

To Members of the Council

Cllr. Iain Hewson (Chairman)
Cllr. Cheryl Cashmore (Vice-Chairman)

Cllr. Shabbir Aslam
Cllr. Shane Blackwell
Cllr. Lee Breckon JP
Cllr. Nick Brown
Cllr. Nick Chapman
Cllr. Adrian Clifford
Cllr. Stuart Coar
Cllr. Roy Denney
Cllr. Alex DeWinter
Cllr. David Findlay
Cllr. Janet Forey
Cllr. David Freer

Cllr. Deanne Freer
Cllr. Chris Frost
Cllr. Nigel Grundy
Cllr. Paul Hartshorn
Cllr. Mark Jackson
Cllr. Trevor Matthews
Cllr. Sam Maxwell
Cllr. Christine Merrill
Cllr. Phil Moitt
Cllr. Mat Mortel
Cllr. Antony Moseley
Cllr. Michael O'Hare

Cllr. Les Phillimore
Cllr. Louise Richardson
Cllr. Terry Richardson
Cllr. Tracey Shepherd
Cllr. Mike Shirley
Cllr. Ben Taylor
Cllr. Kirsteen Thomson
Cllr. Bev Welsh
Cllr. Geoff Welsh
Cllr. Jane Wolfe
Cllr. Maggie Wright

Dear Councillor,

A meeting of the **COUNCIL** will be held in the Council Chamber - Council Offices, Narborough on **WEDNESDAY, 22 FEBRUARY 2023** at **6.30 p.m.** for the transaction of the following business and your attendance is requested.

Yours faithfully



Louisa Horton
Corporate Services Group Manager and Monitoring Officer

AGENDA

SECTION 1 - INTRODUCTION

To receive apologies for absence, disclosures of interest from Councillors, and Minutes of the previous Council meeting.

1. Apologies for absence
2. Disclosures of Interests from Members

To receive disclosures of interests from Members (i.e. the existence and the nature of those interests in respect of items on this agenda).

3. Minutes (Pages 5 - 12)

To approve and sign the minutes of the meeting held on 31 January 2023 (enclosed).

SECTION 2 - STANDARD COUNCIL BUSINESS

To receive announcements from the Chairman and the statement of the Leader of the Council.

Any reports for consideration listed under this section will be moved in one block without discussion, unless any Member present requests otherwise.

4. Chairman's Announcements
5. Leader's Statement

SECTION 3 - PRESENTATIONS TO COUNCIL

To consider any presentations from Council Officer's or an external body/partner agency.

SECTION 4 - QUESTIONS FROM THE PUBLIC & PRESENTATION OF PETITIONS

To receive questions to Councillors submitted by members of the public and to receive any petitions submitted in accordance with the Council's petitions scheme.

6. Public Speaking Protocol

Requests received by the Protocol deadline to be reported by the Monitoring Officer with details of the Agenda Item to which they relate. (Such persons entitled to use the Protocol attend for the purpose of making representations, answering questions or giving evidence relating to the business of the meeting and the time allocated to each person is a maximum of three minutes unless extended at the discretion of the Chairman).

SECTION 5 - MEMBERS' QUESTIONS

To receive any questions submitted by Councillors.

7. Questions from Members

Any Members wishing to submit questions must do so to the Monitoring Officer no later than 5 working days before the meeting.

The Monitoring Officer will report if any questions have been submitted.

SECTION 6 - REPORTS FOR DECISIONS

To consider any reports submitted for consideration by Council.

8. Adoption of the Leicestershire Resources and Waste Strategy 2022-2050 (Pages 13 - 132)

To consider the report of the Neighbourhood Services & Assets Group Manager (enclosed).

9. Recommendations of the Cabinet Executive: Quarter 3 Capital Programme Review 2022/23 (Pages 133 - 140)

To consider the report of the Accountancy Services Manager (enclosed).

10. Recommendations of the Cabinet Executive: 5 Year Capital Programme 2023/24 to 2027/28 (Pages 141 - 172)

To consider the report of the Finance Group Manager (enclosed)

11. Recommendations of the Cabinet Executive: Prudential Indicator & Treasury Management Strategy 2023/24 (Pages 173 - 226)

To consider the report of the Finance Group Manager (enclosed)

12. Recommendations of the Cabinet Executive: General Fund Budget Proposals 2023/24 (Pages 227 - 246)

To consider the report of the Executive Director (Section 151 Officer) (enclosed)

13. Recommendations of the Cabinet Executive: Council Tax 2023/24 (Pages 247 - 260)

To consider the report of the Finance Group Manager (enclosed)

SECTION 7 - MOTIONS/ DEBATES/CONSULTATIONS & MEMBERS' FEEDBACK

To consider Motions submitted by Councillors, take part in a debate or receive Member feedback from attendance at national briefings, key training initiatives or work on any Outside Bodies.

SECTION 8 - EXEMPT REPORTS

To receive any reports submitted which require consideration under exempt status.

There are no reports for consideration under this Section.

COUNCIL

Minutes of a meeting held at the Council Offices, Narborough

TUESDAY, 31 JANUARY 2023

Present:-

Cllr. Iain Hewson (Chairman)
Cllr. Cheryl Cashmore (Vice-Chairman)

Cllr. Shabbir Aslam	Cllr. Chris Frost	Cllr. Les Phillimore
Cllr. Shane Blackwell	Cllr. Nigel Grundy	Cllr. Louise Richardson
Cllr. Lee Breckon JP	Cllr. Paul Hartshorn	Cllr. Terry Richardson
Cllr. Nick Chapman	Cllr. Mark Jackson	Cllr. Mike Shirley
Cllr. Adrian Clifford	Cllr. Trevor Matthews	Cllr. Ben Taylor
Cllr. Stuart Coar	Cllr. Sam Maxwell	Cllr. Kirsteen Thomson
Cllr. Roy Denney	Cllr. Christine Merrill	Cllr. Bev Welsh
Cllr. David Findlay	Cllr. Phil Moitt	Cllr. Geoff Welsh
Cllr. Janet Forey	Cllr. Mat Mortel	Cllr. Jane Wolfe
Cllr. David Freer	Cllr. Antony Moseley	Cllr. Maggie Wright
Cllr. Deanne Freer	Cllr. Michael O'Hare	

Officers present:-

Julia Smith	- Chief Executive
Sarah Pennelli	- Strategic Director - S.151 Officer
John Richardson	- Strategic Director
Louisa Horton	- Corporate Services Group Manager & Monitoring Officer
Paul Coates	- Neighbourhood Services & Assets Group Manager
Chris Bell	- Planning Policy Officer
Sandeep Tiensa	- Senior Democratic Services & Scrutiny Officer
Katie Brooman	- Senior Electoral Services Officer
Isaac Thomas	- Democracy Support Officer
Nicole Cramp	- Democratic & Scrutiny Services Officer

Apologies:-

Cllr. Nick Brown, Cllr. Alex DeWinter and Cllr. Tracey Shepherd

1. IN REMEMBRANCE OF CLLR. DAVID CLEMENTS

A minutes silence was held in memory of Cllr. David Clements, who sadly passed away on 30 December 2022. He had been a longstanding Member of the Council and served Leicester Forest East as District Councillor for 21 years. Cllr. Clements held numerous positions in the Cabinet Executive from 2005-2013-14 and was Chairman of the Council from 2013-2014.

2. DISCLOSURES OF INTERESTS FROM MEMBERS

No disclosures were received.

3. MINUTES

The minutes of the meeting held on 22 November 2022, as circulated, were approved and signed as a correct record.

4. CHAIRMAN'S ANNOUNCEMENTS

The Chairman, Cllr. Iain Hewson made announcements in respect of the following:

- Attended eight Carol Services at various Councils in Leicestershire.
- Cosby Old People Welfare Association Christmas Lunch.
- Vista Festive Christmas Service.

The Chairman reminded Members of the following events:

- 1st February 2023 at 17.30 First Aid training session facilitated by the Community First Responders.
- 7th February 2023 at 18.30 Civic Buffet Curry Buffet night at the Chef and Spice.
- 26th February 2023 at 11.00 Civic Service at All Saints Church, Sapcote.

5. LEADER'S STATEMENT

The Leader, Cllr. Terry Richardson and Members of Council paid tribute to Cllr. David Clements who sadly passed away on 30 December 2022.

Members spoke fondly of Cllr. Clements and his dedication to his Ward and the support he provided to fellow colleagues and Officers.

Members sent their condolences to his family and friends.

Cllr. Terry Richardson presented his Statement in respect of the following:

- Blaby Toilets
- Financial Settlement
- Surprise Licensing Checks
- Car Park Works
- HMP Fosse Way Extension
- Sycamore Street Appeal Dismissed
- New Street Planning Application Refused
- Cork Lane Public Inquiry Decision Released
- Christmas Fair
- Corporate Peer Review
- LGA Healthcheck of Communications
- Warm Spaces Partnerships
- Be a Councillor Events
- Positive Leisure Centre Performance in 2022
- Archer's Festive Tractor Run
- Community Awards 2022
- Energy Saving Tips
- Carbon Literacy Success

6. **AMENDMENT TO CABINET EXECUTIVE APPOINTMENTS AND SCHEME OF DELEGATION**

Considered - Report of the Senior Democratic Services & Scrutiny Officer.

DECISIONS

1. That the amended Scheme of Delegation as detailed in the report be accepted.
2. That the Constitution be amended accordingly with the updated roles and responsibilities of Cabinet Executive Members.

Reasons:

1. Cllr. Sharon Coe resigned from the Council and Cabinet Executive in December 2022.
2. It is appropriate to receive the report of the Leader of the Council including any amendments to the Scheme of Delegation.

7. PUBLIC SPEAKING PROTOCOL

No requests were received.

8. QUESTIONS FROM MEMBERS

No questions were received.

9. RECOMMENDATIONS OF THE INDEPENDENT REMUNERATION PANEL

Considered - Report of the Corporate Services Group Manager & Monitoring Officer.

A Supplemental Report in respect of this item had been circulated to Members previously.

DECISIONS

1. That the Members Basic Allowance be increased for 2022/23 by 4.04%.
2. That the Special Responsibility Allowances be increased for 2022/23 by 4.04%.
3. That the Member Allowances Scheme be amended so that annual increases reflect the national average percentage pay award of the National Joint Council Staff Pay Award.

Reasons:

1. The Panel considered applying the national average of the National Joint Council Staff Pay Award was appropriate for the 2022/23 financial year.
2. It is appropriate for the Independent Remuneration Panel to ensure that the Members' Allowances Scheme is reviewed on a regular basis and that the allowances payable to Members are appropriate.
3. This amendment will enable the Scheme to be applied where alternatives to a set percentage pay award are agreed in the pay award discussions with the National Joint Council.

10. CAPITAL INVESTMENT TO UNITS AT ENDERBY ROAD INDUSTRIAL ESTATE

Considered - Report of the Property & Assets Service Manager, presented by Cllr. Nigel Grundy, Neighbourhood & Assets Portfolio Holder.

DECISIONS

1. That £450,000 of capital expenditure be approved to carry out works on vacant units at Enderby Road Industrial Estate.
2. That delegated authority be given to the Neighbourhood Services and Assets Group Manager, in consultation with the Portfolio holder, to enter into contractual arrangements for the appropriate level of works.

Reasons:

1. Two vacant units of the ERIE site require investments to carry out works in order to bring them back to a standard to enable the units to be re-let.
2. It is appropriate to give the delegated authority for the Group Manager and Portfolio holder to have the flexibility to spend up to the authorised amount depending on the outcome of the current negotiations with the prospective tenant.

11. COSBY NEIGHBOURHOOD PLAN – ‘MAKING’ THE PLAN

Considered - Report of the Development Strategy Manager, presented by Cllr. Ben Taylor, Planning, Delivery and Enforcement & Corporate Transformation Portfolio Holder

DECISION

That Council makes (i.e. adopts) the Cosby Neighbourhood Plan, as modified, in accordance with the relevant legislation.

Reason:

Making the Cosby Neighbourhood Plan will mean the document becomes part of the development plan for the area, against which planning applications will be considered. This will reflect the wishes of the local community as expressed through the recent referendum result.

12. GENDER PAY GAP

Considered - Report of the Strategic Director (Section 151 Officer), presented by Cllr. Maggie Wright, Finance, People & Performance Portfolio Holder.

DECISION

That the Gender Pay Gap Result for the year to the 31st March 2022 be accepted.

Reason:

The Council is required by law to carry out Gender Pay Reporting under the Equality Act 2010 (Specific Duties & public Authorities) Regulations 2017 and this enables the Council to monitor pay differentials by gender throughout the Council.

13. PAY POLICY STATEMENT 2022/3

Considered - Report of the Strategic Director (Section 151 Officer), presented by Cllr. Maggie Wright, Finance, People & Performance Portfolio Holder.

DECISION

That the Blaby District Council Pay Policy Statement for 2022/23 be approved.

Reason:

Section 38 of the Localism Act 2011 requires local authorities to prepare pay policy statements setting out the authority's own policies regarding the remuneration of its staff in particular its senior staff (or 'chief officers') and its lowest paid employees.

14. APPOINTMENT OF DEPUTY ELECTORAL REGISTRATION OFFICERS

The Corporate Services Group Manager & Monitoring Officer and the Senior Electoral Services Officer withdrew from the Council Chamber before this item was considered.

Considered - Report of the Corporate Services Group Manager and Monitoring Officer, presented by Cllr. Terry Richardson, Leader of the Council

DECISION

That the Corporate Services Group Manager and the Senior Electoral Services Officer be appointed as Deputy Electoral Registration Officer, with the full powers of the Electoral Registration Officer in her absence or for the purposes of the administration of Voter Identification Certificates.

Reason:

It is necessary for resilience and practicalities that Deputy Electoral Registration Officers are required.

THE MEETING CONCLUDED AT 6.27 P.M.

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Blaby District Council Council

Date of Meeting	22 February 2023
Title of Report	Adoption of the Leicestershire Resources and Waste Strategy This is not a Key Decision and is on the Forward Plan
Lead Member	Cllr. Nigel Grundy - Neighbourhood Services & Assets
Report Author	Neighbourhood Services & Assets Group Manager
Corporate Priority	All Priorities: A Place to Live; A Place to Work; A Place to Visit; People Strategy; Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 To seek Council approval and adoption of the Leicestershire Resources and Waste Strategy 2022 (LRWS). The Strategy sets out how the Leicestershire Waste Partnership (LWP) intends to manage municipal waste up until 2050.

2. Recommendation(s) to Council

- 2.1 That the Leicestershire Resources and Waste Strategy (Appendix A) and Action Plan (Appendix B) are adopted by the Council subject to section 5.1 of this report.
- 2.2 To approve the continuation of the waste partnership with a requirement for it to be developed and enhanced to ensure appropriate political, strategic, and organisational engagement.
- 2.3 To request that the partnership explores collaborative opportunities which have the potential to deliver environmental improvements, whilst helping to reduce costs across the waste-system, such that cost shunting is avoided and mutual benefits are shared across all partners.
- 2.4 That delegated authority is given to the Portfolio Holder in conjunction with the Neighbourhood Services and Assets Group Manager to make minor changes and updates to the Strategy and Action plan as necessary.

3. Reason for Decisions Recommended

- 3.1 The Strategy provides a policy framework to enable a sustainable system of waste management to be implemented.

- 3.2 To ensure that the relevant authorities in Leicestershire have effective collaborative working arrangements at all levels.
- 3.3 To ensure that resources are used effectively across all partners within the partnership.

4. Matters to consider

4.1 Background

Leicestershire position

- 4.1.1 Under the Waste and Emissions Trading Act 2003, all two-tier authorities are required to have in place a Joint Municipal Waste Management Strategy for the management of municipal waste within their areas. There is therefore a legal requirement for all seven District Councils and Leicestershire County Council to have a joint waste strategy in place and this is delivered through the Leicestershire Waste Partnership (LWP) of which all 8 councils are members.
- 4.1.2 The first Leicestershire Municipal Waste Management Strategy (LMWMS) was adopted in 2002. It has since been updated twice. In 2019 the LWP commissioned consultants Frith Resource Management develop the new 2022 – 2050 strategy. All 8 councils in the partnership are in the process of adopting this final strategy and this should be completed by April 2023.
- 4.1.3 The Strategy highlights that significant legislative changes are on the horizon. In responding to these, the waste partnership will need to be maintained and enhanced to ensure appropriate political, strategic and organisational engagement. As government policy evolves, the partnership will need to explore collaborative opportunities which are most effectively able to deliver the changes required and ensure the balance of risk and reward is shared across both the waste disposal and collection authorities. Innovative collaborative opportunities should be considered which have the potential to deliver environmental improvements, whilst helping to reduce costs across the waste-system, such that cost shunting is avoided and mutual benefits are shared across all partners.

National policy

- 4.1.4 The National Resources and Waste Strategy (RWS) was published by DEFRA in 2018. It focuses on the circular economy, sets a recycling target of 65% recycling of municipal solid waste by 2035 and focuses on solutions to reduce single use plastics, reduce confusion over household recycling, tackling the problems of packaging and ending food waste.
- 4.1.5 Defra has subsequently held two rounds of consultations which included proposals that are expected to affect local waste services including mandatory weekly food waste collections, free garden waste collections, the introduction of a deposit return scheme for single use drinks containers, extended producer responsibility for packaging (where the full cost of collection, recycling and disposing of packaging is met by the producers of the packaging), and a move towards consistent waste collections by all local authorities. These three policies are known collectively as the 'Collection and Packaging Reforms'. To date, the results of the second round of consultations have only been published for two policies (extended producer responsibility for packaging, and 'deposit return scheme'). The consultation on 'consistency in household and business recycling collections' is due imminently. Legislation to enable the policy changes within the RWS are contained within the Environment Act which received Royal Assent on 9 November 2021.

Strategy development

- 4.1.6 The review of the Leicestershire Resource and Waste Strategy has considered the potential forthcoming legislative changes and these are reflected accordingly and, in some instances, caveats have been made due to the continued delay of confirmation of Government policy. It is important to note the Strategy is high-level and therefore non-site or council specific.
- 4.1.7 The new strategy identifies the baseline position, outlines where partners want to be and by when and articulates how this will be achieved
- 4.1.8 In the period during the public consultation the Government released its response to its extended producer responsibility for packaging consultation and has confirmed that glass which was originally to be included in the proposed deposit return scheme will now be part of extended producer responsibility for packaging. No further modelling was undertaken within the options appraisal due to the continued uncertainty around the Government's preferred approach, however

the future waste and recycling projections were updated to take account of this amendment.

- 4.1.9 Due to the continued uncertainty in regard to Government policies a Local Government finance position statement also been added to the Strategy. This includes a statement about each partner requiring full funding to implement service changes.

Action Plan

- 4.1.10 The Action Plan (Appendix B) is a route map for delivering the vision, objectives and pledges set out in the Strategy and will be subject to regular review and monitoring to respond to changing circumstances such as changes in government policy, accelerated or delayed implementation of actions and variance in performance.
- 4.1.11 The Action Plan is high level and builds on the objectives and pledges in the strategy identifying who and by when actions will be completed. It has been divided into the following themes:

Reuse/Circular Economy
Recycling (performance & collections)
Residual Waste Reduction
Partnership Working
Leading by example
Communication
Carbon

A timeline for the action plan is given in Appendix B.

Conclusion

- 4.1.12 It is recognised that further clarity from Government is needed to fully understand the impact of the potential policy changes which may be the most significant seen for many years. The options modelled which support the Strategy provide a reasonable guide to the magnitude of changes that might be expected and are subject to forthcoming legislation and future funding mechanisms.
- 4.1.13 The Strategy sets the LWP in a robust policy position for an imminent period of substantial change (2023 – 2027) and longer term goals and will help deliver on Net Zero priorities.
- 4.1.14 Changes to household waste collections in Blaby District Council remain a decision for this council and any future changes will be Elected Members' decisions.

4.2 Proposal(s)

To approve the final adoption of the Leicestershire Resources and Waste Strategy and Action Plan which sets out how the Leicestershire Waste Partnership intends to manage municipal waste up until 2050.

4.3 Relevant Consultations

The details on the 12 week public consultation are summarised in Appendix E and further detail provided in Appendix C – Results of public consultation. In addition to the public consultation the following have been consulted:

- Senior Leadership Team
- Neighbourhood Services Team
- Portfolio Holder and Cabinet
- Other stakeholders

The Portfolio Holder has been fully engaged in the process throughout including participation at a series of workshops held by the Leicestershire Waste Partnership and attended by Portfolio Holders and senior officers representing each of the district and borough councils of Leicestershire. In addition, other stakeholders also took part in a number other workshops to assist in the development of a strategic environmental assessment including but not limited to the Environment Agency, local authority planning, environmental, and climate change officers.

Any significant changes to the waste strategy and the actions within the action plan that may be required in the future will be subject to separate consultations with Blaby District Council residents.

4.4 Significant Issues

Equality and Diversity

An Equality and Human Rights Impact Assessment (EHRIA) was undertaken and further EHRIA's will be undertaken, where appropriate, for delivery of activities, and as specific schemes are developed. The key outcome of the EHRIA is for the Leicestershire Waste Partnership (LWP) to ensure the new Leicestershire Waste and Resources Strategy (LWRS) promotes accessible services, accessible information and appropriate equality training where required.

In section 3 of the EHRIA (Appendix D) on page 19 is included an equality and human rights improvement plan which sets out practical actions for each partner to take to address issues identified in relation to accessibility of services, provision of accessible information, and equality training.

Any changes to Blaby District Council collections would require a new Equalities Impact Assessment to be completed.

5. What will it cost and are there opportunities for savings?

- 5.1 There are no financial implications arising directly from the adoption of this Strategy. Future service changes resulting from the Strategy will be subject to a separate Cabinet or Council report detailing the financial implications for the Council.

The waste strategy includes a local government financial statement on page 3 of Appendix A which addresses the financial issues and provides clarity that the pledges contained within the strategy can only be implemented if sufficient ongoing additional funding is provided by Government to cover the costs incurred by both the waste disposal and waste collection authorities respectively. At the time of writing the following wording is to be added to the financial statement within the strategy: *'Where funding is provided which requires allocation across the Partnership, this will be calculated on a basis that is acceptable to all Partners to ensure legally compliant, cost effective, and timely distribution'*.

At the time of writing central government have yet to set out how the new burdens are to be funded. Changes arising from the Strategy may be wholly/partly covered by new funding streams. Mechanisms for distributing new funding sources are currently being considered by the Department for the Environment, Food and Rural Affairs (Defra) and the Council is waiting for detailed clarification on this matter.

6. What are the risks and how can they be reduced?

6.1

Current Risk	Actions to reduce the risks
Failure to adopt the strategy meaning Blaby District Council is not aligned with joint Leicestershire strategic waste priorities, national policy and legislative requirements in the Environment Act 2021.	Ensure strategy adopted. Strategy pledges have been subject to public consultation and are caveated to ensure government funding is required. Each partner needs to ensure sign up for their organisation.
That there is insufficient financial resource to meet the pledges in the Strategy.	The actions and pledges in the Strategy are non-binding and subject to the required finances being made available through new funding streams and this is addressed within strategy.
Significant changes in government policy.	Pledges caveated with regard to policy changes. Strategy will be reviewed regularly to reflect changes and new modelling will be completed once clarity on DEFRA policy is achieved.

7. Other options considered

- 7.1 As previously stated in 4.1 there is a legal requirement for a joint waste strategy in a two-tier system to be in place so to do nothing is not an option.

8. Environmental impact

- 8.1 Reducing carbon emissions features prominently in the development of the strategy and if implemented certain collections changes would significantly reduce carbon emissions, notably the introduction of separate weekly food waste collections.

- 8.2 The pledge to explore alternative fuels for collection vehicles has already been achieved in Blaby District Council where the heavy fleet has fully transitioned to the use of hydrotreated vegetable oil (HVO) which has reduced the heavy fleet's carbon emissions by 90%.

9. Other significant issues

- 9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local.
- 9.2 Significant issues relating to Human Rights and Equalities have been addressed at paragraph 4.4.

10. Appendix

- 10.1 Appendix A – Waste strategy
- 10.2 Appendix B – Action plan
- 10.3 Appendix C – Results of public consultation
- 10.4 Appendix D – Equality and Human Rights Impact Assessment
- 10.5 Appendix E – Summary of public consultation responses

11. Background paper(s)

- 11.1 None

12. Report author's contact details

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Leicestershire Resources and Waste Strategy 2022 - 2050



Foreword

The Government set a clear ambition to improve the environment within a generation in their 2018 Strategy 'A Green Future: Our 25 Year Plan to Improve the Environment'. How we manage our waste plays an important part in achieving this ambition as everything that we buy, use and eventually throw away has an impact on our environment.

The Leicestershire Waste Partnership (the County Council and the seven district and borough councils) work together to manage all of the household waste that is produced in Leicestershire. In this Strategy, the Partnership sets out how we will deliver recycling and waste management services up to 2050.

We are working towards reducing the amount of waste that is produced, increasing recycling, reducing carbon emissions to support net zero ambitions and keeping resources in use for longer. Additionally, we are pledging to reduce waste sent to landfill.

Depending on the funding that we receive from the Government, we are committed to introducing separate food waste collections across Leicestershire, offering garden waste collections to all residents, and expanding recycling collections.

We are also committed to reviewing our own purchasing activities and internal waste management services to lead by example.

But we can't do this alone. We need people to work with us to achieve these ambitions and we are committed to working with stakeholders, residents and communities to prevent unnecessary waste from being produced in the first place, to promote good recycling behaviour and support resource recovery to progress a circular economy. By working together, we can improve our environment, now and for the future.



Local government financial statement

This Strategy has been published during a time of uncertainty in regard to the Government's progression of the implementation of the national Resources and Waste Strategy (Our Waste, Our Resources: A Strategy for England). The Resources and Waste Strategy was released on 18 December 2018 and sets out how Government will preserve material resources by minimising waste, promoting resource efficiency and moving towards a circular economy.

Three significant consultations took place during 2019 including Consistency in Household and Business Recycling Collections in England, a Deposit Return Scheme and Extended Producer Responsibility for packaging. Further secondary consultations took place in early 2021 and subsequent changes from 2024/5 could include mandatory household food waste collections, restrictions on garden waste charging and the introduction of a deposit return scheme for drinks containers. At this present time Government has not released the outcomes from two of the consultations, therefore there remains uncertainty in regard to forthcoming legislation and future funding mechanisms.

All councils are facing challenging financial outlooks. The pressures of high inflation levels, coupled with an ever-increasing demand for core services, is presenting a challenge across the whole local government sector.

In acknowledgement of this, some of the pledges contained within the Leicestershire Resources and Waste Strategy are caveated and can only be implemented if sufficient ongoing additional funding is provided by Government to cover the costs incurred by both the waste disposal and waste collection authorities respectively.

Where funding is provided which requires allocation across the Partnership, this will be calculated on a basis that is acceptable to all partners to ensure legally compliant, cost effective and timely distribution.

Executive summary

How we view 'waste' has changed; it is no longer only something to get rid of, but is considered a valuable resource, to be retained and reused, or avoided at all where possible. Using waste as a resource can help to reduce the raw materials needed for producing new goods, which has environmental, social and financial benefits. This updated Leicestershire Resources and Waste Strategy (LRWS/the 'Strategy') reflects this global current thinking and describes the recycling and waste management services which will be delivered by the Leicestershire Waste Partnership (LWP)¹ from 2022 up to 2050. The Vision of the LRWS is:

To work towards a circular economy and contribute to achieving net zero carbon by 2050 in Leicestershire. This means fully embracing the waste hierarchy by preventing waste and keeping resources in circulation for as long as possible, through reuse, repair and recycling, to realise their maximum value whilst minimising environmental impacts.

This vision is supported by specific Strategy objectives and a range of pledges and measures that sit alongside national policy changes - setting a direction for long term management of material resources for the benefit of the residents and communities of Leicestershire².

In addition, the Strategy includes:

- The policy framework - the current and future context for resources and waste management, considering local issues e.g. air quality, and global issues such as carbon reduction/greenhouse gas reduction and climate change.
- Strategy delivery - how resources and waste will be managed to achieve the vision and objectives, through the services provided by the LWP to its residents and communities and 12 pledges regarding commitments, actions and performance.

¹ Leicestershire Waste Partnership comprises Leicestershire County Council and the seven district and borough councils. Leicester City Council is an associate member.

² Note that this Strategy does not cover Leicester City Council which is a unitary authority with its own waste collection and disposal arrangements.

The LRWS includes a focus on waste prevention (avoiding waste generation in the first place) and developing more initiatives on reuse of goods - both at the Household Waste Recycling Centres and in the community. There are challenging pledges around recycling and reuse, aiming to enhance Leicestershire's performance to support the delivery of the national recycling target of 65% by 2035. The majority of progress will be made over the next five years through the Countywide implementation of weekly food waste collections, more consistent and effective recycling collections and, subject to Government guidelines and funding, potential changes to garden waste collections.

If the national 65% recycling rate is to be met the amount of residual waste (all general mixed 'rubbish') managed by Councils will need to fall from around 260kg per person to around 160kg per person by 2035. Furthermore, the management of residual waste in Leicestershire is also set to change with a pledge to reduce the amount of waste landfilled from current levels (of around 30%) down to 5% by 2025. This is substantially ahead of the new national target of 10% landfilled waste by 2035.

The net effect of the measures within the LRWS is a reduction in the amount of carbon (as measured in CO₂ equivalents) in the range of 5,000 -10,000 tonnes of CO₂ eq. each year from the collection and management of wastes and resources in the County. This is equivalent to taking between 1,800 - 3,600 cars off the road, in terms of annual emissions savings.

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1. Introduction

What is a Resources and Waste Strategy?

This document is the Leicestershire Resources and Waste Strategy (LRWS) for the Leicestershire Waste Partnership (LWP). The partnership comprises Leicestershire County Council (the Waste Disposal Authority) and the seven Leicestershire Waste Collection Authorities (the district and borough councils). Leicester City Council manages its waste via separate arrangements as a Unitary Authority.

