as a result of Government regulation or accounting rules. These balances are not available to fund expenditure of any type.

In recent years Charnwood has continued to invest in service delivery and the MTFS assumes that:

- The General Fund balance will be maintained at a level of not less than £2m in line with good practice
- Other reserves will be utilised or created during the period of the MTFS as appropriate; additionally, transfers between reserves may be deemed appropriate

As will be seen from the financial projections (Tables 17 and 18) Charnwood has a good level of reserves and even if no management action were taken to address the projected net funding deficit across the period of the MTFS, existing activities could be funded by reserves in the short term.

In addition, the Council could consider utilising reserves in the short term in order that services can be restructured in a cost effective and efficient manner giving a sustainable base for the future.

Growth Support Fund and Capital Plan Reserve

A Growth Support Fund has been established to support growth throughout the Borough. This fund is a revenue reserve and can be used for a variety of purposes, both revenue and capital. In addition, a Capital Plan Reserve has been created so that the Council can supplement its level of usable capital receipts. This reserve is for General Fund capital items only and is not constrained as to the schemes it can fund.

Usable Capital Receipts Reserve

The Usable Capital Receipts Reserve represents the proceeds of asset sales available to meet future capital expenditure. The use of this reserve is restricted for application on items of a capital nature.

Within Charnwood a well-established process exists for the management of the capital plan. For the purposes of the MTFs we are therefore able to assume that sufficient resources exist, or will be generated, to finance all uncompleted schemes within the current Capital Plan. Funding required beyond this point will rely on the Council's ability to generate new receipts from asset sales, or funding from revenue and/or reserves or Prudential Borrowing, which is discussed below.

Use of Prudential Borrowing – General Fund

Charnwood has been able to avoid the use of borrowing in recent years. However, given the level of uncertainty over future funding streams for local government and the desire to stimulate the growth of the local economy, the possibility of raising funds for investment purposes through the use of prudential borrowing is likely to be considered during the period of this strategy document, particularly to finance commercial investments, as envisaged within the transformation and efficiency plan (see Section 9). The interest and principal payable on such loans will be an ongoing 'revenue' charge to the Council that would impact upon funds available for day to day service delivery therefore any such investment will be subject to strict criteria around economic regeneration and rates of return on investment.

Use of Prudential Borrowing for Housing

The Council will externally borrow, if necessary, to undertake works in line with its Housing Capital Investment Programme and 30 Year Housing Business Plan. Where feasible it will 'internally borrow' from the General Fund provided there are surplus amounts available for this purpose. These internally borrowed amounts will be at similar interest rates to those offered by the government's Public Works Loan board (PWLb). The Council retains all its Council dwellings rental income in order to service the HRA debt, pay for repairs and maintenance of the housing stock and for its housing operations generally. This borrowing, and any additional borrowing as mentioned above, is segregated from General Fund borrowing and so does not

directly impact on the MTFS. Further details regarding the HRA are set out in the section covering the Housing Revenue Account.

11. Financial Projections 2018 – 2021

Table 17: MTFS financial projections

General Fund Expenditure	2019/20 £000	2020/21 £000	2021/22 £000
Net Service Expenditure	18,592	19,515	20,345
Interest Payable	240	240	240
Interest Receivable	(325)	(325)	(325)
	<u>18,507</u>	<u>19,430</u>	<u>20,260</u>
Transformation and efficiency plan	(480)	(700)	(960)
Total Net Expenditure	<u>18,027</u>	<u>18,730</u>	<u>19,300</u>
Financing Strategy			
Revenue Support Grant	(165)	0	0
Business Rates Funding	(5,125)	(5,300)	(5,480)
Council Tax Receipts	(6,917)	(7,347)	(7,791)
Loughborough Special Rate	(1,215)	(1,237)	(1,259)
New Homes Bonus	(3,707)	(4,271)	(4,793)
Deficit / (surplus) on Collection Fund	200	(50)	(50)
Total income	<u>(16,929)</u>	<u>(18,205)</u>	<u>(19,373)</u>
Total Net Expenditure from above	18,027	18,730	19,300
Funding shortfall / (surplus)	<u>1,097</u>	<u>526</u>	<u>(73)</u>
Implied use of / (addition to) reserves in year – Service Expenditure	897	576	(23)
Implied use of / (addition to) reserves in year – Collection Fund	200	(50)	(50)
Total Implied use of / (addition to) reserves in year	<u>1,097</u>	<u>526</u>	<u>(73)</u>
Cumulative use of reserves over period of MTFS	<u>1,097</u>	<u>1,623</u>	<u>1,550</u>

The impact of these projections on the Council's revenue reserves are set out below:

Table 18: Impact on Revenue Reserves

	2019/20	2020/21	2021/22
	£'000	£'000	£'000
Balances brought forward	8,480	7,383	6,857
Implied use of / (addition to) reserves in year for Service Expenditure	897	576	(23)
Implied use of / (addition to) reserves in year by Collection Fund	200	(50)	(50)
Balances carried forward	7,383	6,857	6,930
<i>Analysis of revenue reserves</i>			
Working Balances	3,893	3,367	3,440
Reinvestment Reserve	586	586	586
Growth Support Fund	18	18	18
Capital Plan Reserve	2,081	2,081	2,081
Other Revenue Reserves	805	805	805
Total balances (as above)	7,383	6,857	6,930

Additional notes on the financial projections

Council Tax support for Parishes: an explicit amount was included in the Revenue Support Grant at the inception of the local scheme of council tax support to passport on to town and parish councils as compensation for the reduction in council tax base that arose at that time. In subsequent years there has been no explicit notification of this grant within the RSG but Charnwood established the practice of passporting an amount to towns and parishes in the same proportion as originally created. However, given the elimination of RSG, there are no further funds to transfer.

Collection Fund: In any year the amounts of council tax or business rates actually collected will differ from that budgeted due to additions or removals of properties from the register, or non-collection of amounts billed. These surpluses or deficits are managed through the collection fund and (effectively) reflected in adjustments to precepts in subsequent years. For 2019/20 the impact of the collection fund deficit (mainly due to business rates) can be seen to increase the balance required from reserves by £200k. This figure is an estimate and is likely to change as updated information becomes available. The collection fund covers all of the Leicester and Leicestershire authorities and a period of three financial years, it is therefore very complex, difficult to project and figures are changing constantly. This is an issue nationwide not just in Leicester and Leicestershire.

12. Risk and sensitivities

There are major uncertainties for Charnwood arising from future developments in local government funding from the 2020/21 financial year. These - which are essentially linked – concern the outcome of the Fair Funding review and the future of the New Homes Bonus scheme which will impact the Council from this year. The potential range of funding outcomes is very wide such that other sensitivities within the MTFS projections are less significant in this context.

Table 11 considered potential shortfalls in grant funding arising from potential changes to the New Homes Bonus scheme. Selected scenarios are expanded below to illustrate the impact on the use of revenue reserves (no other changes assumed):

Table 19: Impact on reserve usage following reduction in NHB income under alternative scenarios

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22
Projected use of reserves – main Scenario	1,097	526	(73)
#1: Tier split altered – 50% allocation to Districts (80% under current rules)	0	640	1,315
Revised use of reserves under Scenario #1	1,097	1,166	1,242
No additional NHB from 2020/21 but NHB paid in respect of previous years	0	1,280	2,631
Revised use of reserves under Scenario #2	1,097	1,806	2,558
All NHB discontinued from 2020/21	0	4,271	4,793
Revised use of reserves under Scenario #3	1,097	4,797	4,720

Sensitivities can, of course, produce favourable as well as adverse effects. Whilst New Homes Bonus and the Fair Funding review provide a very uncertain backdrop to this version of the MTFS it is fair to also acknowledge potentially positive scenarios, such as a successful 75% business rates retention pilot bid, that could boost the Council's budget by (maybe) £250k in 2019/20, and a favourable outcome for Charnwood arising from the Fair Funding review. Overall, however, the downside risks remain significant.

13. Note on the Housing Revenue Account

The Housing Revenue Account (or HRA) is a ring fenced set of transactions that sit within the wider financial records of the Council. It had gross income of £22.4m in 2017/18 of which £21.0m was dwelling rents. Expenditure on management and repairs amounted to £10.7m whilst depreciation was £2.9m. A further £2.7m was required for interest payments on its debt and £2.5m was used to fund additional capital expenditure.

There is a surplus or deficit on the HRA each year which is added to the brought forward HRA balance. This balance should always be in surplus and at 31 March 2018 it was £617k against a target balance of £617k. There is an additional £6,982k in a new Housing Financing Fund, the purpose being to help militate against the financial pressures that national policy will place on the HRA in the medium-term.

There is still central government control of rental levels (including a 1% rent reduction) and certain other restraints on how the Council may manage its housing stock. The most recent 30 Year Housing Business Plan, which effectively represents the MTFs for the HRA, was approved by Council in November 2014. It is intended that this will be updated but this is currently on hold until the details behind the new national policy is published and its financial impact on the HRA quantifiable.

14. Reserve Strategy

As outlined above, from 2020/2021 onwards grant funding from central government is highly uncertain. The Council's strategy is to have a minimum of £3m in the working balance going into the 2020/21 financial year, giving at least £1.0m flexibility above the stated 'usual' minimum of £2m in order to give headroom to allow a controlled adaptation of services to match ongoing financial resources. Based on current projections, the working balance at 31 March 2021 will be £3.4m which is acceptable at this time. Further comfort can be drawn from the availability of other revenue reserves, which could also be used to support Council operations in a time of transition.

15. Monitoring, Delivery and Review

There are well established processes for the monitoring of budgets which include regular outturn reports to the Performance Scrutiny Panel and Cabinet. For example, Revenue and Capital Plan outturn reports are usually presented to Cabinet in the July following completion of the financial year. No additional monitoring is therefore deemed necessary. As discussed previously however, it is envisaged that there will be increased focus on identifying budget areas that show persistent underspending year on year.

COUNCIL – 21ST JANUARY 2019

Report of the Cabinet

ITEM 6.2 TREASURY MANAGEMENT UPDATE – MID-YEAR REVIEW FOR THE 6 MONTHS ENDED 30TH SEPTEMBER 2018

Purpose of Report

To consider the mid-year review of the Treasury Management Strategy and Annual Investment Strategy, plus the various Prudential Borrowing and Treasury Indicators for the first six months of 2018/19.

Recommendation

That the mid-year review of the Treasury Management Strategy Statement, Prudential Borrowing and Treasury Indicators plus the Annual Investment Strategy as shown in Part B of the report to the Cabinet, attached as an Annex, be noted.

Reason

To ensure that the Council's governance and management procedures for Treasury Management reflect best practice and comply with the Revised CIPFA Treasury Management in the Public Services Code of Practice, Guidance Notes and Treasury Management Policy Statement, that funding of capital expenditure is taken within the totality of the Council's financial position and that borrowing and investment is only carried out with proper regard to the Prudential Code for Capital Finance in Local Authorities.

Policy Justification and Previous Decisions

The Treasury Management Strategy Statement, Prudential and Treasury Indicators and Annual Investment Strategy must be approved by Council each year and reviewed half yearly. This review is set out in Part B of the report to the Cabinet, attached as an Annex. The Strategy for the year was approved by Council on 26th February 2018 (minute 80.3 2017/18 refers).

At its meeting on 15th November 2018, the Cabinet considered a report of the Head of Finance and Property Services, setting out the the mid-year review of the Treasury Management Strategy and the Annual Investment Strategy, plus the various Prudential Borrowing and Treasury Indicators. That report is attached as an Annex.

The Cabinet resolved as follows, for the reason set out:

“that it be recommended to Council to note the mid-year review of the Treasury Management Strategy Statement, Prudential Borrowing and Treasury Indicators plus the Annual Investment Strategy, as shown in Part B of the report of the Head of Finance and Property Services.

Reason

To ensure that the Council's governance and management procedures for Treasury Management reflect best practice and comply with the Revised CIPFA Treasury Management in the Public Services Code of Practice, Guidance Notes and Treasury Management Policy Statement, that funding of capital expenditure is taken within the totality of the Council's financial position and that borrowing and investment is only carried out with proper regard to the Prudential Code for Capital Finance in Local Authorities."

Implementation Timetable including Future Decisions and Scrutiny

If approved by Council, this decision will have immediate effect.

Report Implications

Financial Implications

There are no financial implications further to those set out in the report to the Cabinet, which is attached as an Annex.

Risk Management

There are no risks further to those set out in the report to the Cabinet, which is attached as an Annex.

Key Decision:	No
Background Papers:	None
Officer to Contact:	Laura Strong Democratic Services Officer (01509) 634734 laura.strong@charnwood.gov.uk

CABINET – 15TH NOVEMBER 2018**Report of the Head of Finance and Property Services****Lead Member: Councillor Tom Barkley****Part A****ITEM TREASURY MANAGEMENT UPDATE – MID-YEAR REVIEW FOR
THE 6 MONTHS ENDED 30TH SEPTEMBER 2018****Purpose of Report**

This report reviews the Treasury Management Strategy and the Annual Investment Strategy, plus the various Prudential Borrowing and Treasury Indicators for the first six months of 2018/19.

Recommendations

That it be recommended to Council to note this mid-year review of the Treasury Management Strategy Statement, Prudential Borrowing and Treasury Indicators plus the Annual Investment Strategy, as shown in Part B.

Reasons

To ensure that the Council's governance and management procedures for Treasury Management reflect best practice and comply with the Revised CIPFA Treasury Management in the Public Services Code of Practice, Guidance Notes and Treasury Management Policy Statement, that funding of capital expenditure is taken within the totality of the Council's financial position and that borrowing and investment is only carried out with proper regard to the Prudential Code for Capital Finance in Local Authorities.

Policy Justification and Previous Decisions

The Treasury Management Strategy Statement, Prudential & Treasury Indicators and Annual Investment Strategy must be approved by Council each year and reviewed half yearly. This review is set out in the attached report as Part B. The Strategy for the year was approved by Council on 26th February 2018 (minute ref: 80.3).

Implementation Timetable including Future Decisions and Scrutiny

This report will be available for Overview Scrutiny Group on 12th November 2018, should they wish to consider it, and for the Audit Committee on 27th November 2018.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no direct financial implications arising from this report.

Risk Management

There are no direct risks arising from the recommendation in this report. Risks associated with the Treasury Policy etc in general are included in Part B.

Key Decision:	No
Background Papers:	None
Officer to contact:	Simon Jackson Strategic Director of Corporate Services 01509 634810 simon.jackson@charnwood.gov.uk

Sarah Allen
Senior Income Officer
01509 634819
sarah.allen@charnwood.gov.uk

Part B

Treasury Management Update – Half Year Ended 30th September 2018

Background

1. In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities will be required to prepare a Capital Strategy which is intended to provide the following: a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services; an overview of how the associated risk is managed; and the implications for future financial sustainability. A report setting out our Capital Strategy will be taken to the full Council, (or Cabinet, with responsibility retained by the full Council), in February 2019.
2. The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the role of the treasury management operations is to ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
3. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning, to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
4. Accordingly, treasury management is defined as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
5. This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised 2017).The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead.
 - Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.
 - Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit Committee.
6. This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management , and covers the following:
- An economic update for the first part of the 2018/19 financial year;
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - The Council's capital expenditure (prudential indicators);
 - A review of the Council's investment portfolio for 2018/19;
 - A review of the Council's borrowing strategy for 2018/19;
 - A review of any debt rescheduling undertaken during 2018/19;
 - A review of compliance with Treasury and Prudential Limits for 2018/19.
7. This is a mid-year report therefore there are no proposed changes to the Treasury and Capital Strategies at this point.

Economic Background

UK

8. The first half of 2018/19 has seen UK economic growth post a modest performance, but sufficiently robust for the Monetary Policy Committee, (MPC), to unanimously (9-0) vote to increase Bank Rate on 2nd August from 0.5% to 0.75%. Although growth looks as if it will only be modest at around 1.5% in 2018, the Bank of England's August Quarterly Inflation Report forecast that growth will pick up to 1.8% in 2019, albeit there were several caveats – mainly related to whether or not the UK achieves an orderly withdrawal from the European Union in March 2019.