This LRWS is an update to the Leicestershire Municipal Waste Management Strategy which has been in place since 2002 and was reviewed and updated in 2006 and 2011 respectively.

The LRWS describes the recycling and waste management services which will be delivered by the LWP up to 2050. The Strategy sets out:

- The policy framework - the current and future context for resources and waste management, considering local issues e.g. air quality, and global issues including carbon reduction/greenhouse gas reduction and climate change.
- The vision, aims, and objectives - what the LWP wants to achieve in terms of resources and waste management.
- Strategy delivery - how resources and waste will be managed to achieve the aims and objectives, through the services provided by the LWP to its residents and communities.

How we view 'waste' has changed; it is no longer only something to get rid of, but is now considered a valuable resource, to be retained and reused, or avoided at all where possible. Also, the adverse impacts of raw material inputs e.g. the resources we use, are becoming increasingly apparent, meaning now more than ever raw materials need to be used efficiently and conserved. Using the resources from waste can help to reduce the raw materials needed for producing new goods, which has environmental, social and financial benefits. This updated LRWS reflects this global current thinking.

The Strategy covers services for managing municipal solid waste (MSW). MSW is all the waste collected by the local authorities in the LWP³. This includes household, commercial and street cleansing wastes, and wastes taken to the Household Waste Recycling Centres (HWRCs).

As Waste Collection Authorities, the district and borough councils have a legal duty to collect municipal waste and Leicestershire County Council, as the Waste Disposal Authority (WDA), has a legal duty to treat, manage and dispose of MSW. The WCAs and WDA work in partnership, recognising that joint working on planning the collection, treatment (composting, recycling, and recovery) and disposal of waste supports efficient service delivery for residents and communities, including businesses.

This Strategy runs up to 2050, however it will be reviewed regularly at appropriate periods during this time. Reviews are needed to make sure the Strategy remains current and in line with national guidance.

How is the service delivered?

All districts in Leicestershire currently have household collections of recycling, residual⁴ and garden waste. Food waste is not currently collected district wide by any WCA; however some have either collected this in the past or have trialled weekly food waste collections over the last few years, including Harborough District Council, Hinckley & Bosworth Borough Council and Oadby & Wigston Borough Council. North West Leicestershire District Council have been successfully trialling a food waste collection since November 2019, and continue to do so.

Recycling

How recycling is collected is broadly consistent across the LWP. Six of the districts collect all recycling material together in one container (typically a wheeled bin), this is often referred to as a 'commingled collection' and is collected every two weeks. Residents in North West Leicestershire District on the other hand, are provided with a mixture of bags and boxes to separate out key recyclable materials, which are then placed in different compartments on a specialist vehicle. This is often referred to as a 'kerbside-sort' or 'multi-stream' collection. Examples of the containers for each district and borough council are shown below.

³ It also applies to similar wastes collected by other parties; however this is not under the control of the local authorities.

⁴ 'Residual' waste is 'black bin' waste that is not separated, so is mixed waste or 'general rubbish'.



Commingled collections for:
 Blaby District Council,
 Charnwood Borough Council,
 Harborough District Council,
 Hinckley & Bosworth Borough Council,
 Melton Borough Council and
 Oadby & Wigston Borough Council



Kerbside sort
 or multi-stream
 collections for
 North West Leicestershire
 District Council

All of the commingled recyclable materials collected from residents are currently sent to a Materials Recycling Facility (MRF) in Leicester. At this facility, recycling is separated using a combination of manual and automatic sorting processes to sort material streams before being baled and sent for reprocessing.

North West Leicestershire District Council has its own arrangement for processing recycling (which is already separated on the vehicle as it collects from households). Their recycling is transported to a depot in Coalville. Here, the materials are unloaded from the collection vehicles and tipped into dedicated bays where further separation is used where needed. For example, magnets are used to separate the metals from the plastic. Once baled, the collected recyclables are sold on, and this can be directly to reprocessors.

Garden waste

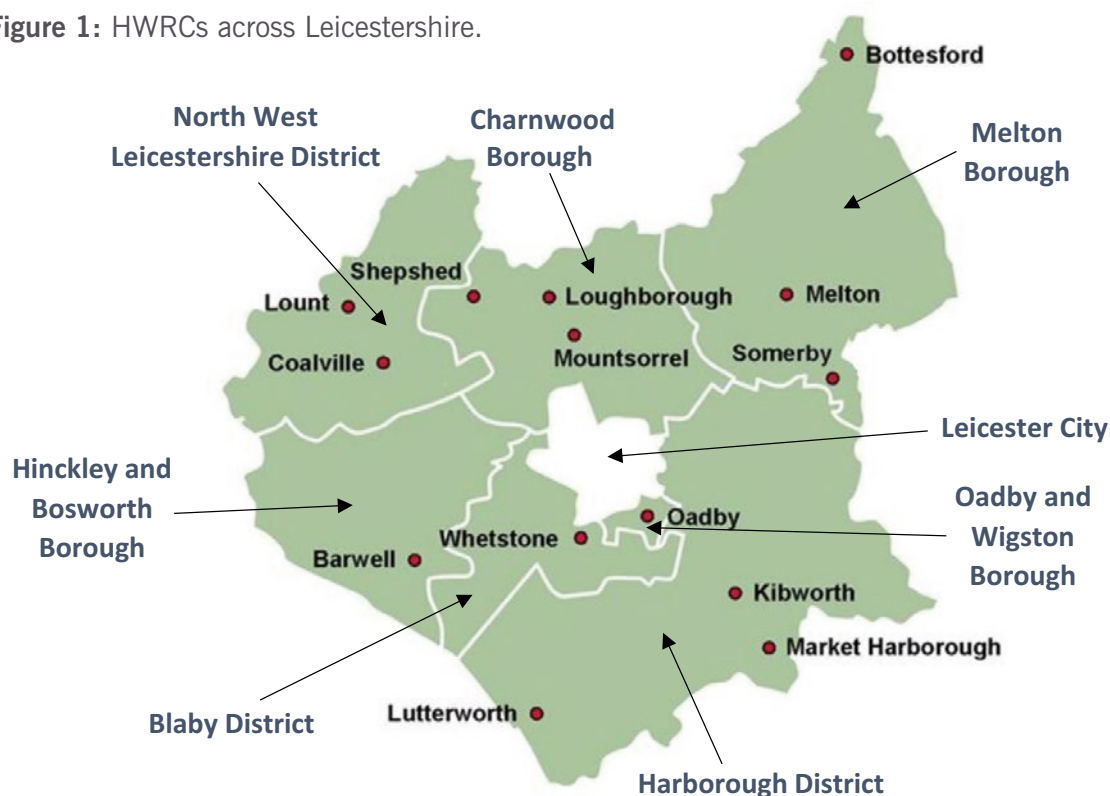
Unlike recycling and residual waste, the collection of garden waste is a non-statutory service and is a discretionary service provided by Local Authorities. As such, Local Authorities are able to provide this service for free, or to ask residents to pay for its collection. All authorities in the LWP charge for the collection of garden waste, except for North West Leicestershire District Council who offer this service for free. Residents wishing to have their garden waste collected typically pay an annual subscription fee which covers the cost of a wheeled bin, vehicles and crew that collect garden waste.

Residents are also encouraged to use other methods to dispose of garden waste. Firstly, via home composting garden waste (cuttings, trimmings, plants, branches and other garden waste which can be composted). Alternatively, residents can also take their garden waste to any of the Household Waste Recycling Centres.

Household Waste Recycling Centres (HWRCs)

Household Waste Recycling Centres (HWRCs)⁵ are provided for residents to dispose of any bulky or additional waste and recycling which cannot be collected through the kerbside collection. There are fourteen HWRCs located across Leicestershire, as shown in the image below. These sites are managed by Leicestershire County Council.

Figure 1: HWRCs across Leicestershire.

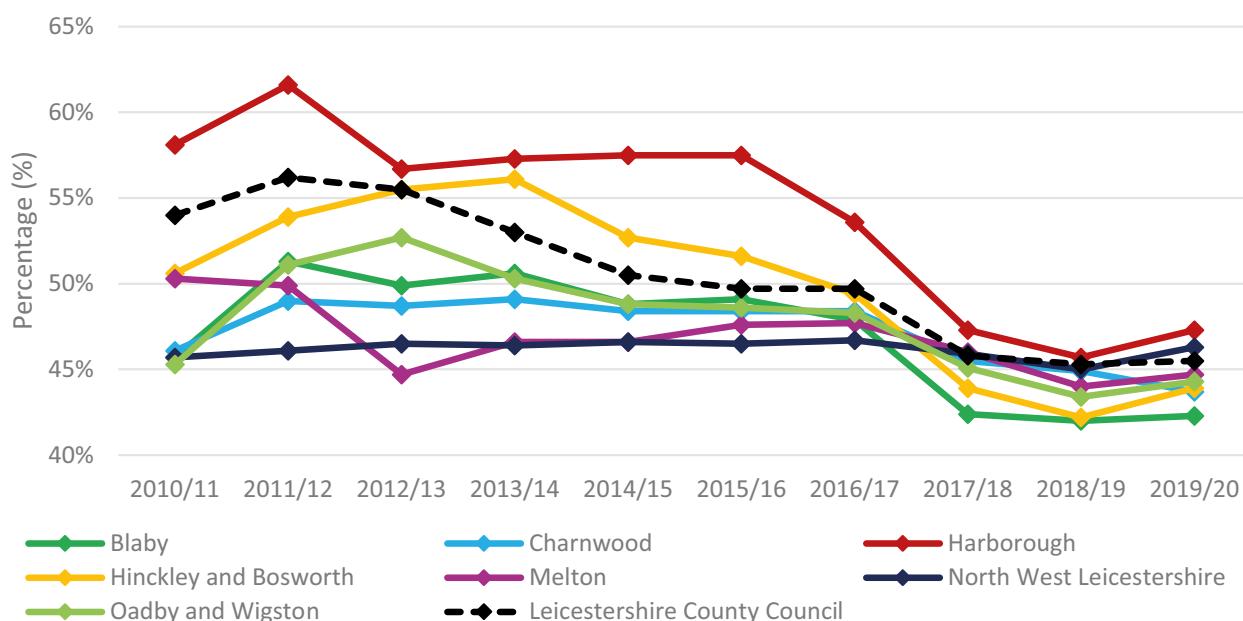


The HWRCs take a wide range of items which can be sent for reuse, recycling or disposal. Opening hours and the waste accepted varies across each site. Leicestershire residents are generally able to use these sites for free. Some charges may apply for specific materials, including hardcore and rubble, tiles, plasterboard and asbestos. Vans, pick-ups and cars with trailers, and any vehicle bringing asbestos, chemicals or liquid paint, require a permit to visit the sites.

In 2019/20, the combined reuse, recycling and composting performance was 45.5% for household waste from collections at the kerbside and from the HWRCs. This is lower than the UK's target to recycle 50% of household waste by 2020. The average for England within the same period was 43.8%, meaning that Leicestershire did perform above national average, despite the fall in overall performance shown below. A key reason for the fall, shown in Figure 2, was not that householders were recycling less, but that a facility which was extracting extra recycling from residual waste had closed.

⁵ Locally in Leicestershire known as Recycling Household Waste Sites (RHWS) or historically known as 'the tip'.

Figure 2: Current and historic recycling rates for Leicestershire Councils 2010/11 - 2019/20.



Although the recycling rate is above the national average, the amount of waste sent to landfill (the least desirable outcome) was 31.8% in 2019/20, this is much higher than the average landfill rate for local authorities in England, for the same time period (8.5%). Both reducing the waste sent to landfill and increasing recycling are key elements of this Strategy (see section 3).

Who delivers the collection services?

The collection of waste and recycling is the responsibility of the district and borough councils. The delivery of this service can be managed in several ways, in-house (the Council run the collections using their staff), via a Local Authority Trading Company (a type of publicly owned 'arms length' company), or by outsourcing the service to a private contractor (also known as contracting out the service). At present, four of the district and borough councils operate this service in house (Blaby, Hinckley & Bosworth, North West Leicestershire and Oadby & Wigston) and three are outsourced to the private sector (Charnwood, Harborough and Melton). Collection service contracts typically last between 7 and 10 years.

Bulky waste

Across the County, residents can arrange for the collection of larger items - this is known as a bulky waste collection. Each district and borough council has its own service in place for its residents. This service is chargeable (price varies per Council), often with a minimum collection fee. The types of items that can be collected include domestic furniture, appliances (televisions, fridges, freezers, washing machines), beds etc.

Trade waste

Some district and borough councils also offer a collection service from businesses in their area, this is known as a trade waste collection. An overview of the trade waste services is provided below.

Council	Waste types collected	Other characteristics
Blaby District Council	General Waste Mixed Recycling Glass Only	Customers can choose from a range of options for both the frequency of collection and the size of containers provided.
Charnwood Borough Council	General Waste	Weekly (or multiples of weekly) collections of residual waste. Intention to start mixed recycling collections soon.
Harborough District Council	General Waste Mixed Recycling	Customers can choose from a range of options for both the frequency of collection and the size of containers provided.
Hinckley & Bosworth Borough Council	General Waste Mixed Recycling	Customers can choose from a range of options for both the frequency of collection and the size of containers provided.
Leicestershire County Council	N/A	LCC run a trade service at Whetstone Waste Transfer Station (WTS) which includes an outlet for general waste and also source separated waste such as cardboard, green waste, wood and inert waste.
North West Leicestershire District Council	General Waste Mixed Recycling	Customers can choose from a range of options for both the frequency of collection and the size of containers provided.

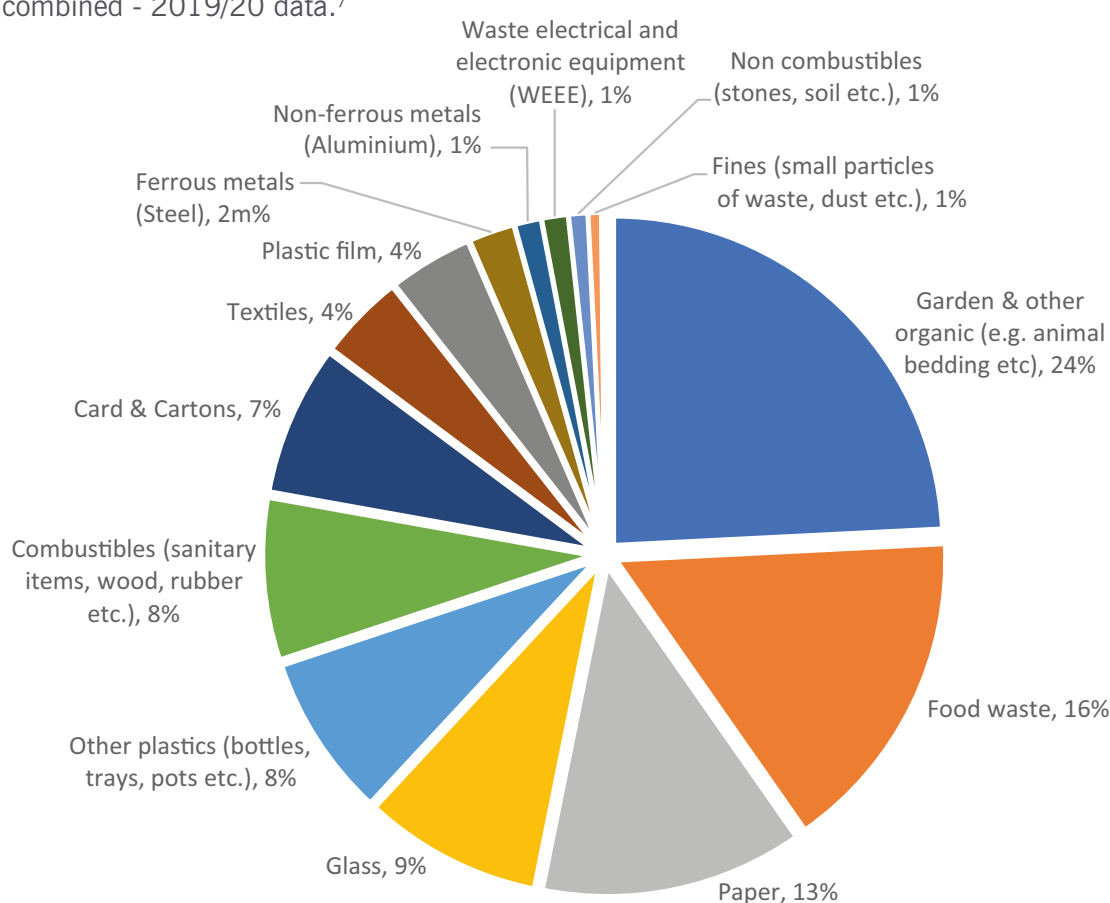
What is in your bins?

The average composition of what a Leicestershire resident puts in their bins each year is shown in the pie chart below. What this illustrates is that the vast majority of items that are disposed of can be prevented, reduced, reused or recycled in some way. This isn't just the materials that we are familiar with recycling like paper, card, metals, glass and plastic, but also other materials like food waste and waste electrical and electronic equipment (WEEE), which can be collected separately and have their resource value recovered.

Separating these additional materials for recycling can help contribute towards achieving 65% recycling, the national recycling target for 2035, set by Government⁶.

Furthermore, other items may be reused to prevent them becoming waste at all. This is preferable to recycling, and options such as using washable nappies, reusable water bottles for drinks and refilling containers with goods from a refill shop or station to avoid new packaging all help conserve resources and avoid packaging and other wastes. There is more on this in sections 3 and 4 of this Strategy.

Figure 3: Waste composition of all bins (residual, recycling and garden) combined - 2019/20 data.⁷



⁶ This is included in the 2020 Circular Economy Package (CEP).

⁷ Data may not add up to 100% due to rounding.

2. What is the proposed strategy for Leicestershire?

This section explains the direction envisaged for the LRWS and includes a summary of influences (both national and local) that have shaped its development.

The Strategy focuses on municipal waste that is waste generated by households and similar wastes from businesses and commerce. It explores different options to reduce the amount of waste arising in the first place (see ‘the waste hierarchy’ described later in this section), and then to manage the remaining material in a way that gives benefit from its resource value.

The management of the residual waste (the remaining waste left for disposal) is managed by long term contracts. Whilst there are different ways to manage this waste, the Strategy takes the position that the prime aim is to avoid waste going to landfill. When new contracts are to be let for managing residual waste, they should review the latest options available and adhere to the principles of this Strategy for subsequent decision making on residual waste management technologies.

The vision and objectives of the LRWS are explained below.

Our strategic vision

The overarching vision of the LRWS is:

To work towards a circular economy and contribute to achieving net zero carbon by 2050 in Leicestershire. This means fully embracing the waste hierarchy by preventing waste and keeping resources in circulation for as long as possible, through reuse, repair and recycling, to realise their maximum value whilst minimising environmental impacts.

Key aspects of this vision, like what we mean by a circular economy and the waste hierarchy, are explained in more detail later in this section of the Strategy.

Our objectives to deliver the vision

To achieve the vision outlined above, the following objectives have been developed, and grouped into themes. These are all important guiding principles for the service as a whole and are not in order of priority.

Deliver services in accordance with circular economy principles

Objective 1: Manage materials in accordance with circular economy principles, except where costs are prohibitive, or where the environmental consequences can be demonstrated to be negative.

Objective 2: As local authorities, set an example by preventing, reducing, reusing, recycling and composting our own waste and use our buying power to positively encourage sustainable resource use.

Reduce the climate change/carbon/air quality impact of waste services in Leicestershire

Objective 3: Reduce carbon emissions from Leicestershire's waste management services.

Deliver services that are financially sustainable and equitable across the Partnership

Objective 4: Consider the whole life financial, social and environmental impact, and deliver quality services designed to allow flexibility, innovation and improvement.

Objective 5: Promote the economic and employment opportunities of sustainable waste management where this is consistent with circular economy principles. Consider local/regional supply chain and markets for recycle and other secondary raw materials.

Delivery of high quality waste services for the residents of Leicestershire

Objective 6: Work together to adapt and deliver coordinated services and infrastructure for waste services with lower environmental impacts.

Objective 7: Aim to reduce and manage residual waste within the County where this is consistent with the proximity principle and to manage all other waste at the nearest appropriate facility by the most appropriate method or technology.

Work in partnership with local communities across Leicestershire

Objective 8: Work with the community and businesses to raise awareness about environmental matters (including climate change, energy and resource management) and increase participation in waste prevention, reuse and recycling initiatives and link to national campaigns.

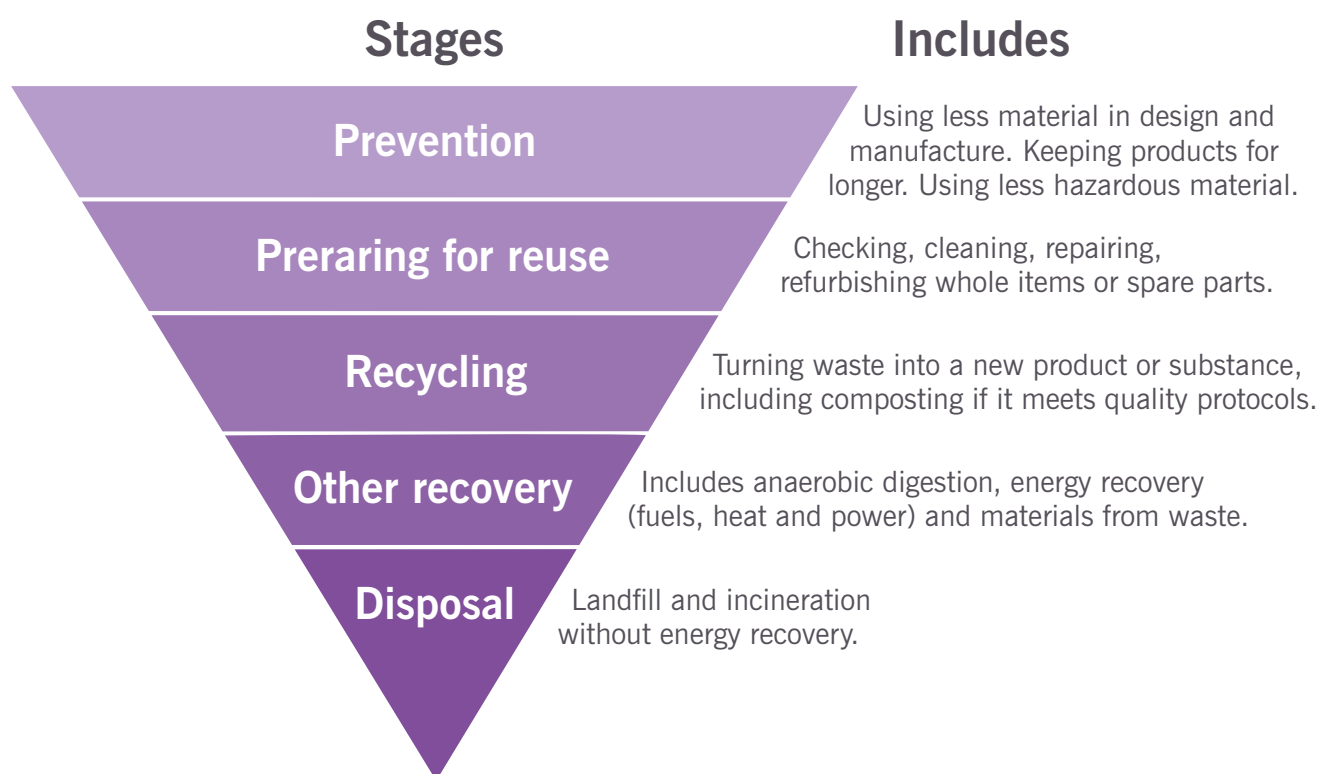
Objective 9: Lobby and work with others, in pursuit of the Partnership's vision of sustainable waste and resource management.

The Strategy also includes a number of pledges setting out specific actions to support and achieve these objectives, these are presented in section 3.

National policy and influences

A guiding principle of managing waste and resources is the 'waste hierarchy', this is shown below with definitions as to the meaning of each level. The most beneficial method is 'prevention' of waste and the least beneficial 'disposal'. This Strategy sets out Leicestershire's intentions on each level.

Figure 4: The Waste Hierarchy (2011).



Resources and waste strategy for England

“Our Waste, Our Resources: A Strategy for England” (2018), is focussed on improving recycling quality and increasing recycling rates from households and businesses. It includes substantial reforms to municipal waste collection and management services, including requiring the separate collection of food waste from households. It also puts a greater responsibility on producers of goods and packaging to play their part in dealing with the products at the end of their life. New measures proposed include Extended Producer Responsibility for packaging materials (EPR)⁸ and the introduction of a deposit return scheme (DRS) for single use drinks containers. This is explained in more detail in section 3. These measures are likely to have a significant impact on the services delivered in Leicestershire and who pays for them. The direction of the national Strategy has had a major influence on the LRWS.

Waste prevention programme for England

Waste prevention activity reduces the amount of waste which is generated, and the Government’s view on how this can be achieved is set out in the Waste Prevention Programme for England, “Prevention is better than cure: the role of waste prevention in moving to a more resource efficient economy” (2013). Key actions for Central Government include setting a clear direction, leading by doing, driving innovation, and ensuring that information regarding waste prevention is available to all. In March 2021, a consultation on a revised Waste Prevention Programme for England was held. The consultation document outlines how waste prevention could be achieved through transforming product design, making it easier for consumers to make sustainable choices or purchases and aligning policy with a circular economy approach (see below).

⁸ The National Strategy also raises the potential for further producer responsibility measures including for textile wastes (e.g. to help tackle ‘fast fashion’ impacts), bulky waste (e.g. mattresses, carpets) and other waste streams.

Net zero carbon

Climate change is the greatest environmental challenge facing the world and is driven by rising levels of greenhouse gases in the atmosphere (which include gases such as carbon dioxide and methane). This results in global heating, rising sea levels and changing patterns of rainfall. These changes can increase the risk of flooding, heatwaves, droughts, and wildfires. To overcome this, the Government has committed the UK to achieving net zero by 2050. This means that there will be an equal balance between the amount of greenhouse gas emissions produced and the amount removed from the atmosphere, through planting trees or using technology such as carbon capture. The waste management sector is estimated to have contributed around 4% of greenhouse gas emissions in the UK in 2019⁹. These emissions can be addressed through minimising the quantity of waste sent to landfill (which is a large contributor of methane emissions), and by applying the waste hierarchy (prioritising prevention, reuse, recycling and recovery).

Circular economy

In a Circular Economy, we see a transition away from a take-make-dispose ideology to a more circular system in which we keep resources in use for as long as possible. This is achieved through maintaining the maximum value when in use, and then recovering and repurposing material at the end of its life. The EU Circular Economy Package (CEP) introduces a revised legislative framework, identifying steps for the reduction of waste and establishing an ambitious and credible long-term path for waste management and recycling. This has been largely incorporated into UK Government strategy and policy and key elements within “Our Waste, Our Resources: A Strategy for England” (2018).

Clean growth strategy

The Clean Growth Strategy was published in 2017 by Government, which aims to increase national income while reducing greenhouse gas emissions in order to meet the UK’s 2050 net zero goal. The Strategy highlights that the UK waste sector has contributed to significant falls in carbon, with the large reduction in waste being sent to landfill resulting in lower greenhouse gas emissions. 12.5% of the UK’s energy was generated from ‘renewable sources and waste’ in 2019. The incineration of waste (Energy from Waste or ‘EfW’) made up 13.3%¹⁰ of the renewable energy generated.

⁹ Department for Business, Energy & Industrial Strategy (2021). 2019 UK Greenhouse Gas Emissions, Final Figures.

¹⁰ [Energy use: renewable and waste sources](#)

Air quality

Air quality is used to describe the condition of our air, it can be negatively impacted by a number of pollutants including sulphur dioxide and nitrogen oxide. Road transport is a contributor to poorer air quality, demonstrated by the fact that it accounted for 33% of nitrogen oxide emissions across the UK in 2019. The impact of waste management activity on air quality is most likely to arise through transport impacts, for example, when collecting household waste and recycling and the transport of this to transfer, recycling, treatment and disposal facilities. However, alternative fuels for Refuse Collection Vehicles (RCVs, or 'bin lorries') are coming into the market which will help to reduce the impact that the waste management sector has on air quality, this is because these fuels are cleaner and have a lower environmental impact in comparison to diesel. A pledge on alternative (low emission) vehicle fuels is included in section 3.

Local policies and influences

The LRWS will be implemented in the context of local policies, which both shape and affect it. The proposals in this Strategy have been developed in consideration of these policies, in order to check that the Strategy can be practically implemented and that it either complements or does not diverge from the wider aims of the LWP member authorities, as set out in other relevant policies.

The types of policies influencing the Strategy include the Leicestershire Minerals and Waste Local Plan (the Local Plan). For waste, the Local Plan aims to provide adequate facilities for waste management and mineral extraction/processing facilities within Leicestershire to meet identified needs. The current plan runs from 2019 to 2031. The Local Plan includes Leicester City; Leicester City Council is not within the LWP, but both parties cooperate to deliver plans which affect a wide geographic area.

Further policies and plans considered during the Strategy update cover a wide range of environmental and social issues, such as carbon management, climate emergency declarations and net zero ambitions, community strategies, air quality management, biodiversity and transport. It is important that, to the extent possible, the LRWS is aligned with these other documents. This is specifically addressed by an Environmental Report (see below) which gives more consideration to the local policy influences.

Supporting documents

This LRWS is not developed in isolation; it is supported by research, analysis and consultation. This has been undertaken through the following processes.

Firstly, an Options Appraisal was prepared. This is an assessment of alternative resource and waste service delivery options, analysing combinations of factors such as waste collection methods, recycling options, or treatment approaches. The outcome was a selection of possible approaches to meet the Strategy aims and objectives.

Secondly, a Strategic Environmental Assessment (SEA) was undertaken. SEA considers wider policy influences and assesses the Strategy options against important environmental effects and proposed mitigation. An Environmental Report is the outcome of the SEA; the assessment and mitigation measures in the Environmental Report have influenced the final selected strategy option(s).

Thirdly, an Equalities and Human Rights Impact Assessment (EHRIA) was conducted. This considers, at a strategic level, if the proposed resource and waste services are accessible to the entire community, regardless of characteristics such as age, gender, health, disability, race, or socio-economic status. The EHRIA also includes a public consultation which helps identify any additional unknown barriers the community may have in accessing services in the Strategy. The EHRIA influences the Strategy, identifying if any proposed options need adjusting in order for everyone to have access to the services.

Lastly, there has been a public consultation on key elements within the Strategy to gain feedback from the residents and communities of Leicestershire. The results from the consultation have been reflected within the Strategy.

3. How can the strategy be delivered?

This section identifies LWP's commitments required to deliver the Strategy. These are divided into the topic areas needed to meet the overall vision.

Working in partnership

The LRWS has been developed jointly by LWP members, and it will be implemented by the LWP members working together. The Strategy review has included consultation with officers and elected members from all the LWP authorities. The LWP also recognise that waste issues cross administrative boundaries, and therefore it works with Leicester City Council. Leicester City Council is a Unitary Authority, which makes its own independent waste collection and disposal arrangements, but it co-operates with the LWP on strategic waste issues.

The LWP also works in partnership with residents and communities as they are central to the Strategy. The Strategy objectives are to deliver resource and waste services in which residents and communities can participate effectively. This requires clear and effective communication between the LWP and its residents. Residents are encouraged to maximise resource recovery by using the wide range of recycling services provided by the LWP; in turn, the LWP is required to provide accessible services for the residents, responding to their needs and aspirations.

In the near future, the LWP will also be working with private sector 'Producers' of waste under new Extended Producer Responsibility (EPR) legislation. EPR is intended to promote packaging¹¹ design which considers resource inputs and easier end of life recovery (e.g. reuse or recycling) of the resources within the products. Once finalised, EPR regulations will require the LWP members to participate in its implementation with possible service changes.

¹¹ Government has indicated that EPR may be expanded beyond packaging into other goods and products.

The Partnership is also aware of its role in managing wastes and conserving resources from materials generated in Council buildings and activities and makes the following pledge:

Strategy Pledge no. 1:

All Councils within the Partnership will review their purchasing activities and internal waste management services to seek to promote waste prevention, reuse and recycling to support the objectives of this Strategy and lead by example.

The environment in which we live has a significant impact on our quality of life. Residents care about their environment and LWP want Leicestershire to be a great place to live, free from litter and fly-tipping. Tackling environmental crime requires joint working. The Partnership therefore makes the following pledge:

Strategy Pledge no. 2:

Environmental crime, particularly fly-tipping does not recognise council boundaries. The Partnership will work together to reduce fly-tipping and litter across Leicestershire and educate residents, businesses, or anyone disposing of rubbish, about their legal duty of care to dispose of their rubbish responsibly.

Preventing waste and preparing items for reuse

Waste prevention is the highest priority of the waste management hierarchy and is an integral part of any Resources and Waste Strategy. Waste prevention measures ensure that the quantity of waste is reduced (either through the avoidance of waste creation in the first place, reuse of products and services, or the extension of its useful life). It therefore reduces the adverse impacts on the environment of waste generation and management, and subsequently prevents impact on human health.

It also eases our demand on finite natural resources and as such, reduces the carbon emissions associated with waste management activity.

The most effective waste prevention activities are often focused on particular waste streams or products. Over recent years, LWP members have implemented a number of initiatives in support of waste prevention and reuse. These projects have included food waste reduction training through Adult Learning Services, supporting the use of reusable nappies by offering free trials of reusable nappies, encouraging home composting via compost bin subsidies and training, and providing guidance on reducing unnecessary waste such as contamination or junk mail.

As part of the Options Appraisal supporting this Strategy, we have explored the impact of waste prevention measures and make the following pledge:

Strategy Pledge no. 3:

The Partnership pledge to support and encourage waste prevention activity across LWP. This will include working with stakeholders, residents and communities to prevent unnecessary waste arising, for example through food waste reduction campaigns such as Love Food Hate Waste.

The second highest priority of the waste hierarchy is 'preparing items for reuse'. The aim of repair and reuse is to extend the useful life of a product or service. This has wide ranging benefits which include saving money, conserving the Earth's limited resources and lowering carbon emissions. Reuse activities often support social and economic development, through skills training, employment and community volunteering.

Recent examples of reuse activity across Leicestershire include:

- **Adult Learning Service** - Furniture reuse workshops are available to all Leicestershire residents. These workshops take place regularly and teach individuals how to fix and upcycle items of furniture.
- **Textiles repair** - An online guide is available on the Less Waste website, which aims to reduce clothing waste. It encourages more sustainable purchasing habits, gives advice about how to care for and repair clothes, how items can be upcycled and where clothing can be donated/sold. Classes are also available for residents to learn sewing skills, such as how to make new items out of existing fabric at home.
- **Give or Take Day toolkit** - A Give or Take Day is an event where people can exchange unwanted goods for items which they may need. A toolkit is available on the Less Waste website to help individuals set up their own event.

Leicestershire residents are also able to engage in reuse activities at the HWRCs across the County. Leicestershire County Council have been investing in developing its provision for reuse at its HWRCs, creating signage and designated deposit areas called 'ReHome Zones', for items which residents deem eligible for reuse or repair. This currently includes bric-a-brac and bicycles however Leicestershire County Council have a vision to expand and enhance the range of materials which can be saved from going into the 'waste' stream, retaining the definition as a 'product' thereby extending its useful life.

LWP also run the 'Less Waste' website which serves as an online platform for the Partnership to provide information on recycling and waste management to its residents, focusing on themes of 'reduce', 'reuse' and 'recycle'. The website also includes links and information on many of the initiatives quoted above¹².

¹² www.lesswaste.org.uk

As part of the Options Appraisal supporting this Strategy, we have explored the role of reuse in developing a waste strategy and as such make the following pledge:

Strategy Pledge no. 4:

The Partnership pledge to continue delivering reuse services and expand activities where practicable, working in partnership with other stakeholders and to signpost to places that advocate for waste prevention and reuse, in support of developing a circular economy. This includes a pledge to continue to improve the collection of items for reuse at Household Waste Recycling Centres and explore the development of reuse shops at suitable sites.

Collecting food waste and garden waste

After preventing food waste occurring (see Love Food Hate Waste example referred to previously), the next most important method of reducing carbon emissions from food waste is to separately collect and treat it. The most effective way of doing this is to collect food waste from households and businesses on a weekly basis, as a separate material stream, and to process the food waste in Anaerobic Digestion (AD) facilities.

The Government has recognised that a key method of avoiding damaging methane emissions from landfill (methane is a powerful greenhouse gas 28 times more potent than CO₂), is to remove food waste from the residual waste stream, through a dedicated collection service. The Government is requiring (through the Environment Act) all households to have a separate collection of food waste, on a weekly basis, from the mid 2020's.



Figure 5: Food waste collection trial taking place in North West Leicestershire District Council.

Food waste collections have been trialled in parts of the County and there are increasing numbers of councils implementing them across the UK. They tend to use small, dedicated collection vehicles and the carbon benefits from separating and effectively managing the food waste far outweigh the carbon emissions of the collection fleet. An image of the collection trial in North West Leicestershire is shown in Figure 5. More separation of waste for recycling can mean additional mileage to operate the collection service and this can add to local air pollution if not appropriately managed. Electric refuse collection vehicles, and some fuelled by hydrogen have been trialled and implemented in the UK, and these have the potential to dramatically reduce local air emissions and save significant amounts of carbon emissions. Vehicles running on alternative fuels are currently much more expensive and require new infrastructure around refuelling/charging, however this is an important area to be evaluated by the Partnership as new vehicles are procured and the cost of technology falls. Some districts within the Partnership are using HVO (hydrotreated vegetable oil) fuel as a substitute for diesel, including North West Leicestershire District Council and Blaby District Council.

The separately collected food waste is usually sent to an AD process. Anaerobic digestion is a process that takes place in sealed vessels in the absence of oxygen. Food waste is fed into the vessels which act like a digestion process, breaking down the food waste using bacteria (in a similar way and a slightly higher temperature than your stomach digesting food). The waste degrades and releases a flammable biogas (which is roughly half methane and half carbon dioxide), this gas is then usually combusted in a gas engine to generate electricity, which can be fed back into the national grid as renewable electricity. The gas can alternatively be used to fuel vehicles with 'biomethane' or, after further processing, as an input into the gas grid. The remaining residue from the food waste is reduced to a slurry and can be, after some further 'maturation' (like a composting process), applied to land as a soil conditioner or fertiliser. As part of the Options Appraisal supporting this Strategy, we have modelled the introduction of separate food waste collections across the County and make the following pledges:

Strategy Pledge no. 5:

The Partnership will implement and promote separate food waste collections to all households, subject to confirmation of national policy, legislation and the provision of total ongoing Government funding. This will be as soon as required and when contracts and circumstances dictate. The County Council will procure Anaerobic Digestion capacity to treat the collected food waste in a manner that contributes to effective carbon emissions reduction across the County and improves soil quality.

Strategy Pledge no. 6:

The Partnership will explore the use of alternative fuels for collection vehicles and the transportation of waste and resources to further reduce carbon emissions of the service and improve air quality.

A garden waste collection is offered to all residents in Leicestershire on a fortnightly basis, as described in section 2. There is currently no duty on WCAs (the district/borough councils) to collect garden waste, however the Government is considering making a free garden waste collection a mandatory requirement (or introducing a maximum charge), through the National Resources and Waste Strategy for England, this is subject to separate consultation.

The collected garden waste from the County is sent to composting facilities and the resulting compost applied to land to improve soil quality and add nutrient value.

As part of the Options Appraisal supporting this Strategy, we have modelled both free of charge and subscription based garden waste collection systems and make the following pledge:

Strategy Pledge no. 7:

The Partnership will continue to offer a garden waste collection service to Leicestershire residents. This will follow national guidelines as to the form of the collection and will be subject to legislation and total ongoing Government funding. The Partnership will continue to procure composting capacity to treat the collected garden waste in a manner that supports carbon reduction and improves soil quality.

Expanding recycling for homes and businesses

The residents and communities of Leicestershire already have a wide range of materials collected for recycling. This mirrors the Government intention to have a standardised set of materials collected for recycling from each house and business across the Country. This will include food waste (as described previously) and each of the following:

- Metals (cans, foil trays, foil, aerosols)
- Plastics (plastic film, bottles, trays, pots, tubs)
- Cartons (e.g. Tetra Pak)
- Card
- Paper
- Glass

The aim is that all of England has the same range of materials collected and that this will enable more targeted nationwide messages and standardised product labelling for recyclability to be established. Furthermore, residents moving from one area to another will know what materials can be separated for recycling (although there might be different colours or types of containers in which to separate them).

In addition to these changes, Government are seeking to introduce a deposit return scheme (DRS) for all single use drinks containers (excluding bottles made of High-Density Polyethylene plastic, primarily milk bottles and glass bottles). This is likely to place an additional 20p charge (the deposit) onto bottles and cans containing drinks, which then may be redeemed (returned) when the bottle/can is placed in an authorised collection point. The collection points are likely to be at shops/supermarkets and are known as reverse vending machines, although alternative methods of redeeming deposits are also being investigated. The DRS scheme is still undergoing consultation but is due to be implemented in 2024. This could have the effect of changing consumer behaviour to an extent, also potentially reducing the amount of littering of containers (covered by the DRS) and may reduce the amount of recyclables and waste handled by the local authorities.

As part of the wide-ranging national changes and to encourage greater resource recovery from waste, the Government are also intending to implement Extended Producer Responsibility (EPR) for all producers of packaging. EPR means that all packaging producers will need to pay for the costs of dealing with their packaging at the end of its life (e.g. when it is recycled or thrown away). In future (and this is intended to be implemented from 2024), packaging producers will be responsible for the net costs of collecting, handling, recycling, treating and disposing of packaging waste, by providing monies to local government equivalent to that cost. This, together with the DRS scheme, will also provide an incentive to product and packaging producers to consider how their products can be designed better for their resource recovery, for example by making them easier to recycle. Packaging that is hard to recycle will cost more for disposal which will ultimately cost the producer of that packaging. This approach helps the role of the Councils and should assist in improving resource recovery and recycling over the medium and long term.

The appraisal of different collection systems (see supporting Options Appraisal document) demonstrated a preference for maximising recycling through the establishment of a food waste collection. This would be alongside maintaining similar recycling collection systems as at present but increasing participation and use of the recycling service by restricting the residual waste. The preferred method of restricting residual waste was by providing smaller wheeled bins whilst still allowing for plenty of space in the recycling containers. The addition of a weekly food waste collection should also reduce the need for the current levels of residual waste capacity. The Options Appraisal also demonstrated the benefit of providing collection services for other materials like batteries and textiles from households. As part of the modelling for this Strategy we have considered EPR and DRS in addition to different recycling collection systems across the County and make the following pledges:

Strategy Pledge no. 8:

The Partnership shall ensure that the full range of recyclables (as specified by Government and subject to funding) are collected from residents (and businesses where applicable) across Leicestershire by 2025, or as soon as possible when contracts and circumstances allow.

Strategy Pledge no. 9:

The Partnership shall continue to explore the viability of adding extra materials to recycling collections (e.g. for batteries, small electric goods or clothing) striving to continually improve Leicestershire's recycling performance.

Strategy Pledge no. 10:

The Partnership will put in place collection systems to contribute towards the achievement of the national 65% recycling target by 2035, this may include restricting residual waste capacity to encourage greater materials separation, carbon savings and resource recovery. Improvements in materials recovery at Household Waste Recycling Centres will also contribute towards the national target.

Strategy Pledge no. 11:

The Partnership will continue to allocate a communications budget sufficient to help promote good recycling behaviour and support resource recovery to progress the circular economy and low carbon objectives of this Strategy.

Avoiding landfill as much as possible

During 2020/21, Leicestershire landfilled more waste than the national average. This is explained in section 1 of this Strategy and is a situation that the County Council aims to address. An example of this is a recently procured residual waste treatment contract that should enable Leicestershire to exceed national targets for landfill, i.e. no more than 10% of municipal waste should be sent to landfill by 2035.

The County Council, over the period of this Strategy (to 2050), are likely to procure further contracts for residual waste treatment capacity. The technologies and options available for waste treatment may change over time, but they will be assessed in accordance with the vision and objectives of this Strategy, to ensure that they are consistent with the direction expressed in this document, and local and national objectives.

Leicestershire County Council makes the following pledge:

Strategy Pledge no. 12:

The County Council will reduce waste sent to landfill to less than 5% by 2025, well in advance of the 10% national target by 2035. The County Council will undertake future procurement processes for residual waste treatment (alternatives to landfill) in line with the vision and objectives of this Strategy.

Contributing to net zero carbon in Leicestershire

The measures throughout this Strategy will make significant reductions to carbon emissions from the municipal waste management service. Modelling undertaken for the Options Appraisal and Strategic Environmental Assessment process indicates that by implementing all of the measures within this Strategy, carbon savings of the range of 5,000 - 10,000 tonnes of CO₂ equivalent would be delivered each year, compared against the current situation. This is the equivalent (in carbon emissions terms) of taking approximately 1,800 - 3,600 cars off the road.

4. Where will the strategy take us?

Projecting ahead to 2050

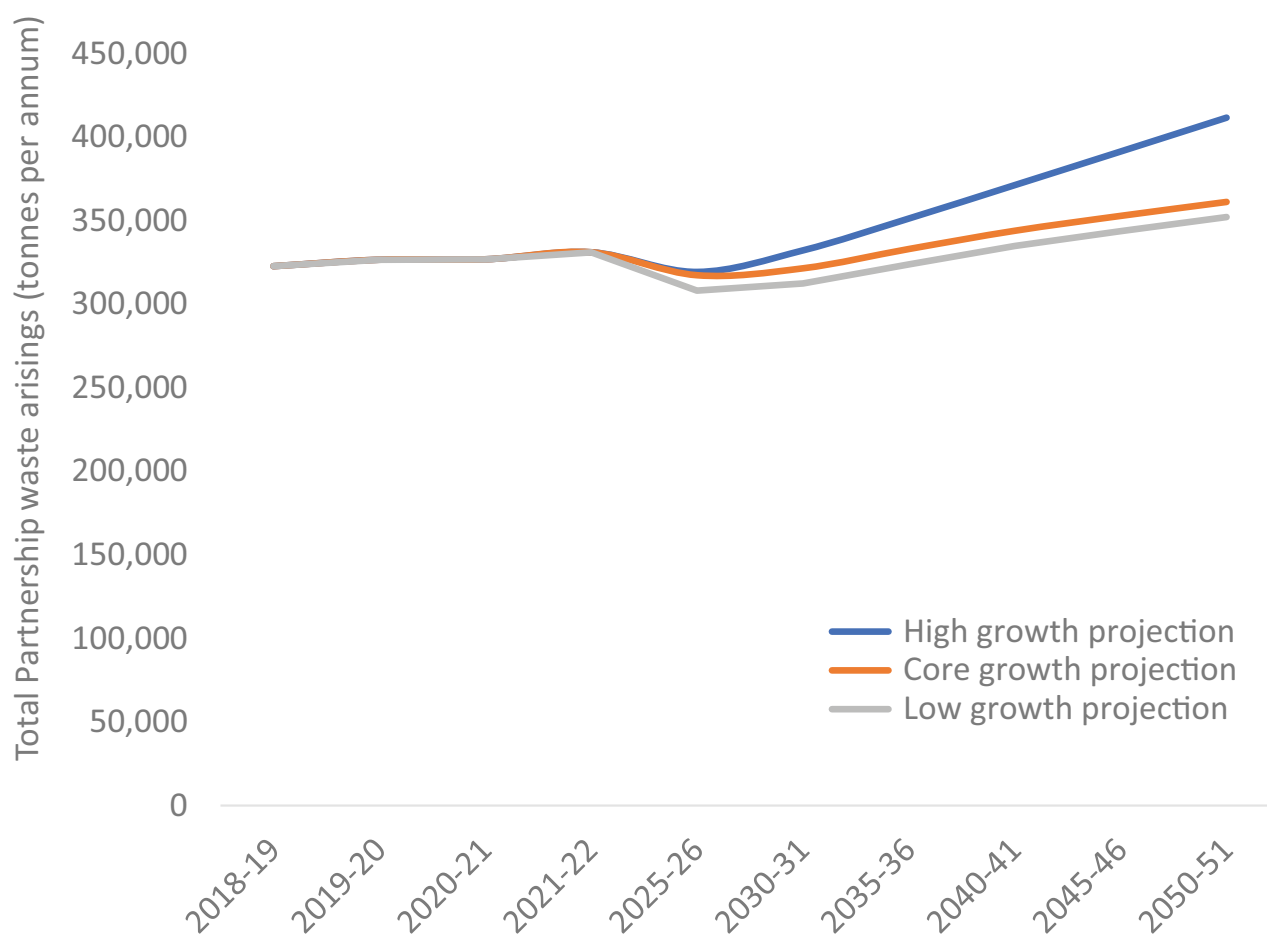
Although it is impossible to predict the future for resource and waste management, we can be sure that 2050 will be very different from today; consider how we manage waste in our households now, compared with 20 years ago. The need to reduce carbon emissions to achieve net zero will require many changes to our current lifestyles and to our environmental impacts. This lifestyle change is part of the global movement towards a circular economy model, essential to reduce our demands on limited resources and to dramatically decrease our carbon impacts. These influences will affect the future amount and type of resources and waste in Leicestershire.

Already, Leicestershire has seen major changes in its resources and waste. Recently, increasing digitisation means residents and communities produce less paper. By contrast, more on-line shopping has increased quantities of household cardboard; this was exacerbated by the lifestyle changes resulting from the Covid-19 pandemic. Also, over the last 20 years, although each person is now producing less waste because of lighter weight packaging, the waste they do produce includes far more plastic. Because plastic is usually oil based (fossil carbon), this conflicts with the aims of a low carbon future, unless we can recycle that material multiple times.

Dealing with these uncertainties and changes to resource and waste arisings needs a responsive and flexible LRWS, which tackles new challenges with a broad range of solutions. We have set out a range of pledges and measures to support national changes and set a direction for long term resource recovery for the benefit of residents and communities of Leicestershire. We recognise however that there will be many substantial changes impacting on materials and wastes over the next five years, as the national Strategy takes effect. There is likely to be a need to review or update this Strategy before the end of the 2020's.

Consideration of future waste growth rates is shown in Figure 6, with High, Low and Core projections. These projections are informed by housing forecasts and future policy and legislation that may impact on waste arisings, discussed in section 2¹³. This includes local and national changes driven by packaging producers affected by the Extended Producer Responsibility (EPR) measures, austerity impacts, consistency of collections, single use plastics ban and other resource management drivers.

Figure 6: Waste growth projections for wastes collected by Local Authorities, 2019 - 2050.

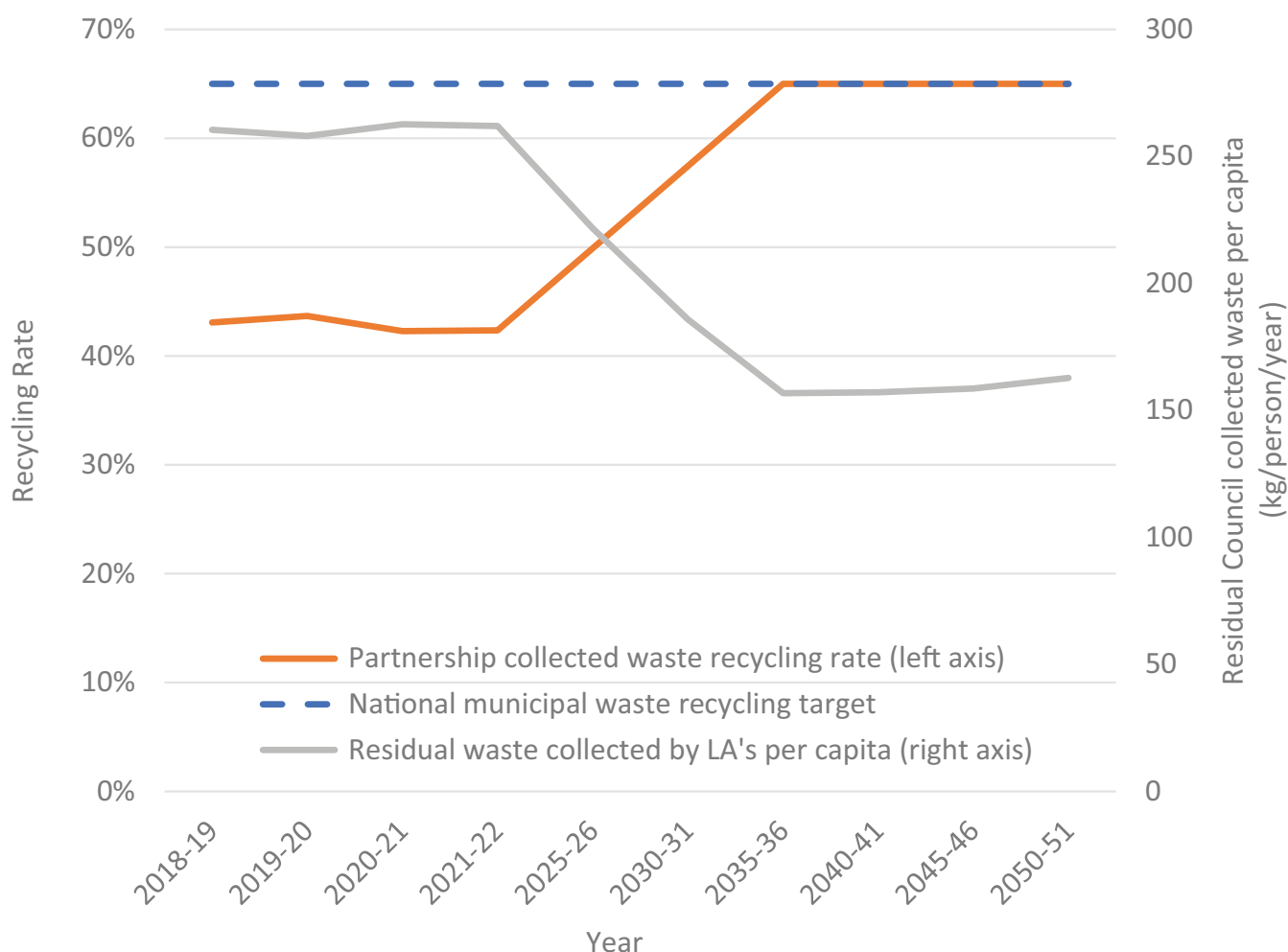


¹³ The variations across the projections is the extent to which different policy interventions are implemented.

The increase in waste shown around 2020 and 2021 is the extra arisings generated by the Covid-19 pandemic (and associated behavioural changes such as home working, use of Personal Protective Equipment and internet shopping), this is assumed to revert back to 2019 levels in the following years, albeit influenced by rising numbers of households and other factors. The subsequent dip in waste arisings is the estimated result of the implementation of a national Deposit Return Scheme (DRS) and Extended Producer Responsibility (EPR) in the period 2023 - 2025 (this is described in section 3).

Figure 7 shows delivery in Leicestershire of the national target for 65% of municipal waste to be recycled and prepared for reuse by 2035.

Figure 7: Recycling rate & residual waste per person projections for wastes collected by Local Authorities, 2019 - 2050.



The modelling which informs this Strategy shows that c.62% recycling can be achieved through combinations of the options described in section 3, such as expanding recycling and food waste collections (Pledges 5, 7, 8, 9 & 10)¹⁴. In addition to these options, recycling and reuse will be further enhanced to reach the 2035 target by:

- The LWP continuing to promote and develop systems for reuse of usable goods and packaging (Pledge 4).
- The LWP promoting ongoing education and awareness raising for its residents and communities (Pledge 11).
- The County Council aiming to increase recovery from the Household Waste Recycling Centres (Pledge 10).
- The national changes around product labelling, and extended producer responsibility (making products and packaging easier to recycle).
- Residual waste treatment procurement, which may also deliver additional recycling (Pledge 12)¹⁵.

Figure 7 also shows that the actions set out within this Strategy, supported by national policy, should also reduce the amount of Council collected residual waste (general rubbish not separated for recycling). If the national 65% recycling rate is to be met the amount of residual waste (all general mixed 'rubbish') managed by Councils will need to fall from around 260kg per person per year to around 160kg per person by 2035. Furthermore, the management of residual waste in Leicestershire is also set to change with a pledge to reduce the amount of waste landfilled from current levels (of around 30%) to less than 5% by 2025. This is substantially ahead of the new national target of 10% landfilled waste by 2035.

¹⁴ In March 2022, Defra announced that the DRS for England will exclude glass bottles. It is anticipated that the kerbside recycling rate could increase by between 1.5% and 2% above the recycling rate modelled in the Options Appraisal.

¹⁵ Subject to clarifications on how recycling performance is calculated in the future.

5. Action plan

Introduction and background

This Action Plan provides a route map for delivering the vision and objectives set out in the Leicestershire Resources and Waste Strategy (LRWS)/the 'Strategy'. It provides a clear direction of travel to ensure that resources and waste are managed efficiently.

Context

The Action Plan will guide the implementation of the Strategy and will be subject to regular monitoring and review. Changes may be made to the Action Plan in response to (for example):

- Accelerated or delayed implementation of actions
- Variance from predicted performance of actions
- Changes in Government policy, legislation or regulation
- Other changes in circumstances

The Action Plan is intended to be a living document and will be monitored and updated on an on-going basis. Significant changes that render the Action Plan inconsistent with the LRWS may necessitate revision of the Strategy or Action Plan.

The actions have been categorised in line with themes set out within the Strategy document. Each action has been allocated the responsibility of either the Leicestershire Waste Partnership (LWP) as a collective, or Partners within LWP (i.e. the districts/boroughs or county council).

The Action Plan associated with a resource and waste strategy is usually quite high level but builds on the pledges and objectives of the Strategy. There may be further more detailed actions that fall out of the actions within the plan for example: a procurement plan, district council action plans, business cases or communications plans.

Key challenges for the action plan

The Partnership is committed to delivering the objectives and policies set out in the Strategy in a way that represents good value for the Partnership and the residents of Leicestershire as a whole. This approach requires coordination of effort between seven local authorities and between the two tiers of local government that in the case of waste management, have very different roles and responsibilities.

At a national level, Government is currently consulting on a suite of potential policy changes which are intended to reform the resources and waste industry (see Resources and Waste Strategy for England 2018). The legislative basis for implementation of these reforms is included in the Environment Act (2021). Outcomes from the national consultation could require substantive changes from the LWP. Where changes are anticipated (e.g. separate food waste collections) these have been acknowledged within the Action Plan with defined actions. However, where there is more ambiguity (e.g. relating to the charging for garden waste collections), these have been excluded from the Action Plan until further clarity is provided from Government.

Action plan headings

The Action Plan has been divided into the following themes:

- Reuse/Circular Economy
- Recycling (performance and collections)
- Residual Waste Management
- Partnership Working
- Lead by Example
- Communication Actions
- Carbon

Some of these themes contain overlapping elements. Each action details what action is to be taken, how this relates to either an objective or pledge of the LRWS, by whom and when.

Table 1 provides an overview of the key actions by the Leicestershire Waste Partnership. Links to the Strategy Objectives and Pledges are also summarised.