9. Some MPC members have expressed concerns about a build-up of inflationary pressures, particularly with the pound falling in value again against both the US dollar and the Euro. The Consumer Price Index (CPI) measure of inflation rose unexpectedly from 2.4% in June to 2.7% in August due to increases in volatile components, but is expected to fall back to the 2% inflation target over the next two years given a scenario of minimal increases in Bank Rate. The MPC has indicated Bank Rate would need to be in the region of 1.5% by March 2021 for inflation to stay on track. Financial markets are currently pricing in the next increase in Bank Rate for the second half of 2019.
10. As for the labour market, unemployment has continued at a 43 year low of 4% on the Independent Labour Organisation measure. A combination of job vacancies hitting an all-time high in July, together with negligible growth in total employment numbers, indicates that employers are now having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to 2.9%, (3 month average regular pay, excluding bonuses) and to a one month figure in July of 3.1%. This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 0.4%, near to the joint high of 0.5% since 2009. (The previous high point was in July 2015.) Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC were right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy. However, the MPC will need to tread cautiously before increasing Bank Rate again, especially given all the uncertainties around Brexit.
11. In the political arena, there is a risk that the current Conservative minority government may be unable to muster a majority in the Commons over Brexit. However, our central position is that Prime Minister May's government will endure, despite various setbacks, along the route to Brexit in March 2019. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

USA

12. President Trump's massive easing of fiscal policy is fuelling a (temporary) boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2%, (annualised rate), in quarter 1 to 4.2% in quarter 2, but also an upturn in inflationary pressures. With inflation moving towards 3%, the Fed increased rates another 0.25% in September to between 2.00% and 2.25%, this being four increases in 2018, and indicated they expected to increase rates four more times by the end of 2019. The dilemma, however, is what to do when the

temporary boost to consumption wanes, particularly as the recent imposition of tariffs on a number of countries' exports to the US, (China in particular), could see a switch to US production of some of those goods, but at higher prices. Such a scenario would invariably make any easing of monetary policy harder for the Fed in the second half of 2019.

EUROZONE

13. Growth was unchanged at 0.4% in quarter 2, but has undershot early forecasts for a stronger economic performance in 2018. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of manufacturing exports e.g. cars. For that reason, although growth is still expected to be in the region of 2% for 2018, the horizon is less clear than it seemed just a short while ago.

CHINA

14. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

JAPAN

15. Japan has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

Interest Rate Forecast

16. The Council's treasury advisor, Link Asset Services, has provided the following forecast:

Link Asset Services Interest Rate View											
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
3 Month LIBID	0.75%	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%
6 Month LIBID	0.85%	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%
12 Month LIBID	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%
5yr PWLB Rate	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB Rate	2.40%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

17. The flow of generally positive economic statistics after the end of the quarter ended 30 June meant that it came as no surprise that the MPC came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, to 0.75%. However, the MPC emphasised again, that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary nor contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years' time but they declined to give a medium term forecast. We do not think that the MPC will increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. We also feel that the MPC is more likely to wait until August 2019, than May 2019, before the next increase, to be followed by further increases of 0.25% in May and November 2020 to reach 1.5%. However, the cautious pace of even these limited increases is dependent on a reasonably orderly Brexit.

The Balance of Risks to the UK

18. The overall balance of risks to economic growth in the UK is probably neutral. The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

19. Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March of a government which has made a lot of anti-austerity noise. This is likely to lead to friction with the EU when setting the target for the fiscal deficit in the national budget. Unsurprisingly, investors have taken a dim view of this and so Italian bond yields have been rising.
- Austria, the Czech Republic and Hungary now form a strongly anti-immigration bloc within the EU while Italy, this year, has also elected a strongly anti-immigration government. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position as a result of the rise of the anti-immigration AfD party. To compound this, the result of the Swedish general election in September 2018 has left an anti-immigration party potentially holding the balance of power in forming a coalition government. The challenges from these political developments could put considerable pressure on the cohesion of

the EU and could spill over into impacting the euro, EU financial policy and financial markets.

- The imposition of trade tariffs by President Trump could negatively impact world growth. President Trump's specific actions against Turkey pose a particular risk to its economy which could, in turn, negatively impact Spanish and French banks which have significant exposures to loans to Turkey.
- Weak capitalisation of some European banks.
- Rising interest rates in the US could negatively impact emerging countries which have borrowed heavily in dollar denominated debt, so causing an investor flight to safe havens e.g. UK gilts.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

20. Upside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- President Trump's fiscal plans to stimulate economic expansion causing a significant increase in inflation in the US and causing further sell offs of government bonds in major western countries.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

Treasury Management Strategy Statement and Annual Investment Strategy update

21. The Treasury Management Strategy Statement (TMSS) for 2018/19, which includes the Annual Investment Strategy, was approved by Council on 26th February 2018 (Council Minute 80.3 2017/18). In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite.

22. There are no policy changes to the TMSS. The details in this report update the position in the light of the updated economic position and budgetary changes already approved.
23. As shown by forecasts in paragraph 16, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the current 0.75% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.
24. In the current economic climate it is considered not only appropriate to keep some investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with highly credit rated financial institutions, using the Council's creditworthiness approach including sovereign credit rating and Credit Default Swap (CDS) overlay information. In addition, the Annual Investment Strategy allows the Council to invest in property funds and provide loans to other Local Authorities for a maximum of 2 years.
25. The approved limits within the Annual Investment Strategy were not breached during the six months ended 30th September 2018.
26. The average level of funds available for investment purposes during the half year was £51.52m. The majority of these funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme.
27. During the six months to 30th September 2018, the Council's interest rate earned on investments excluding property funds was 0.67% against a benchmark of 3 month London Interbank Bid Rate (LIBID) of 0.61%. This measure is used as a comparator because it allows comparisons with the Council's benchmarking group and matches the weighted average time period of the Council's current investments. Although the return rate is low, our performance can still be considered to be good as we exceeded the target rate.
28. The interest rate earned by the Council's property funds for Q1 was 1.8% This is a reasonable rate in comparison to the benchmark Q1 rate for property fund investments of 1.6% supplied by Link Asset Management.
29. The actual interest received to 30th September 2018 was £174k, against an annual budget of £300k so the Council performed above target in both percentage and actual returns for the six months. It is proposed to review the investment income budget as part of 2019/20 budget setting in light of the higher than budgeted returns being achieved.

New Borrowing

30. No new borrowing was undertaken during the half year and neither has the Council borrowed in advance of need during the six months ended 30th September 2018. Similarly, no debt rescheduling was undertaken during the half year.

Compliance with Treasury and Prudential Limits

31. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved TMSS.
32. During the financial year to date, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices. The prudential and treasury Indicators are shown in Appendix 1.

Additional Information

33. New regulations are coming into force with regards to the operation and regulatory structure of Money Market Funds, as part of wider reforms aimed at strengthening the resilience of the financial markets. This involves funds being re-categorised as Variable Net Asset Value (VNAV) or Low-volatility Net Asset Value (LVNAV) funds. This should not present any issues in terms of the funds that the Council invests in as the important consideration is that the funds remain AAA money market fund rated.
34. **UK Banks ring-fencing** The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as "ring-fencing". Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.
35. Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and "riskier" activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity's core activities are not adversely affected by the acts or omissions of other members of its group.

36. While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.
37. **IFRS9 Accounting Standard** This accounting standard came into effect from 1st April 2018. It means that the category of investments valued under the available for sale category will be removed and any potential fluctuations in market valuations may impact onto the Surplus or Deficit on the Provision of Services, rather than being held on the balance sheet. This change is unlikely to materially affect the commonly used types of treasury management investments but more specialist types of investments, (e.g. pooled funds, third party loans, commercial investments), are likely to be impacted. The impact on the Council is likely to be minimal as the Council's exposure is limited to the property fund investments and these are kept under constant review in terms of their value and relative performance.
38. The Ministry of Housing, Communities and Local Government (MHCLG), are currently conducting a consultation for a temporary override to allow English local authorities time to adjust their portfolio of investments. Members will be updated when the result of this consultation is known.
39. **Changes in risk appetite** The 2018 CIPFA Codes and guidance notes have placed enhanced importance on risk management. Where an authority changes its risk appetite e.g. for moving surplus cash into or out of certain types of investment funds or other types of investment instruments, this change in risk appetite and policy should be brought to members' attention in treasury management update reports.

Appendices

Appendix 1: Prudential and Treasury Indicators as at 30th September 2018

Appendix 2: Investment Portfolio – Investments held as at 30th September 2018

Appendix 3: Glossary of Terms

APPENDIX 1:

Prudential and Treasury Indicators as at 30th September 2018

Treasury Indicators	2018-19	30/09/18
	Budget	Actual
	£'000	£'000
Authorised limit for external debt	96,000	81,190
Operational boundary for external debt	81,190	81,190
Gross external debt	81,190	81,190
Investments	32,603	51,630
Net borrowing	48,587	29,560

Prudential Indicators	2018/19 Budget	30/09/18 Actual
	£'000	£'000
Capital expenditure – General Fund	5,213	940
Capital expenditure – HRA	7,566	681
Capital Financing Requirement (CFR) – GF	-248	-248
Capital Financing Requirement (CFR) – HRA	81,820	81,820
Annual change in CFR	0	0

In year external borrowing requirement	0	0
Ratio of financing costs to net revenue stream - GF	-0.37%	-0.37%
Ratio of financing costs to net revenue stream - HRA	12.45%	12.45%
<u>Incremental impact of capital investment decisions:-</u>		
Increase in council tax (band change) per annum.	0%	0%
Increase in average housing rent per week	0%	0%

For convenience a Glossary of Terms is provided at Appendix 3.

APPENDIX 2:**Investment Portfolio****Investments held as at 30th September 2018**

Institution	Maturity Date	Interest Rate %	Principal £'000
<i>Loans to other local authorities</i>			
Liverpool City Council	25/01/2019	0.70	2,000
Bournemouth Borough Council	27/09/2019	0.72	2,000
<i>Bank deposits and Money Market funds</i>			
Close Brothers	26/10/2018	0.80	2,000
Nationwide Building Society	12/11/2018	0.64	2,000
Sumitomo Mitsui Banking Corporation Europe	17/12/2018	0.78	2,000
Standard Chartered Bank	35 Day Notice	0.78	8,000
Bank of Scotland	95 Day Notice	0.80	8,000
Goldman Sachs International Bank	180 Day Notice	0.75	5,000
Santander	180 Day Notice	0.95	8,000
Federated MMF	1 Day Notice	0.70	7,000
Insight MMF	1 Day Notice	0.62	630
<i>Property funds</i>			
Lothbury Property Fund	N/A		2,500
Hermes Property Fund	N/A		2,500
Total			51,630

APPENDIX 3:

Glossary of Terms

Capital Financing Requirement

CFR is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so it's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

Operational Boundary

The operational boundary is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Authorised Limit for External Debt

A further key prudential indicator represents a control on the maximum level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Gross External Debt

This is the total amount borrowed by the Council at a point in time. At 30th September 2018 the figure of £81,190 equates to £79,190k HRA and £2,000k market loan (General Fund).

Investments

The budgeted figure is the estimated average funds available for investment during the year. The actual figure is the total amount invested as at 30th September 2018.

Net Borrowing

Net borrowing is gross external debt less investments.

Ratio of financing costs to net revenue stream

This ratio looks at net interest payable as a proportion of revenue (broadly council tax and government grants in respect of the General Fund, rental income in respect of the HRA). Essentially, this is an indicator of the Council's ability to service its loans.

In this mid-year (and previously) interest receivable has exceeded interest payable for the General Fund producing a negative number for net interest payable and a somewhat odd looking negative ratio; this can be construed as indicating that the Council has no issues servicing General Fund loans at this time.

COUNCIL – 21ST JANUARY 2019

Report of the Cabinet

ITEM 6.3 CAPITAL PLAN AMENDMENT REPORT

Purpose of Report

To seek approval for changes to the 2018/19 to 2020/21 Capital Plan and its financing.

Recommendations

1. That the Acquisition of Affordable Housing to meet Housing Need HRA scheme be increased by the sum of £477k, be added to the Capital Plan in 2020/21 and that it proceeds.
2. That the Loughborough University Science and Enterprise Park budget of £350k slippage from 2018/19 to 2019/20 be approved.

Reasons

1. To confirm that the Acquisition of Affordable Housing to meet Housing Need HRA scheme, should be increased to the sum of £477k, and that the cost be funded 30% from retained 141 capital receipts and 70% from HRA reserves.
2. To enable the scheme budget to be available in 2020/21.

Policy Justification and Previous Decisions

The Capital Plan is an integral element of all policies and the current three-year plan was adopted by full Council on 26th February 2018. The Financial Regulations in the Council's Constitution require that decisions regarding the addition of Council funding of greater than £250k to existing schemes must be approved by full Council.

At its meeting on 13th December 2018, the Cabinet considered a report of the Head of Finance and Property Services regarding the 2018/19 to 2020/21 Capital Plan and its financing. That report is attached as an Annex.

An extract from the Cabinet minutes which details the Cabinet's consideration of the matters reserved to Council is set out below.

"64. CAPITAL PLAN AMENDMENT REPORT

Considered a report of the Head of Finance and Property Services to consider proposed changes to the 2018/19-2020/21 Capital Plan and its financing (item 11 on the agenda filed with these minutes).

[.....]

The Head of Finance and Property Services assisted with consideration of the report.

RESOLVED

[.....]

2. *that it be recommended to Council that the Acquisition of Affordable Housing to meet Housing Need HRA scheme be increased by the sum of £477k, be added to the Capital Plan in 2020/21 and that it proceeds;*
3. *that it be recommended to Council that the Loughborough University Science and Enterprise Park budget of £350k slippage from 2018/19 to 2019/20 be approved;*

[.....]

Reasons

[.....]

2. *To confirm that the Acquisition of Affordable Housing to meet Housing Need HRA scheme, should be increased to the sum of £477k, and that the cost be funded 30% from retained 141 capital receipts and 70% from HRA reserves.*
3. *To enable the scheme budget to be available in 2020/21.*

[.....]"

Implementation Timetable including Future Decisions and Scrutiny

As detailed in the attached Annex.

Report Implications

As detailed in the attached Annex.

Key Decision: Yes

Background Papers: None

Officer to Contact: Laura Strong
Democratic Services Officer
01509 634734
laura.strong@charnwood.gov.uk

CABINET – 13TH DECEMBER 2018

Report of the Head of Finance and Property Services
Lead Member: Cllr Tom Barkley

Part A

ITEM CAPITAL PLAN AMENDMENT REPORTPurpose of the Report

This report requests Cabinet to consider and approve changes to the 2018/19-2020/21 Capital Plan and its financing.

Recommendations

1. That, the current Capital Plan for 2018/19 - 2020/21, as amended by the changes shown in Appendix 1, in the sum of £31,450,800 be approved.
2. **That it be recommended to Council** that the Acquisition of Affordable Housing to meet housing need HRA scheme be increased by the sum of £477k, be added to the Capital Plan in 2020/21 and that it proceeds.
3. **That it be recommended to Council** that the Loughborough University Science and Enterprise Park budget of £350k slippage from 2018/19 to 2019/20 be approved.
4. That the slippages on the following budgets from 2018/19 to 2019/20 be approved; Leicestershire Superfast Broadband Phase 3, £100,000; Carbon Management Schemes, £57,000 and Public Realm Shepshed Town Centre, £12,200.
5. That £40k budget for Hardware Replacement be brought forward from 2019/20 to 2018/19 be approved.
6. That the Loughborough Markets – replacement of tug and trailer scheme to the sum of £21,500 be added to the Capital Plan in 2018/19.
7. That the Carillon Tower Restoration project scheme which is currently in the Capital Plan 2018/19 for £282k be increased by £7,500 to allow for works on refurbishing the bronze metal plaques and the new enhanced lighting scheme.
8. That the Messenger Close, Loughborough Scheme be increased by £12,100.
9. That the Green Spaces Programme be reduced by £25k.
10. That a new scheme for the Outwoods, £140k fully funded by a grant is added to the Capital Plan in 2018/19.