Overview of actions

Action	Objective	Pledge
Reuse/Circular Economy		
Reuse service - Evaluate and explore further reuse options at Household Waste Recycling Centres (HWRCs)	1	3, 4
Facilitate or support the delivery of repair workshops (e.g. for Waste Electronic and Electrical Equipment (WEEE))	2	3, 4
Circular Economy principles promotion - Liaise and engage with stakeholders	1, 5	
Waste prevention/reuse focused campaign - run at least once a year across the Partnership	1	3, 4, 14
Explore development of reuse shops at suitable sites	1	4
Promote reuse - Provide opportunities for or signpost householders (including those that cannot access HWRCs)	1	4
Recycling (performance and collections)		
Food Waste - Implementation of weekly food waste collections (all districts from 2025 or as contracts allow) with consideration of alleviating concerns raised in consultation (pests, containers, previous trial etc)	6	5
Deposit Return Scheme (DRS) - Explore any collection and treatment options associated with the introduction of DRS	1, 6	
Review garden waste collection service with consideration given to Government response to national waste consultation		7
Implement dry collection systems to achieve high quality recycling with consideration given to Government response to national Resources and Waste Strategy for England consultation		8

Action	Objective	Pledge
Kerbside collections - Contribute towards the achievement of the national 65% recycling target by 2035	1	10
Kerbside recycling collections - Review materials collected within core recycling service (e.g. plastic film) and explore additional collections (absorbent hygiene products (AHP), small waste electrical and electronic equipment (WEEE), textiles, batteries, bulky waste)	1	8, 9
Food waste treatment - Procure anaerobic digestion capacity to treat the collected food waste (and promote the positives of anaerobic digestion)		5
Residual Waste Management		
Consider options for reducing kerbside residual waste including reduced average residual waste capacity and implementation of no side waste policy where not in existence (alongside educating residents on the rationale of waste prevention, recycling, etc). Closely monitor where in existence	6	
Evaluate options to enhance separation at HWRCs to maximise recycling/reuse and recovery performance	7	4
Align with national residual waste reduction targets (kg/person/yr)	1, 7	
Landfill reduction - Reduce waste sent to landfill to less than 5% by 2025		12
Review options and approach to residual waste treatment to support greater resilience and align with the long-term aim to reduce waste arisings	7	12
Review/Adoption of resource efficiency metric as per data and Government policy ¹⁶	1, 4	

¹⁶ Subject to consultation.

Action	Objective	Pledge
Partnership Working		
Quarterly meetings - To discuss and action strategic and operational resource and waste issues and engagement with existing and new parties or bodies (e.g. producer responsibility organisations)	6, 8	3
Adopt and promote the Leicestershire Resources and Waste Strategy	6	
Action Plan review (annual)	4	
Strategy review (5 yearly) or when there are significant changes in waste/environmental policy	4	
Explore efficiencies of joint procurement (e.g. containers and food waste vehicles and collections) at strategic points (dates TBC)	6	
Lead by Example		
Lobby both Government and businesses to reduce the amount of waste generated and increase reuse, recycling, composting and recovery in line with the waste hierarchy	1, 9	
Each Partner to review/audit their purchasing activities and internal waste management services regularly to promote waste prevention with a view to reducing, reusing and recycling/developing a Circular Economy		1
Update EHRIA during review of LRWS	4	
Coordinated publicity campaigns - Maintain high profile of green/sustainable activities/events and initiatives in Leicestershire (e.g. through Less Waste/signposting enquiries to relevant contacts)	5, 8, 9	
Develop district level action plans for LRWS implementation	1, 4	

Action	Objective	Pledge
Communication Actions		
Engage with businesses and local communities to increase participation in waste prevention, reuse and recycling initiatives to reduce climate change impacts and improve other beneficial outcomes	5, 8, 9	3
Work together to reduce fly-tipping and litter by educating residents and businesses about their duty of care to dispose of waste responsibly		2
Consider opportunities to improve communications to residents regarding operation and safe use of HWRCs		10
Continue allocation of communications budget		11
Communication Plan - Develop for LRWS implementation for LWP (working in partnership with local communities and businesses, promoting lead by example etc)	8, 9	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12
Carbon		
Explore the use of alternatives to fossil fuels for the waste collection services (and promote leading by example)	3	6
Monitor LWP waste management services carbon emissions in order to reduce environmental impacts	3	
Contribute to the County wide Net Zero targets and engagement with all partners to support this aspiration	3	11

Monitoring

Monitoring the progress and performance of each action will be crucial to the success of the Strategy. The Partnership will continue to work together and will meet regularly to monitor progress. It will also provide an update on joint working as part of regular reporting against the Strategy Action Plan. This should form a regular agenda item for LWP meetings.

Where the Action Plan monitoring identifies that insufficient progress is being made in a particular area, then additional actions/corrective measures may be introduced to rectify any shortfall.

If you require this information in a printed or alternative format please telephone 0116 305 7005.

જો આપ આ માહિતી આપની ભાષામાં સમજવામાં થોડી મદદ
ઈચ્છતાં હો તો 0116 305 7005 નંબર પર ફોન કરશો અને
અમે આપને મદદ કરવા અવસ્થા કરીશું.

ਜੇਕਰ ਤੁਹਾਨੂੰ ਇਸ ਜਾਣਕਾਰੀ ਨੂੰ ਸਮਝਣ ਵਿਚ ਕੁਝ ਮਦਦ ਚਾਹੀਦੀ
ਹੈ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ 0116 305 7005 ਨੰਬਰ ਤੇ ਫੋਨ ਕਰੋ ਅਤੇ
ਅਸੀਂ ਤੁਹਾਡੀ ਮਦਦ ਲਈ ਕਿਸੇ ਦਾ ਪ੍ਰਬੰਧ ਕਰ ਦਵਾਂਗੇ।

এই তথ্য নিজের ভাষায় বুঝার জন্য আপনার যদি কোন
সাহায্যের প্রয়োজন হয়, তবে 0116 305 7005 এই নম্বরে
ফোন করলে আমরা উপযুক্ত ব্যক্তির ব্যবস্থা করবো।

اگر آپ کو یہ معلومات سمجھنے میں کچھ مدد درکار ہے تو براہ مہربانی اس نمبر پر کال کریں
0116 305 7005 اور ہم آپ کی مدد کے لئے کسی کا انتظام کر دیں گے۔

假如閣下需要幫助，用你的語言去明白這些資訊，
請致電 0116 305 7005，我們會安排有關人員為你
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Jeżeli potrzebujesz pomocy w zrozumieniu tej informacji
w Twoim języku, zadzwoń pod numer 0116 305 7005,
a my Ci pomożemy.

This Resources and Waste Strategy has been developed with Leicestershire Waste Partnership by Frith Resource Management Ltd. Frith Resource Management Ltd are experts in Waste Strategy and have also delivered the key supporting documents which accompany this Strategy (Baseline Review, full Strategic Environmental Assessment, Options Appraisal) including support during the statutory and public consultation phases.

Leicestershire Resources and Waste Strategy 2022 - 2050: Action Plan Timeline

LRWS Commitments			Responsibility			Year																														
Objective	Pledge	Action	WCA	WDA (LCC)	LWP	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050		
Reuse/Circular Economy																																				
1	3, 4	Reuse service - Evaluate and explore reuse options at Household Waste Recycling Centres (HWRCs)		X																																
2	3, 4	Facilitate or support the delivery of repair workshops (e.g. for Waste Electronic and Electrical Equipment (WEEE))		X																																
1, 5		Circular Economy principles promotion - Liaise and engage with stakeholders			X																															
1	3, 4, 11	Waste prevention/reuse focused campaign - Run at least once a year across the Partnership			X																															
1	4	Explore development of reuse shops at suitable sites			X																															
1	4	Promote reuse - Provide opportunities for or signpost householders (including those that cannot access HWRCs)	X		X																															
Recycling (performance and collections)																																				
6	5	Food Waste - Implementation of weekly food waste collections (all districts from 2025 or as contracts allow) with consideration of alleviating concerns raised in consultation (pests, containers, previous trial etc)	X		X																															
1,6		Deposit Return Scheme (DRS) - Explore any collection and treatment options associated with the introduction of DRS	X	X	X																															
	7	Review garden waste collection service with consideration given to Government response to national waste consultation			X																															
	8	Implement dry collection systems to achieve high quality recycling with consideration given to Government response to national Resources and Waste Stratagy for England consultation	X																																	
1	10	Kerbside collections - Contribute towards the achievement of the national 65% recycling target by 2035			X																															
1	8, 9	Kerbside recycling collections - Review materials collected (e.g. plastic film) and explore additional collections (absorbent hygiene products (AHP), small WEEE, textiles, batteries, bulky waste)	X																																	
	5	Food waste treatment - Procure anaerobic digestion capacity to treat the collected food waste (and promote the positives of anaerobic digestion)		X																																
Residual Waste Management																																				
6		Consider options for reducing kerbside residual waste including reduced average weekly residual waste capacity and implementation of side waste policy where not in existence (alongside educating residents on the rationale of recycling, waste prevention etc). Closely monitor where in existence	X																																	
7	4	Evaluate options to enhancing separation at HWRCs to maximise recycling/reuse and recovery performance		X																																
1, 7		Align with national residual waste reduction targets (kg/person/yr)			X																															
	12	Landfill reduction - Reduce waste sent to landfill to less than 5% by 2025		X																																
7	12	Review options and approach to residual waste treatment to support greater resilience and align with the long-term aim to reduce waste arisings		X																																
1, 4		Review/adoption of resource efficiency metric as per data and Government policy			X																															

LRWS Commitments			Responsibility			Year																												
Objective	Pledge	Action	WCA	WDA (LCC)	LWP	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Partnership Working																																		
6, 8	3	Quarterly meetings - To discuss and action strategic and operational resource and waste issues and engagement with existing and new parties or bodies (e.g. producer responsibility organisations)			X																													
6		Adopt and promote the Leicestershire Resources and Waste Strategy			X																													
4		Action Plan review (annual)			X																													
4		Strategy review (5 yearly) or when there are significant changes in waste/environmental policy			X																													
6		Explore efficiencies of joint procurement (e.g. containers and food waste vehicles and collections) at strategic points (dates TBC)			X																													
Lead by Example																																		
1, 9		Lobby both Government and businesses to reduce the amount of waste generated and increase reuse, recycling, composting and recovery in line with the waste hierarchy	X	X	X																													
	1	Each Partner to review/audit their purchasing activities and internal waste management services regularly to promote waste prevention and with a view to reducing, reusing and recycling/developing a Circular Economy	X	X																														
4		Update EHRIA during review of LRWS			X																													
5, 8, 9		Coordinated publicity campaigns - Maintain high profile of green/sustainable activities/ events and initiatives in Leicestershire (e.g. through Less Waste/signposting enquiries to relevant contacts)			X																													
1, 4		Develop district level action plans for LRWS implementation	X																															
Communication Actions																																		
5, 8, 9	3	Engage with businesses and local communities to increase participation in waste prevention, reuse and recycling initiatives to reduce climate change impacts and improve other beneficial outcomes	X	X	X																													
	2	Work together to reduce fly-tipping and litter by educating residents and businesses about their duty of care to dispose of waste responsibly	X	X	X																													
	10	Consider opportunities to improve communications to residents regarding operation and safe use of HWRCs		X																														
	11	Continue allocation of communications budget			X																													
8, 9	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12	Communication Plan - Develop for LRWS implementation for LWP (working in partnership with local communities and businesses, promoting lead by example etc)			X																													
Carbon																																		
3	6	Explore the use of alternatives to fossil fuels for the waste collection services (and promote leading by example)	X	X	X																													
3		Monitor LWP waste management services carbon emissions in order to reduce environmental impacts			X																													
3	11	Contribute to the County wide Net Zero targets and engagement with all partners to support this aspiration		X	X																													

Acknowledgements:

Frith Resource Management would like to thank the essential contributions from Leicestershire Waste Partnership (LWP) throughout this project.

Disclaimer:

Frith Resource Management Ltd (FRM) is an independent waste and resource management consultancy providing advice in accordance with the project brief. FRM has taken all reasonable care and diligence in the preparation of this report to ensure that all facts and analysis presented are as accurate as possible within the scope of the project. However, no guarantee is provided in respect of the information presented, and FRM is not responsible for decisions or actions taken on the basis of the content of this report.



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File name: 20220805 lei013 consultation v0.10 f.docx

Executive Summary

1 Introduction

This report summarises the results of the Public Consultation that has been undertaken for the proposed Leicestershire Resources and Waste Strategy (LRWS/the Strategy) for Leicestershire Waste Partnership (LWP)¹. The LRWS describes the recycling and waste management services which will be delivered by the LWP up to 2050. It sets out the policy framework, vision, aims and objectives together with how resources and waste will be managed to achieve these, through the services provided by the LWP to its residents and communities. The Strategy will be reviewed during this time to ensure it remains current and in line with national guidance.

Preparation of the LRWS included undertaking an options appraisal of alternative ways to deliver waste services and a Strategic Environmental Assessment (SEA) which considers the environmental impacts of the alternative ways of delivering the strategy. The SEA involved a five-week statutory consultation period from 30 July 2021 and received input from Natural England, Historic England and the Environment Agency.

2 Method

An initial stakeholder mapping exercise was conducted by the LWP. This was followed by a 12-week public consultation period (31 January - 25 April 2022) on the 'consultation draft' of the Strategy, Options Appraisal Report and Environmental Report; these documents were available for respondents to view, or alternatively, a consultation briefing document was available (Appendix B). The consultation activity primarily comprised a consultation survey (predominantly on-line) that consisted of both tick-box questions and open comments (Appendix C). This ran alongside other activities such as presentations to specific groups (e.g. particular demographics such as youth groups) and an online forum and workshop delivered by Community Research, an independent market research firm (Appendix F).

3 Results

There were 5,223 responses to the consultation survey during the 12-week period. Two-thirds of the respondents (63%) were female and almost half (45%) of respondents were between 45-64 years followed by 65-74 years and 35-44 years, each with a 19% response rate. The age groups which were underrepresented with respect to population were those aged 15-24 years and 85 years and over, which together represented less than 2% of respondents compared to comprising a fifth of the population.

The results to the consultation survey were analysed and the key conclusions are:

¹ The LWP comprises Leicestershire County Council, Blaby District Council, Charnwood Borough Council, Harborough District Council, Hinckley and Bosworth Borough Council, Melton Borough Council, North West Leicestershire District Council and Oadby and Wigston Borough Council.

- The proposed Vision and Strategy resonate with residents.
- The understanding of the relationship between waste and climate change is limited.
- Residents are enthusiastic about greater engagement in reducing waste and increasing recycling and recognise they have a key role to play (community initiatives and collective action).
- Communications and engagement activities need to be developed bearing in mind learning from behavioural science, addressing the environmental, personal and social factors that can affect behaviour.

Overall, the findings of the online exercises conducted by Community Research (see Appendix F) mirror the findings of the formal consultation survey.

4 Consultation Summary and Implications

4.1 Key consultation themes

The key themes that have been highlighted in the consultation processes together with the issues and considerations that have been raised are summarised below. These are not presented in an order of priority.

1. Tackling fly-tipping

Fly-tipping is an area of concern which may be exacerbated by the potential changes as set out in the Strategy, such as restricted residual waste capacity, where residents have questioned whether this will lead to increased levels of fly-tipping.

2. Putting pressure on producers

Some residents would like producers to take more responsibility and use recyclable packaging for their goods, as well as ensuring that products, such as electrical items, are able to be repaired.

3. Increased access to sustainable activities

Residents appear to be engaged in participating in activities adhering to the priorities of the waste hierarchy (e.g. prevention and reuse), however, these need to be accessible and affordable for all. Others would like to see more reuse facilities at Household Waste Recycling Centres² (HWRCs).

4. Engagement and encouragement

It is important that residents are kept engaged and informed, ensuring that everyone is able to access messages. Suggestions of ways to encourage more people to recycle were also made, such as introducing reward mechanisms.

5. Educating residents

It was suggested increased efforts need to be made to educate residents, through schools and the community on waste and recycling, in particular to understand the issue of waste and its

² Historically referred to as Recycling and Household Waste Sites (RHWS) in Leicestershire.

relationship to climate change. If this link was clearer, it is expected that this would assist the transition to proposed changes of recycling and food waste collections.

6. Concerns with food waste collections

Following proposals of separate food waste collections, concern was raised about smells, vermin pests, hygiene and the design of the caddies. Some residents state they have little or no food waste.

Doubt has been cast amongst some respondents following historic unsuccessful food waste collection trials in certain district/borough councils in the past. This will need to be considered in relation to how this scheme will be different and how it will be designed to succeed.

7. Expanding kerbside recycling

To reduce amounts of residual waste, many respondents were keen to see a wider variety of materials collected at the kerbside. It is believed this would increase accessibility for those who may be unable to visit HWRCs to recycle such waste.

8. Accessibility of garden waste collections

Residents are generally satisfied with their garden waste collection service. With all but one of the district/borough councils within LWP charging for collection of garden waste, a recurring theme was the accessibility of these collections and the charges associated with the subscription to this service³. Some residents suggested the subscription cost should be standardised, while others felt it should not be so expensive or it should be made free.

9. Restricted residual waste collection and household size

Following the potential restriction of residual waste capacity in the future, participants with certain circumstances raised concerns. This included larger households and those with more unavoidable non-recyclable waste, such as medical and AHP⁴ waste. Provision of separate weekly collections, for items such as nappies, was suggested as a welcome addition should residual capacity be reduced.

10. Improving HWRCs

Levels of satisfaction with HWRCs were high, although some respondents did raise concerns regarding short opening hours, too few HWRC sites, inaccessibility and a lack of assistance from staff. Respondents suggested opening some sites for more days in the week, reopening some which may have temporarily closed due to issues relating to Covid-19 and staff shortages, and more help from staff.

³ All district/borough councils in the LWP charge for a garden waste collection service, except for north-west Leicestershire who provides this free of charge. The cost at which district/borough councils charge for this is decided by themselves.

⁴ This includes nappies, incontinence pads and sanitary towels.

4.2 Implications to the Strategy

Table ES1 below presents the existing 11 pledges in the proposed LRWS and a summary of potential actions relating to them that came out of both the online survey and the qualitative community research exercises. It is not considered that these pledges require alteration, however, it does provide the LWP with considerations, ideas and guidance from respondents on how to implement the pledges.

Table ES1: Potential actions arising from the Strategy Consultation

Strategy Pledge No.	Pledge	Potential Actions arising from Consultation
1.	All Councils within the Partnership will review their purchasing activities and internal waste management services to seek to promote waste prevention, reuse and recycling to support the objectives of this Strategy and lead by example.	<ul style="list-style-type: none"> Promote Partnership examples Promote achievements Provide guidance, particularly on cost-savings, and on waste prevention
2.	The Partnership pledge to support and encourage waste prevention activity across LWP. This will include working with stakeholders, residents and communities to prevent unnecessary waste arising, for example through food waste reduction campaigns such as Love Food Hate Waste.	<ul style="list-style-type: none"> Education on avoiding food waste Promotion of campaigns (via for example Less Waste website such as Love Food Hate Waste initiative) Community engagement programme Support/facilitate community initiatives / interest groups / schemes
3.	The Partnership pledge to continue delivering reuse services and expand activities where practicable, working in partnership with other stakeholders and to signpost to places that advocate for waste prevention and reuse, in support of developing a circular economy. This includes a pledge to continue to improve the collection of items for reuse at Household Waste Recycling Centres and explore the development of reuse shops at suitable sites.	<ul style="list-style-type: none"> Education on reuse facilities and activities Support reuse facilities /services (event, market stall, upskilling and upcycling) Ensure Leicestershire charities activities are considered when making HWRC policy decisions Improve accessibility of reuse facilities/services Exploration of additional reuse shops at HWRCs
4.	The Partnership shall implement and promote separate food waste collections to all households, subject to confirmation of Government policy, legislation and provision of funding. This will be as soon as required and when contracts and circumstances dictate. The County Council will procure Anaerobic Digestion capacity to treat the collected food waste in a manner that contributes to effective carbon emissions reduction across the County and improves soil quality.	<ul style="list-style-type: none"> Education and awareness raising around food waste (climate change, pests, containers, trials) Adopt good practice in the design and procurement of food waste equipment and services Promote positive actions of the Partnership
5.	The Partnership will explore the use of alternative fuels for collection vehicles and the transportation of waste and resources to further reduce carbon emissions of the service and improve air quality.	<ul style="list-style-type: none"> Use as an educational tool Promote positive actions of Partnership Lead by example

6.	The Partnership will continue to offer a garden waste collection system to Leicestershire residents. This will follow Government guidelines as to the form of the collection and will be subject to legislation and total Government funding. The Partnership will continue to procure composting capacity to treat the collected garden waste in a manner that supports carbon reduction and improves soil quality.	<ul style="list-style-type: none"> • Explore consistency in costs across the Partnership • Promote benefits of good compost management • Promote positive actions of the Partnership
7.	The Partnership shall ensure that the full range of recyclables (as specified by Government and subject to funding) are collected from residents (and businesses where applicable) across Leicestershire by 2023, or as soon as possible when contracts and circumstances dictate.	<ul style="list-style-type: none"> • Consideration of suitable containers for housing type, size and requirements • Raise awareness of materials collected
8.	The Partnership shall continue to explore the viability of adding extra materials to recycling collections (e.g. for batteries, small electric goods or clothing) to keep Leicestershire performance above the national average.	<ul style="list-style-type: none"> • Raise awareness of any additional materials collected • Explore the viability for additional materials being collected • Increased accessibility to recycling services for those with limited transport
9.	The Partnership will put in place collection systems to contribute towards the achievement of the national 65% recycling target by 2035, this may include restricting residual waste capacity to encourage greater materials separation, carbon savings and resource recovery. Improvements in materials recovery at Household Waste Recycling Centres will also contribute towards the national target.	<ul style="list-style-type: none"> • Communication / awareness raising to alleviate concerns relating to restricting residual waste capacity (including for larger households) • Consider additional materials if going to commit to a restricted residual collection e.g. separate nappy/AHP collections • Explore collection of more material types at HWRCs
10.	The Partnership will continue to allocate a communications budget sufficient to help promote good recycling behaviour and maximise resource recovery to support the circular economy and low carbon objectives of this Strategy.	<ul style="list-style-type: none"> • Avoidance of digital discrimination • Maintain communication programme
11.	The County Council will reduce waste sent to landfill to less than 5% by 2025, well in advance of the 10% national target by 2035. The County Council will undertake future procurement processes for residual waste treatment (alternatives to landfill) in line with the vision and objectives of this Strategy.	<ul style="list-style-type: none"> • Promote positive actions of Partnership
Source: Draft Leicestershire Resources and Waste Strategy, January 2022		

A key theme which came out of the consultation exercises, which is not dealt with by the pledges, is fly-tipping. Leicestershire Waste Partnership has therefore committed to address this and add an additional pledge relating to fly-tipping which will be included in the final Strategy.

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APPENDICES

Appendix A: Specific Responses

Charnwood Borough Council's Waste Scrutiny Panel

LCC's Environment and Climate Change Committee

Lincolnshire County Council

Appendix B: Consultation Briefing Document

Appendix C: Consultation Survey

Appendix D: Leicestershire Matters Article

Appendix E: Raw Survey Results

Appendix F: Community Research Final Report

1 Introduction

This report summarises the results of the Public Consultation that has been undertaken for the proposed Leicestershire Resources and Waste Strategy (LRWS/the Strategy) for Leicestershire Waste Partnership (LWP)⁵.

The LRWS describes the recycling and waste management services which will be delivered by the LWP up to 2050, however it will be reviewed regularly at appropriate periods during this time. Reviews are needed to make sure the Strategy remains current and in line with national guidance.

The Strategy sets out:

- **Policy framework** - the current and future context for resources and waste management, considering local issues e.g. air quality and global issues including carbon/ greenhouse gas reduction and climate change.
- **Vision, aims, and objectives** - what the LWP wants to achieve in terms of resources and waste management.
- **Strategy delivery** - how resources and waste will be managed to achieve the aims and objectives, through the services provided by the LWP to its residents and communities.

The LRWS is for all residents, businesses and communities of Leicestershire (not including Leicester City) and covers services for managing municipal solid waste (MSW). MSW is all the waste collected by the local authorities in the LWP⁶. This includes household, commercial and street cleansing wastes, and wastes taken to the Household Waste Recycling Centres (HWRCs).

As Waste Collection Authorities (WCAs), the seven District and Borough councils of Leicestershire have a legal duty to collect municipal solid waste (MSW) and Leicestershire County Council, as the Waste Disposal Authority (WDA), has a legal duty to treat, manage and dispose of MSW. The WCAs and WDA work in partnership, recognising that joint working on planning the collection, treatment (composting, recycling, and recovery) and disposal of waste supports efficient service delivery for residents and communities, including businesses.

The process of developing the LRWS has included undertaking:

- **Options Appraisal** – which explores both the current and alternative ways of delivering waste services, the associated costs and the recycling rates which could be achieved, as well as considering potential implications of upcoming national policy changes.

⁵ The LWP comprises Leicestershire County Council, Blaby District Council, Charnwood Borough Council, Harborough District Council, Hinckley and Bosworth Borough Council, Melton Borough Council, North West Leicestershire District Council and Oadby and Wigston Borough Council.

⁶ It also applies to similar wastes collected by other parties; however this is not under the control of the local authorities.

- **Strategic Environmental Assessment (SEA)**, considers the environmental impacts of the alternative ways of delivering the Strategy and how they sit within current national and local policy and is documented in an Environmental Report.

The SEA process included a statutory consultation which ran for five weeks from 30 July 2021 and received input from Natural England, Historic England and the Environment Agency. These comments were taken into consideration and incorporated into the final Environmental Report (FRM, May 2022).

2 Method

To obtain the views and feedback from residents and communities, including businesses that use, or will be affected by, the proposed resource and waste services in the LRWS, a consultation program was developed. It is noted that the consultation was undertaken following the Covid-19 pandemic and during a period where services were still being impacted.

An initial stakeholder mapping exercise was conducted by the LWP. This was followed by a 12-week consultation period on the 'consultation draft' of the Strategy (LWP, 2021); Options Appraisal report and Environmental Report which took place between the 31 January - 25 April 2022. This primarily comprised a consultation survey, alongside other activities such as presentations to various groups and an online forum and workshop, delivered by Community Research, an independent market research firm.

The feedback obtained from the consultation process will be used to develop the final LRWS.

2.1 Stakeholder mapping

Prior to the consultation process, a number of stakeholders were identified by the LWP and consulted on the LRWS to varying degrees, as set out below in Table 1.

Table 1: Stakeholders consulted on the Draft Resource and Waste Strategy, January – April 2022

Keep informed and involved	Manage closely and timely
Public Consultation Working Group Public / residents Industry groups Stakeholders focus group Leicestershire Youth Council Groups Parish Councils Equality Challenge Group Internal EHRIA staff Statutory consultees Other interested parties	Members Cabinet Committees Senior Responsible Officers Lead Members
Keep informed	Keep on board
Leicester City Council All staff – council and partners District councils Regional authorities	Wider Council staff Waste and Environment Team managers Waste Heads of Service Communications teams Democratic services

Source: Leicestershire County Council, April 2022

Some stakeholders provided responses outside of the main consultation survey these included Charnwood Borough Council's Waste Management Scrutiny Committee, LCC's Environment and Climate Change Overview and Scrutiny Committee, and Lincolnshire County Council. The responses from these stakeholders are provided in Appendix A. There was overall support for the pledges, particularly those

around reuse, the circular economy and food waste, however residents also raised some concerns following unsuccessful previous trials. Concern was also raised around fly-tipping and litter. The collection of more materials at the kerbside was supported, as well as more waste education within the community and schools and increased engagement with households to reduce contamination.

Meetings of the following groups were held to capture the views and encourage response to the consultation survey:

- Leicestershire Equalities Group (25 February 2022)
- Leicestershire Parish Clerks (8 April 2022)
- County Youth Council for Leicestershire (12 April 2022).

Discussion at the Leicestershire Equalities Group included concern around residents unable to access Household Waste Recycling Centres (HWRCs) due to a lack of transport, those unable to engage digitally and storage concerns for those living in communal flats. Fly-tipping was raised as a problem within Leicestershire and attendees were concerned about its impacts on the countryside and wildlife. It was suggested that more education should be provided at school to encourage young people to recycle, and more local communication / information packages should be available for the community.

At the Parish Clerks Operational Meeting questions were asked around the extent to which private enterprises would need to adhere to the Extended Producer Responsibility requirements; the fact that consistency in collection was required and whether or not business' in general will receive the same type of future collections (in terms of food waste and consistent collections) as proposed for households. Support was shown for the LWP wanting to engage with the public regarding the draft LRWS and for future consistency in collections. Feedback from the chair of the group was that the engagement session was well received and considered informative.

At the County Youth Council for Leicestershire, general knowledge of what happens to waste and recycling was evident, with some understanding of waste treatment technologies. There was some recognition of links to environmental issues, but attendees were less sure of the link made between waste and climate change specifically. Overall support was given for pledges and objectives, but there was concern around the potential to reduce residual capacity and apprehension over food waste collections in regard to cleanliness. All attendees were supportive of some form of incentivisation with rewards aligned to young people, including cinema vouchers, supermarket coupons or activity vouchers. There were recommendations that other social media channels are utilised rather than Facebook, such as YouTube and Instagram.

2.2 Consultation Survey – Quantitative Assessment

An internal Public Consultation Working Group, on behalf of LWP, developed a Public Consultation survey to engage with residents and businesses to gain their views and a quantitative assessment of the LRWS. The survey consisted of both tick-box questions and open comment boxes; a copy of the survey is available in Appendix B. This was largely an online activity, although paper copies in English and other languages were available upon request.

The survey ran for a 12-week period, from 31 January – 25 April 2022. Respondents had access to the draft LRWS, the draft Options Appraisal, the draft Environment Report and a Summary Document on the draft LRWS (see Appendix C) at: <https://www.leicestershire.gov.uk/have-your-say>.

A wide range of communications were used to promote the survey and reach as many respondents as possible. Regular social media posts were made by the LWP including on Facebook and Twitter.

Several press releases regarding the survey were published by members of the LWP on their respective websites. Details of the consultation were also available on the Less Waste website, run by LWP. Less Waste provides residents with information about their waste services. Information from press releases was subsequently featured in coverage by the Leicester Mercury, Hinckley Times, Harborough Mail, Burton Times, Loughborough Echo, Coalville Times and Let's Recycle (a national website for waste and recycling news).

A section on the consultation survey was included on the back page of Leicestershire Matters, a newsletter for residents, which was distributed to all households in Leicestershire by LCC from 14 March 2022 (see Appendix D). Details of the consultation were also provided in Environment Matters, a quarterly environmental newsletter provided by LCC and also featured in a variety of district publications.

Direct engagement with LCC staff was achieved through a news article on the intranet and inclusion in the staff environment bulletin. Details of the consultation were also shared with Parish Councils, many of whom then distributed information on their websites.

2.3 Community Research – Qualitative Assessment

LWP commissioned an independent organisation, Community Research, to explore residents' views of the Strategy in further detail. The findings from these qualitative exercises will be used alongside the responses to the online survey to inform the final LRWS.

The objectives of this research were to understand residents' views on:

- Current levels of knowledge and understanding of residential waste issues.
- Views of the proposed vision, pledges and potential changes to waste and recycling collection services, including the introduction of food waste collections.
- Attitudes towards roles and responsibilities, including what they see as their own role and how engagement with the Partnership can be strengthened.

A three day online forum (21 to 23 March 2022) was conducted to explore individual views of the issues and provide further information about the topics in question. A total of 25 Leicestershire residents took part, recruited to ensure a mix by key demographics (gender, socio-economic group, age, ethnicity, presence of children), location (ensuring residents from across the county and housing type (e.g. houses of multiple occupancy). Participants completed a series of tasks including polling questions, discussion boards and self-filmed videos. They were provided with information on the topic in the form of a quiz

and animations. This was followed by an online workshop session conducted on the 6 April 2022, which was an opportunity to explore some of the points arising from the forum in more depth.

3 Results – Consultation Survey

3.1 Introduction

This section provides an overview of the respondents, approach to analysis and presents the results of the consultation survey.

3.1.1 Response rate

During the 12-week period, a total of 5,223 responses were received to the consultation survey. The distribution of responses is shown in Figure 1 below.

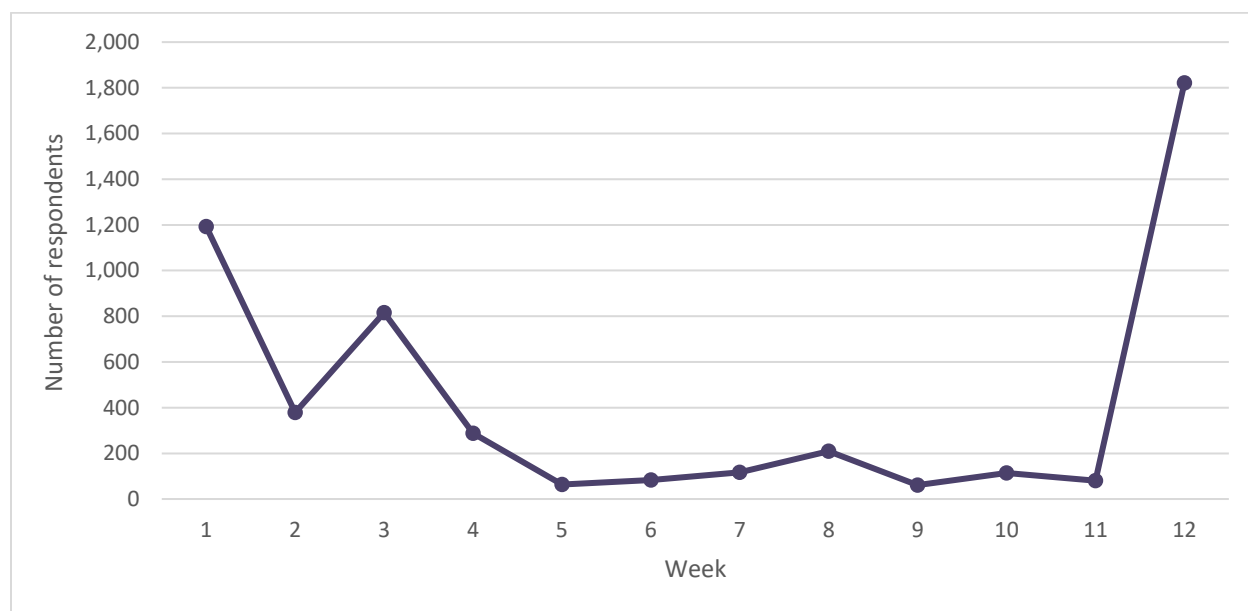


Figure 1: LRWS Consultation Survey response rate (31 January - 25 April 2022)

The majority (99%) of respondents were residents of Leicestershire, only nine respondents selected 'other', and twelve respondents gave the official response of their organisation. Nearly all took part by completing the survey online, on LCC's 'Have Your Say' page, with eight participants responding via the hard copy paper version⁷.

3.1.2 Respondents profile

Almost two-thirds of participants to the consultation survey were female, which represented 63% of respondents, while 36% were male and 1% preferred to self-describe. Compared to the 2011 census data where 51% were female, this shows that females have been overrepresented within this survey and males under represented⁸.

⁷ All paper copies received were manually entered into the online system.

⁸ There was no data from the 2011 census regarding those who prefer to self-describe.

Almost half (45%) of respondents represented the 45–54 year age (23%) and the 55-64 year age (22%) groups, followed by 65-74 years and 35-44 years, each with a 19% response rate which was representative of their population age categories. The age groups which were underrepresented with respect to population were those aged 15-24 years and 85 years and over, which together represented less than 2% of respondents compared to comprising a fifth of the population. Also underrepresented was the 25-34 age group, which had 9% of respondents compared to 13% of the population.

32% of respondents stated that they were a parent or carer of a young person aged 17 or under, and 11% were carers of a person aged 18 or over. Those with a long-standing illness, disability or infirmity represented 19% of respondents.

In terms of representation across the district/borough councils, a comparison of the 4,805 responses⁹ from each council area and 2011 census data can be seen below in [Figure 2](#).

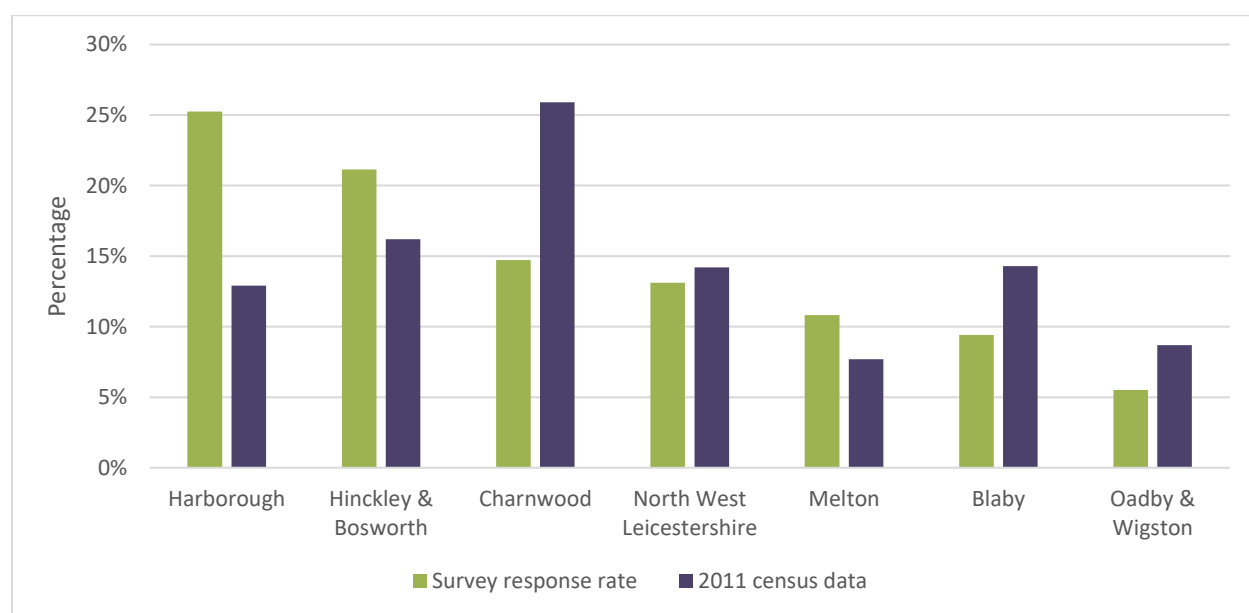


Figure 2: Response rate to the Consultation Survey – comparison of respondents by district/borough council and 2011 census data

As shown above, a large proportion of respondents were from Harborough District Council area (25%) and Hinckley and Bosworth Borough Council area (21%), both of which were over represented

⁹ 'Other' (those who were outside of Leicestershire, gave no postcode, or gave an incorrect postcode) has been excluded from this analysis.

compared to 2011 census data. This is compared to Blaby District Council area (9%) and Oadby and Wigston Borough Council area (6%), who had fewer responses and were under represented.

3.1.3 Analysis – Methodology

The analysis has been produced from completed survey questionnaires and includes both the quantitative tick-box answers and the qualitative open comment responses.

Graphs have been used to assist explanation and analysis for the majority of quantitative data. For graphs where percentages have been used, a 'base' number has been given, which indicates the figure that percentages are based on¹⁰. Although occasional anomalies appear due to rounding differences, these are never more than +/-1%. Results have been reported based on those who provided a valid response, i.e. taking out the 'don't know' responses and no replies from the calculation of the percentages.

In terms of open comments, these have all been coded and used in the analysis to support quantitative data.

A report of the raw data from the online survey is available in Appendix E.

3.1.4 Findings

The results to the questions are presented in the order which they appear in the survey:

- Our Vision
- Our Pledges
- Your Preferences
 - Reducing your waste
 - Reusing goods to avoid waste
- Using home composting
- Food waste collections
- Reaching the best recycling rates
- Extra Recycling Services
- Keeping Communities Informed
- Making sure everyone is included
- Our draft Strategy overall
- Service satisfaction
 - Household Waste Recycling Centres
 - Kerbside collections.

¹⁰ The 'base' number of respondents can vary between and within questions, as there was no requirement for respondents to answer all questions / some questions were not applicable for all.

3.2 Our Vision and Pledges

Respondents were asked the extent to which they agreed or disagreed with the vision and pledges of the Strategy, by selecting one of six options as follows:

- Strongly agree
- Tend to agree
- Neither agree nor disagree
- Tend to disagree
- Strongly disagree
- Don't know (excluded from the analysis)

3.2.1 Our Vision

The LWP has developed a vision for the Strategy which sets out its future plans for managing waste as follows:

To work towards a circular economy and contribute to achieving net zero carbon by 2050 in Leicestershire. This means fully embracing the waste hierarchy by preventing waste and keeping resources in circulation for as long as possible, through reuse, repair and recycling, to realise their maximum value whilst minimising environmental impacts.

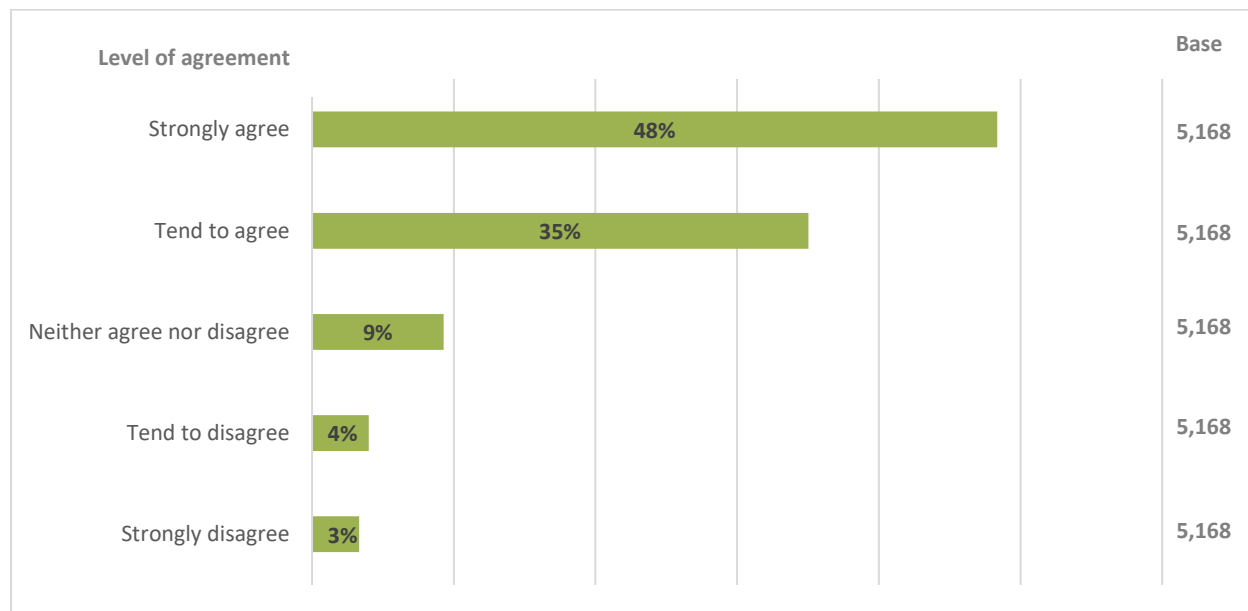


Figure 3: The vision - levels of agreement (LRWS Consultation Survey Jan-April 2022)

The majority of respondents were supportive, with 83% agreeing with the draft vision¹¹. Only 7% of respondents stated that they disagreed¹².

3.2.2 Our Pledges

To achieve the vision, the Strategy is supported by objectives and pledges. A summary of the 11 pledges, as included in the online survey, is as follows:

1. Lead by example in promoting waste prevention, reuse and recycling in council purchasing activities
2. Work in partnership to promote waste prevention, reuse and recycling
3. Continue to deliver reuse services and expand these where practical
4. Implement and promote separate food waste collections to all households*
5. Explore the use of alternative fuels for waste collection and transportation vehicles to reduce carbon emissions and improve air quality
6. Continue to offer a garden waste collection service*
7. Ensure that the full range of recyclables as specified by Government are collected by 2025 (or sooner)
8. Continue to explore the viability of adding extra materials to recycling collections
9. Contribute towards the achievement of the national 65% recycling target by 2035, this may include restricting general waste capacity and improving material recovery at waste sites
10. Invest in communications to help promote good recycling behaviour and maximise resource recovery
11. Reduce waste sent to landfill to less than 5% by 2025, well in advance of the 10% national target by 2035

* Subject to confirmation of Government policy, legislation and provision of funding.

¹¹ This includes respondents who stated they 'tend to agree' or 'strongly agree' with the draft vision.

¹² This includes respondents who stated they 'tend to disagree' or 'strongly disagree' with the draft vision.

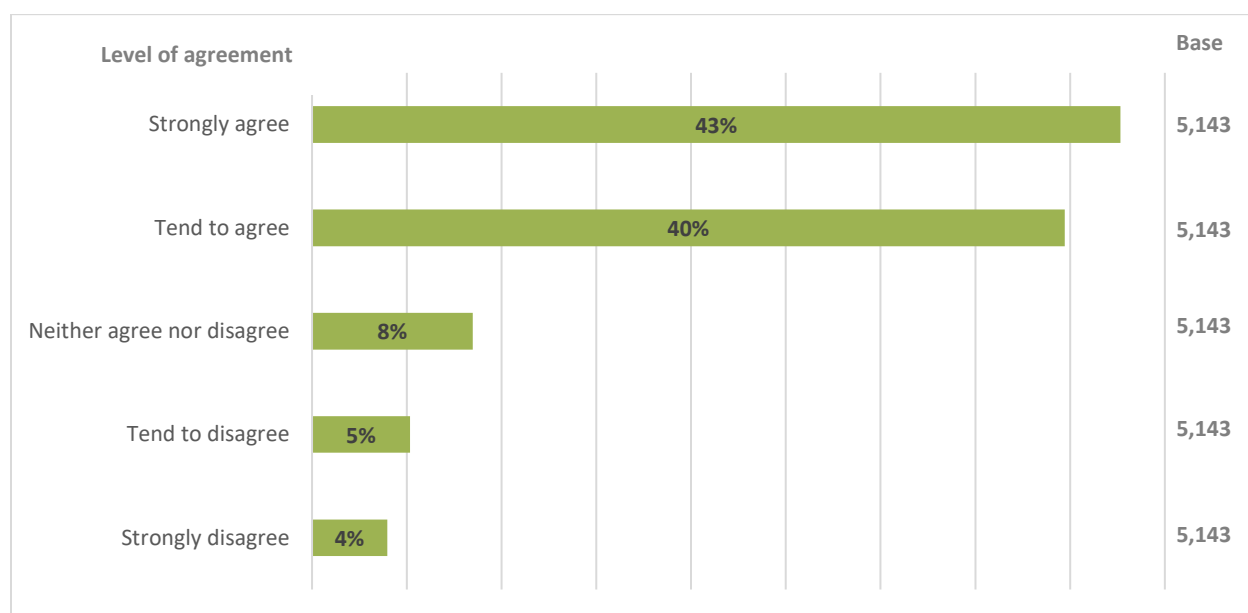


Figure 4: The pledges - level of agreement (LRWS Consultation Survey Jan-April 2022)

Of the respondents who answered this question, 83% said that they agreed with the pledges¹³.

Opportunity was provided for respondents to comment if they thought anything had been missed out of the pledges through the means of an open comment. There were 1,054 responses to this question. The most common issue with 10% of responses was addressing the topic of fly-tipping whilst 6% wanted more pressure on producers, this included the need for producers to have increased use of recyclable packaging and for products to be easily repairable. Other significant comments referred to a need to increase education and engagement with residents so that they have a better understanding around the link between waste and climate change.

3.3 Your Preferences - Waste prevention, reuse and recycling

The extent to which residents were interested in trying (or continuing to use) waste prevention methods and reuse items was sought through the selection of one of five options:

- A great deal
- To some extent
- Not very much
- Not at all
- Don't know / not applicable (excluded from the analysis).

These options were also used for Section 3.4 (home composting) and Section 3.5 (food waste) of the consultation survey.

¹³ This includes respondents who stated they 'tend to agree' or 'strongly agree' with the pledges.

3.3.1 Reducing your waste

As the most beneficial activity (in environmental terms) that residents can undertake, the survey sought views on residents' preferred methods of waste prevention.



Figure 5: Waste prevention - respondents interested 'to some extent' or 'a great deal' in different methods (LRWS Consultation Survey Jan-April 2022)

The method which most respondents were interested in was shopping for products that are better for the environment, with a combined total of 92%¹⁴. This was followed by trying different methods of reducing food waste (76%) and using an app or website with details of low waste retail or other activities in your area (69%). A third (37%) of 1,339 respondents expressed an interest in the option to buy or rent washable nappies.

Of the 263 open comments received for 'other', 31% expressed an interest in using more sustainable purchasing habits such as reuse/swap shops, upcycling/repair shops and refill shops. However, some respondents stated that the latter must be more affordable and accessible for all. An additional 21% remarked how businesses should be taking greater responsibility, which includes increased pressure on producers and clearer recyclability of packaging. Additional open comments related to home initiatives (home composting and growing own food), food waste initiatives (preventing food waste and food waste collections) and community initiatives (projects and community gardens).

3.3.2 How you can reuse goods to avoid waste

The reuse of goods is the next most beneficial activity in the waste hierarchy and respondents were asked to indicate how interested they were in trying (or continuing to use) reuse methods.

¹⁴ This includes respondents who stated that they were interested 'to some extent' or 'a great deal'.

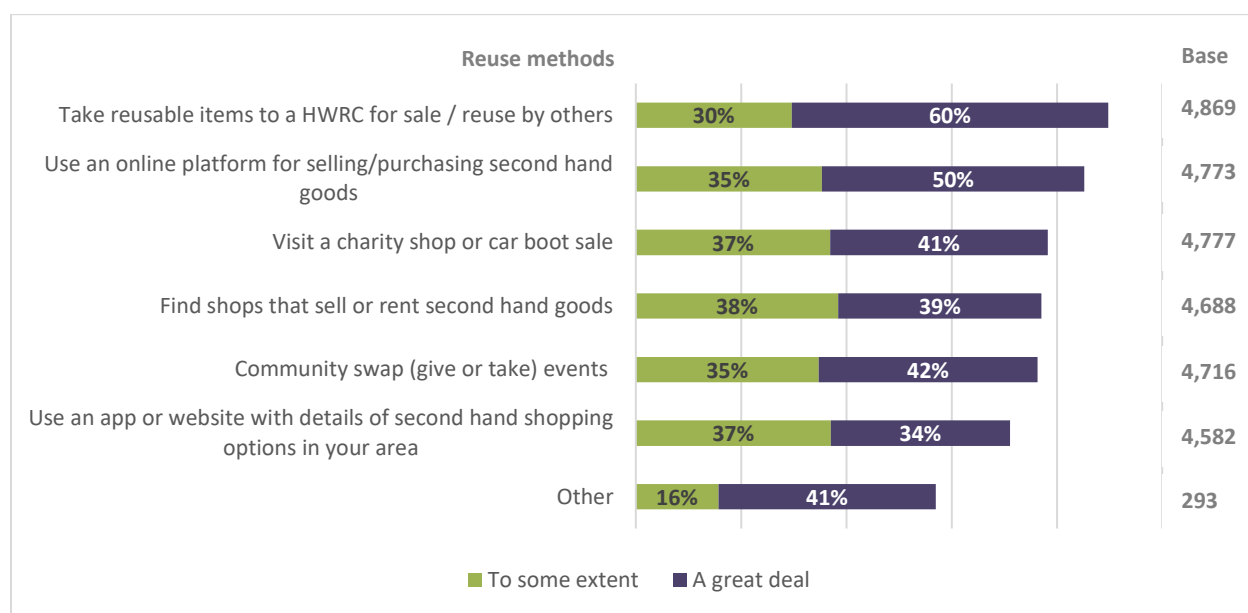


Figure 6: Reuse – respondents interested ‘to some extent’ or ‘a great deal’ in different methods (LRWS Consultation Survey Jan-April 2022)

All methods of reuse achieved at least 70% interest from respondents¹⁵. The favoured method was taking reusable items to a HWRC¹⁶ for sale / reuse by others, where 90% of participants expressed some level of interest. Currently, there are dedicated reuse areas at four of the Leicestershire HWRCs and the result of this question suggests that there may be scope to extend this service to more HWRCs and/or to expand the range of accepted materials. High levels of interest were also acknowledged in selling or purchasing goods through online platforms and through visiting charity shops / car boot sales.

Of the 136 open comments received for ‘other’, 48% of respondents were either in agreement with the suggested initiatives, such as a reuse shop at HWRCs, or suggested alternative methods such as repair / upcycling and community workshops / projects.

3.4 Home composting

Composting at home is another method which can be used to reduce food and garden waste set out for collection. When respondents were asked if they currently compost at home, 38% answered with yes¹⁷.

For those who responded with no, a further question was asked to understand the barriers that individuals faced with home composting. Respondents were given seven barriers and were asked to indicate the extent to which that barrier stopped them from composting at home.

¹⁵ This includes respondents who were interested ‘to some extent’ or ‘a great deal’.

¹⁶ Historically referred to as Recycling and Household Waste Sites (RHWS) in Leicestershire.

¹⁷ Based on 5,199 responses.

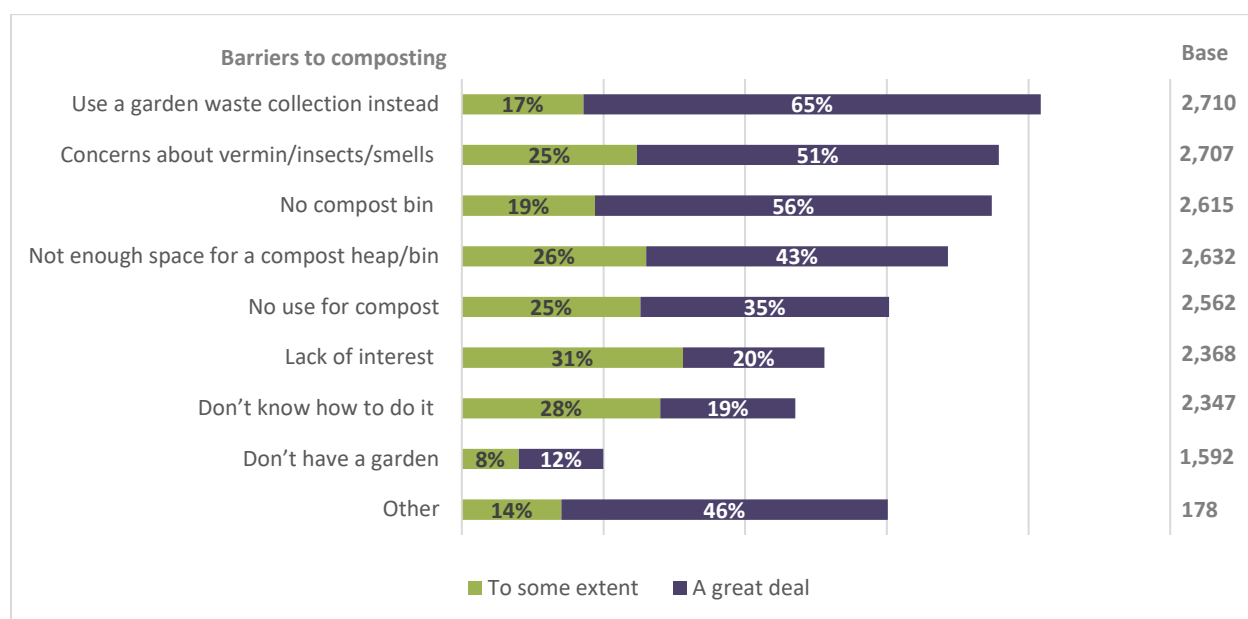


Figure 7: Barriers to composting - respondents who experienced barriers 'to some extent' or 'a great deal' (LRWS Consultation Survey Jan-April 2022)

As shown in Figure 7, 82% of those who don't compost at home stated that they use a garden waste collection to dispose of their compostable waste¹⁸. Barriers identified by those who don't compost at home included concerns about vermin/insects/smells and having no compost bin.

From 101 open comments received for 'other', 33% reiterated barriers that existed within residents' gardens (a lack of space for composting, concern about pests, lack of light in garden). 26% believed that they did not require it (don't generate enough waste or had no use for compost), while 17% cited a lack of physical mobility. 10% also stated that they had tried it before but had a bad experience, the majority of these responses related to the compost bin not being as effective as expected, or issues relating to insects and pests. Additional open comments referred to the use of alternative methods (taking waste to HWRCs, garden waste collections, food waste collections) and that more education and information was required around composting.

3.5 Food waste collection

A key part of the Strategy document was the introduction of separate weekly collections of food waste across Leicestershire. This has been included in the Strategy following national proposals for food waste to be separately collected from all households from 2024. In light of this, respondents were asked if they saw any barriers to participating in such a service. Based on 4,939 responses, the majority (65%) stated that they did not perceive barriers to a weekly food waste collection, whilst the minority (34%) of

¹⁸ This includes respondents who stated they experienced this barrier 'to some extent' or 'a great deal'.

participants believed that there were barriers. It is worth noting that 1% of people said that they are already taking part in the food waste collection trials, currently taking place in north-west Leicestershire.

For the 34% of participants who saw barriers to participating in this service, they were given four barriers and were asked to indicate the extent to which this stopped them from taking part.

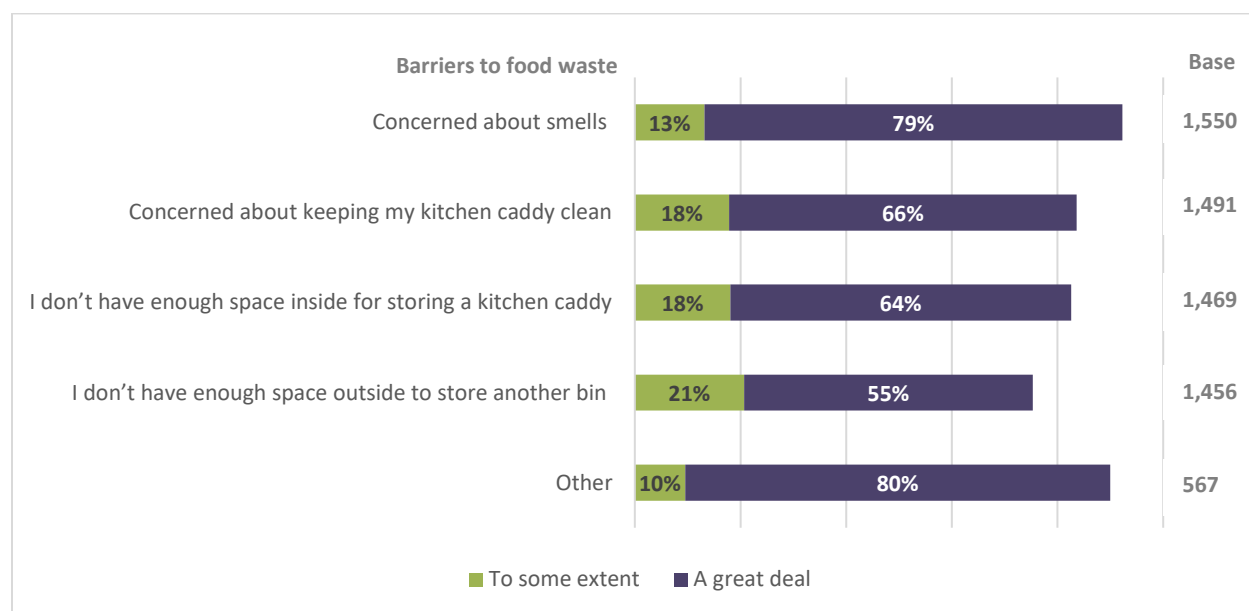


Figure 8: Barriers to food waste - respondents who experienced barriers 'to some extent' or 'a great deal' (LRWS Consultation Survey Jan-April 2022)

The strength to which they were all perceived as a barrier is evident above, where those answering with 'a great deal' account for the majority of responses. With a combined total of 92%¹⁹, most participants were concerned with smells. This is followed by the cleanliness of the kitchen caddy and storage of the caddy both inside and outside the home.

Of the 512 open comments received for 'other', almost half of respondents (44%) expressed their concerns for pests, maggots, flies and vermin. Some residents also stated that food waste caddies should be secure, to prevent them from being accessible to animals and vermin. An additional 29% felt that they did not require this service as they had minimal food waste or already composted, while 19% raised concerns about previously unsuccessful food waste collections which have taken place in district/borough councils within the LWP.