Reasons

1. To enable the Capital Plan to be the basis for capital spending by the Council and so that schemes may proceed.
2. To confirm that the Acquisition of Affordable Housing to meet housing need HRA scheme, should be increased to the sum of £477k, and that the cost be funded 30% from retained 141 capital receipts and 70% from HRA Reserves.
3. To enable the scheme budget to be available in 2020/21.
4. To enable the scheme budgets to be available in 2020/21.
5. To enable work to proceeds in 2018/19.
6. To enable Loughborough Markets to operate.
7. To confirm that the Carillon Tower Restoration project scheme be increased and funded by an external contribution.
8. To confirm that the Messenger Close, Loughborough Scheme be increased funding by income from tenants.
9. To ensure that the Council's costs will not increase as this part of the scheme was to be external funded. The funding will not be received.
10. To enable works to proceed in 2018/19.

Policy Justification and Previous Decisions

The Capital Plan is an integral element of all policies and the current three-year plan was adopted by Council on 26th February 2018. Amendments to the Capital Plan were last reported to the Cabinet on 13th September 2018.

Implementation Timetable including Future Decisions and Scrutiny

This report will be available for scrutiny by the Overview Scrutiny Panel on 10th December 2018.

Report Implications

The following implications have been identified for this report.

Financial Implications

The financial implications are covered in the body of this report.

Risk Management

Risks Identified	Likelihood	Impact	Risk Management Actions Planned
Insufficient funding	Possible	Major	The funding of the Capital Plan is regularly monitored and any apparent shortfalls are brought to the attention of Cabinet with suggested solutions.
General Risks associated with capital expenditure	Possible	Moderate	The Capital Plan is controlled through Project Boards for larger schemes and Project Officers for smaller schemes. Progress, risks and possible problems are notified to these boards and to the Capital Programme Team for all projects of £50k or more. Such risks are identified and dealt with and reported as necessary to the Senior Management Team and Cabinet.

Key Decision:

Yes

Background Papers:

None

Officer to Contact:

Tina Stankley
Head of Finance and Property Services
01509 634810
tina.stankley@charnwood.gov.uk

Part B

Background - Capital Plan

1. Since the last Capital Plan Amendment Report on 13th September 2018 a number of amendments and additions to the Capital Plan have been put forward. These changes have affected the overall total and the funding of the Plan and those requiring an amendment to the expenditure budget are set out in Appendix 1. This report summarises these changes and, if approved, becomes the current Capital Plan for 2018/19 - 2020/21.
2. The net effects of these changes on the 2018/19 Capital Plan are as follows:

2018/19 Capital Plan	£'000
2018/19 Capital Plan as at 13 October 2018	12,779
Add: Net new/amended schemes	156
Less: Net slippage to 2019/20	(479)
Amended 2018/19 Capital Plan	12,456

Funded by:	£'000
General Fund:	
Grants, Contributions and Revenue Contributions	2,559
Contributions from Capital Plan Reserve	1,015
Contributions from Capital Receipts	1,316
Total General Fund	4,890
HRA:	
MRA or equivalent	3,257
Contribution from HRA Financing Fund	7
Contributions from Capital Receipts	586
Revenue Contributions	3,716
Total HRA	7,566
Total Funding for 2018/19	12,456

3. Details of the decisions and amendments are listed in the attached Appendix 1 and the current Capital Plan, including the changes outlined in Appendix 1, is included as Appendix 2.

4. Information on Changes
5. **Acquisition of Affordable Housing to meet housing need HRA, £477k increase** – this is an addition to the existing scheme which will provide more homes owned by the Council for social rent in order to meet local housing needs. The objective is to acquire properties, preferably two bed accommodation and bungalows for sale on the open market to address the housing needs of households on the Housing Register. This additional amount will be funded via receipts arising from Right to Buy sales of Council properties and HRA Reserves. The Council has entered into an Agreement with The Secretary of State to be allowed to retain Right to Buy receipts on the basis this funding will be used to increase the supply of affordable housing. The Government policy is that these receipts must be spent within three years of receipt. Receipts not spent within this timeframe must be repaid to the Government plus interest at a rate of 4% above the base rate. The capital receipts can only fund 30% of a scheme. This budget increase is to spend the receipts retained in quarter 2 of 2018/19. The 70% can be funded by HRA Reserves.
6. **Loughborough University Science & Enterprise Park - £350k slippage** - the programme for the allocation of this funding remains undecided however the Chief Executive has advised that he wishes to retain the allocation within the Capital Plan in order to respond expeditiously to any partnership initiatives related to the delivery of the Science and Enterprise Park. As no project has yet emerged for the use of this fund it is unlikely now that it will be required within the current financial year – it would be expedient to slip the allocation into 2019/20.
7. **Leicestershire Superfast Broadband Phase 3 - £100k slippage** - The delay in the procurement launch means that the Council's contribution will be delayed also – given the need to undertake a value for money assessment of the preferred bid likely to be selected in May / June 2019 the CBC contribution is not now anticipated for release before August 2019.
8. **Carbon Management, £57k slippage.** Two schemes have completed in 2018/19, Beehive Lighting and Town Hall lighting. No further schemes have been currently identified by the Project Board for the uncommitted balance of £57k. While other potentially viable schemes are being developed by Property Services, the approval and implementation will not be until 2019/20.
9. **Public Realm - Shepshed Town Centre Management, £12,200 slippage.** Complexities in the negotiation of competitive quotations for the work delayed the consideration of the Town Team application until the end of July 2018 resulting in the slippage of the installation programme. Installation is now in progress with payment of the grant (£24,600) falling due upon project completion anticipated now in January 2018. The uncommitted balances in the budget (£12,221) will remain in the programme pending the submission of further applications for public realm improvement projects – realistically they are unlikely to emerge before the third quarter of 2019/20 and the remaining funding reasonably might be slipped to December 2019.

10. **Replacement Hardware**, bringing forward £40k. This budget is being brought forward to support the requirement for new 2 in 1 devices, laptops and monitors to support the migration to Windows 10 and Office 365.
11. **Loughborough Market, replacement of tug and trailer, £21,500** – this is a new scheme. To operate effectively the Markets & Fairs operation requires the use of two electric tugs plus trailers to move the markets infrastructure around when setting up the three weekly markets and other Town Centre events. The service currently owns two tugs; one has just been condemned along with its trailers and not in use and the other tug would cost £10,000 to repair which is more than 50% the cost of replacement, a new tug can be purchased for c£18,500. A tug has been rented on a five year rental agreement at an annual cost of £5,160. There is a revenue budget to cover this. The tug was rented so that there was at least one tug operational. This does limit the effectiveness of the market set up. It is proposed that one new tug is purchased along with an appropriate trailer.
12. Carillon Tower Restoration Project, £7,500 increase – this scheme is being increased in order to spend money held from a legacy on refurbishing the bronze memorial plaques and to support the cost of the new enhanced lighting scheme.
13. **Messenger Close, Loughborough**, £12k addition – this is a relatively small addition to give a total budget of £196k to develop industrial storage compounds on industrial land owned by the Council at Messenger Close. The £12k is for utility works specifically required by the tenants which the tenants are paying for.
14. **Green Spaces Programme, -£25k reduction** – it was originally anticipated that there would be £25k of external funding for Sidings Park and Jubilee Park. This funding will not be received thus this element of the Green Spaces Programme Scheme is being reduced.
15. The virements on the HRA schemes, Sheltered Housing Improvements including heating and equipment £37k to Communal Area Electrical and Door Replacement £30k to electrical Upgrades are to realign budgets with expenditure and have been approved by the S151 Officer in accordance with the Financial Procedure Rules.
16. **Outwoods, £140k** - this is for a new scheme of improvements to the Outwoods. This project is a key component to regenerate and bring into positive use the currently empty cottage and surrounding area at the Outwoods. Taken together with the replacement of the out of date septic tank and the planned work to convert the redundant building into a multifunction visitor centre and café, this project will have a significant impact on the level of services and quality of visitor experience. In addition, the provision of these facilities on site is likely to significantly improve the level of interest in any future lease for the provision of café services and thereby increase the potential for return on the Council's own investment currently contained within the capital plan.
The project focuses on the triangular area around the cottage which is outside of the Site of Special Scientific Interest (SSSI) between the woodland and the

car park. In particular, the proposals focus on providing facilities for very young children and their carers as well as the provision of basic facilities to support a wider range of events and activities throughout the year.

There are three key components of the scheme. Firstly an informal natural play area constructed from logs, boulders and other natural materials will be created in the area of woodland adjacent to the car park. The selected design is low key and has been chosen particularly for its fit with the character of the wider site. Secondly an open flat area to the front and side of the existing cottage building will be levelled, landscaped and better drainage will be added to provide a flat open area suitable for picnics and occasional events. Thirdly, an open sided covered area will also be provided to support a wider range of events and workshops including woodland craft skills such as chair making and hurdle making. The structure will also be useful for organisations such as volunteers on work party days and Forest schools throughout the year.

The project will be entirely funded by a grant under the Rural Development for England (RDPE) Growth Programme. The funding is confirmed and the funding agreement has been scrutinised by legal services prior to signing.

17. The Capital Plan is fully funded as per the table in paragraph 2 of this report.

Appendices

Appendix 1 – Details of Capital Plan Amendments

Appendix 2 – Capital Plan 2018/19-2020/21

CAPITAL PLAN AMENDMENT REPORT 2018/19
Appendix 1

	2018/19 £	2019/20 £	2020/21 £
Capital Plan Amendment Report - 13th September 2018 - Minute 32	12,778,900	10,662,300	7,376,500
<u>E-mail D Bartlett - 21st August 2018</u>			
Windows - Fortem - virement	-10,000		
Door Entry Systems - virement	10,000		
<u>Capital Programme Team 13 November 2018</u>			
Acquisition of Affordable Housing to meet housing need - receipts retained			477,000
Loughborough University Science & Enterprise Park - slippage	-350,000	350,000	
Leicestershire Superfast Broadband Phase 3 - slippage	-100,000	100,000	
Carillon Tower Restoration Project - externally funded	7,500		
Green Spaces Programme - remove external funding	-25,000		
Carbon Management Schemes - slippage	-57,000	57,000	
Public Realm - Shepshed Town Centre - slippage	-12,200	12,200	
Replacement Hardware Programme - Block Sum - bring budget forward	40,000	-40,000	
Messenger Close, Lough - Options for future use - externally funded	12,100		
Sheltered Housing Improvements inc heating & equipment - virement	-37,000		
Communal Area Electric - virement	37,000		
Door Replacement - virement	-30,000		
Electrical Upgrades - virement	30,000		
Loughborough Market - replacement of Tug and Trailer - new scheme	21,500		
Outwood Country Park - new scheme	140,000		
Update Report - Total	12,455,800	11,141,500	7,853,500

CAPITAL PLAN 2018/19

Scheme Details	First year in Capital Plan	Total Cost £	Spend Before 2018/19 £	2018/19				2019/20		2020/21		External Funding		
				Original Plan £	Current Budget £	Actual Spend 31/10/18 £	Balance £	Original Plan £	Current Budget £	Original Plan £	Current Budget £	2018/19 £	2019/20 £	2020/21 £
CAPITAL PLAN														
<i>Direct Delivery</i>														
Community Wellbeing		3,453,015	670,315	793,600	1,909,700	505,211	1,404,489	188,000	188,000	685,000	685,000	535,300	50,000	0
Corporate Services		2,960,629	2,149,029	315,000	631,600	322,702	308,898	110,000	70,000	110,000	110,000	12,100	0	0
Housing, Planning & Regeneration & Regulatory Services - General Fund		785,430	184,530	50,000	243,900	26,586	217,314	200,000	257,000	100,000	100,000	1,100	0	0
Housing, Planning & Regeneration & Regulatory Services - HRA		78,799,466	57,913,466	7,257,300	7,566,200	915,624	6,650,576	6,613,300	7,554,300	5,288,500	5,765,500	0	0	0
Sub-total Direct Delivery		85,998,540	60,917,340	8,415,900	10,351,400	1,770,123	8,581,277	7,111,300	8,069,300	6,183,500	6,660,500	548,500	50,000	0
<i>Indirect Delivery</i>														
Community Wellbeing		1,264,539	146,439	0	878,100	64,421	813,679	30,000	180,000	60,000	60,000	683,300	0	0
Corporate Services		0	0	0	0	0	0	0	0	0	0	0	0	0
Housing, Planning & Regeneration & Regulatory Services - General Fund		16,085,339	10,833,839	515,000	1,226,300	321,924	904,376	2,430,000	2,892,200	1,133,000	1,133,000	1,037,800	1,540,000	1,058,000
Housing, Planning & Regeneration & Regulatory Services - HRA		0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total Indirect Delivery		17,349,878	10,980,278	515,000	2,104,400	386,345	1,718,055	2,460,000	3,072,200	1,193,000	1,193,000	1,721,100	1,540,000	1,058,000
GF Total		24,548,952	13,984,152	1,673,600	4,889,600	1,240,844	3,648,756	2,958,000	3,587,200	2,088,000	2,088,000	2,269,600	1,590,000	1,058,000
HRA Total		78,799,466	57,913,466	7,257,300	7,566,200	915,624	6,650,576	6,613,300	7,554,300	5,288,500	5,765,500	0	0	0
Grand Total		103,348,418	71,897,618	8,930,900	12,455,800	2,156,468	10,299,332	9,571,300	11,141,500	7,376,500	7,853,500	2,269,600	1,590,000	1,058,000
Community Wellbeing														
<i>Direct Delivery</i>														
JT Z478	Shortcliffe Community Park	2015/16	162,119	144,419	0	17,700	2,380	15,320	0	0	0	9,400	0	0
JT Z697	Bell Foundry Pocket Park	2016/17	66,976	4,776	0	62,200	62,528	-328	0	0	0	62,200	0	0
JT Z494	Public Art Provision - Loughborough & Shepshed	2017/18	92,824	17,724	0	75,100	0	75,100	0	0	0	75,100	0	0
JR Z388	CCTV	2014/15	225,009	106,609	35,000	48,400	-8,735	57,135	35,000	35,000	35,000	0	0	0
SW Z389	Loughborough - Town Centre signage	2014/15	59,020	54,020	0	5,000	0	5,000	0	0	0	0	0	0
SW Z413	Town Hall - Tills	2015/16	10,967	9,767	0	1,200	0	1,200	0	0	0	0	0	0
SW Z392	Public Realm and Art Improvements	2014/15	103,354	93,754	0	9,600	3,200	6,400	0	0	0	0	0	0
SW Z393	Grants for Shop Front Improvements	2014/15	15,031	13,431	0	1,600	500	1,100	0	0	0	0	0	0
SW Z421	Carillon Tower Restoration Project	2017/18	289,500	0	0	289,500	232,705	56,795	0	0	0	44,600	0	0
SW Z426	Trailer	2018/19	21,500	0	0	21,500	0	21,500	0	0	0	0	0	0
KS Z746	Charnwood Museum Public Toilets Refurbishment	2018/19	16,000	0	16,000	16,000	0	16,000	0	0	0	0	0	0
NB Z748	Loughborough Festive Lights and Street Dressing	2018/19	130,000	0	130,000	130,000	0	130,000	0	0	0	10,000	0	0
NB Z749	Loughborough Market Improvements	2018/19	60,000	0	60,000	60,000	2,960	57,040	0	0	0	20,000	0	0
RK Z756	Town Hall Public Wifi Installation	2018/19	15,000	0	15,000	15,000	0	15,000	0	0	0	0	0	0
RK Z757	Town Hall Roof Upgrade	2018/19	50,000	0	50,000	50,000	4,277	45,723	0	0	0	0	0	0
RK Z758	Town Hall Seating Replacement	2018/19	80,000	0	80,000	80,000	0	80,000	0	0	0	0	0	0
MB Z394	Provision of Neighbourhood Notice Boards	2014/15	15,001	8,901	0	6,100	0	6,100	0	0	0	0	0	0
MB Z739	Green Spaces Programme	2016/17	588,995	77,195	125,000	511,800	170,393	341,407	0	0	0	134,000	0	0
JT Z747	Dishley Pool Access Works	2018/19	32,600	0	32,600	32,600	0	32,600	0	0	0	0	0	0
MB	Loughborough Cemetery - New Burial Provision	2018/19	650,000	0	0	0	0	0	0	650,000	650,000	0	0	0
SR Z750	Loughborough Old Cemetery Green Flag Site Development	2018/19	40,000	0	40,000	40,000	0	40,000	0	0	0	20,000	0	0
MB Z751	Loughborough Playgrounds - Replacement Surfaces	2018/19	60,000	0	60,000	60,000	0	60,000	0	0	0	0	0	0
SR Z752	Mountsorrel Castle Park Green Flag Site Development	2018/19	40,000	0	40,000	40,000	0	40,000	0	0	0	20,000	0	0
MB Z753	The Outwoods Country Park - Septic tank system replacement	2018/19	45,000	0	45,000	45,000	0	45,000	0	0	0	0	0	0
MB Z754	The Outwoods Country Park - Visitor Centre and Car Park	2018/19	188,000	0	35,000	35,000	0	35,000	153,000	153,000	0	0	50,000	0
MB	The Outwoods Country Park - improvements	2018/19	140,000	0	0	140,000	0	140,000	0	0	0	140,000	0	0
MB Z755	Shortcliffe Park Access Bridges	2018/19	50,000	0	50,000	50,000	34,750	15,250	0	0	0	0	0	0
AG Z484	Closed Churchyards Walls	2016/17	156,119	139,719	0	16,400	253	16,147	0	0	0	0	0	0
AG Z503	Charnwood Sites Access and Security	2018/19	50,000	0	0	50,000	0	50,000	0	0	0	0	0	0