¹⁹ This includes respondents who stated they experienced barriers 'to some extent' or 'a great deal'.

3.6 Reaching the best recycling rates

To increase recycling rates and reduce carbon emissions, a variety of service changes could be made. One method is to restrict residual waste capacity (either through distributing smaller bins or collecting the waste less frequently) alongside the introduction of a weekly food waste collection. To gauge views on this, respondents were asked which service configuration they would prefer.

The results of this question are shown in Figure 9 below. Note, this question was also supported with an open comment box, where respondents were asked to give reasoning for their answers.

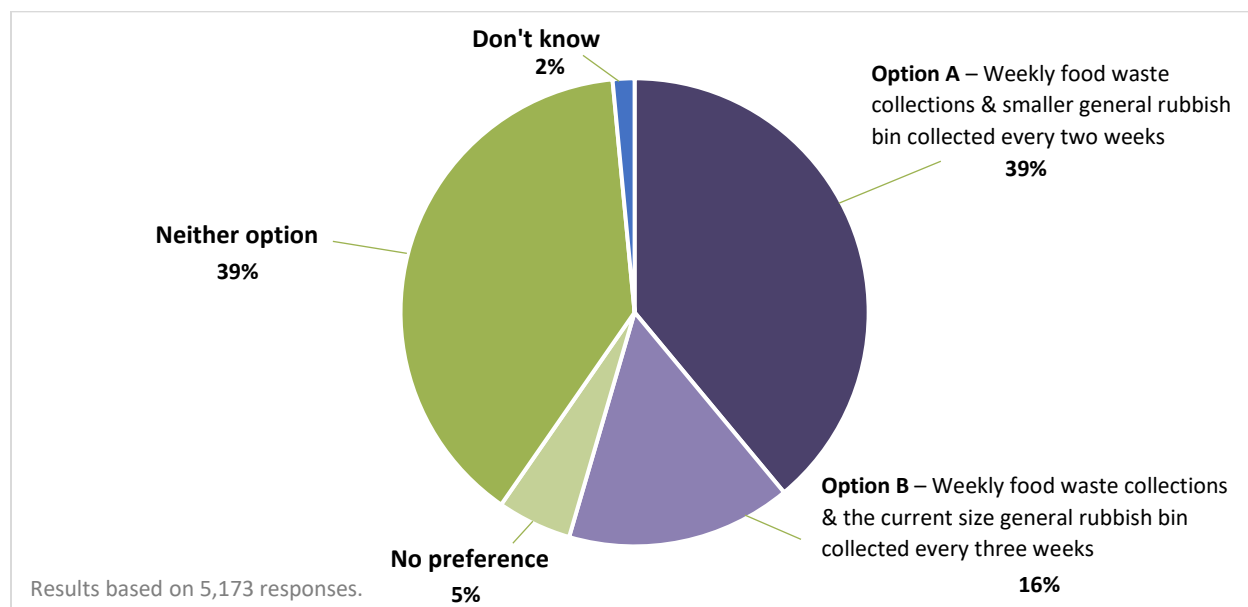


Figure 9: Preferences of alternative service configurations (LRWS Consultation Survey Jan-April 2022)

Overall, 60% of respondents supported a change to either one of the proposed alternative services²⁰, 39% were unsupportive of both options, and 2% didn't know. Of the two options, Option A was most preferable for 39% of participants. With reference to the 1,016 open comments received from these respondents, 56% preferred fortnightly collections rather than three-weekly. Many concerns for 3-weekly collections were cited, such as it being too infrequent and unhygienic, that it may cause smells (particularly in summer) and that it may attract vermin and pests. A proportion of respondents (12%) were supportive of the introduction of food waste collections but emphasised the need for this to be collected weekly (as proposed). Some responses stated how the fortnightly, more frequent collections were beneficial to themselves due to them having high amounts of absorbent hygiene products (AHP)²¹, which would cause concern if left for too long.

²⁰ This includes those who responded with 'Option A', 'Option B' and 'No preference'.

²¹ This includes nappies, incontinence pads and sanitary towels.

Option B was less preferred by residents than Option A, with only 16% of respondents opting for this configuration. Within the 450 open comments, 32% stated that they preferred this method as they had small amounts of residual waste and were therefore less concerned about it being collected less frequently. Many respondents supported this option due to its feasibility, with 23% stating how there would be no need to use resources in replacing all containers, and others said how this would be more beneficial for the environment due to less travel for waste vehicles. Again, 24% of comments were in support of food waste collections but emphasised the need for this to be weekly.

Only 5% of respondents had no preference between options. Of those who left an open comment²², 59% selected this option as they are a small household and/or produce small amounts of waste.

A high proportion of respondents (39%) selected neither option as their answer. One main theme from the 1,681 open comments was that individuals were concerned about the consequences of these changes. This includes concerns with smells and pests (21%) and that these changes may lead to increased fly-tipping (9%). Other comments referred to capacity, with 15% stating that both options were too restrictive and 10% expressing concern for those with larger households. Regarding food waste collections, 23% said they did not have much food waste and therefore a separate collection of this would not warrant a smaller residual waste capacity. One fifth suggested that the current system should be retained, while 15% suggested to keep the current system with the addition of a weekly food waste collection.

For the 2% of respondents who answered with 'don't know', the 51 open comments suggest that this is due to a lack of information. Respondents stated how it depends on the size of the residual waste containers (9%) and frequency of all other collections (7%). Others suggested that food waste should be introduced as a first step, and then residual capacity could potentially be reduced following the results of this (9%).

3.7 Extra recycling services

In order to encourage residents to recycle as much as possible, respondents were given a variety of items and were asked how interested they would be in having these collected at the kerbside, the response options were as follows:

- Very interested
- Somewhat interested
- Not very interested
- Not at all interested
- Don't know
- Not applicable / council already collects item (excluded from the analysis).

²² 139 open comments were received for this question.

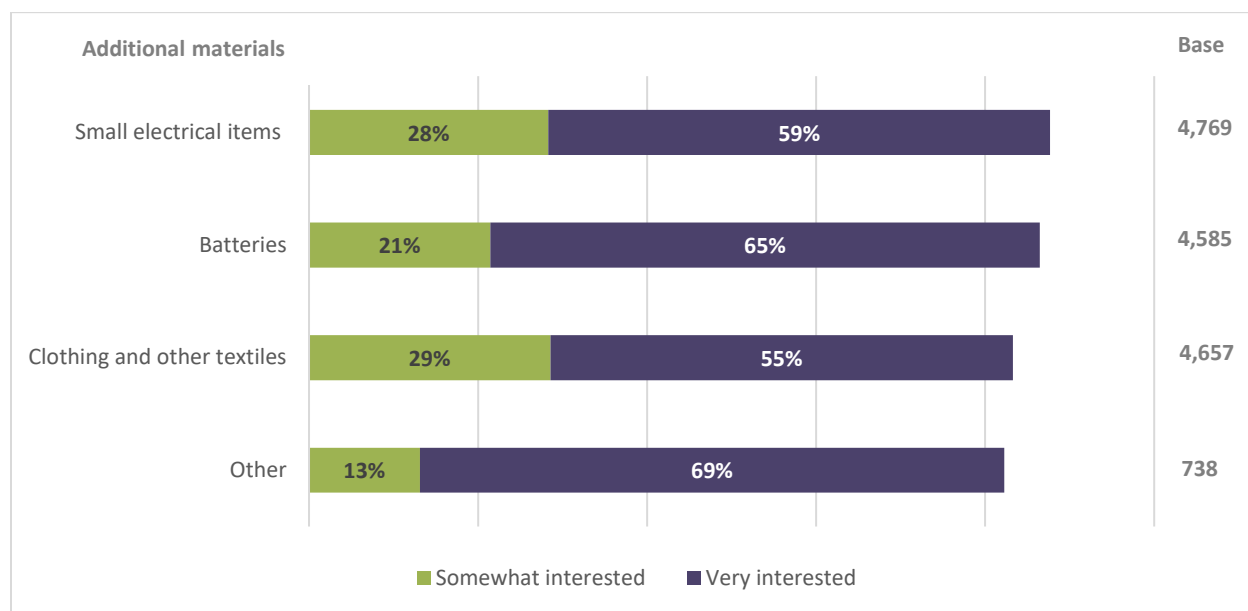


Figure 10: Additional materials - respondents who were 'somewhat interested' or 'very interested' (LRWS Consultation Survey Jan-April 2022)

As seen above in Figure 10, more than 80% of respondents to this question were interested in each of the three additional waste streams being collected at the kerbside²³.

Of the 484 open comments received for 'other', almost half of respondents (47%) would like to see more household waste items collected, this includes soft plastics²⁴, hard plastics²⁵ and TetraPak. (TetraPaks are currently collected in 6 of the 7 district areas). There was also considerable interest for the collection of DIY materials (23%) which included paint, wood, metal and rubble. Respondents also expressed interest in the collection of furniture at the kerbside, such as mattresses and bedding, for free/a reduced cost²⁶. However, some comments suggested that more recycling points for additional materials should be made available locally, instead of collecting these materials at the kerbside.

²³ This includes respondents who stated they were 'very interested' or 'somewhat interested'.

²⁴ Including bread bags, pouches and crisp packets.

²⁵ Including plastic storage boxes, coat hangers and plant pots.

²⁶ All district/borough councils currently provide a bulky waste service where such items can be collected and charged at varying costs.

3.8 Keeping communities informed

Relating to the proposed changes to waste services, respondents were asked how they would like to be kept informed. Participants were given a list of ways in which residents could be kept informed and were asked to tick all that were applicable.

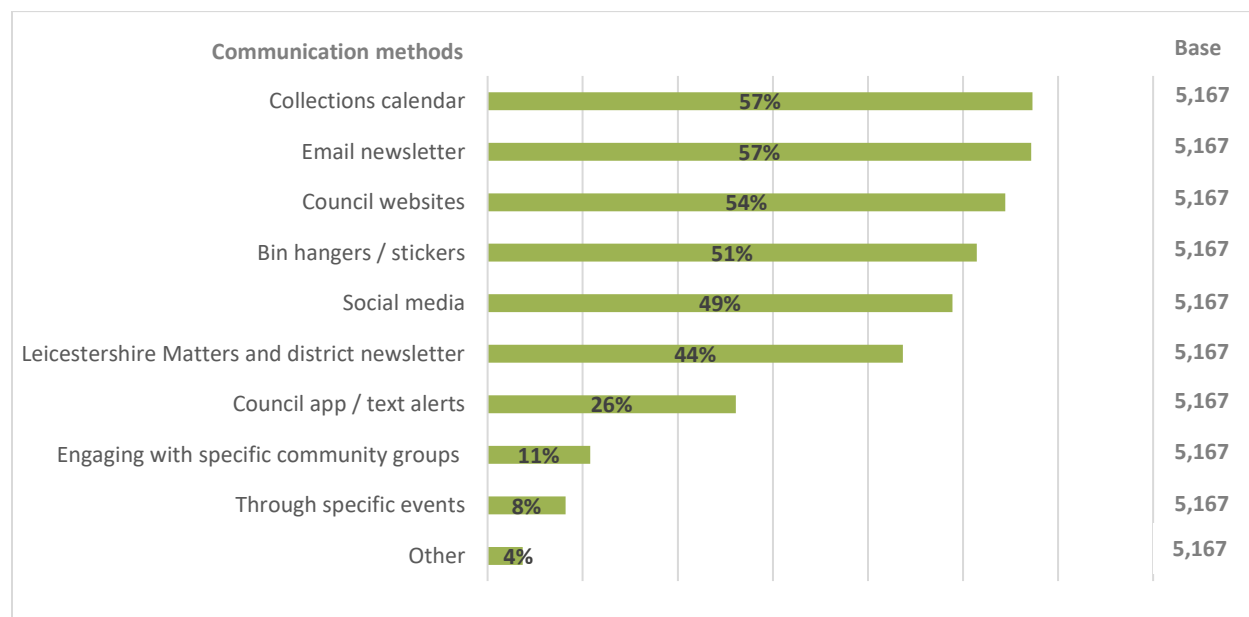


Figure 11: Communication – respondents' preferred methods (LRWS Consultation Survey Jan-April 2022)

Many respondents were supportive of receiving online communications, such as an email newsletter (57%), updates via council websites (54%) and updates via social media (49%). In contrast to this, there was also much support for direct engagement with households through distributing collection calendars (57%), bin hangers/stickers (51%), and Leicestershire Matters and district newsletters/magazines (44%). Less preferred methods included engagement with community groups (11%) and through specific events (8%).

Of the 167 open comments received for 'other', support was reiterated for direct engagement with households through letters/leaflets (44%) and inclusion in newspapers (18%). There was also some more support for online communications (14%) which included social media, emails, websites and apps; however, this was accompanied with the need to avoid digital discrimination and ensure that everyone is able to access messages. Some comments referred to support for community events and roadshows, and others would like communication via media such as radio, regional TV news and short message service (SMS) such as text messages.

3.9 Making sure everyone is included

In making sure that the services provided are accessible to all, respondents were asked if they have, or anticipate having, any difficulties in using the waste services²⁷. The majority of 4,835 respondents to this question answered with no, and only 15% responded with yes.

Following this, respondents were asked to explain the barriers they have or anticipate having with waste services. Of the 865 open comments received, a large amount related to personal barriers including disability or illness (16%), age (14%) and mobility (5%). Barriers relating to HWRCs were expressed by 23%, these included a lack of transport to access HWRCs, poor opening hours, and a requirement for more assistance from staff²⁸. 4% of comments referred to garden waste subscriptions²⁹, where some stated that the cost is too high in some district/boroughs and others suggested that a standardised cost of this service should be introduced across the LWP. Some respondents stated that moving bins and containers to the kerbside was a barrier for themselves. In terms of potential waste service changes, large households who produce higher quantities of waste, stated that the restriction of residual waste capacity may become a barrier.

The second part of this question allowed for solutions to be suggested, for which 17% of respondents replied. Suggestions included assisted collections, collecting a wider variety of materials at the kerbside, a free or cheaper bulky waste collection service and clearer instructions / better communication about recycling.

In a further question, it was asked if there were any barriers or difficulties that other people may have with the current or proposed waste services, in which there were 1,892 open comments. A large number of barriers identified were personal (35%), which included age, disability/illness, confusion about recycling systems, lack of interest/laziness and a lack of education/understanding. There were also many comments relating to waste containers, including a lack of space for additional bins (13%) and difficulty in getting bins to the kerbside (8%). In some instances, respondents were concerned about the number of waste containers they have for recycling (bag and boxes)³⁰ and that a single bin would be preferable. This is because waste is easily blown out of these container types and that on collection day, there are too many containers on the pathways which can cause hazards for some people (e.g. wheelchair users, prams, blind residents). Barriers for those with varying household circumstances, such as larger households, those in flats/high rise properties and student accommodation were raised by 6%. Barriers relating to HWRCs were noted by 15% and these included short opening hours, a desire for some HWRCs to be reopened (some examples included Bottesford, Kibworth and Shepshed), and

²⁷ This includes all kerbside collections, HWRCs and bring sites.

²⁸ It is noted that this survey was distributed during a period where services were still being impacted by Covid-19 and social distancing was still recommended.

²⁹ All district/borough councils in the LWP charge for a garden waste collection service, with the exception of North West Leicestershire who provides this free of charge. The cost at which district/borough councils charge for this is decided by themselves.

³⁰ North West Leicestershire District Council are the only authority to operate a kerbside sort recycling service, consisting of two boxes and one bag. It is assumed that these comments refer to this system.

also for more assistance to be available from staff at these sites. It is noted that this survey was distributed during a period where services were still being impacted by Covid-19 and social distancing was still recommended. The Kibworth HWRC was also closed for refurbishment during this period. It is also noted that 27% of respondents stated that they saw no barriers for themselves or others.

3.10 Our draft Strategy overall

Respondents were asked to state the extent to which they agree with the Strategy, the response options were as follows:

- Strongly agree
- Tend to agree
- Neither agree nor disagree
- Tend to disagree
- Strongly disagree
- Don't know (excluded from the analysis).

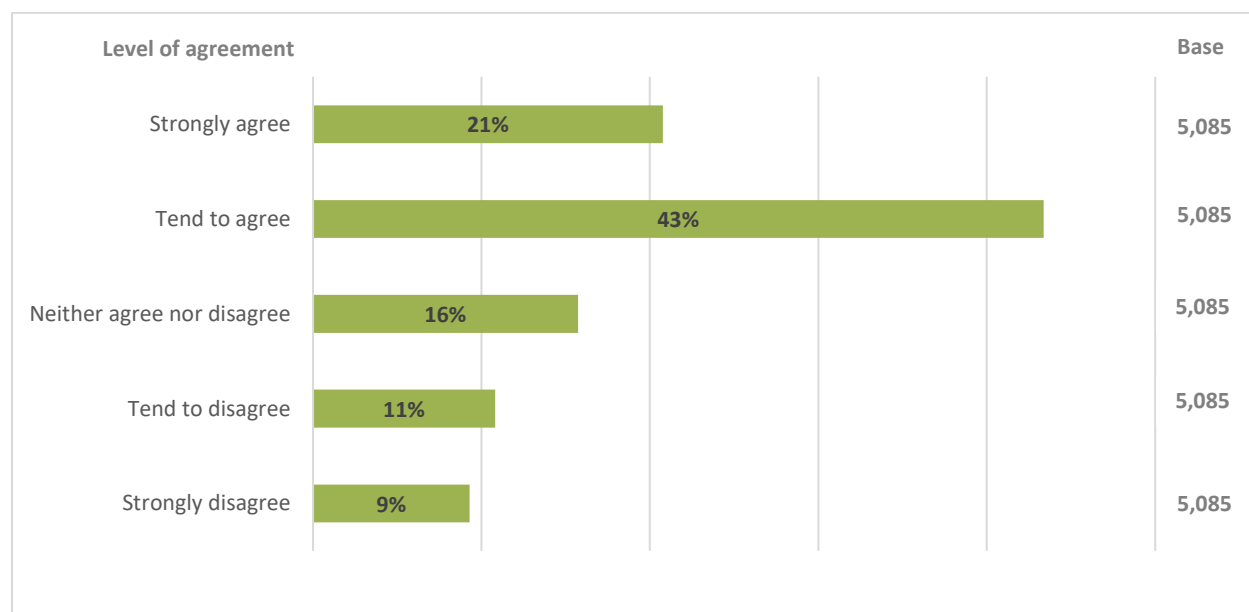


Figure 12: Draft Strategy - extent to which respondents agree or disagree

Overall, the majority (64%) of respondents agreed with the draft Strategy to some extent³¹, this was largely made up of participants answering with 'tend to agree' (43%) as opposed to 'strongly agree' (21%). 16% of respondents took a more neutral view on the Strategy while one fifth disagreed to at least some degree³².

³¹ This includes respondents who 'tend to agree' or 'strongly agree' with the Strategy.

³² This includes respondents who 'tend to disagree' or 'strongly disagree' with the Strategy.

Opportunity was provided for respondents to leave an open comment if they had any further remarks on the waste and recycling services. Of the 1,460 responses received, a wide variety of topics were put forward, many of which have been addressed in preceding sections. The most common responses referred to the need to deal with fly-tipping (8%), for a wider variety of materials to be collected at the kerbside (7%) and for collections to be clear, easy and non-time consuming so that individuals will engage (7%). Some comments suggested that the Strategy needs to be more ambitious through targets being brought forwards and initiatives (such as food waste collections) being introduced regardless of government policy, legislation and funding. Others stated that the Strategy needs greater focus on engaging with residents, suggestions for this included more information about what happens to material after collection and rewards for those who recycle well in order to encourage and incentivise households.

3.11 Service satisfaction

Following the main survey, respondents had the opportunity to respond to three additional questions regarding their satisfaction with HWRCs and kerbside collections. A total of 4,916 respondents agreed to continue.

The extent to which residents were satisfied was sought through selection of one of six options:

- Very satisfied
- Fairly satisfied
- Neither satisfied nor dissatisfied
- Fairly dissatisfied
- Very dissatisfied
- Don't know (excluded from the analysis).

3.11.1 Household Waste Recycling Centres

Respondents were first asked how often they have typically visited a HWRC over the last two years. As seen in Figure 13 below, most participants visit once every 3 months, followed by every month and every 6 months.

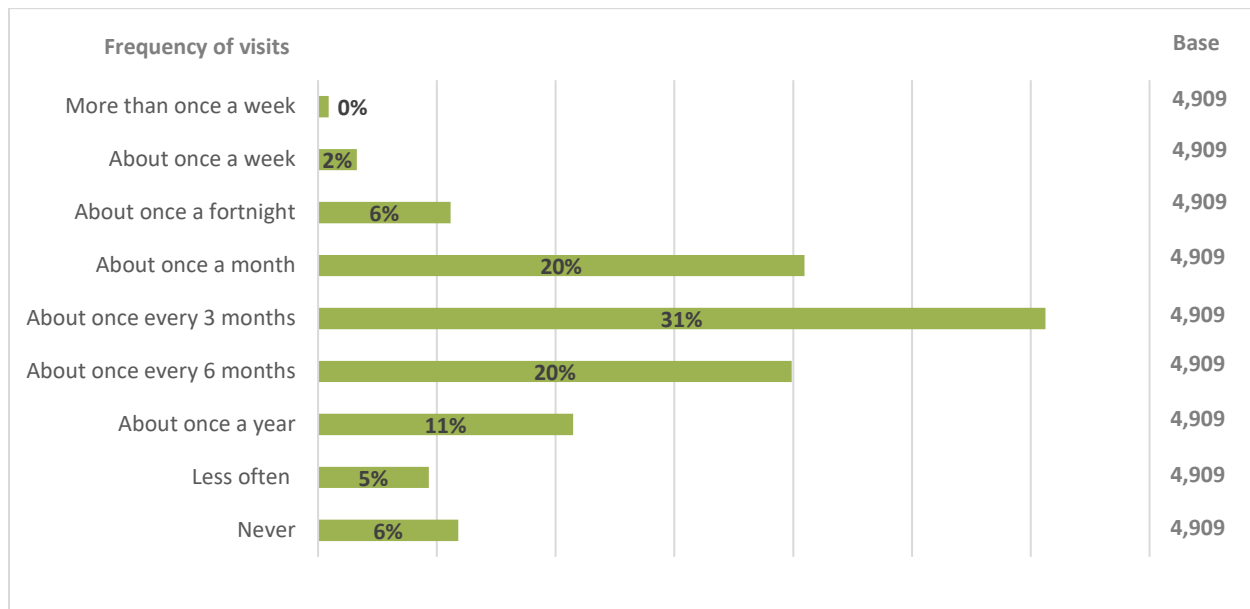


Figure 13: HWRC visits - frequency that respondents have visited in the last two years

Following this, a question was asked to gauge the level of satisfaction that respondents have regarding the HWRCs.

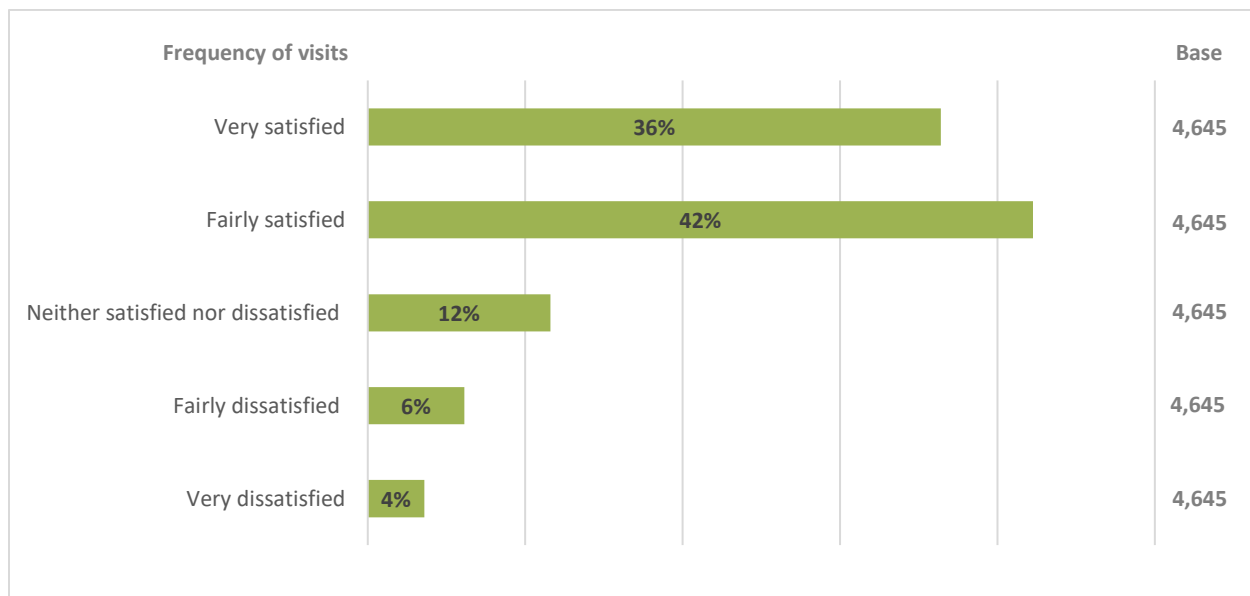


Figure 14: HWRCs - residents' level of satisfaction

Overall, 78% of respondents stated that they were satisfied to some degree³³ with the service they have received at HWRCs. Only 10% expressed dissatisfaction of some level³⁴ and 12% had a neutral stance.

3.11.2 Kerbside collections

The following question asked respondents to state how satisfied they were with each of the waste and recycling collections that they receive. This included a review of the general rubbish collection, recycling collection, garden waste collection and the kerbside collection services overall.



Figure 15: Kerbside collection services – residents' level of satisfaction

Overall, there are high levels of satisfaction for all kerbside collection services, but particularly the general rubbish and recycling collections which achieved satisfaction levels of 90% or more³⁵. The satisfaction levels for the garden waste collection service are still high, however this is the lowest of all services. This is likely due to this being the only collection that the majority of residents have to pay a fee for³⁶ and potentially also a reflection of the fact some garden waste services were impacted during the pandemic. Additionally a shortage of HGV drivers further compounded this service.

³³ This is a total of respondents who stated they were 'fairly satisfied' or 'very satisfied'.

³⁴ This is a total of respondents who stated they were 'fairly dissatisfied' or 'very dissatisfied'.

³⁵ This includes respondents who stated they were 'fairly satisfied' or 'very satisfied'.

³⁶ All district/borough councils in LWP charge for a garden waste collection service, with the exception of North West Leicestershire who provides this free of charge. The cost at which district/borough councils charge for this is decided by themselves.

4 Results – Community Research

The following summarises the findings of the three day online forum (21 to 23 March 2022) conducted by Community Research for the LWP (see also Appendix F).

At the outset of the online forum, the selected 25 Leicestershire residents had generally positive attitudes towards waste collection and HWRCs in terms of their experiences of the services provided. Awareness of the scale and impact of food waste and various existing council and LWP initiatives was low. None of the participants were aware of the current consultation on the Strategy and there was no awareness of other related initiatives. Many of the participants' spontaneous priorities echoed the content of the Strategy. Participants wanted the LWP to lead by example (i.e. use electric vehicles; demonstrate that recycling is disposed of properly) and actively support residents to create less waste and recycle or reuse more. They called for more advice and guidance on what can be recycled and an expansion of recycling services.

The vision and pledges were applauded but some concerns were expressed, including:

- The scale of the challenge and how difficult it is to change people's behaviours.
- How much is dependent upon Government funding and what happens if this is removed/reduced.
- That some of the changes seem to be happening too late and the county seems to be behind other parts of the country.

It was felt by participants that everyone needs to play their part in the changes and that residents need to be taken on the journey with the LWP.

Participants were generally positive about the introduction of a food waste collection scheme but, mirroring the online survey, there were concerns about how it would work in practice, smells and hygiene, reliability of weekly collections and number of bins.

Of the collection options, overall preference was for weekly food waste collections with a smaller general rubbish bin collected every two weeks. Those participants who selected neither option were opposed to the idea of food waste collection and/or the changes to the black bin collections. One participant was particularly concerned about what those with young families would do with large amounts of nappies, if residual waste is collected less frequently.

Participants were increasingly supportive of smaller bins collected every 2 weeks, following the provision of information. However, few participants made the explicit link between having a separate food waste collection and needing a smaller bin or less frequent black bin collection.

In summary, the key conclusions are:

- Vision and Strategy resonate with residents.
- Understanding of the relationship between waste and climate change is limited.
- Residents are enthusiastic about greater engagement in reducing waste and recycling and recognise they have a key role to play (community initiatives and collective action).
- Communications and engagement activities need to be developed bearing in mind learning from behavioural science, addressing the environmental, personal and social factors that can affect behaviour.

Overall, the findings of the online exercises conducted by Community Research (see Appendix F) mirror the findings of the formal consultation survey.

5 Consultation Summary and Implications

This section of the report presents:

- **Key themes** – that have been highlighted in the consultation processes together with the issues and considerations that have been raised. These are not presented in an order of priority.
- **Strategy implications** – the consultation has raised potential actions with respect to the pledges and also the Strategy overall.

5.1 Key consultation themes

The key themes highlighted in the consultation are as follows:

- Tackling fly-tipping
- Putting pressure on producers
- Increased access to sustainable activities
- Engagement and encouragement
- Educating residents
- Concerns with food waste collections
- Expanding kerbside recycling
- Accessibility of garden waste collections
- Restricted residual waste collection and household size
- Improving HWRCs

5.1.1 Tackling fly-tipping

Fly-tipping is an area of concern, with this theme being raised numerous times throughout the consultation. This may be exacerbated by the potential changes as set out in the Strategy, such as restricted residual waste capacity, where residents have questioned whether this will lead to increased levels of fly-tipping.

Residents frequently offered suggestions and their solutions to lessen this issue, such as collecting more materials at the kerbside, retaining sufficient residual capacity for all, making it easier to dispose of waste and reducing/removing charges for disposing of certain wastes at HWRCs.