CAPITAL PLAN 2018/19

Appendix 2

Scheme Details	First year in Capital Plan	Total Cost £	Spend Before 2018/19 £	2018/19				2019/20		2020/21		External Funding		
				Original Plan £	Current Budget £	Actual Spend 31/10/18 £	Balance £	Original Plan £	Current Budget £	Original Plan £	Current Budget £	2018/19 £	2019/20 £	2020/21 £
Sub-total Direct Delivery		3,453,015	670,315	793,600	1,909,700	505,211	1,404,489	188,000	188,000	685,000	685,000	535,300	50,000	0
Indirect Delivery														
JR Z348	Community Facilities Grants	421,551	136,751	0	194,800	6,981	187,819	30,000	30,000	60,000	60,000	0	0	0
JR Z488	towards community hub building	25,900	0	0	25,900	0	25,900	0	0	0	0	25,900	0	0
JR Z499	Syston Town Council - contribution towards Cem	219,588	9,688	0	209,900	9,662	200,238	0	0	0	0	209,900	0	0
JR Z292	Hallam Fields Community Hall	500,000	0	0	350,000	22,610	327,390	0	150,000	0	0	350,000	0	0
JR Z500	Birstall Cedars Academy MUGA	50,000	0	0	50,000	0	50,000	0	0	0	0	50,000	0	0
JR Z502	Quorn Parish Council - redevelopment of Old Scho	25,200	0	0	25,200	25,168	32	0	0	0	0	25,200	0	0
MB Z778	Syston Community Garden	22,300	0	0	22,300	0	22,300	0	0	0	0	22,300	0	0
Sub-total Indirect Delivery		1,264,539	146,439	0	878,100	64,421	813,679	30,000	180,000	60,000	60,000	683,300	0	0
Community Wellbeing - Total		4,717,554	816,754	793,600	2,787,800	569,632	2,218,168	218,000	368,000	745,000	745,000	1,218,600	50,000	0
Corporate Services														
Direct Delivery														
DC Z310	Planned Property Refurbishment	0	0	155,000	0	0	0	0	0	0	0	0	0	0
AK Z085	Replacement Hardware Programme - Block Sum	1,319,984	1,012,684	80,000	187,300	55,861	131,439	80,000	40,000	80,000	80,000	0	0	0
AK Z354	Infrastructure Development - Block Sum	201,522	111,522	30,000	30,000	3,042	26,958	30,000	30,000	30,000	30,000	0	0	0
AK Z780	Wireless connectivity including presentation facilit	25,000	0	0	25,000	81	24,919	0	0	0	0	0	0	0
KB Z423	Call Secure System - PCI Compliance	40,152	4,252	0	35,900	0	35,900	0	0	0	0	0	0	0
KB Z425	Corporate Booking System	22,913	16,013	0	6,900	0	6,900	0	0	0	0	0	0	0
SL Z485	Online Customer Experience Project	55,696	55,696	0	0	4,862	-4,862	0	0	0	0	0	0	0
DC Z415	Southfields Offices - Roofing	100,020	84,620	0	15,400	12,590	2,810	0	0	0	0	0	0	0
DC Z466	DWP Co-Location	653,471	653,471	0	0	-3,000	3,000	0	0	0	0	0	0	0
DC Z493	Fearon Hall	250,035	174,235	0	75,800	37,361	38,439	0	0	0	0	0	0	0
DC Z740	Emergency Backup Generator & UPS Power	38,302	36,302	0	2,000	1,663	337	0	0	0	0	0	0	0
DW/DC Z759	Woodgate Chambers - high level roof and windows	50,000	0	50,000	50,000	0	50,000	0	0	0	0	0	0	0
DC Z777	Messenger Close, Lough - Options for future use	196,534	234	0	196,300	204,595	-8,295	0	0	0	0	12,100	0	0
DC Z779	Jubilee Avenue Sibley	7,000	0	0	7,000	5,647	1,353	0	0	0	0	0	0	0
Sub-total Direct Delivery		2,960,629	2,149,029	315,000	631,600	322,702	308,898	110,000	70,000	110,000	110,000	12,100	0	0
Corporate Services - Total		2,960,629	2,149,029	315,000	631,600	322,702	308,898	110,000	70,000	110,000	110,000	12,100	0	0
Housing, Planning & Regeneration & Regulatory Services - General Fund														
Direct Delivery														
AT Z744	Beehive Lane Car Park Improvements and refurbis	180,000	0	50,000	50,000	10,524	39,476	30,000	30,000	100,000	100,000	0	0	0
AT Z781	Beehive Lane Car Park fire & safety evacuation sys	125,000	0	0	125,000	0	125,000	0	0	0	0	0	0	0
AT	Car Parks Resurfacing and Improvements	170,000	0	0	0	0	0	170,000	170,000	0	0	0	0	0
DC Z738	Carbon Management Schemes	190,969	101,169	0	32,800	0	32,800	0	57,000	0	0	0	0	0
RB Z468	Planning and Regeneration Essential Technology P	84,461	83,361	0	1,100	0	1,100	0	0	0	0	1,100	0	0
AS Z424	Choice Based Lettings Software	35,000	0	0	35,000	16,062	18,938	0	0	0	0	0	0	0
Sub-total Direct Delivery		785,430	184,530	50,000	243,900	26,586	217,314	200,000	257,000	100,000	100,000	1,100	0	0
Indirect Delivery														
DH Z366	Loughborough University Science & Enterprise Par	500,000	150,000	0	0	0	0	0	350,000	0	0	0	0	0
DH Z367	Bleach Yard	30,000	20,300	0	9,700	3,751	5,949	0	0	0	0	0	0	0
DH	Bedford Square Gateway	780,000	0	0	0	0	0	780,000	780,000	0	0	0	390,000	0
DH	Shepshed Bull Ring	600,000	0	0	0	0	0	600,000	600,000	0	0	0	170,000	0

CAPITAL PLAN 2018/19

Scheme Details	First year in Capital Plan	Total Cost £	Spend Before 2018/19 £	2018/19				2019/20		2020/21		External Funding			
				Original Plan £	Current Budget £	Actual Spend 31/10/18 £	Balance £	Original Plan £	Current Budget £	Original Plan £	Current Budget £	2018/19 £	2019/20 £	2020/21 £	
DH Z745 Leicestershire Superfast Broadband Phase 3	2018/19	100,000	0	100,000	0	0	0	0	100,000	0	0	0	0	0	0
RB Z396 Public Realm - Shepshed Town Centre	2014/15	50,488	13,688	0	24,600	0	24,600	0	12,200	0	0	0	0	0	0
RS Z210 Disabled Facilities Grants - Block Sum	On-going	11,651,278	8,584,478	5,000	1,028,800	316,861	711,939	980,000	980,000	1,058,000	1,058,000	1,028,800	980,000	1,058,000	
RS Z346 Private Sector Housing Grants - Block Sum	On-going	398,957	142,657	0	111,300	1,312	109,988	70,000	70,000	75,000	75,000	0	0	0	
RS Z141 Regional Housing Pot Grant	On-going	1,889,057	1,846,157	0	42,900	0	42,900	0	0	0	0	0	0	0	
RS Z363 Fuel Poverty Scheme	2012/13	85,559	76,559	0	9,000	0	9,000	0	0	0	0	9,000	0	0	
RS Z346 Housing Grants	2016/17	0	0	410,000	0	0	0	0	0	0	0	0	0	0	
Sub-total Indirect Delivery		16,085,339	10,833,839	515,000	1,226,300	321,924	904,376	2,430,000	2,892,200	1,133,000	1,133,000	1,037,800	1,540,000	1,058,000	
g & Regeneration & Regulatory Services - General Fund - Total		16,870,769	11,018,369	565,000	1,470,200	348,510	1,121,690	2,630,000	3,149,200	1,233,000	1,233,000	1,038,900	1,540,000	1,058,000	
Housing, Planning & Regeneration & Regulatory Services - HRA															
Direct Delivery															
PO Z300 Major Adaptations	On-going	5,741,912	5,741,912	0	0	-103,138	103,138	0	0	0	0	0	0	0	
PO Z761 Major Adaptations - Fortem	2018/19	1,425,000	0	525,000	525,000	21,098	503,902	450,000	450,000	450,000	450,000	0	0	0	
PO Z301 Minor Adaptations	On-going	718,292	568,292	50,000	50,000	21,619	28,381	50,000	50,000	50,000	50,000	0	0	0	
PO Z302 Stairlifts	On-going	721,444	541,444	60,000	60,000	40,669	19,331	60,000	60,000	60,000	60,000	0	0	0	
PO Z380 Major Void Works	On-going	1,337,954	1,337,954	0	0	10,372	-10,372	0	0	0	0	0	0	0	
PO Z762 Major Void Works - Fortem	2018/19	840,000	0	280,000	280,000	25,716	254,284	280,000	280,000	280,000	280,000	0	0	0	
Compliance															
PO Z434 Asbestos Removal	On-going	1,621,896	1,171,896	150,000	150,000	85,355	64,645	150,000	150,000	150,000	150,000	0	0	0	
PO Z741 Communal Area Improvements	2016/17	21,889	11,389	0	10,500	1,506	8,994	0	0	0	0	0	0	0	
PO Z771 Communal Area Improvements - Fortem	2018/19	450,000	0	150,000	150,000	16,030	133,970	150,000	150,000	150,000	150,000	0	0	0	
PO Z742 Communal Area Electric	2016/17	985,899	296,599	200,000	289,300	289,251	49	200,000	200,000	200,000	200,000	0	0	0	
PO Z374 Carbon monoxide/smoke alarms	On-going	239,875	239,875	0	0	1,039	-1,039	0	0	0	0	0	0	0	
PO Z772 Carbon Monoxide Alarms - Fortem	2018/19	120,000	0	50,000	50,000	2,050	47,950	40,000	40,000	30,000	30,000	0	0	0	
PO Z401 Fire Safety	On-going	1,472,314	1,472,314	0	0	-38,061	38,061	0	0	0	0	0	0	0	
PO Z773 Fire Safety Works - Fortem	2018/19	300,000	0	100,000	100,000	1,292	98,708	100,000	100,000	100,000	100,000	0	0	0	
PO Z404 Cavity/Loft insulation	On-going	66,320	66,320	0	0	-4,745	4,745	0	0	0	0	0	0	0	
PO Z774 Cavity/Loft insulation - Fortem	2018/19	150,000	0	50,000	50,000	0	50,000	50,000	50,000	50,000	50,000	0	0	0	
Stock Maximisation															
PO Z375 Garages	2016/17	150,000	0	50,000	50,000	0	50,000	50,000	50,000	50,000	50,000	0	0	0	
Decent Homes															
PO Z460 Chamwood Standard Kitchens	On-going	9,867,207	9,867,207	0	0	7,332	-7,332	0	0	0	0	0	0	0	
PO Z763 Kitchens - Fortem	2018/19	870,000	0	322,000	322,000	24,335	297,665	190,000	190,000	358,000	358,000	0	0	0	
PO Z461 Chamwood Standard Bathrooms	On-going	4,470,151	4,470,151	0	0	-4,063	4,063	0	0	0	0	0	0	0	
PO Z764 Bathrooms - Fortem	2018/19	1,925,100	0	616,300	616,300	275	616,025	578,300	578,300	730,500	730,500	0	0	0	
PO Z454 Electrical Upgrades	On-going	4,597,646	4,567,646	0	30,000	22,863	7,137	0	0	0	0	0	0	0	
PO Z765 Electrical Upgrades - Fortem	2018/19	199,000	0	66,000	66,000	4,800	61,200	54,000	54,000	79,000	79,000	0	0	0	
PO Z011 Windows	On-going	2,787,224	2,787,224	0	0	-5,369	5,369	0	0	0	0	0	0	0	
PO Z766 Windows - Fortem	2018/19	50,000	0	20,000	10,000	0	10,000	20,000	20,000	20,000	20,000	0	0	0	
PO Z005 Chamwood Standard Planned Heating	On-going	12,131,262	12,131,262	0	0	-217,579	217,579	0	0	0	0	0	0	0	
PO Z767 Central Heating and Boiler Installation - Fortem	2018/19	1,190,000	0	518,000	518,000	7,455	510,545	238,000	238,000	434,000	434,000	0	0	0	
PO Z743 Sheltered Housing Improvements inc heating & eq	2016/17	1,102,130	539,130	200,000	163,000	38,080	124,920	200,000	200,000	200,000	200,000	0	0	0	
PO Z462 Door Replacement	On-going	2,613,997	2,596,597	0	17,400	-45,096	62,496	0	0	0	0	0	0	0	
PO Z768 Door Replacement - Fortem	2018/19	945,000	0	315,000	315,000	100	314,900	315,000	315,000	315,000	315,000	0	0	0	
PO Z459 Roofing/guttering	On-going	3,072,036	2,943,936	0	128,100	157,411	-29,311	0	0	0	0	0	0	0	
PO Z769 Re-roofing - Fortem	2018/19	1,800,000	0	600,000	600,000	1,095	598,905	600,000	600,000	600,000	600,000	0	0	0	
PO Z369 Major Structural Works	On-going	1,233,589	1,233,589	0	0	-160,203	160,203	0	0	0	0	0	0	0	

CAPITAL PLAN 2018/19

Appendix 2

Scheme Details	First year in Capital Plan	Total Cost £	Spend Before 2018/19 £	2018/19				2019/20		2020/21		External Funding		
				Original Plan £	Current Budget £	Actual Spend 31/10/18 £	Balance £	Original Plan £	Current Budget £	Original Plan £	Current Budget £	2018/19 £	2019/20 £	2020/21 £
PO Z770 Major Structural Works - Fortem	2018/19	750,000	0	250,000	250,000	0	250,000	250,000	250,000	250,000	250,000	0	0	0
PO General Capital Works														
PO Z357 Estate Works	On-going	632,070	625,070	0	7,000	-834	7,834	0	0	0	0	0	0	0
PO Z776 Estate and External Works - Fortem	2018/19	615,000	0	205,000	205,000	71	204,929	205,000	205,000	205,000	205,000	0	0	0
PO Z857 Housing Capital Technical Costs	On-going	4,435,943	3,499,943	312,000	312,000	0	312,000	312,000	312,000	312,000	312,000	0	0	0
PO Z378 Door Entry Systems	On-going	1,331,814	680,014	200,000	251,800	66,717	185,083	200,000	200,000	200,000	200,000	0	0	0
AS Z419 New Build/Acquisitions	2017/18	304,577	304,577	0	0	1,536	-1,536	0	0	0	0	0	0	0
AS Z760 Acquisition of Affordable Housing to meet housing	2018/19	5,227,000	0	1,953,000	1,953,000	645,945	1,307,055	1,856,000	2,797,000	0	477,000	0	0	0
PO Z406 Mobility Scooter Storage in Sheltered Schemes	On-going	128,363	128,363	0	0	0	0	0	0	0	0	0	0	0
PO Z775 Mobility Scooter Storage - Fortem	2018/19	45,000	0	15,000	15,000	0	15,000	15,000	15,000	15,000	15,000	0	0	0
PO Z470 Job Management System	2015/16	112,562	90,762	0	21,800	700	21,100	0	0	0	0	0	0	0
Sub-total Direct Delivery		78,799,466	57,913,466	7,257,300	7,566,200	915,624	6,650,576	6,613,300	7,554,300	5,288,500	5,765,500	0	0	0
g. Planning & Regeneration & Regulatory Services - HRA - Total		78,799,466	57,913,466	7,257,300	7,566,200	915,624	6,650,576	6,613,300	7,554,300	5,288,500	5,765,500	0	0	0

COUNCIL – 21ST JANUARY 2019

Report of the Chief Executive

ITEM 6.4 REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS - OUTCOME

Purpose of Report

To present the outcomes of the required review of polling districts, polling places and polling stations within the Borough.