Representative comments:

“We should not be having waste collections going past 2 weeks. This will only exacerbate the problem of fly-tipping, which is currently the worst I've ever seen it. Making people have smaller bins will not help with this either.”

“If the objectives are to be realised then easy access to waste services is needed. Restricting access to recycling sites, the need for permits and charging for some waste is prohibitive to household support of

the strategy. Objectives need to include access to services and simplification of services. Failing to improve this will continue to lead to fly-tipping and lack of correct recycling.”

5.1.2 Putting pressure on producers

Pressure on producers also arose and some residents would like them to take more responsibility, primarily in terms of the recyclability of the packaging they use and the repairability of goods, such as electrical items.

It appears that frustrations exist where emphasis is put on householders to reduce their residual waste when there are high levels of non-repairable and non-recyclable items/packaging put onto the market.

Representative comments:

“This is a wider issue so unless the change also comes from suppliers and the upper chain, it would almost be unfair to expect more from residents.”

“A good way to reduce waste is to not create it in the first place. Better reusable food packaging. White Goods should be designed to be repairable. Without the above your fiddling around the edges of a deeper problem.”

“Pressurise producers & suppliers to use less plastic, make products more repairable, supply minimum requirements for replacements, use less packaging especially plastic.”

5.1.3 Increased access to sustainable activities

Residents appear to be engaged in participating in activities adhering to the priorities of the waste hierarchy (prevention and reuse), however some raised concern about how accessible this is for everybody. For example, many comments expressed interest in refill shops so that waste can be prevented, however some faced barriers to these due to it being a more expensive way to shop.

Other residents would like to see more reuse and repair activities within Leicestershire, such as increased reuse facilities at HWRCs. Some also suggested more activities on a community scale. This is so that more people could get involved and potentially benefit from such schemes, e.g. through offering apprenticeships for young people in repair shops.

Representative comments:

“A “swap shop” type facility at Household Waste Recycling Centres for reusable items.”

“Refill options that are more affordable as currently these options are way too expensive for those on low salaries/benefits.”

“Upcycling and repair service, as in The Repair Shop (national television show), with apprenticeships and opportunities for young people with special needs.”

“We would like to see a greater emphasis put on what we can achieve as a community. Support for community initiatives such as the “repair cafes” ran by Transition Loughborough would be extremely beneficial.”

5.1.4 Engagement and encouragement

With potential service changes, as set out in the Strategy, it is important that residents are kept engaged and informed, for example through distributing clear information about recycling to make the process as easy and as thorough as possible. Many engagement techniques happen online via websites and social media, and although this is useful to many, it has been reiterated throughout the consultation responses that those with no access to such technology should not be left behind.

There have also been many suggestions relating to the encouragement of residents to recycle more. The idea of rewarding households or communities that recycle well has been raised at various points throughout the consultation period.

Representative comments:

“Engaging with community is the most important in my opinion.”

“Everyone needs to make more of an effort to reduce waste & reuse items. There needs to be some kind of penalty for not doing so or reward for those who do.”

“Communication may be hard for older people, blind, people who don’t read & people who do not engage with the local community. Multiple languages in the information also useful.”

“The constant drive to do everything on-line/ via apps is digital discrimination. Many elderly (and also not so elderly) people are unable, for numerous reasons, to engage with digital services, social media etc.”

5.1.5 Educating residents

It was raised throughout the consultation that increased efforts need to be made to educate residents, through schools and the community on waste and recycling. In particular, so that they understand the issue of waste and its relationship to climate change. As a result of this, individuals may be more inclined to participate in waste related activities. This theme was reiterated in the Community Research online forum.

For example, the link between food waste and climate change is not readily apparent. It would be useful to explain this so the rationale behind this and the importance of changes to the current waste collection are understood. It is expected this understanding will help to assist the transition of changes to the proposed system.

Representative comments:

“Use initiatives to encourage people who currently don’t recycle and educate people about the importance of recycling on us and future generations.”

"I think education will be key. Some people won't see why they should do it so they'll need help understanding."

"You must also educate families on the benefits of your changes, rather than just imposing them on them, education in school and to the poorer areas is key to making long term changes in our society."

5.1.6 Concerns with food waste collections

Many comments have mentioned food waste collections, including vermin/pests, smells, and that it's unhygienic. The design of the food waste caddies and their accessibility by vermin and animals and accidental spillage was also raised. Some residents also state that they have little to no food waste, and therefore would not require this service.

Doubt has also been cast following a historic unsuccessful food waste collection trial in certain district/borough councils. It concerns residents that this may happen once more and that it will result in a waste of money and containers. Therefore, it is important to consider these concerns and clearly outline what would be different and how the scheme will succeed.

Representative comments:

"This has been tried before. Was a waste of a plastic bin, and a waste of rate payers money. I did not use it as we do not have food waste."

"Vermin and smell – unhygienic."

"As mentioned previously, a food waste collection scheme was trialled a number of years ago with very limited success. Very often food waste was not collected, the hygiene was a concern and the interest was lost very quickly. There would need to be a determined effort to ensure any future trials could address the hygiene issues."

5.1.7 Expanding kerbside recycling

While the kerbside recycling service received high levels of satisfaction in the survey, many residents would like the opportunity to recycle more materials at the kerbside. As well as allowing them to reduce the quantities of waste in their residual bins, it also makes recycling more accessible for all, including those who may struggle to access HWRCs or drop off points (e.g. supermarkets for soft plastics or textile banks).

Respondents were keen to see the inclusion of batteries, small WEEE and textiles at the kerbside, amongst other materials such as soft and hard plastics, TetraPak and furniture (including mattresses and bedding).

Representative comments:

"The council needs to implement recycling strategies to the home rather expecting individuals to take waste to other locations. There are no accessibility options for disabled."

“Hard plastics. Also wish more wrapping on food packaging was able to be recycled. A lot of our waste in the black bin is plastic packaging that can't be recycled.”

“Soft plastics such as outside wrappers of things like bread/crisps etc. Hard plastic such as plastic toys/plastic plates etc.”

5.1.8 Accessibility of garden waste collections

While residents are generally satisfied with their garden waste collection service, one recurring theme was the accessibility of these collections and the charges associated with the subscription to this service³⁷.

Some residents suggested that the subscription cost should be standardised across the LWP, while others stated that it should not be as expensive or it should be made free (as per North West Leicestershire).

Representative comments:

“If we are all in Leicestershire we should be treated equally: either free for all, or a charged-for service for all.”

“Garden waste collection is prohibitively expensive so I have to put my garden waste in my black bin, meaning I can't afford to be as eco-friendly as I'd like to be.”

“Perhaps more would be recycled if the garden bins were cheaper / free to any house that wanted one. I'm aware of a lot of neighbours who just put the garden waste in the general waste bin.”

5.1.9 Restricted Residual Waste Collection and Household Size

Whilst some residents, such as those with little waste or small households, were supportive of potential restrictions to residual waste capacity, others raised their concerns. Concern was commonly expressed by those in larger households, or those who have more unavoidable non-recyclable waste, such as medical and AHP waste.

There appeared to be a need for household size to be taken into account when contemplating restriction of residual bin size, as well as considering any additional needs of the household (e.g. disabled residents or those with young children)³⁸. Some residents suggested that a separate weekly collection of certain streams, such as AHP waste, would be a welcome addition should residual capacity be reduced.

Representative comments:

³⁷ All district/borough councils in the LWP charge for a garden waste collection service, except for north-west Leicestershire who provides this free of charge. The cost at which district/borough councils charge for this is decided by themselves.

³⁸ It is noted that all district/borough councils give residents the option to request larger bins due to certain circumstances e.g., if they are a large household / have a high volume of medical waste / have children in nappies.

"I home compost, recycle so my bins are over flowing, and complete food waste recycling but as I have a child currently in nappies my black bin is full every time. Some council do a nappy collection every week with the food waste."

"As a large household (7) I feel that the size of household should be taken into account when providing black bins. We are bound to produce more general waste than a single person or couple."

"I have a profoundly disabled child who wear's incontinence products around the clock. We just couldn't cope with a smaller rubbish bin or less frequent collections. If an alternative bin was provided ie: a medical waste bin for their incontinence products that would provide a solution."

5.1.10 Improving HWRCs

Although levels of satisfaction with HWRCs were high, some residents did raise concerns regarding short opening hours, too few HWRC sites (particularly during covid affected periods), inaccessibility and a lack of assistance from staff.

Residents suggested opening some sites for more days in the week and also reopening some which may have temporarily closed due to issues relating to Covid-19 and staff shortages. There was also a call for more help from staff at these sites. It was also raised that accessibility to sites could be improved by reducing/removing costs for certain materials and making it clear and easy for residents to visit, for example by providing a map of the HWRC on the LCC website.

Representative comments:

"I understand that it's not possible to make a recycling centre that isn't a difficult place for someone with sensory issues to be. But the anxiety related to knowing what to expect and what to have to do on arrival could be heavily mitigated if clear maps of recycling centres (the facilities themselves, not their location on a general map) were available."

"Lack of local access to recycling centre. Please reopen Somerby recycling centre. I usually recycle for an elderly resident but Melton is too far away for me to help on a regular basis."

"Poor usability (i.e. limited opening hours of household waste sites and the complexity of remembering/understanding what can be recycled and what can't)."

"Recycling centres not enough hours open ie evenings and weekends. No assistance at these places to help unload despite staff hovering around."

5.2 Implications to the Strategy

Undertaking consultation allows the LWP to consider and reflect on the views of its residents, businesses and community groups to the proposed LRWS.

Table 2 presents the existing 11 pledges in the strategy and a summary of potential actions relating to them that came out of both the online survey and the qualitative community research exercises. It is not considered that these existing pledges require alteration, however, it does provide the LWP with considerations, ideas and guidance from respondents on how to implement the pledges.

Table 2: Potential actions arising from the Strategy Consultation

Strategy Pledge No.	Pledge*	Potential Actions arising from Consultation
1.	All Councils within the Partnership will review their purchasing activities and internal waste management services to seek to promote waste prevention, reuse and recycling to support the objectives of this Strategy and lead by example.	<ul style="list-style-type: none"> Promote Partnership examples Promote achievements Provide guidance, particularly on cost-savings, and on waste prevention
2.	The Partnership pledge to support and encourage waste prevention activity across LWP. This will include working with stakeholders, residents and communities to prevent unnecessary waste arising, for example through food waste reduction campaigns such as Love Food Hate Waste.	<ul style="list-style-type: none"> Education on avoiding food waste Promotion of campaigns (via for example Less Waste website such as Love Food Hate Waste initiative) Community engagement programme Support/facilitate community initiatives / interest groups / schemes
3.	The Partnership pledge to continue delivering reuse services and expand activities where practicable, working in partnership with other stakeholders and to signpost to places that advocate for waste prevention and reuse, in support of developing a circular economy. This includes a pledge to continue to improve the collection of items for reuse at Household Waste Recycling Centres and explore the development of reuse shops at suitable sites.	<ul style="list-style-type: none"> Education on reuse facilities and activities Support reuse facilities /services (event, market stall, upskilling and upcycling) Ensure Leicestershire charities activities are considered when making HWRC policy decisions Improve accessibility of reuse facilities/services Exploration of additional reuse shops at HWRCs
4.	The Partnership shall implement and promote separate food waste collections to all households, subject to confirmation of Government policy, legislation and provision of funding. This will be as soon as required and when contracts and circumstances dictate. The County Council will procure Anaerobic Digestion capacity to treat the collected food waste in a manner that contributes to effective carbon emissions reduction across the County and improves soil quality.	<ul style="list-style-type: none"> Education and awareness raising around food waste (climate change, pests, containers, trials) Adopt good practice in the design and procurement of food waste equipment and services Promote positive actions of the Partnership
5.	The Partnership will explore the use of alternative fuels for collection vehicles and the transportation of waste and	<ul style="list-style-type: none"> Use as an educational tool Promote positive actions of Partnership

	resources to further reduce carbon emissions of the service and improve air quality.	<ul style="list-style-type: none"> Lead by example
6.	The Partnership will continue to offer a garden waste collection system to Leicestershire residents. This will follow Government guidelines as to the form of the collection and will be subject to legislation and total Government funding. The Partnership will continue to procure composting capacity to treat the collected garden waste in a manner that supports carbon reduction and improves soil quality.	<ul style="list-style-type: none"> Explore consistency in costs across the Partnership Promote benefits of good compost management Promote positive actions of the Partnership
7.	The Partnership shall ensure that the full range of recyclables (as specified by Government and subject to funding) are collected from residents (and businesses where applicable) across Leicestershire by 2023, or as soon as possible when contracts and circumstances dictate.	<ul style="list-style-type: none"> Consideration of suitable containers for housing type, size and requirements Raise awareness of materials collected
8.	The Partnership shall continue to explore the viability of adding extra materials to recycling collections (e.g. for batteries, small electric goods or clothing) to keep Leicestershire performance above the national average.	<ul style="list-style-type: none"> Raise awareness of any additional materials collected Explore the viability for additional materials being collected Increased accessibility to recycling services for those with limited transport
9.	The Partnership will put in place collection systems to contribute towards the achievement of the national 65% recycling target by 2035, this may include restricting residual waste capacity to encourage greater materials separation, carbon savings and resource recovery. Improvements in materials recovery at Household Waste Recycling Centres will also contribute towards the national target.	<ul style="list-style-type: none"> Communication / awareness raising to alleviate concerns relating to restricting residual waste capacity (including for larger households) Consider additional materials if going to commit to a restricted residual collection e.g. separate nappy/AHP collections Explore collection of more material types at HWRCs
10.	The Partnership will continue to allocate a communications budget sufficient to help promote good recycling behaviour and maximise resource recovery to support the circular economy and low carbon objectives of this Strategy.	<ul style="list-style-type: none"> Avoidance of digital discrimination Maintain communication program
11.	The County Council will reduce waste sent to landfill to less than 5% by 2025, well in advance of the 10% national target by 2035. The County Council will undertake future procurement processes for residual waste treatment (alternatives to landfill) in line with the vision and objectives of this Strategy.	<ul style="list-style-type: none"> Promote positive actions of Partnership
*Source: Draft Leicestershire Resources and Waste Strategy, January 2022		

A key theme which came out of the consultation exercises, which is not dealt with by the pledges, is fly-tipping. LWP has therefore committed to address this and add an additional pledge relating to fly-tipping which will be included in the final Strategy.

Equality & Human Rights Impact Assessment (EHRIA)

This Equality and Human Rights Impact Assessment (EHRIA) will enable you to assess the **new, proposed or significantly changed** policy/ practice/ procedure/ function/ service** for equality and human rights implications.

Undertaking this assessment will help you to identify whether or not this policy/ practice/ procedure/ function/ service** may have an adverse impact on a particular community or group of people. It will ultimately ensure that as an Authority we do not discriminate and we are able to promote equality, diversity and human rights.

Before completing this form please refer to the EHRIA [guidance](#), for further information about undertaking and completing the assessment. For further advice and guidance, please contact your [Departmental Equalities Group](#) or equality@leics.gov.uk

***Please note: The term 'policy' will be used throughout this assessment as shorthand for policy, practice, procedure, function or service.*

Key Details	
Name of policy being assessed:	Leicestershire Resources and Waste Strategy
Department and section:	Environment & Transport, Environment and Waste Commissioning
Name of lead officer/ job title and others completing this assessment:	Anna Low, Team Manager Kerry Skeer, Senior Strategic Waste Officer Frith Resource Management consultants
Contact telephone numbers:	0116 305 8127 0116 305 7234
Name of officer/s responsible for implementing this policy:	Anna Low, Kerry Skeer
Date EHRIA assessment started:	September 2021

Date EHRIA assessment completed:	November 2022
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Section 1: Defining the policy

Section 1: Defining the policy

You should begin this assessment by defining and outlining the scope of this policy. You should consider the impact or likely impact of the policy in relation to all areas of equality, diversity and human rights, as outlined in Leicestershire County Council's Equality Strategy.

1	<p>What is new or changed in this policy? <i>What has changed and why?</i></p> <p>This EHRIA refers to the Leicestershire Resources and Waste Strategy (LRWS). This was previously known as the Leicestershire Municipal Waste Management Strategy (LMWMS). The first LMWMS was adopted by the Leicestershire Waste Partnership (LWP) authorities in 2002. The LMWMS was reviewed and revised in 2006 and 2011. An Equality Impact Assessment was conducted in 2006 and again in 2012 on the revised LMWMSs.</p> <p>An updated LWMWS has been developed (2021/2022) following a scheduled review in line with Defra guidance which recommends that a municipal waste management strategy “<i>should be completely reviewed at least every five years to ensure it remains current</i>”. The requirement for a Joint Municipal Waste Management Strategy falls under the Waste Emissions Trading Act (2003) section 32 (1) to (7).</p> <p>The previous and revised LMWMS sets out the core strategy for how the LWP intends to manage municipal waste including statutory responsibilities for waste management for the partnership and provides a policy framework for sustainable and co-ordinated waste management. The revised strategy covers the period up to 2050.</p> <p>The EHRIA informs the LRWS to ensure the Strategy is fit for purpose, including all subsequent plans and policies that sit below the LRWS in order to implement its aims and objectives.</p> <p>The revised LRWS, as for the previous versions, is not a planning document and does not relate to sites or where infrastructure is developed. This is reflected in the EHRIA scope.</p>
2	<p>Does this relate to any other policy within your department, the Council or with other partner organisations? <i>If yes, please reference the relevant policy or EHRIA. If unknown, further investigation may be required.</i></p> <p>Leicestershire County Council and the seven district and borough councils of Leicestershire work together as the Leicestershire Waste Partnership (LWP). All eight partner authorities in LWP have adopted the previous LMWMS and will refer to the new and updated LRWS in the design of their services.</p>

	<p>The LRWS supports the Leicestershire County Council's Strategic Plan 2022-26 Working together for the benefit of everyone. It also supports, influences or is influenced by a range of other policies and plans applying to the LWP partners, covering a wide remit:</p> <p>Climate Change:</p> <ul style="list-style-type: none"> Leicestershire Environment Strategy (2018-2030) District level carbon reduction commitments (specific to each district) <p>Waste and Recycling:</p> <ul style="list-style-type: none"> Waste Disposal Authority Plan (2018-2030) Leicester and Leicestershire Waste Development Framework (up to 2021) Leicestershire Minerals & Waste Local Plan (up to 2031) <p>Air Quality:</p> <ul style="list-style-type: none"> Air Quality Management Areas District level Air Quality Strategies <p>Biodiversity:</p> <ul style="list-style-type: none"> Biodiversity Action Plan for Leicester, Leicestershire and Rutland District Biodiversity and Habitat Plans <p>Population / Communities:</p> <ul style="list-style-type: none"> Strategic Growth Plan for Leicester & Leicestershire (up to 2050) Communities Strategy (2017 – 2021) <p>Economics:</p> <ul style="list-style-type: none"> Leicestershire County Councils Strategic Plan (2022-2026) 										
3	<p>Who are the people/ groups (target groups) affected and what is the intended change or outcome for them?</p> <p>The target people/groups are all residents within the Leicestershire Waste Partnership area.</p> <p>The intended outcome for the target population is continued effective and sustainable waste management service delivery. Delivery of waste and recycling services to Leicestershire's residents includes kerbside collections, provision of Household Waste Recycling Centres (HWRCs), and initiatives designed around the principle of the waste hierarchy, which, in order of preference, aim to prevent waste, reuse materials, recycle and compost, treat waste and dispose of residual waste.</p> <p>The Vision of the strategy applies to all residents as follows:</p> <p><i>To work towards a circular economy and contribute to achieving net zero carbon by 2050 in Leicestershire. This means fully embracing the waste hierarchy by preventing waste and keeping resources in circulation for as long as possible, through reuse, repair and recycling, to realise their maximum value whilst minimising environmental impacts.</i></p>										
4	<p>Will this policy meet the Equality Act 2010 requirements to have due regard to the need to meet any of the following aspects? (Please tick and explain how)</p> <table border="1"> <thead> <tr> <th></th><th>Yes</th><th>No</th><th>How?</th></tr> </thead> <tbody> <tr> <td>Eliminate unlawful discrimination, harassment and victimisation</td><td>✓</td><td></td><td>The LRWS has a vision, objectives and pledges which are broad and <i>aspirational</i> in nature. It is relevant to all of Leicestershire's residents equally within</td></tr> </tbody> </table>				Yes	No	How?	Eliminate unlawful discrimination, harassment and victimisation	✓		The LRWS has a vision, objectives and pledges which are broad and <i>aspirational</i> in nature. It is relevant to all of Leicestershire's residents equally within
	Yes	No	How?								
Eliminate unlawful discrimination, harassment and victimisation	✓		The LRWS has a vision, objectives and pledges which are broad and <i>aspirational</i> in nature. It is relevant to all of Leicestershire's residents equally within								

				the LWP jurisdictions. It does not seek to introduce specific changes to services that would have a unique impact on the protected characteristics as defined in the Equalities Act 2010.
	Advance equality of opportunity between different groups	✓		<p>Equalities advancement is mainstreamed within the LWP and therefore within the implementation of the LRWS. Examples include:</p> <ul style="list-style-type: none"> -Translated communication materials and accessibility to ensure no single group is favoured. -Engagement of Equalities Officers to ensure appropriate service delivery. -Equalities Impact Assessments are conducted at the district level before major service changes are implemented.
	Foster good relations between different groups	✓		All services and events delivered under the LRWS will be open to all different groups and as currently applies; all events and activities undertaken under the LRWS implementation will encourage a wide breadth of engagement from the community groups.

Section 2: Equality and Human Rights Impact Assessment (EHRIA) Screening

Section 2: Equality and Human Rights Impact Assessment Screening

The purpose of this section of the assessment is to help you decide if a full EHRIA is required. **[Completed pre-consultation of the LRWS strategy]**

If you have already identified that a full EHRIA is needed for this policy/ practice/ procedure/ function/ service, either via service planning processes or other means, then please go straight to [Section 3](#) on Page 7 of this document.

Section 2

A: Research and Consultation

5.	Have the target groups been consulted about the following?	Yes	No*
	a) their current needs and aspirations and what is important to them;		✓
	b) any potential impact of this change on them (positive and negative, intended and unintended);		✓
	c) potential barriers they may face		✓

6.	If the target groups have not been consulted directly, have representatives been consulted or research explored (e.g. Equality Mapping)?		✓
7.	Have other stakeholder groups/ secondary groups (e.g. carers of service users) been explored in terms of potential unintended impacts?		✓
8.	<p>*If you answered 'no' to the question above, please use the space below to outline what consultation you are planning to undertake, or why you do not consider it to be necessary.</p> <p>LR&WS Consultation</p> <p>The LRWS is an over-arching strategy, as such when specific parts of it are implemented at the district or county level, service change consultations are generally undertaken, leading to a substantial amount of evidence from engagement around current waste practices that is actively utilised to enhance implementation. Examples of this include:</p> <ul style="list-style-type: none"> -Consultation and research on barriers to using waste services, which has led to understanding communication issues on waste and using multi-language waste hangers; -Feedback on a new pilot scheme including the impact of disabilities on the service using a recycling trolley; -Engagement with minority groups for Equalities Impact Assessments; and -Full public consultation for the 2006 strategy which obtained views and opinions on the appropriateness of waste services from residents. <p>Before the LRWS is finalised, a public consultation will be held between 31st January and the 25th April 2022 on the LRWS to offer residents the opportunity to identify any barriers or needs which are not currently identified or anticipated. The consultation will be as accessible as possible to all, noting at the time the country was managing the impacts of the COVID-19 pandemic.</p> <p>It is suggested that Mental Health, Age and Dementia charities are included in the consultation of the LRWS so their feedback in respect to any barriers they feel they may have to engaging with the waste services can inform the final LRWS.</p>		

Section 2

B: Monitoring Impact

9.	Are there systems set up to:	Yes	No
	a) monitor impact (positive and negative, intended and unintended) for different groups;	✓	
	b) enable open feedback and suggestions from different communities	✓	

Note: If no to Question 8, you will need to ensure that monitoring systems are established to check for impact on the protected characteristics.

Section 2

C: Potential Impact

10.

Use the table below to specify if any individuals or community groups who identify with any of the '[protected characteristics](#)' may potentially be affected by this policy and describe any positive and negative impacts, including any barriers.

	Yes	No	Comments
Age	✓		Implementing the LRWS pledges requires households to present bins for collection and sort recyclables. Incidences of disability increase with age and older residents with increased frailty or reduced mental capacity, for example, as a result of dementia, may find bin presentation or sorting of recyclables more difficult. HWRCs do not allow unsupervised access to children under 16 meaning children are prevented from entering the sites alone.
Disability	✓		As above, both physical and mental health conditions including neurological conditions and dementia may prevent people from presenting waste, sorting recyclables in the household for kerbside collection or taking waste to a HWRC.
Gender Reassignment		✓	No barriers are identified.
Marriage and Civil Partnership		✓	No barriers are identified.
Pregnancy and Maternity	✓		The physical requirements of waste presentation may become a barrier for women particularly in third trimester pregnancy, this would include wheeled bins, boxes or other containers. Also at HWRCs, the current temporary policy is that no physical assistance can be provided at the sites. A resident should not set off on the understanding or intent that they can request assistance. A resident that feels a reasonable adjustment to this policy should apply, can contact customer

				services in advance so it can be considered.
	Race	✓		There are no barriers associated with race, but the language diversity associated with racial diversity may be a barrier to communications on waste issues and waste services.
	Religion or Belief		✓	No barriers are identified.
	Sex		✓	No barriers are identified.
	Sexual Orientation		✓	No barriers are identified.
	Other groups e.g. rural isolation, deprivation, health inequality, carers, asylum seeker and refugee communities, looked after children, deprived or disadvantaged communities	✓		<p>Rural isolation and poverty means distances from HWRC services as well as no access to a private vehicle may be a barrier to access.</p> <p>Areas with more multiple occupancy houses, or shared waste facilities, or no outdoor space may have challenges with waste segregation and physical space for multiple containers.</p> <p>People new to the country or area such as recent asylum seekers or refugees may need specific guidance on waste services if they have not used kerbside collections before, and specific communications in their own language.</p> <p>Residents experiencing deprivation may need support from Housing Officers to ensure they are aware of waste services.</p> <p>As shown by evidence collected through the 2021 LLEP Digital Poverty Call for Evidence Analysis Report (May 2021), deprivation and poverty can result in lower levels of computer access and therefore potentially less ability to find out about specific waste services unless materials are printed.</p> <p>Deprivation and poverty may also mean no car ownership</p>

				restricting those without a car to travel to and access the HWRCs. Health and safety policy dictates no pedestrians are allowed onto sites except at the Barwell and Mountsorrel sites where this permitted.
	Community Cohesion		✓	No barriers are identified.
11.	<p>Are the human rights of individuals <u>potentially</u> affected by this proposal? Could there be an impact on human rights for any of the protected characteristics? (Please tick)</p> <p>Explain why you consider that any particular <u>article in the Human Rights Act</u> may apply to your policy/ practice/ function or procedure and how the human rights of individuals are likely to be affected below: [NB. Include positive and negative impacts as well as barriers in benefiting from the above proposal]</p>			
		Yes	No	Comments
	Part 1: The Convention- Rights and Freedoms			
	Article 2: Right to life		✓	No impact
	Article 3: Right not to be tortured or treated in an inhuman or degrading way		✓	No impact
	Article 4: Right not to be subjected to slavery/ forced labour	✓		LRWS implementation requires the engagement of contractors by LWP members who offer employment terms, conditions and contracts which are not under direct control of LWP members. As a result, contractors are monitored closely, only accredited agencies used and anti-slavery clauses integrated into contracts.
	Article 5: Right to liberty and security		✓	No impact
	Article 6: Right to a fair trial		✓	No impact
	Article 7: No punishment without law		✓	No impact
	Article 8: Right to respect for private and family life		✓	No impact
	Article 9: Right to freedom of thought, conscience and religion		✓	No impact
	Article 10: Right to freedom of expression		✓	No impact

	Article 11: Right to freedom of assembly and association		✓	No impact
	Article 12: Right to marry		✓	No impact
	Article 14: Right not to be discriminated against		✓	No impact
Part 2: The First Protocol				
	Article 1: Protection of property/ peaceful enjoyment		✓	No impact
	Article 2: Right to education		✓	No impact
	Article 3: Right to free elections		✓	No impact
Section 2				
D: Decision				
12.	Is there evidence or any other reason to suggest that:		No	Unknown
	a) this policy could have a different affect or adverse impact on any section of the community;			✓
	b) any section of the community may face barriers in benefiting from the proposal			✓
13.	Based on the answers to the questions above, what is the likely impact of this policy			
	No Impact <input type="checkbox"/>	Positive Impact <input type="checkbox"/>	Neutral Impact <input type="checkbox"/>	Negative Impact or Impact Unknown <input checked="" type="checkbox"/>
Note: If the decision is 'Negative Impact' or 'Impact Not Known' an EHRIA Report is required.				
14.	Is an EHRIA report required?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	

Section 2: Completion of EHRIA Screening

Upon completion of the screening section of this assessment, you should have identified whether an EHRIA Report is required for further investigation of the impacts of this policy.

Option 1: If you identified that an EHRIA Report is required, continue to [Section 3](#) on Page 7 of this document to complete.

Option 2: If there are no equality, diversity or human rights impacts identified and an EHRIA report is not required, continue to [Section 4](#) on Page 14 of this document to complete.

Section 3: Equality and Human Rights Impact Assessment (EHRIA) Report

Section 3: Equality and Human Rights Impact Assessment Report

This part of the assessment will help you to think thoroughly about the impact of this policy and to critically examine whether it is likely to have a positive or negative impact on different groups within our diverse community. It is also to identify any barriers that may detrimentally affect under-represented communities or groups, who may be disadvantaged by the way in which we carry out our business.

Using the information gathered either within the EHRIA Screening or independently of this process, this EHRIA Report should be used to consider the impact or likely impact of the policy in relation to all areas of equality, diversity and human rights as outlined in Leicestershire County Council's Equality Strategy.

Section 3

A: Research and Consultation

When considering the target groups it is important to think about whether new data needs to be collected or whether there is any existing research that can be utilised.