Recommendations

1. That the proposals of the Chief Executive as set out in the Annex to this report, which are put forward in his capacity as the (Acting) Returning Officer for parliamentary elections, for future arrangements for polling districts, polling places and polling stations be approved.
2. That delegated authority be given to the Chief Executive to make suitable alternative arrangements for polling stations in the following cases where details have yet to be finalised, as detailed in the Annex:
 - Polling District CD – Birstall Wanlip No.2 (Birstall Wanlip ward)
 - New Polling District of Hamilton Lea (Queniborough ward)
 - New Polling District of Mountsorrel No.3 (Rothley & Thurstaston ward)
 - Polling District R – Loughborough Shelthorpe No.1 (Loughborough Shelthorpe ward).

Reasons

1. To comply with requirements of the Electoral Registration and Administration Act 2013, and to ensure that any amended arrangements for polling districts, polling places and polling stations are in place in time for the Borough elections on 2nd May 2019.
2. To allow suitable arrangements for polling stations to be made should it not prove possible to implement the relevant indicative proposals set out in the Annex.

Policy Justification and Previous Decisions

The Electoral Registration and Administration Act 2013 introduced changes to the timing of compulsory reviews of UK Parliamentary polling districts and polling places. The next compulsory review must be started and completed between 1st October 2018 and 31st January 2020 (inclusive).

The last such review was undertaken in 2014, and the recommendations were agreed by Council at its meeting on 10th November 2014 (minute 46.2 2014/15 refers).

At its meeting on 3rd September 2018, Council approved proposals to undertake a review, and this report presents the outcomes of that review for approval.

Implementation Timetable including Future Decisions and Scrutiny

If approved, the arrangements set out in this report will come into effect for the Borough elections on 2nd May 2019 and any subsequent elections.

Report Implications

The following implications have been identified for this report.

Financial Implications

The population of the Borough, and consequently the number of electors, is increasing as new residential developments proceed, and this is reflected within the proposals to create a number of new polling districts and polling stations, which will have ongoing cost implications.

The anticipated costs of the 2019 Borough elections, taking account of the proposals within this report, will be included within the 2019/20 budget which will come to Council for approval.

The costs of other elections (eg Parish and Town Councils, County Council, Parliamentary and Police & Crime Commissioner elections) are met by the relevant external organisations.

Risk Management

There are no specific risks associated with this decision.

Background Papers:

Electoral Commission guidance on reviews of polling districts, polling areas and polling stations:

<https://www.electoralcommission.org.uk/i-am-a/electoral-administrator/polling-place-reviews>

Summary of Consultation Responses Received

Updated polling district maps (these are not available at the time of the publication of the agenda but will be published on the Council's website as soon as possible)

Officers to contact:

Geoff Parker
Chief Executive
(01509) 634600
geoff.parker@charnwood.gov.uk

Adrian Ward
Head of Strategic Support
(01509) 634573
adrian.ward@charnwood.gov.uk



**POLLING DISTRICTS,
POLLING PLACES & POLLING
STATIONS REVIEW
2018/19**

(Acting) Returning Officer's Final Proposals
January 2019

INTRODUCTION

This report presents the (Acting) Returning Officer's final recommendations for polling district and polling stations arrangements following the review that has been carried out.

The proposed polling stations have been visited by a Council Officer for risk assessment purposes and any matters arising have been taken into consideration.

GUIDELINES

The following considerations have been taken into account when drawing up these proposals. The first two are required by electoral law; the others are guidelines, not strict rules.

- The Council must seek to ensure that all electors have such reasonable facilities for voting as are practicable in the circumstances.
- The Council must seek to ensure that so far as is reasonable and practicable every polling place is accessible to electors who are disabled.
- Ideally, the polling place should be in its own polling district.
- Ideally, there should be no more than 2500 electors (excluding absent voters) per polling district. It should be noted that although the guidelines suggest an ideal number of electors per polling district there are several polling districts in Charnwood that are over 2500 electors. In these cases, it is not practicable to split the polling district so there are 2 polling stations operating and therefore the issue of large elector numbers at a polling station will be dealt with by the provision of additional polling station staff and equipment.
- Preferably, no polling place should be shared by two wards.
- Schools should only be used where there is no other suitable permanent building available, because of the potential disruption to educational provision.
- Portakabins (mobile units) should only be used where there is no other reasonable option, as these are costly to operate.

THE TABLES

This report deals with each Borough ward separately, split between the parliamentary constituencies of Charnwood and Loughborough, and the tables show:

- The polling district.
- The number of electors as at 1st December 2018 (the 2019 revised register).
- The proposed polling station(s).
- A comment regarding the disabled access. It should be noted that although the polling stations show a comment of "satisfactory", this does not necessarily mean that access is ideal, but that any shortcomings can be dealt with by the provision of equipment such as ramps and by the polling station staff at the time of an election.

Where a risk assessment has been carried out and there are known problems relating to access, a comment of “satisfactory pending re-assessment” is included.

PROPOSED ARRANGEMENTS BY WARDS:

CHARNWOOD PARLIAMENTARY CONSTITUENCY

ANSTEY			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
CA Anstey	5,533	Jubilee Hall Staddon Road, Anstey	SATISFACTORY
(Acting) Returning Officer's Comments			
<p><u>Polling Station. 41: (Polling District CA) Jubilee Hall Staddon Road, Anstey</u> It was originally proposed to investigate splitting the single polling district for Anstey (CA) due to the large number of electors. However, it has not been possible to find a suitable alternative venue for a second polling station in the village, and also a consultation response was received which did not support splitting the current polling district. It is therefore proposed to provide additional staff at the single polling station.</p>			

BIRSTALL WANLIP			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
CC Birstall Wanlip No.1	1,981	Birstall Dist. Guide HQ Johnson Road, Birstall	SATISFACTORY
CD Birstall Wanlip No.2	1,985	Highcliffe CP School Greengate Lane, Birstall	SEE COMMENTS
CE Birstall Wanlip No. 3	1,485	Pavilion, Hallam Fields Primary School, Long Meadow Way, Birstall	SATISFACTORY
DH Wanlip	165	Church and Community Hall, Wanlip	SATISFACTORY
(Acting) Returning Officer's Comments			
<p><u>Polling Station 44 (Polling District CD): Highcliffe CP School Greengate Lane, Birstall</u> The Headteacher at Highcliffe Primary School has indicated following the re-build of the school building on Greengate Lane there is no longer a community room or separate part of the school available to be used as a polling station.</p> <p>The (Acting) Returning Officer is currently in discussions with the estates manager at the Lionheart academy to discuss options for using an alternative room in the school as a venue for facilitating voting for electors in Polling District CD, although at the current time final details have not been confirmed.</p> <p><u>Polling Station 45 (Polling District CE): Pavilion, Hallam Fields Primary School, Long Meadow Way, Birstall</u> It is proposed to replace the previous polling station which was at a mobile unit at Birstall Services with the Pavilion at Hallam Fields Primary School. The Pavilion has been</p>			

inspected and is suitable for use as a polling station, and was also used successfully at a recent by election.

BIRSTALL WATERMEAD			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
CF Birstall Watermead No.1	762	The Village Hall, Birstall Road, Birstall	SATISFACTORY
CG Birstall Watermead No.2	854	St Margaret's Co-operative Club Bowls Pavilion, Birstall Rd, Birstall	SATISFACTORY
CH Birstall Watermead No.3	1,448	St Theresa's Church Hall 53 Front Street, Birstall	SATISFACTORY
CI Birstall Watermead No.4	2,147	The Lounge, Birstall Methodist Church, Wanlip Lane, Birstall	SATISFACTORY
(Acting) Returning Officer's Comments			
None – no amendments to the current arrangements are proposed.			

EAST GOSCOTE			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
CK East Goscote	2,297	St Hilda's Church Centre, Ling Dale, East Goscote	SATISFACTORY
(Acting) Returning Officer's Comments			
None – no amendments to the current arrangements are proposed.			

FOREST BRADGATE			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
CM1 Newtown Linford	849	The Linford, 66 Main Street, Newtown Linford	SATISFACTORY
CM2 Ulverscroft	78		
DI Woodhouse Eaves	1,287	Village Hall Woodhouse Eaves	SATISFACTORY
DJ Old Woodhouse	379	Community Hall, 207 Forest Road, Old Woodhouse	SATISFACTORY
	N/A	Mobile Unit, Recreation Ground Car Park, Adj to 1	Not assessed as not permanent structure

New Polling District – Forest Bradgate (Alan Turing Road)		Highland Drive, Loughborough	
---	--	---------------------------------	--

(Acting) Returning Officer's Comments

Polling Station 53: The Linford, 66 Main Street, Newtown Linford

A request was received asking the (Acting) Returning Officer to review the location of the polling station which serves Polling Districts CM1 and 2 of the Forest Bradgate Ward. The Sunday Rooms is presently used, however there have been issues relating to disability access and parking. The (Acting) Returning Officer has investigated the possibility of an alternative venue and has carried out an inspection of The Linford Ex-Service Social Club and Institute, 66 Main Street, Newtown Linford (known as 'The Linford'), to assess its suitability as a polling station. The result of the assessment is that The Linford has adequate facilities for polling, including parking and disabled access.

The (Acting) Returning Officer considers The Linford as a suitable venue and therefore proposes that it replaces the current polling station for providing polling facilities for Polling Districts CM1 and CM2.

New Polling District: Forest Bradgate (Alan Turing Road)

The recent Community Governance Review amends the boundary between the unparished area of Loughborough and the parish of Woodhouse, so that 25 properties on Alan Turing Road will move from Woodhouse into Loughborough. However, they will remain in the Forest Bradgate Borough ward, and therefore a new polling district needs to be created so that the relevant properties are differentiated from other properties, as voters living in the related properties on Alan Turing Road will no longer be entitled to vote in any contested parish elections for Woodhouse.

Although the 25 properties affected are geographically within the Forest Bradgate Borough ward, they are not within walking distance of the allocated polling station at Old Woodhouse, and as a result voting would not be easily accessible to the relevant electors.

There is no obvious building within or close to the new polling district area to use as a polling station, and therefore the (Acting) Returning Officer is proposing to use a mobile unit. Mobile units are costly to operate especially for a small number of electors, however, a mobile unit is currently used as a polling station to facilitate voting for Polling District U (within Loughborough Shelthorpe ward) which is part of the same residential development as the affected properties on Alan Turing Road. The (Acting) Returning Officer therefore proposes to use one mobile unit on the development that will serve as 2 polling stations for the new polling district of Forest Bradgate (Alan Turing Road) in the Forest Bradgate ward, and for Polling District U in the Loughborough Shelthorpe ward.

MOUNTSORREL			
Polling District & Polling Place	Electorate as at 1st December 2018	Proposed Polling Station	Disabled Access
Mountsorrel (currently CL)	5,325	To be split into 2 new polling districts – see below	N/A

New Polling District: Mountsorrel No.1	N/A	Mountsorrel Memorial Centre, Leicester Road, Mountsorrel	SATISFACTORY
New Polling District: Mountsorrel No.2	N/A	Mountsorrel Methodist Church, Church Hill Road, Mountsorrel	SATISFACTORY
(Acting) Returning Officer's Comments			
Due to the large number of electors in the current Polling District CL, the (Acting) Returning Officer is proposing to split the area to create 2 polling districts for Mountsorrel village. In addition to the current polling station at the Mountsorrel Methodist Church, which will be used for one of the new polling districts (Mountsorrel No.2, for properties north of Rothley Road), a new polling station located at the Mountsorrel Memorial Centre will provide polling facilities for the other polling district (Mountsorrel No.1), for properties south of Rothley Road).			

QUENIBOROUGH			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
CB1 Barkby CB2 Barkby Thorpe CB3 Beeby	230 361 75	Jubilee Room, Village Hall Barkby	SATISFACTORY
CN Queniborough	2,262	Village Hall Rearsby Road, Queniborough	SATISFACTORY
CS South Croxton	213	Village Hall School Lane, South Croxton	SATISFACTORY
New Polling District: Hamilton Lea	N/A	See comments	N/A
(Acting) Returning Officer's Comments			
<p>New Polling District: Hamilton Lea The recent Community Governance Review created a new parish called Hamilton Lea comprising of properties from a new residential development currently located in the parish of Barkby Thorpe (Polling District CB2). A separate polling district needs to be created for the new parish.</p> <p>The electors of the new polling district will require voting facilities, and an inspection of the area has been carried out to establish whether there is a venue in or site that could be used as a polling station. There is no obvious building within or close to Hamilton Lea area which could be used, and therefore the (Acting) Returning Officer is currently liaising with Redrow (one of the developers of the estate) to see if it will be possible to position a temporary mobile polling station on open space on the corner of Bryony Road/Laverton Road which is adjacent to the development although not directly within the new polling district. The site has been inspected and it meets the criteria required for use as a polling station, if permission can be obtained to use it.</p>			

ROTHLEY & THURCASTON

Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
CQ Rothley	4,025	The Lecture Room, The Rothley Centre, 12 Mountsorrel Lane, Rothley	SATISFACTORY
CT Swithland	202	Room rear of Swithland Memorial Hall, Main Street, Swithland	SATISFACTORY
DA Cropston	804	Schoolroom, rear of Cropston Chapel Vestry, Station Road, Cropston	SATISFACTORY
DB Thurcaston	953	The Harrison Room, All Saints' Church, Anstey Lane, Thurcaston	SATISFACTORY
New Polling District: Mountsorrel No.3	N/A	See comments	N/A

(Acting) Returning Officer's Comments

New Polling District: Mountsorrel No.3

The recent Community Governance Review moves the boundary between the parishes of Rothley and Mountsorrel, so that the new Primrose Hill residential development (currently within the Rothley polling district – CQ) moves from the parish of Rothley into the parish of Mountsorrel. However, it will remain within the Rothley & Thurcaston ward, and so therefore a new polling district needs to be created as voters in the development will vote in Rothley & Thurcaston for Borough elections, but in Mountsorrel for any contested parish election.

The electors that fall within the boundary of the newly created polling district will require voting facilities, and therefore an inspection of the area has been carried out to establish whether there is a venue that could be used as a polling station. There is no obvious building within or close to the Primrose Hill development which could be used, and therefore the (acting) Returning Officer is currently liaising with Charles Church (Persimmon Homes) who are the developers to see if it is possible to position a temporary mobile polling station on open space located in the centre of the development at Baum Drive. The site has been inspected and it meets the criteria required for use as a polling station, if permission to use it can be obtained.

Polling Districts DA (Cropston) & DB (Thurcaston)

The recommendations of the Community Governance Review also move some properties north of the Rothley Brook out of the parish ward of Thurcaston (polling district DB) and into the parish ward of Cropston (polling district DA). This will require an alteration to the polling district boundaries for the parish wards, but the existing polling station arrangements will remain unchanged, although electors in the affected properties will vote at the Cropston polling station in future. There is no effect on Borough ward or County division boundaries.

SYSTON EAST

Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
----------------------------------	--	--------------------------	-----------------

CU Syston East No.1	2,390	Syston Baptist Church, Goodes Lane entrance, Syston	SATISFACTORY
CV Syston East No.2 CW Syston East No. 3	1,876 1,213	Scout Hall Oxford Street, Syston	SATISFACTORY
(Acting) Returning Officer's Comments			
None – no amendments to the current arrangements are proposed.			

SYSTON WEST			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
CX Syston West No.1	2,707	Fosse Way Bowling Club Fosse Way, Syston	SATISFACTORY
CY Syston West No.2	2,342	Community Centre School Street, Syston	SATISFACTORY
(Acting) Returning Officer's Comments			
None – no amendments to the current arrangements are proposed.			

THURMASTON			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
DC Thurmaston No.1	1,966	Silverdale Community Centre Silverdale Drive, Thurmaston	SATISFACTORY
DD Thurmaston No.2	1,738	Church Hill, Primary School Church Hill Road, Thurmaston	SATISFACTORY
DE Thurmaston No.3	1,519	Sports Hall, Elizabeth Park Sports and Community Centre	SATISFACTORY
DF Thurmaston No.4	1,048	Memorial Hall 722 Melton Road, Thurmaston	SATISFACTORY
DG Thurmaston No. 5	1,444		SATISFACTORY
(Acting) Returning Officer's Comments			
The recent Community Governance Review made a recommendation which result in moving a number of areas out of the parish of Barkby and Barkby Thorpe and into the parish of Thurmaston, in the Thurmaston East parish ward, with effect from 1 st April 2019, in preparation for the proposed North East of Leicester Sustainable Urban Extension. There are currently no residential properties in the affected areas.			

This will require an alteration to the relevant polling district boundaries but the existing polling station arrangements will remain unchanged for the time being, although the (Acting) Returning Officer will keep the situation under review as the new development progresses.

There is no effect on Borough ward or County division boundaries.

WREAKE VILLAGES			
Polling District & Polling Place	Electorate as at 1st December 2018	Proposed Polling Station	Disabled Access
CJ Cossington	419	Jubilee Hall Main Street, Cossington	SATISFACTORY
CO Ratcliffe on the Wreake	145	Village Hall Ratcliffe on the Wreake	SATISFACTORY
CP Rearsby	956	Village Hall, 1851 Melton Road Rearsby	SATISFACTORY
CR Seagrave	466	Village Hall Green Lane, Seagrave	SATISFACTORY
CZ Thrussington	456	Village Hall Hoby Road, Thrussington	SATISFACTORY
(Acting) Returning Officer's Comments			
None – no amendments to the current arrangements are proposed.			

LOUGHBOROUGH PARLIAMENTARY CONSTITUENCY

BARROW & SILEBY WEST			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
Barrow (currently Z)	5,010	To be split into 2 new polling districts – see below	N/A
New Polling District: Barrow No.1	N/A	Barrow Community Library, North Street, Barrow Upon Soar	SATISFACTORY
New Polling District: Barrow No.2	N/A	Barrow Methodist Church Hall, North Street, Barrow Upon Soar	SATISFACTORY
AK Sileby West	442	Community Centre, Rear Entrance, High Street, Sileby	SATISFACTORY
Returning Officer's Recommendations			
<p>Due to the large number of electors in the current Polling District Z, the (Acting) Returning Officer is proposing to split the area to create 2 polling districts for the village of Barrow Upon Soar. In addition to the current polling station at the Barrow Methodist Church, which will be used for one of the new polling districts (Barrow No.2) for properties on the east side of the village, a new polling station located at the Barrow Community Library will provide polling facilities for the other polling district (Barrow No.1) for properties on the south and west side of the village.</p>			

LOUGHBOROUGH ASHBY			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
A L'boro Ashby No.1	1,231	"The Hut", 14-16 Old Ashby Road, Loughborough	SATISFACTORY

B L'boro Ashby No.2	1,896	Sports Hall, EHB Sports Complex, University Campus, Loughborough	SATISFACTORY
C L'boro Ashby No.3	316	Thorpe Acre Church Centre Thorpe Acre Road, L'boro	SATISFACTORY
(Acting) Returning Officer's Comments			
<u>Polling Station. 2: Sports Hall, EHB Sports Complex, University Campus, Loughborough (Polling District B)</u>			
<p>Due to issues over recent years with being able to identify a consistent venue to use as a polling station on the university campus year on year, the (Acting) Returning Officer approached the Loughborough Students Union (LSU) to enquire whether they could provide a room within the LSU that could be used as a permanent polling station for all future elections and referendums to serve for Polling District B. Although the assessment found the LSU building to be adequate for polling purposes, during the consultation period a number of objections to the use of the LSU building as a polling station were received, mainly due to it being a licensed premises.</p> <p>The (Acting) Returning Officer therefore approached the university to seek to identify a location on the university campus that can be used as a polling station on an ongoing basis, and the university have confirmed they can make the Sports Hall in the EHB Sports Complex available for use as a permanent polling station.</p> <p>The Sports Hall has been inspected, and the (Acting) Returning Officer considers the location and building adequate for the use as a polling station, particularly given that it has been used as such on one previous occasion.</p>			

LOUGHBOROUGH DISHLEY & HATHERN			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
D L'boro Dishley & Hathern No.1	1,977	Community Centre, Robert Bakewell Primary School Barsby Drive, Loughborough	SATISFACTORY
E L'boro Dishley & Hathern No.2	1,255	Gorse Covert Community Centre, Maxwell Drive, Loughborough	SATISFACTORY
F L'boro Dishley & Hathern No.3	1,857	St Peter & St Paul's Church, Church Street, Hathern	SATISFACTORY
New Polling District: Stonebow Village No.3	N/A	St Peter & St Paul's Church, Church Street, Hathern	SATISFACTORY
(Acting) Returning Officer's Comments			
<u>New Polling District: Stonebow Village No.3</u>			
<p>The recent Community Governance Review creates a new parish called Stonebow Village, covering the area of the proposed new West of Loughborough development and consisting of parts of the current parishes of Hathern, Shepshed, and the unparished area of Loughborough.</p>			

As residents in the new parish will remain in their current Borough wards, it is therefore necessary to create 3 new polling districts for the Stonebow Village parish, one of which (Stonebow Village No.3) consists of areas within the Loughborough Dishley & Hathern ward (polling district F - Loughborough Dishley & Hathern No.3).

There are only 7 residential properties currently within the whole of the new parish, and it is therefore proposed that electors will continue to vote at the same polling station they are currently allocated to (ie. St. Peter & St. Paul's Church, Hathern in this case, although they will not be entitled to vote at any contested election for Hathern parish council).

As the new development progresses the (Acting) Returning Officer will keep the situation under review.

LOUGHBOROUGH GARENDON			
Polling District & Polling Place	Electorate as at 1st December 2018	Proposed Polling Station	Disabled Access
G L'boro Garendon No.1	2,959	Thorpe Acre Church Centre Thorpe Acre Road, Loughborough	SATISFACTORY
H L'boro Garendon No.2	1,609	Boothwood CP School Old Ashby Road, Loughborough	SATISFACTORY
New Polling District: Stonebow Village No.2	N/A	Thorpe Acre Church Centre Thorpe Acre Road, Loughborough	SATISFACTORY
(Acting) Returning Officer's Comments			
<p>New Polling District: Stonebow Village No.2 The recent Community Governance Review creates a new parish called Stonebow Village, covering the area of the proposed new West of Loughborough development and consisting of parts of the current parishes of Hathern, Shepshed, and the unparished area of Loughborough.</p> <p>As residents in the new parish will remain in their current Borough wards, it is therefore necessary to create 3 new polling districts for the Stonebow Village parish, one of which (Stonebow Village No.2) consists of areas within the Loughborough Garendon ward (polling district G - Loughborough Garendon No.1).</p> <p>There are only 7 residential properties currently within the whole of the new parish, and it is therefore proposed that electors will continue to vote at the same polling station they are currently allocated to (ie. Thorpe Acre Church Centre in this case).</p>			

As the new development progresses the (Acting) Returning Officer will keep the situation under review.

LOUGHBOROUGH HASTINGS			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
I L'boro Hastings No.1	1,767	Cobden Pre-School, Pinfold Jetty Entrance, Hume Street, L'boro	SATISFACTORY
J L'boro Hastings No.2	2,755	Moira Youth & Community Centre Moira Street, Loughborough	SATISFACTORY
New Polling District: Loughborough Hastings No.3	N/A	Moira Youth & Community Centre Moira Street, Loughborough	SATISFACTORY

(Acting) Returning Officer's Comments

Polling Station. 9: Cobden Pre-School, Pinfold Jetty Entrance, Hume Street, L'boro

The Headteacher at Cobden School has informed the (Acting) Returning Officer that there are alterations to be made to the entrance gates to the school and that it will not therefore be possible in future to section off the Cobden Road entrance to provide suitable safe-guarding security arrangements for the children, which could mean that the whole school would have to be closed on polling days. The Headteacher has therefore requested consideration of the adjacent Sure Start Children's Centre building for use as a polling station for electors in Polling District I.

The Children's Centre is currently closed, but is to be transferred to Cobden School before May 2019 for use by their pre-school, and will be known as Cobden Pre-School. The facilities have been inspected and the (Acting) Returning Officer considers the building to be suitable for use as a polling station.

New Polling District: Loughborough Hastings No.3

The recent Community Governance Review amended the boundary between the unparished area of Loughborough and the parish of Cotes, Prestwold and Burton on the Wolds. This affects a small number of properties within the Loughborough Hastings ward to the east side of the railway line (currently in polling district J - Loughborough Hastings No.2) which will move into the Cotes, Prestwold and Burton on the Wolds parish area. It is necessary to create a new polling district for the affected area as those electors will also now be able to vote in any relevant contested parish council election.

It is proposed that the current polling station will continue to be used for the new polling district (ie. Moira Youth & Community Centre), and that arrangements will be made for the relevant electors to be able to vote at that polling station should there be a contested parish council election.

LOUGHBOROUGH LEMYNGTON

Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
K L'boro Lemyngton No.1	3,915	Fearon Hall, Rectory Road, Loughborough	SATISFACTORY
L L'boro Lemyngton No.2	843	Mobile Unit, Ring O Bells Carpark, Derby Road, L'boro	Not assessed as not permanent structure
New Polling District: L'boro Lemyngton No.3	N/A	Fearon Hall, Rectory Road, Loughborough	SATISFACTORY
(Acting) Returning Officer's Comments			
<p><u>New Polling District: Loughborough Lemyngton No.3</u> The recent Community Governance Review amended the boundary between the unparished area of Loughborough and the parish of Cotes, Prestwold and Burton on the Wolds. This affects a small number of properties within the Loughborough Lemyngton ward to the east side of the railway line (currently in polling district K - Loughborough Lemyngton No.1) which will move into the Cotes, Prestwold and Burton on the Wolds parish area. It is necessary to create a new polling district for the affected area as those electors will also now be able to vote in any relevant contested parish council election.</p> <p>It is proposed that the current polling station will continue to be used for the new polling district (ie. Fearon Hall), and that arrangements will be made for the relevant electors to be able to vote at that polling station should there be a contested parish council election.</p>			

LOUGHBOROUGH NANPANTAN			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
M L'boro Nanpantan No.1	2,628	Holywell Free Church, Berkeley Road, L'boro	SATISFACTORY
N L'boro Nanpantan No.2	298	Greenfields Sports and Social Club, Holt Drive, Loughborough	SATISFACTORY
O L'boro Nanpantan No.3	938	Sports Hall, EHB Sports Complex, University Campus, Loughborough	SATISFACTORY
(Acting) Returning Officer's Comments			
<p><u>Polling Station 15: Sports Hall, EHB Sports Complex, University Campus, Loughborough (Polling District O)</u> Due to issues over recent years with being able to identify a consistent venue to use as a polling station on the university campus year on year, the (Acting) Returning Officer approached the Loughborough Students Union (LSU) to enquire whether they could provide a room within the LSU that could be used as a permanent polling station for all future elections and referendums to serve for Polling District B. Although the assessment found the LSU building to be adequate for polling purposes, during the consultation period</p>			

a number of objections to the use of the LSU building as a polling station were received, mainly due to it being a licensed premises.

The (Acting) Returning Officer therefore approached the university to seek to identify a location on the university campus that can be used as a polling station on an ongoing basis, and the university have confirmed they can make the Sports Hall in the EHB Sports Complex available for use as a permanent polling station.

The Sports Hall has been inspected, and the (Acting) Returning Officer considers the location and building adequate for the use as a polling station, particularly given that it has been used as such on one previous occasion.

LOUGHBOROUGH OUTWOODS			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
P L'boro Outwoods No.1	2,942	Greenfields Sports and Social Club, Holt Drive, Loughborough	SATISFACTORY
Q L'boro Outwoods No.2	1,618	Woodbrook Vale High School Grasmere Road, Loughborough	SATISFACTORY
(Acting) Returning Officer's Comments			
None – no amendments to the current arrangements are proposed.			

LOUGHBOROUGH SHELTHORPE			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
R L'boro Shelthorpe No.1	1,931	Outwoods Edge CP School, 4 Plus Unit, Laurel Road Entrance, L'boro	SEE COMMENT
S L'boro Shelthorpe No.2	2,350	Good Shepherd Church Hall Park Road, Loughborough	SATISFACTORY
T L'boro Shelthorpe No.3	1,139	Youth Centre, Shelthorpe School Woodthorpe Road, Loughborough	SATISFACTORY
U L'boro Shelthorpe No.4	830	Mobile Unit, Recreation Ground Car Park, Adj to 1 Highland Drive, Loughborough	Not assessed as not permanent structure

(Acting) Returning Officer's Comments

Polling Station. 18: Outwoods Edge CP School, 4 Plus Unit, Laurel Road Entrance, Loughborough

An assessment of the school as a suitable polling venue is still outstanding. If once the assessment has taken place the (Acting) Returning Officer considers that the school continues to be adequate and meets the criteria for use as a polling station, it will be used to provide voting facilities for electors in polling district R as it has done previously.

Polling Station. 4: Mobile Unit, Recreation Ground Car Park, Adj to 1 Highland Drive, Loughborough (Polling District U)

An inspection has been carried out of the open space on the corner of Allendale Road/Highland Drive where the mobile unit has previously been sited in Polling District U. The area is being developed and therefore no longer available for the siting of a mobile unit. The (Acting) Returning Officer has identified a suitable alternative location to site a mobile unit which is within Polling District U, at the recreation ground car park adjacent to 1 Highland Drive, Loughborough.

The (Acting) Returning Officer also needs to identify a polling station to facilitate voting for electors in a new Polling District to be created as part of the Community Governance Review undertaken by Charnwood, that will be part of the Forest Bradgate Ward. The new Polling District will only 25 properties on Alan Turing Road, Loughborough, which is part of the same development that Polling District U, Loughborough Shelthorpe Ward forms part of. There is no obvious building on or close to the new polling district area that can be used as a polling station and therefore the (Acting) Returning Officer is proposing to use the same mobile unit to provide a polling station for both polling districts.

For further details regarding the creation of the new polling district please see the (Acting) Returning Officer's proposals for the Forest Bradgate ward.

LOUGHBOROUGH SOUTHFIELDS

Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
V L'boro Southfields No.1	1,766	Polish Community Centre William Street Entrance, L'boro	SATISFACTORY
W L'boro Southfields No.2	2,153	Victoria Day Centre Albert Street, Loughborough	SATISFACTORY

(Acting) Returning Officer's Recommendations

None – no amendments to the current arrangements are proposed.

LOUGHBOROUGH STORER

Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
X L'boro Storer No.1	2,118	The Ashby Hall Methodist Church	SATISFACTORY

		Knighthorpe Road, Loughborough	
Y L'boro Storer No.2	1,966	Main Hall, Rosebery St Peters Community Centre, Storer Road, L'boro	SATISFACTORY
(Acting) Returning Officer's Comments			

QUORN & MOUNTSORREL CASTLE			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
AC1 Mountsorrel North End Ward	537	Parish Rooms Leicester Road, Mountsorrel	SATISFACTORY
AC2 Mountsorrel Castle Ward	492		
Quorn (currently AD)	4,646	To be split into two new polling districts – see below	N/A
New Polling District: Quorn No.1	N/A	The Clubhouse, Quorn Football Club, Farley Way, Quorn	SATISFACTORY
New Polling District: Quorn No.2	N/A	Village Hall Leicester Road, Quorn	SATISFACTORY
(Acting) Returning Officer's Comments			
Due to the large number of electors in the current Polling District AD, the (Acting) Returning Officer is proposing to split the area to create 2 polling districts for the village of Quorn. In addition to the current polling station at the Village Hall, which will be used for one of the new polling districts (Quorn No.2) for properties on the east side of the village, a new polling station located in The Clubhouse at Quorn Football Club will provide polling facilities for the other polling district (Quorn No.1), for properties on the west side of the village.			
None – no amendments to the current arrangements are proposed.			

SHEPSHED EAST			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
AE Shepshed East No.1	2,408	Youth Centre, Iveshead School, Forest Street, Shepshed	SATISFACTORY
AF Shepshed East No.2	2,757	Top Studio, Newcroft, Primary School,	SATISFACTORY

		Trueway Drive, Shepshed	
New Polling District: Stonebow Village No.1	N/A	Youth Centre, Iveshead School, Forest Street, Shepshed	SATISFACTORY
(Acting) Returning Officer's Comments			
<p><u>Polling Station 32: Youth Centre, Iveshead School, Forest Street, Shepshed (Polling District AE)</u> The (Acting) Returning Officer has been notified that the name of the college/school that the Youth Centre is part of has changed to Iveshead School (previously Hind Leys College). Information has been updated on the electoral system so any future correspondence, including poll cards, will contain the correct details.</p> <p><u>New Polling District: Stonebow Village No.1</u> The recent Community Governance Review creates a new parish called Stonebow Village, covering the area of the proposed new West of Loughborough development and consisting of parts of the current parishes of Hathern, Shepshed, and the unparished area of Loughborough.</p> <p>As residents in the new parish will remain in their current Borough wards, it is therefore necessary to create 3 new polling districts for the Stonebow Village parish, one of which (Stonebow Village No.1) consists of areas within the Shepshed East ward (polling district AE- Shepshed East No.1).</p> <p>There are only 7 residential properties currently within the whole of the new parish, and it is therefore proposed that electors will continue to vote at the same polling station they are currently allocated to (ie. Youth Centre, Iveshead School in this case, although they will not be entitled to vote at any contested election for Shepshed town council).</p> <p>As the new development progresses the (Acting) Returning Officer will keep the situation under review.</p>			

SHEPSHED WEST			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
AG Shepshed West No.1	2,657	Shepshed Town Council Offices,47a Charnwood Road, Shepshed	SATISFACTORY
AH Shepshed West No.2	3,082	Glenmore Community Centre Thorpe Road, Shepshed	SATISFACTORY
(Acting) Returning Officer's Comments			
None – no amendments to the current arrangements are proposed.			

SILEBY			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
AI Sileby No.1	3,217	St Gregory's Social Centre, (behind church), 24 The Banks, Sileby	SATISFACTORY
AJ Sileby No.2	2,888	Sileby Boys Club, King Street, Car Park Entrance	SATISFACTORY
(Acting) Returning Officer's Comments			
None – no amendments to the current arrangements are proposed.			
THE WOLDS			
Polling District & Polling Place	Electorate as at 1 st December 2018	Proposed Polling Station	Disabled Access
AA Burton on the Wolds	929	Village Hall Burton on the Wolds	SATISFACTORY
AB1 Hoton AB2 Cotes AB3 Prestwold	293 20 51	Village Hall Hoton	SATISFACTORY
AL Walton on the Wolds	222	Village Hall Walton on the Wolds	SATISFACTORY
AM Wymeswold	1,067	Wymeswold Memorial Hall Clay Street, Wymeswold	SATISFACTORY
(Acting) Returning Officer's Comments			
<p>The recent Community Governance Review amends the boundary between Burton on the Wolds (polling district AA) and Prestwold (polling district AB3) to move a small number of properties on Seymour Road from Prestwold into Burton on the Wolds. Electors from those properties will therefore vote at the polling station at the Village Hall, Burton on the Wolds in future.</p> <p>The Community Governance Review also amended boundaries to move a small number of properties from Prestwold (polling district AB3) into Cotes (polling district AB2). However, there will be no change for the voters affected who will continue to vote at the polling station at the Village Hall, Hoton.</p> <p>Finally, the Community Governance Review also amended the boundary between the unparished area of Loughborough and Cotes, resulting in a small number of properties moving out of Loughborough and into Cotes. As these properties will remain in their current Loughborough Borough wards, separate new polling districts are being created so that affected electors can continue to vote at their current polling stations, with arrangements being made for them to be able to vote there in the event of a contested parish council election (see the sections on Loughborough Lemyngton and Loughborough Hastings wards for further details).</p>			

COUNCIL – 21ST JANUARY 2019

Report of the Chief Executive

ITEM 6.5 AUTHORISATION OF ABSENCE – COUNCILLOR DAVID GASKELL

Purpose of Report

To enable the Council to consider authorising Councillor David Gaskell's absence from meetings in accordance with section 85(1) of the Local Government Act 1972.

Recommendation

That Councillor David Gaskell's absence from meetings since the Licensing Committee meeting on 7th August 2018 be authorised due to his ill health.

Reason

To enable Councillor Gaskell's absence to be authorised by the Council prior to the end of the 6-month period since he was last able to attend a meeting as required by section 85(1) of the Local Government Act 1972.

Policy Justification and Previous Decisions

Councillor David Gaskell has been unwell for an extended period of time. During that period he has been unable to attend Council and committee meetings. Section 85(1) of the Local Government Act 1972 states that should a councillor not attend meetings for a period of 6 months he or she would cease to be a councillor unless his or her absence is authorised by the Council prior to the end of that 6-month period.

The 6-month period since Councillor Gaskell was last able to attend a meeting would be reached on 7th February 2019, and this is the last Council meeting before that date.

Implementation Timetable including Future Decisions and Scrutiny

Should the Council decide to authorise a councillor's absence the matter would normally be referred back to the Council after a further 6 months if the councillor does not attend any meetings in that period. This would not be necessary on this occasion as the Council term will have ended before the end of a further period of 6 months.

Report Implications

Financial Implications

There are no financial implications associated with this decision.

Risk Management

No specific risks have been identified in connection with this report.

Background Papers: None

Officer to Contact: Adrian Ward
Head of Strategic Support
(01509) 634573
adrian.ward@charnwood.gov.uk

COUNCIL – 21ST JANUARY 2019

Report of the Chief Executive

ITEM 6.6 POLITICAL BALANCE AND APPOINTMENT TO COMMITTEES FOR 2018/19

Purpose of Report

1. To consider the political balance of the applicable Council committees for 2018/19 in accordance with the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990.
2. To consider appointments to committees in accordance with the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990.
3. To consider other appointments as required.

Recommendations

1. That the revised political balance arrangements for the Council year 2018/19, as set out in Appendix 1, be approved in accordance with the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990.
2. That the following appointments be made to fill vacancies on the Council's committees:
 - Councillor Ranson – as a member of the Licensing Committee
 - A councillor as a member of the Licensing Committee
 - A councillor from the Conservative Group as a member of the Overview Scrutiny Group.

Reasons

1. To ensure that the composition of the Council's committees reflects the political balance of the Council.
2. To reflect the wishes of political groups in making appointments to applicable committees in accordance with the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990 and to fill vacancies on other committees.

Policy Justification and Previous Decisions

Each year the Council has to formally set the political balance arrangements, which will be used to allocate seats on the Council's committees, in

accordance with the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990.

Following a by-election on 20th December 2018 the political composition of the Council has changed and a formal request to review the political balance has been made by the Conservative Group. The review identifies that there should be a change to the allocation of seats with one seat transferring from the ungrouped councillors to the Conservative Group. The most appropriate committee to make this change on is the Overview Scrutiny Group.

Appointments made to the Licensing Committee do not have to be on the basis of political balance but by convention this method is used to allocate seats. There are currently two vacancies on the Licensing Committee. Applying the political balance calculation to the Committee suggests that they should be filled with one councillor from the Conservative Group and one Councillor from the Labour Group.

Implementation Timetable including Future Decisions and Scrutiny

The number of seats for each political group and for ungrouped councillors for both the overall entitlement and the entitlement for individual committees for the 2018/19 Council year have been updated. These are attached as Appendix 1 and show where there have been changes to the number of councillors or seats on committees.

The next scheduled review of the political balance and allocation of seats on committees is following the Borough Council elections in May 2019. Legislation sets out other circumstances that can trigger a review.

Report Implications

Financial Implications

None.

Risk Management

No specific risks have been identified in connection with this report.

Background Papers: None

Officer to Contact: Adrian Ward
Head of Strategic Support
01509 634573
adrian.ward@charnwood.gov.uk

Appendices

Appendix 1: Political Balance Arrangements and Allocation of Seats - Local Government and Housing Act 1989

**Political Balance Arrangements and Allocation of Seats
Local Government and Housing Act 1989**

Membership of the Council

	Number	%
Conservative	42 (+1)	80.77
Labour	9	17.31
Others	1 (-1)	1.92
Total	52	100

Total Allocation of Seats on Committees

Total	Share		Allocation
Conservative	42.81	rounds to	43 (+1)
Labour	9.17	rounds to	9
Others	1.02	rounds to	1 (-1)
Total	53		53

The Cabinet, Licensing Committee, Loughborough Area Committee, Performance Scrutiny Panel and Policy Scrutiny Group do not need to be politically balanced and are not included in the above calculation.

Allocation of Seats on Individual Committees

Scrutiny Management Board (8 Seats)

Conservative	6
Labour	2
Others	0

Total	8
-------	---

The Scrutiny Management Board comprises 5 Commissioners and 3 Assistant Commissioners. Of these, 3 Commissioners and 3 Assistant Commissioners are the Chairs and Vice-chairs of Overview Scrutiny Group, Performance Scrutiny Panel and Policy Scrutiny Group.

Overview Scrutiny Group (7 Seats)

Conservative	6 (+1)
Labour	1
Others	0 (-1)

Total	7
-------	---

Appeals and Reviews Committee (5 Seats)

Conservative	4
Labour	1
Others	0

Total	5
-------	---

Audit Committee (6 Seats + Independent Chair)

Conservative	5
Labour	1
Others	0

Total	6
-------	---

Member Conduct Committee (7 Seats)

Conservative	6
Labour	1
Others	0

Total	7
-------	---

Personnel Committee (7 Seats)

Conservative	6
Labour	1
Others	0
Total	7

Plans Committee (13 Seats)

Conservative	10
Labour	2
Others	1
Total	13

Summary of Allocation of Seats on Committees

	Scrutiny Management Board	Overview Scrutiny Committee	Appeals and Reviews Committee	Audit Committee	Member Conduct Committee	Personnel Committee	Plans Committee	Total
Conservative	6	6	4	5	6	6	10	43
Labour	2	1	1	1	1	1	2	9
Others	0	0	0	0	0	0	1	1
Total	8	7	5	6	7	7	13	53

COUNCIL – 21ST JANUARY 2019

Report of the Chief Executive

ITEM 12 URGENT EXECUTIVE DECISIONS EXEMPTED FROM CALL-IN

Purpose of Report

To note a number of decisions which were exempted from call-in in accordance with Scrutiny Committee Procedure 11.9.

Action Requested

In accordance with Full Council Procedure 9.11(d) questions may be asked of the Leader in relation to the urgent decisions that were taken. The Leader may ask the relevant Lead Member to respond.

Policy Justification and Previous Decisions

The call-in procedure provides for a period of five clear working days during which councillors can ask for decisions taken by the Cabinet and individual Cabinet members, and key decisions taken by officers to be reviewed. With the agreement of the Chair of the Scrutiny Management Board (or in his/her absence the Mayor or Deputy Mayor) a decision can be exempted from call-in if the decision to be taken is both urgent and reasonable and the delay caused by the call-in process would not be in the interests of the Council or the public. Scrutiny Committee Procedure 11.9 requires that decisions that are exempted from call-in are reported to Council.

Decent Homes Contract Settlement

At its meeting on 13th December 2018 the Cabinet considered an exempt report of the Strategic Director of Housing, Planning and Regeneration, and Regulatory Services to consider agreeing the finalisation of the former Decent Homes Contract that ended on 31st March 2018. The public version of the Cabinet resolutions is set out below.

1. *that a decision be made as detailed in the exempt minute (Cabinet Minute 68E 2018/19);*
2. *that it be noted that, as the Chair of the Scrutiny Management Board agrees that this decision is both urgent and reasonable and delay caused by the Call-in process would not be in the interests of the Council or the public, the Call-in procedure is suspended in respect of this decision in accordance with Scrutiny Committee Procedure 11.9 of the Council's Constitution.*

Reasons

- 1.&2. *As set out in the exempt minute (Cabinet Minute 68E 2018/19).*

The report considered by the Cabinet and exempt minute 68E 2018/19 referred to above have been circulated to councillors as an exempt annex.

If any councillors wish to ask questions relating to this decision then the Council would need to consider this as an exempt item and resolve to exclude the public from the meeting.

Member Grants Scheme

On 2nd October 2018, Councillor Morgan, as Leader of the Council, took a decision to allocate Executive functions relating to the determination of applications under the Member Grants Scheme where the ward councillor concerned had a conflict of interest to the Cabinet Lead Member for Communities, Safety and Wellbeing.

In exercising that Executive function the Cabinet Lead Member for Communities, Safety and Wellbeing took a decision to award the following grant on 15th November 2018.

- That £750 be awarded to Newtown Linford Tennis Club towards furnishing their new, larger clubhouse.

In exercising that Executive function the Cabinet Lead Member for Communities, Safety and Wellbeing took decisions to award the following two grants on 3rd January 2019.

- That £250 be awarded to The Rectory Wildlife Garden in Loughborough, towards re-building the garden.
- That £397 be awarded to the Thurmaston Action Group, towards improvements to a footpath in Watermead Country Park.

The Chair of the Scrutiny Management Board has been consulted and has agreed that these decisions be exempted from call-in, given their nature and low financial value. This is subject to review in the new financial year when the operation of the Grants Scheme will be reviewed.

The reports considered by the Cabinet Lead Member for Communities, Safety and Wellbeing can be found in Annexes 1 and 2 to this report.

Acquisition of Properties for Rental

On 19th October 2017 the Leader delegated authority to the Head of Strategic and Private Sector Housing to acquire additional Housing Revenue Account (HRA) properties for rental. It is likely that any properties acquired will exceed £100,000 in value, and therefore each purchase will be a key decision. It would not be practical for the usual call-in arrangements for key decisions to be applied as any delay caused could result in the purchase falling through, and therefore the then Mayor, in the absence of the Chair of the Scrutiny Management Board, gave her approval for decisions taken under this delegated authority to be exempted from call-in under

Scrutiny Procedure Rule 11.9. The Chair of the Scrutiny Management Board subsequently confirmed that he was happy with these arrangements. These arrangements were reported to Council on 6th November 2017 (minute 57 2017/18 refers).

The purchases of three properties are being reported to this meeting of Council:

- 2 Graham Rise, Loughborough (3-bedroom semi-detached house) for £174,000
- 37 Roydale Close, Loughborough (4-bedroom semi-detached house) for £195,000
- 8 Penrith Avenue, Shepshed (2-bedroom semi-detached house) for £143,000.

The decisions of the Head of Strategic and Private Sector Housing to exchange contracts on the purchases can be found in Annexes 3 to 5 to this report.

Implementation Timetable including Future Decisions

As detailed within the Annexes to this report.

Report Implications

As detailed within the Annexes to this report.

Background Papers: [Council 6th November 2017, Item 14, Changes to Membership of the Cabinet and the Delegation of Executive Functions: Acquisition of Additional Housing Revenue Account Properties for Rental](#)

Officer to Contact: Karen Widdowson
Democratic Services Manager
(01509) 634785
karen.widdowson@charnwood.gov.uk

Annexes

- Annexes 1&2 Reports considered by the Cabinet Lead Member for Communities, Safety and Wellbeing in respect of the Member Grants Scheme
- Annexes 3-5 Reports of the decisions of Head of Strategic and Private Sector Housing in respect of the acquisition of properties
- Exempt Annex Minute 68E 2018/19 and report considered by the Cabinet in respect of the Decent Homes Contract settlement

CABINET LEAD MEMBER DECISION MEETING - 15TH NOVEMBER 2018**Report of the Monitoring Officer
Lead Member: Councillor Taylor****Part A**ITEM MEMBER GRANTS SCHEMEPurpose of Report

To bring forward recommendations for an award under the Member Grants Scheme where the Ward Councillor has declared a personal interest that might lead to bias.

Recommendation

That £750 be awarded to Newtown Linford Tennis Club towards furnishing their new, larger clubhouse.

Reason

To approve an award under the Member Grants Scheme where the relevant Ward Councillor has declared a personal interest that might lead to bias in connection to the organisation receiving the funding.

Policy Justification and Previous Decisions

The Member Grants Scheme was approved by Cabinet at their meeting on 12th April 2018 (minute reference 116).

Under the scheme each Councillor is allocated £1,000 to fund local community projects within their ward.

Situations are now arising where Ward Councillors are considering awarding grants under the scheme to organisations they have a connection to, which under the provisions of the Member Code of Conduct may result in them having a 'personal interest which might lead to bias'.

The Member Conduct Committee considered this matter at their meeting on 17th September 2018, and were of the view that in cases where a Ward Councillor has a conflict of interest that the grant application should be referred to the Cabinet for decision.

The Leader of the Council on 2nd October 2018 allocated this Executive function to the Lead Member for Communities, Safety and Wellbeing.

Implementation Timetable including Future Decisions and Scrutiny

The Chair of the Scrutiny Management Board has been consulted and has agreed that these decisions be exempted from call-in, given their nature and low financial value.

Report Implications

The following implications have been identified for this report.

Financial Implications

The grants can be funded from within existing identified budgets.

Risk Management

There are no specific risks associated with this decision.

Comments of Monitoring Officer

The Lead Member is being requested to make the final decision on the award of the grant in question because the Ward Councillor has declared a personal interest that might lead to bias, and therefore the advice of the Monitoring Officer is that he should not be the final decision maker.

Key Decision:	No
Background Papers:	None
Officer to contact:	Adrian Ward Monitoring Officer (01509) 634573 adrian.ward@charnwood.gov.uk

Part B

Background

1. Cllr Snartt is the Ward Councillor representing Forest Bradgate, and wishes to support the award of the grant to Newtown Linford Tennis Club from the money available to him under the Member Grants Scheme. However, he has declared that he has a personal interest that might lead to bias as some of his family members are involved in the running of the club. Therefore the Cabinet Lead Member is being requested to act as the final decision maker in respect of the award of the grant.
2. The proposal is for £750 be awarded to the club towards furnishing their new, larger clubhouse.
3. In their application form the club have indicated that:

'Replacing our existing 6' x 8' Wooden Club House with a larger one [NB. funded directly by the club] to accommodate growing membership and usage. The Grant would enable us to furnish the new structure with Tables, Chairs, Bench Seating in the Changing area. Kitchen Area needs Kettle, Crockery, Cutlery, Bin, Blinds for the windows and Kitchen units'.
4. Cllr Snartt supports the award of the grant.

CABINET LEAD MEMBER DECISION MEETING – 3RD JANUARY 2019**Report of the Monitoring Officer
Lead Member: Councillor Taylor****Part A**ITEM MEMBER GRANTS SCHEMEPurpose of Report

To bring forward recommendations for an award under the Member Grants Scheme where the Ward Councillor has declared a personal interest that might lead to bias.

Recommendations

1. That £250 be awarded to The Rectory Wildlife Garden in Loughborough, towards re-building the garden.
2. That £397 be awarded to the Thurmaston Action Group, towards improvements to a footpath in Watermead Country Park.

Reasons

1&2. To approve awards under the Member Grants Scheme where the relevant Ward Councillor has declared a personal interest that might lead to bias in connection to the organisation receiving the funding.

Policy Justification and Previous Decisions

The Member Grants Scheme was approved by Cabinet at their meeting on 12th April 2018 (minute reference 116).

Under the scheme each Councillor is allocated £1,000 to fund local community projects within their ward.

Situations are now arising where Ward Councillors are considering awarding grants under the scheme to organisations they have a connection to, which under the provisions of the Member Code of Conduct may result in them having a 'personal interest which might lead to bias'.

The Member Conduct Committee considered this matter at their meeting on 17th September 2018, and were of the view that in cases where a Ward Councillor has a conflict of interest that the grant application should be referred to the Cabinet for decision.

The Leader of the Council on 2nd October 2018 allocated this Executive function to the Lead Member for Communities, Safety and Wellbeing.

Implementation Timetable including Future Decisions and Scrutiny

The Chair of the Scrutiny Management Board has been consulted and has agreed that these decisions be exempted from call-in, given their nature and low financial value.

Report Implications

The following implications have been identified for this report.

Financial Implications

The grants can be funded from within existing identified budgets.

Risk Management

There are no specific risks associated with this decision.

Comments of Monitoring Officer

The Lead Member is being requested to make the final decision on the award of the grant in question because the Ward Councillors have declared personal interests that might lead to bias, and therefore the advice of the Monitoring Officer is that they should not be the final decision makers.

Key Decision:	No
Background Papers:	None
Officer to contact:	Adrian Ward Monitoring Officer (01509) 634573 adrian.ward@charnwood.gov.uk

Part B

Background

1. Cllr Christine Harris is a Ward Councillor representing Loughborough Lemyngton, and wishes to support the award of a grant towards re-building The Rectory Wildlife Garden. However, she has declared that she has recently been appointed as a trustee of the group. Therefore the Cabinet Lead Member is being requested to act as the final decision maker in respect of the award of the grant.
2. The Wildlife Garden is in the process of being completely re-planned and re-built after a hiatus which lasted a number of years whilst the rectory site was being developed, the ownership of the land has now been transferred to Charnwood Borough Council. The garden has been re-planned by a landscape architect and this is now being costed. Much of the work will be carried out by volunteers. The majority of the money to rebuild the garden is coming from Section 106 funds. When completed the garden will provide a wildlife haven adding to the publicly accessible green spaces in the town centre. It will be maintained by volunteers.
3. Cllr Brenda Seaton is a Ward Councillor representing Thurmaston, and wishes to support the award of a grant to Thurmaston Action Group for work to improve a footpath at Watermead Country Park. However, she has declared that she is the treasurer of the group. Therefore the Cabinet Lead Member is being requested to act as the final decision maker in respect of the award of the grant.
4. Watermead Regeneration Corridor Framework was drawn up in November 2016 for Charnwood Borough Council. The framework identified several linked regeneration themes one of which was 'connecting it all up' which focused on improving connections between the country park and surrounding communities and employment areas. The Bridle Way is the first public right of way in Thurmaston to Watermead Country Park. The path is maintained by Leicestershire County Council to the standard width for a bridle path but the 3 meter deep corridor running the 50m length of footpath is heavily populated with dead and dying self-set common limes. The limes are susceptible to fungal disease which in this case is causing root rot as well as being covered in ivy that is sucking the sap from the bark this makes the trunks very susceptible to collapse in high winds as well as being dragged down by the sheer weight of ivy clinging to the dead hollow trunks.
5. The path has been opened up to the right by two newly built warehouses but the unmanaged wooded area hangs over the path and often requires users of the path to manhandle a fallen trunk that is blocking the path adding to the chaotic mix of natural undergrowth, lager cans and vodka bottles. The path is used by cyclists for work as it joins with the Watermead Park's cycle path to the City and Birstall. It is also heavily used by leisure cyclists and walkers as well as a popular route for dog walkers.
6. The Grants Panel have also noted that the strip of land that the application relates to is not owned by anybody – however it is alongside a footpath belonging to Leicestershire County Council.

7. The Grants team is also awaiting a response from Cllr Mark Lowe as to whether he wishes to support the application or not with a further £1,000 of grant funding, and it is hoped that this will be confirmed by 21st December. If Cllr Lowe decides not to support the application, it is then questionable whether the project could go ahead, even if Cllr Seaton's amount was approved. A verbal update will be given to the Lead Member on 3rd January.

Acquisition of Properties

2 Graham Rise, Loughborough

Decision under Delegated Powers

Officer Requesting Decision

Beverly Wagstaffe – Housing Strategy and Support Manager

Officer Making the Decision

Alison Simmons - Head of Strategic and Private Sector Housing

Recommendation

To approve the purchase of 2 Graham Rise, Loughborough and for the Council to formerly Exchange Contracts.

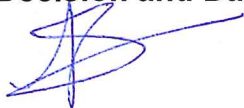
Reason

To utilise approved funding for the purchase of additional HRA rental properties.

Authority for Decision

Section 8.3, of the Constitution gives delegated authority to the Head of Strategic and Private Sector Housing to acquire additional properties for rent via the HRA where approved funding exists within the Capital Plan for the relevant financial year, and where any property acquired is subject to a Condition Survey, an Independent Valuation, Standard Legal checks, and meets identified housing needs (item 20 on page 8-20).

Decision and Date



Alison Simmons
Head of Strategic and
Private Sector Housing

25th September 2018

Background

On the 19th October 2017, the Leader gave delegated executive authority to the Head of Strategic and Private Sector Housing to acquire additional properties for rent via the HRA within available approved funding which has subsequently been formalised in an update of the Constitution approved by Council on the 25th June 2018

The following property has now been identified to purchase:

- 2 Graham Rise – 3 bedroom semi detached house

The seller of the property has accepted an offer of £174,000

A Condition Survey, Valuation and Legal checks have all now been satisfactorily completed

Comments from HR

Not applicable

Financial Implications

The cost of acquiring this property is £174,000 with associated fees estimated at £2,650 (total cost of £176,650).

In February 2018, Cabinet approved a budget of £1,953,000 for 2018-2019 and £1,856,000 for 2019-2020 to support delivery of the Housing Acquisition Policy in acquiring additional HRA properties for rent.

To date the Council has purchased 4 other properties for the sum £633,285, including fees, thereby leaving a balance of £1,319,715 available funds for 2018-2019.

There is sufficient budget to cover the cost of acquiring 2 Graham Rise. Loughborough.

Risk Management

No risks identified

Key Decision:

Yes, but exempted from call-in. See agenda item 14, Full Council meeting dated the 6th November 2017.

Background Papers:

Housing Acquisition Policy approved by Cabinet on the 10th May 2018

Acquisition of Properties

37 Roydale Close, Loughborough

Decision under Delegated Powers

Officer Requesting Decision

Beverly Wagstaffe – Housing Strategy and Support Manager

Officer Making the Decision

Alison Simmons - Head of Strategic and Private Sector Housing

Recommendation

To approve the purchase of 37 Roydale Close, Loughborough and for the Council to formerly Exchange Contracts and Complete the purchase.


Reason

To utilise approved funding for the purchase of additional HRA rental properties.

Authority for Decision

Section 8.3, of the Constitution gives delegated authority to the Head of Strategic and Private Sector Housing to acquire additional properties for rent via the HRA where approved funding exists within the Capital Plan for the relevant financial year, and where any property acquired is subject to a Condition Survey, an Independent Valuation, Standard Legal checks, and meets identified housing needs (item 20 on page 8-20).

Decision and Date

 Alison Simmons
Head of Strategic and Private Sector Housing
5th November 2018

Background

On the 19th October 2017, the Leader gave delegated executive authority to the Head of Strategic and Private Sector Housing to acquire additional properties for rent via the HRA within available approved funding which has subsequently been formalised in an update of the Constitution approved by Council on the 25th June 2018

The following property has now been identified to purchase:

- 37 Roydale Close, Loughborough

The seller of the property has accepted an offer of £195,000.

A Condition Survey, Valuation and Legal checks have all now been satisfactorily completed.

Comments from HR

Not applicable

Financial Implications

The cost of acquiring this property is £195,000 with associated fees estimated at £2,650 and stamp duty of £7,250 (total cost of £204,900).

In February 2018, Cabinet approved a budget of £1,953,000 for 2018-2019 and £1,856,000 for 2019-2020 to support delivery of the Housing Acquisition Policy in acquiring additional HRA properties for rent.

To date the Council has purchased 4 other properties for the sum £660,863 including associated fees with a further £662,000 committed with 4 other purchases including this property.

This means that the total spent to date and the funds committed equal £1,322,863, leaving a balance of £630,137 available for 2018-2019.

There is sufficient budget to cover the cost of acquiring 37 Roydale Close, Loughborough.

Risk Management

No risks identified

Key Decision:

Yes, but exempted from call-in. See agenda item 14, Full Council meeting dated the 6th November 2017.

Background Papers:

Housing Acquisition Policy approved by Cabinet on the 10th May 2018.

Acquisition of Properties

8 Penrith Avenue, Shepshed

Decision under Delegated Powers

Officer Requesting Decision

Beverly Wagstaffe – Housing Strategy and Support Manager

Officer Making the Decision

Alison Simmons - Head of Strategic and Private Sector Housing

Recommendation

To approve the purchase of 8 Penrith Avenue, Shepshed and for the Council to formerly Exchange Contracts and Complete the purchase.

Reason

To utilise approved funding for the purchase of additional HRA rental properties.

Authority for Decision

Section 8.3, of the Constitution gives delegated authority to the Head of Strategic and Private Sector Housing to acquire additional properties for rent via the HRA where approved funding exists within the Capital Plan for the relevant financial year, and where any property acquired is subject to a Condition Survey, an Independent Valuation, Standard Legal checks, and meets identified housing needs (item 20 on page 8-20).

Decision and Date



Alison Simmons
Head of Strategic
and Private Sector
Housing

26th November 2018

Background

On the 19th October 2017, the Leader gave delegated executive authority to the Head of Strategic and Private Sector Housing to acquire additional properties for rent via the HRA within available approved funding which has subsequently been formalised in an update of the Constitution approved by Council on the 25th June 2018

The following property has now been identified to purchase to meet the identified housing needs for the Borough:

- 8 Penrith Avenue, Shepshed – 2 bedroom semi-detached house

The seller of the property has accepted an offer of £143,000

A Condition Survey, Valuation and Legal checks have all now been satisfactorily completed.

Comments from HR

Not applicable

Financial Implications

The cost of acquiring this property is £143,000 with associated fees estimated at £2,650 and stamp duty of £4,650 (total cost of £150,300).

In February 2018, Cabinet approved a budget of £1,953,000 for 2018-2019 and £1,856,000 for 2019-2020 to support delivery of the Housing Acquisition Policy in acquiring additional HRA properties for rent.

To date the Council has purchased 5 other properties for the sum £872,000 including associated fees with a further £299,600 committed with 2 other purchases including this property.

This means that the total spent to date and the funds committed equal £1,171,600, leaving a balance of £781,400 available for 2018-2019.

There is sufficient budget to cover the cost of acquiring 8 Penrith Avenue, Shepshed

Risk Management

No risks identified

Key Decision:

Yes, but exempted from call-in. See agenda item 14, Full Council meeting dated the 6th November 2017.

Background Papers:

Housing Acquisition Policy approved by Cabinet on the 10th May 2018.