- 15.** Based on the gaps identified either in the EHRIA Screening or independently of this process, how have you now explored the following and what does this information/data tell you about each of the diverse groups?
- a) current needs and aspirations and what is important to individuals and community groups (including human rights);
 - b) likely impacts (positive and negative, intended and unintended) to individuals and community groups (including human rights);
 - c) likely barriers that individuals and community groups may face (including human rights)

How this has been explored

The LWP recognise that for the majority of the Partners, barriers in the community are associated with: Age, Disabilities (particularly physical, mental and neurological health conditions), Race (language diversity), Pregnancy, Other (rural/urban poor, deprivation, rural isolation).

The public consultation survey for the LRWS took place between 31st January and 25th April 2022. The survey included sections on "Keeping Communities Informed" and "Making Sure Everyone Is Included" to understand potential barriers. The survey was available electronically and in hard copy and in various languages if requested.

Public consultation findings:

- Age and Disabilities (physical, mental and neurological) - concern about understanding recycling requirements, getting bins / recycling containers to and from the kerbside.

	<ul style="list-style-type: none"> - Consideration of how to access HWRCs (as no pedestrian access allowed at all but two sites) or offer alternative recycling / re-use facilities where no access to car / private transport. - Consideration to space for storage for multiple waste containers, particularly where limited space is available such as areas with more multiple occupancy houses, or shared waste facilities, or no outdoor space. - Clear and simple instructions on recycling procedures. - Printed materials as well as on-line communications (deprivation, poverty and age may mean lower levels of computer access/digital discrimination). - Information in various languages to accommodate language diversity associated with racial diversity.
	<p>When the actions within the LRWS are implemented, further exploration of barriers and impacts will take place potentially as pilots, trials and feedback (see Q16).</p>
16.	<p>Is any further research, data collection or evidence required to fill any gaps in your understanding of the potential or known affects of the policy on target groups?</p>
	<p>The LRWS is high level and as such will be implemented appropriately within the partner jurisdictions. At the implementation level, further exploration of barriers and impacts will take place (for example through doing trials or pilots with varied community groups to understand the practicalities of the target activity).</p> <p>In response to the findings identified in Q15 above, engagement with specific groups would be beneficial prior to full LRWS implementation, for example:</p> <ul style="list-style-type: none"> a) Mental Health, Neurological Disorders and Dementia The impacts of mental health, neurological conditions and dementia on waste service access have not explicitly been explored, whereas the issues of physical health and disability are better known. Therefore, engagement with mental health charities or experts will be promoted prior to the implementation of actions within the LRWS. b) Age Given the UK-wide aging population, further engagement with elderly care charities will be promoted prior to the implementation of the LRWS. c) Deprivation On-going feedback, either formal or informal, would be collated from LWP officers with access to representatives of or communities from deprived areas. d) Language Diversity On-going feedback, either formal or informal, would be collated from LWP officers with access to representatives of, or communities with, high language diversity.
	<p>When considering who is affected by this proposed policy, it is important to think about consulting with and involving a range of service users, staff or other stakeholders who may be affected as part of the proposal.</p>
17.	<p>Based on the gaps identified either in the EHRIA Screening or independently of this process, <u>how</u> have you further consulted with those affected on the likely impact and <u>what</u> does this consultation tell you about each of the diverse groups?</p>
	<p>N/A – see response to Q15 and Q16.</p>
18.	<p>Is any further consultation required to fill any gaps in your understanding of the potential or known effects of the policy on target groups?</p>

	On-going consultation and feedback will take place during implementation of the LRWS actions and initiatives.
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Section 3																			
B: Recognised Impact																			
19.	Based on any evidence and findings, use the table below to specify if any individuals or community groups who identify with any 'protected characteristics' are <u>likely</u> be affected by this policy. Describe any positive and negative impacts, including what barriers these individuals or groups may face.																		
	<table> <tr> <th></th><th>Comments</th></tr> <tr> <td>Age</td><td>Implementing the LRWS requires households to present bins for collection and sort their recyclables. Incidences of disability increase with age and older residents with increased frailty or reduced mental capacity, for example, as a result of dementia, may find bin presentation or sorting of recyclables more difficult. HWRCs do not allow children under 16 meaning children are prevented from entering the sites alone.</td></tr> <tr> <td>Disability</td><td>As above, both physical and mental health conditions including neurological conditions and dementia may prevent people from presenting waste, sorting recyclables or taking waste to a HWRC.</td></tr> <tr> <td>Gender Reassignment</td><td>No barriers are identified.</td></tr> <tr> <td>Marriage and Civil Partnership</td><td>No barriers are identified.</td></tr> <tr> <td>Pregnancy and Maternity</td><td>The physical requirements of waste presentation may become a barrier for women, particularly in third trimester pregnancy, this would include wheeled bins, boxes or other containers.</td></tr> <tr> <td>Race</td><td>There are no barriers associated with race per se, but the language diversity associated with racial diversity may be a barrier to communications on waste issues and waste services.</td></tr> <tr> <td>Religion or Belief</td><td>No barriers are identified.</td></tr> <tr> <td>Sex</td><td>No barriers are identified.</td></tr> </table>		Comments	Age	Implementing the LRWS requires households to present bins for collection and sort their recyclables. Incidences of disability increase with age and older residents with increased frailty or reduced mental capacity, for example, as a result of dementia, may find bin presentation or sorting of recyclables more difficult. HWRCs do not allow children under 16 meaning children are prevented from entering the sites alone.	Disability	As above, both physical and mental health conditions including neurological conditions and dementia may prevent people from presenting waste, sorting recyclables or taking waste to a HWRC.	Gender Reassignment	No barriers are identified.	Marriage and Civil Partnership	No barriers are identified.	Pregnancy and Maternity	The physical requirements of waste presentation may become a barrier for women, particularly in third trimester pregnancy, this would include wheeled bins, boxes or other containers.	Race	There are no barriers associated with race per se, but the language diversity associated with racial diversity may be a barrier to communications on waste issues and waste services.	Religion or Belief	No barriers are identified.	Sex	No barriers are identified.
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Sex	No barriers are identified.																		

	Sexual Orientation	No barriers are identified.
	Other groups e.g. rural isolation, deprivation, health inequality, carers, asylum seeker and refugee communities, looked after children, deprived or disadvantaged communities	<p>Rural isolation and poverty means distances from HWRC services may be a barrier to access.</p> <p>Areas with more multiple occupancy houses, or shared waste facilities, or no outdoor space may have challenges with waste segregation and physical space for multiple containers.</p> <p>People new to the country or area such as recent asylum seekers or refugees may need specific guidance on waste services if they have not used kerbside collections before, and specific communications in their own language.</p> <p>Residents experiencing deprivation may need support from Housing Officers to ensure they are aware of waste services.</p> <p>As shown by evidence collected through the 2021 LLEP Digital Poverty Call for Evidence Analysis Report (May 2021), deprivation and poverty can result in lower levels of computer access and therefore potentially less ability to find out about specific waste services unless materials are printed.</p> <p>Deprivation and poverty may also mean no car ownership/access restricting those without a car to travel to and access the HWRCs. Health and safety policy dictates no pedestrians are allowed onto sites apart from at the Barwell and Mountsorrel sites where this is permitted.</p>
	Community Cohesion	No barriers are identified.

20.	Based on any evidence and findings, use the table below to specify if any particular Articles in the Human Rights Act are <u>likely</u> to apply to your policy. Are the human rights of any individuals or community groups affected by this proposal? Is there an impact on human rights for any of the protected characteristics?	
		Comments

Part 1: The Convention- Rights and Freedoms	
Article 2: Right to life	No impact
Article 3: Right not to be tortured or treated in an inhuman or degrading way	No impact
Article 4: Right not to be subjected to slavery/ forced labour	LRWS implementation requires the engagement of contractors who offer employment terms, conditions and contracts which are not under direct control of LWP. As a result, contractors are monitored closely, only accredited agencies used and anti-slavery clauses integrated into contracts.
Article 5: Right to liberty and security	No impact
Article 6: Right to a fair trial	No impact
Article 7: No punishment without law	No impact
Article 8: Right to respect for private and family life	No impact
Article 9: Right to freedom of thought, conscience and religion	No impact
Article 10: Right to freedom of expression	No impact
Article 11: Right to freedom of assembly and association	No impact
Article 12: Right to marry	No impact
Article 14: Right not to be discriminated against	No impact
Part 2: The First Protocol	
Article 1: Protection of property/ peaceful enjoyment	No impact
Article 2: Right to education	No impact
Article 3: Right to free elections	No impact
Section 3	
C: Mitigating and Assessing the Impact	
Taking into account the research, data, consultation and information you have reviewed and/or carried out as part of this EHRIA, it is now essential to assess the impact of the policy.	
21.	If you consider there to be actual or potential adverse impact or discrimination, please outline this below. State whether it is justifiable or legitimate and give reasons.

No actual or potential adverse impact or discrimination is anticipated from the LRWS.	
N.B.	
<p>i) If you have identified adverse impact or discrimination that is <u>illegal</u>, you are required to take action to remedy this immediately.</p> <p>ii) If you have identified adverse impact or discrimination that is <u>justifiable or legitimate</u>, you will need to consider what actions can be taken to mitigate its effect on those groups of people.</p>	
22.	<p>Where there are potential barriers, negative impacts identified and/or barriers or impacts are unknown, please outline how you propose to minimise all negative impact or discrimination.</p> <ul style="list-style-type: none"> a) include any relevant research and consultations findings which highlight the best way in which to minimise negative impact or discrimination b) consider what barriers you can remove, whether reasonable adjustments may be necessary, and how any unmet needs that you have identified can be addressed c) if you are not addressing any negative impacts (including human rights) or potential barriers identified for a particular group, please explain why
<p>Potential barriers have been identified for the following:</p> <p>Age, Disabilities (physical, mental and neurological), Race (language diversity), Pregnancy, Other (rural/urban poor, deprivation, rural isolation).</p> <p>The mitigation measures taken to reduce or remove the barriers are discussed below, and also identify where barriers cannot be mitigated.</p> <p>Age:</p> <ul style="list-style-type: none"> a) Provide an assisted collection service for those who are unable to present waste and recycling containers. Waste and recycling operatives collect and return containers from an agreed location on the property. b) For visual and hearing impairment which can be associated with aging, see below. <p>Disabilities (physical, mental and neurological health conditions):</p> <ul style="list-style-type: none"> a) Provide an assisted collection service for those who are unable to present waste and recycling containers. Waste and recycling operatives collect and return containers from an agreed location on the property. b) All partners within the LWP provide website accessibility links which give details on interpretation and translation services. c) Residents can request information in accessible PDF, audio recording, braille, large print and easy read. d) The AbilityNet link provides advice on making a user's device easier to use if they have a disability. e) At HWRCs where a customer feels they may be unable to effectively communicate with site staff, they can contact the customer service centre so the County Council can consider whether any reasonable adjustments are appropriate. 	

- f) Accessible standard material is sent generically to managers at the HWRC.
- g) Updated materials from the Equalities representatives are distributed to HWRC managers.

Race (language diversity):

- a) Communications are available in relevant languages to explain waste services and how they can be accessed.
- b) Housing Officers collaborate with waste teams to ensure refugees and asylum seekers in the area who may not speak English are supported and are aware of waste services.

Pregnancy and maternity:

- a) Assisted collection services for those who are pregnant or who have had a recent C-section and live alone or in a household where no-one else is able to present the waste. Waste and recycling operatives collect and return containers from an agreed location on the property.

Other (rural/urban poor, deprivation, rural isolation):

- a) Collaboration with housing teams to ensure refugees new to the area and residents experiencing deprivation are aware of waste services.
- b) Doorstepping with Housing Officers, to ensure awareness of waste services in more deprived areas.
- c) Working with Housing Associations to ensure residents have access to waste services.
- d) For rural isolation or those without cars, the issue of requiring private transport for HWRC attendance cannot be overcome by the LWP however the partners offer bulky waste collections which can support management of waste that is not suitable for kerbside containers.
- e) For those without a car, Barwell and Mountsorrel HWRCs allow pedestrian access.

Training (LWP):

In order to raise awareness of issues associated with protected characteristic groups:

- a) Operational and office based staff are required to undertake mandatory diversity and equalities training. Note that the application of training to operational staff varies across the LWP, and in some cases agency staff will be delivering services. This is mitigated by ensuring the most direct customer facing roles (staff at HWRCs or Recycling Officers) will be subject to appropriate mandatory diversity and equalities training.
- b) Managers have options for more advanced training which includes specific unconscious bias training.
- c) New starters receive mandatory equalities training and updates as appropriate.

Section 3

D: Making a decision

23.	Summarise your findings and give an overview as to whether the policy will meet Leicestershire Waste Partnerships responsibilities in relation to equality, diversity, community cohesion and human rights.
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The EHRIA demonstrates that the LRWS will meet Leicestershire Waste Partnership's responsibilities in relation to equality, diversity, community cohesion and human rights. Consideration needs to be given to further engagement during the implementation and operational phase of the LWRS strategy to ensure the LWP's responsibilities are met.

Section 3**E: Monitoring, evaluation & review of your policy**

24.	<p>Are there processes in place to review the findings of this EHRIA and make appropriate changes? In particular, how will you monitor potential barriers and any positive/ negative impact?</p> <p>Barriers and impacts will be monitored through the existing mechanisms in place which are applicable to waste services, noting that translation services are subscribed to, ensuring that feedback is captured in a variety of languages. These mechanisms include:</p> <ul style="list-style-type: none">a) Periodic feedback and surveysb) Website e.g. 'speak up services' on website and via emailc) Councillor or other face to face meetingsd) Social media monitoring including corporate social media forums
25.	<p>How will the recommendations of this assessment be built into wider planning and review processes? <i>e.g. policy reviews, annual plans and use of performance management systems</i></p> <p>The recommendations and assessment of impacts will be considered within the final draft of the LRWS. Also this EHRIA will be considered during implementation of the LRWS within the partner jurisdictions and shared with partners to inform delivery and added to team plans if appropriate.</p>

Section 3:
F: Equality and human rights improvement plan

Please list all the equality objectives, actions and targets that result from the Equality and Human Rights Impact Assessment (EHRIA) (continue on separate sheets as necessary). These now need to be included in the relevant service plan for mainstreaming and performance management purposes.

The following forms the basis for plans for the LWP that will need to be developed into Equality and Human Rights Improvement Plans at a local level with specific responsibilities and targets.

Equality Objective	Action	Target	Officer Responsible	By when
Accessible Services	Waste collection authorities (WCAs) to ensure Assisted Collections are available to all those who need them	All requests for Assisted Collections are followed up as required	WCA officers	Ongoing and throughout implementation of the LRWS
	HWRC staff to direct members of the public who feel unable to effectively communicate with site staff to the customer service centre	HWRC staff ensure all queries of this type are handled as required	Site managers/team supervisors	Ongoing and throughout implementation of the LRWS
	LCC to ensure service details of the HWRCs (including those accessible on foot) are listed on the LCC website and through their social media platforms	HWRC information published on LCC website and social media platforms	Comms team/waste operations	Ongoing and throughout implementation of the LRWS
	WCAs to ensure details of collections including bulky collections are available through district websites and printed council information	Bulky waste collection information published on district websites and printed on council information	WCA district collection managers	Ongoing and throughout implementation of the LRWS

Accessible Information	Staff to ensure interpretation and translation services (for language translations) and type talk services (for people hard of hearing) and the AbilityNet link are clearly identified on the LWP websites and within the LRWS itself	Accessible information details are identified on LWP website and in the LRWS	Comms team/waste policy team	Ongoing and throughout implementation of the LRWS
	Accessible material and equalities material is sent to managers at the HWRC	All HWRC managers receive accessible service information for dissemination to staff	Waste Operations	Ongoing and throughout implementation of the LRWS
	Consult with key bodies e.g. Housing Officers to ensure hard to reach groups are engaged	Collaborative partnerships are fostered to deliver accessible service information	WCA district officers	Ongoing and throughout implementation of the LRWS
Equality training	Operational and customer service staff, new starters and managers to receive appropriate equalities and diversity training and unconscious bias training	100% for all mandatory training	LCC Customer Services Manager / LCC Waste Team Managers / WCA Customer Service Teams and collection managers	Ongoing and throughout implementation of the LRWS

Section 4: Sign off and scrutiny

Upon completion, the Lead Officer completing this assessment is required to sign the document in the section below.

It is required that this Equality and Human Rights Impact Assessment (EHRIA) is scrutinised by your [Departmental Equalities Group](#) and signed off by the Chair of the Group.

Once scrutiny and sign off has taken place, a depersonalised version of this EHRIA should be published on Leicestershire County Council's website. Please send a copy of this form to louisa.jordan@leics.gov.uk, Members Secretariat, in the Chief Executive's department for publishing.

Section 4

A: Sign Off and Scrutiny

Confirm, as appropriate, which elements of the EHRIA have been completed and are required for sign off and scrutiny.

Equality and Human Rights Assessment Screening ☐

Equality and Human Rights Assessment Report ☐

1st Authorised Signature (EHRIA Lead Officer):Anna Low

Date:7 November 2022

2nd Authorised Signature (DEG Chair):Alex Scott (on behalf of Ann Carruthers)

Date:16 November 2022.....

3rd Authorised Signature (Senior Representative Officer on behalf of district and borough councils)Edd de Coverly

Date: 12 January 2023

Appendix E – Public consultation results summary

Public consultation – overall findings

Extensive public consultation was undertaken for 12 weeks in Spring 2022.

The results of the survey were analysed and the key conclusions were:

- The proposed vision and strategy resonate with residents
- The understanding of the relationship between waste and climate change is limited.
- Residents are enthusiastic about greater engagement in reducing waste and increasing recycling and recognise they have a key role to play (community initiatives and collective action).
- Communications and engagement activities need to be developed bearing in mind learning from behavioural science, and addressing the environmental, personal and social factors that can affect behaviour.

The key themes, issues, and considerations are:

- Tackling fly tipping - an area of concern for residents.
- Putting pressure on producers – residents would like to see producers take more responsibility and use recyclable packaging for their goods.
- Increased access to sustainable activities – recognition of these to be accessible and affordable for all, especially waste prevention and reuse.
- Engagement and encouragement – respondents like to be kept informed and suggested potential for incentives for rewarding positive behaviours.
- Educating residents - suggested that efforts need to be made to encourage understanding the issue of waste and its relationship to climate change.
- Concerns with food waste collections - respondents were generally positive on the introduction of food waste collections (65% saw no barriers to using a food waste collection) but there were concerns raised of how it works in practice e.g. smells and hygiene.
- Expanding kerbside recycling - to reduce the amount of residual waste, respondents were keen for the introduction of a wider variety of materials collected at the kerbside.
- Accessibility of garden waste collections – residents were generally satisfied with the service but a reoccurring theme was accessibility to this service and charging.
- Restricted residual waste collection and household size – residents from larger households raised concerns on restricted residual waste. Overall the option of a fortnightly collection with a smaller size bin was more favourable (39%) than a three weekly collection with a current size bin (16%).
- Improving Household Waste and Recycling Sites (HWRCs) - levels of satisfaction with HWRCs were high although some respondents did raise concerns regarding short opening hours, too few HWRC sites and inaccessibility

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Blaby District Council Council

Date of Meeting	22 February 2023
Title of Report	Recommendations of the Cabinet Executive: Quarter 3 Capital Programme Review 2022/23 This is a not Key Decision and is on the Forward Plan.
Lead Member	Cllr. Maggie Wright - Finance, People & Performance (Deputy Leader)
Report Author	Accountancy Services Manager
Corporate Priority	Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 This report provides Members an update on expenditure against the Capital Programme for the third quarter of 2022/23.

2. Recommendation(s) to Council

- 2.1 That the report is noted.
- 2.2 That the latest Capital Programme for 2022/23 totalling £7,668,928 is approved.

3. Reason for Decisions Recommended

- 3.1 To ensure the Council has adequate resources in place to meet its capital expenditure commitments

4.1 Background

The original Capital Programme for 2022/23 was approved on 24th February 2022 and amounted to £2,452,500 which included a borrowing requirement of £1,168,500.

Since then, there have been various additions and deletions to the original Capital Programme, including £2,847,013 brought forward from 2021/22, which culminated in Council approving a revised budget of £8,039,700 in November 2022.

The following table shows the movement in the Capital Programme in the year to date, including the latest proposed changes recommended for approval. Those changes will result in a reduced capital programme total of £7,668,928.

Appendix A gives a complete breakdown of planned expenditure on a scheme-by-scheme basis, including how it will be resourced.

	£
Original Capital Programme – approved February 2022	2,452,500
Changes between April 2022 and November 2022	5,587,200
Latest Approved Capital Programme – November 2022	8,039,700
<u>New Additions</u>	
Refurbishment of Vacant Industrial Estate Units	450,000
Huncote Landfill Gas Works to facilitate early re-opening	80,000
External funding towards Blaby assisted toilets	70,000
Extension to Enderby Leisure Centre Car Park*	40,000
S106 Contributions allocated to new projects	89,646
Replacement Plan Printer	11,850
<u>Reductions and deferrals</u>	
Fleet Vehicle Replacement Programme	(496,897)
Disabled Facilities Grants	(175,624)
Walk & Ride Blaby*	(40,000)
HR & Payroll System	(100,000)
Various Corporate ICT Projects	(215,232)
Other Savings and Deferrals	(84,515)
Revised Capital Programme 2022/23	7,668,928

The reasons behind the additions and reductions highlighted in the table above are as follows:

Additions

- On 31st January 2023, Council approved capital expenditure of £450,000 to carry out essential works on two vacant units at Enderby Road Industrial Estate. The Council has identified a potential new tenant for the vacant units, who wishes to take up occupancy by 1st April 2023. In the event that this is achievable it may be possible to reduce the cost of works to £270,000.
- Additional works were approved by Council in July 2022 to enable Huncote Leisure Centre to re-open in October, in order to enhance the leisure management fee receivable.
- The Council had bid for external funding of £70,000 from the Changing Places fund to allow for assisted toilet facilities at Blaby. This is in addition to the Council's own funding of £100,000 already included in the Capital Programme.
- Quotes received in respect of the proposed extension to Enderby Leisure Centre Car Park are £40,000 higher than budgeted. Whilst this

can be met from the contingency sum included in the Walk Ride Blaby project, officers are continuing to look at ways to reduce the cost of works.

- The Planning Obligations Monitoring Group has allocated an additional £89,646 of S106 contributions to new projects for which funding bids have been submitted.
- An additional £11,850 is required to replace the existing plan printer used by Planning.

Reductions and deferrals

- The acquisition of a number of vehicles included in this year's Fleet Vehicle Replacement Programme has been deferred until the early part of 2023/24.
- The initial Disabled Facilities Grant allocation was top sliced by agreement with the Better Care Fund to allow for investment in various county-wide schemes including the employment of additional occupational therapists, and assistive technology. The Lightbulb is leading on many of these schemes and budget provision is included within the revenue budget.
- £40,000 has been transferred from the Walk Ride Blaby project contingency to cover a potential overspend on the leisure centre car park extension scheme.
- A new contract for provision of a cloud-based HR & Payroll system has now been signed. The contract remains with the Council's existing software supplier which means that up front implementation costs are not substantial. Allowance has been left within the budget to accommodate any additional resource that may be required to backfill for officers involved in the implementation.
- A number of ICT projects included in the original workplan have not progressed as soon as expected. The budget is therefore being deferred to the next financial year in line with expected completion dates.
- Some other schemes of a minor nature have been deferred to next financial year or are no longer necessary.

4.2 Performance to date

At the end of the third quarter of 2022/23, the Council had spent £1,025,302 against its planned Capital Programme.

Explanations for the main variances in Quarter 3 are as follows:

- Disabled Facilities Grants – Works are continuing to progress, and in the third quarter of the financial year a total of £529,000 has been utilised, which is an increase from last year quarter 3. Increase costs of materials and labour attribute to this increase as well as there being an increase in demand. Currently there is a waiting list with adult social care Occupational Therapists assessments for adaptations. Also, we continue to see demand increase for Self-Assessment referrals via the website.

- Refurbishment of Industrial Estate Units – budget only approved on 31st January, but it is planned to complete the necessary works to allow for occupation by 1st April 2023.
- Replacement Boiler at Council Offices – The project was sent out for retender, unfortunately the prices quoted have not reduced significantly from those in the original exercise. The project will now progress given the need to carry out this work quite urgently.
- Huncote Landfill Gas Remedial Works – The Gas mitigation work carried out in December appears to have been successful. It is planned that the safety monitoring equipment that is currently on site should stay there for much of the remainder of Quarter 4, after which the reopening of the remainder of the site may be considered.
- Extension to Enderby Leisure Centre Car Park – The planning application is to be submitted in February and it is anticipated that the project will begin April or May.
- Walk Ride Blaby – The work on this project will start in February.
- HR & Payroll Software – initial implementation costs to be spent imminently (approximately £40,000), with the remainder of the budget required for backfilling.
- Blaby Town Centre Toilets - £170,000 including assisted facilities for which external funding has been secured. This project is proceeding with the planning application now submitted and installation works being planned should the application be successful.
- Resurfacing of Car Park at Fosse Meadows – This work should be completed by the end of the final quarter of this financial year.
- Refurbishment of Council Offices – phase three of the office alterations were completed shortly prior to Christmas; snagging and several extras remain to be completed by the end of Quarter 4.

5. What will it cost and are there opportunities for savings?

5.1 Not applicable

6. What are the risks and how can they be reduced?

6.1

Current Risk	Actions to reduce the risks
Net expenditure may exceed the approved budget due to a shortfall in income or overspending.	Ongoing budget monitoring to highlight variances at an early stage.
Rising inflation costs may cause project costs to exceed the approved budgets.	Regular monitoring of the project costs by the project managers together with support from the Capital Accountant to address any concerns at an early stage. Any price rise that cannot be accommodated within normal tolerances will be reported back to Council before proceeding with the planned works. The overall affordability of the

	Capital Programme will be considered in terms of its impact on the Revenue Budget and projects will be deferred or removed from the programme as necessary
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7. Other options considered

7.1 None

8. Environmental impact

8.1 In preparing this report the author has considered the impact on the environment and there are no areas of concern.

9. Other significant issues

9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

10. Appendix

10.1 Appendix A – Capital Monitoring Statement to 31st December 2022

11. Background paper(s)

11.1 None

12. Report author's contact details

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nick.quinn@blaby.gov.uk	0116 272 7668

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	Original Capital Programme 2022/23 £	Budgets Brought Forward from 2021/22 £	Approved Adjustments to November 2022 £	New Adjustments to Capital Programme £	Latest Capital Programme 2022/23 £	Capital Expenditure to 31st Dec. 2022 £	Variance as at 31st Dec. 2022 £
Invest to Save Schemes							
Regeneration Property	0	0	2,500,000	0	2,500,000	0	2,500,000
Huncote Landfill Gas Works to facilitate early re-opening	0	0	0	80,000	80,000	0	80,000
Installation of LED Lighting at Council Offices	0	25,492	0	0	25,492	22,000	3,492
Revenues & Benefits - Document Management & MyView	0	100,650	0	0	100,650	0	100,650
Sub Total - Invest to Save Schemes	0	126,142	2,500,000	80,000	2,706,142	22,000	2,684,142
Essential/Contractual Schemes							
Refurbishment of Vacant Units, Enderby Road Industrial Estate	0	0	0	450,000	450,000	0	450,000
Huncote Landfill Gas Remedial Works	0	0	204,955	0	204,955	11,625	193,330
Walk & Ride Blaby	180,000	0	0	(40,000)	140,000	0	140,000
Extension of Enderby Leisure Centre Car Park	150,000	0	0	40,000	190,000	0	190,000
Capital Grants Programme	54,500	14,574	(16,496)	0	52,578	30,038	22,540
Blaby Town Centre Improvements	0	81,626	0	0	81,626	44,979	36,647
Blaby Town Centre Toilets	100,000	0	0	0	100,000	0	100,000
Conversion of the Old Bank, Narborough	0	38,282	0	0	38,282	0	38,282
Works to Landfill Gas Monitoring System, Pavilion	0	10,794	0	0	10,794	0	10,794
Replacement of Air Quality Analysers	10,000	28,854	0	0	38,854	9,211	29,643
Income Management System	20,000	0	0	0	20,000	0	20,000
Financial Management System	0	4,030	0	0	4,030	3,187	843
HR & Payroll System	0	250,000	0	(100,000)	150,000	0	150,000
End User Device Replacement	0	29,983	0	(20,263)	9,720	6,166	3,554
Network Refresh	0	57,000	0	0	57,000	0	57,000
Data Centre	0	118,000	0	0	118,000	111,785	6,215
Office 365 Consultancy	0	38,000	0	(32,000)	6,000	296	5,704
Network Upgrades - Phase 2	46,000	0	0	(46,000)	0	0	0
ICT Security Upgrades	107,000	0	0	(107,000)	0	0	0
Fleet Vehicle Replacement Programme	500,000	53,897	0	(496,897)	57,000	31,849	25,151
Vehicle CCTV & Tracking Upgrade	47,000	0	0	0	47,000	0	47,000
Resurfacing of Main & Overflow Car Parks, Fosse Meadows	150,000	0	0	0	150,000	0	150,000
Entrance & Path Improvements at the Osiers, Braunstone	10,000	0	0	0	10,000	8,684	1,316
Regrade and dress pathway, Whetstone Way, Whetstone	10,000	0	0	0	10,000	10,000	0
Regrade and dress pathway at Whistle Way, Narborough	10,000	0	0	0	10,000	9,991	9
Crow Mills: Steps Fencing & Paths Upgrade	19,000	0	0	0	19,000	19,000	0
Regrade and dress pathway, Countesthorpe Country Park	10,000	0	0	0	10,000	0	10,000
Improvements to Footpaths at the Osiers, Braunstone	0	15,000	0	0	15,000	15,000	0
Fosse Meadows - Gates, Fencing and Footpaths	13,000	0	0	0	13,000	0	13,000
Performance Management System	0	17,000	0	(17,000)	0	0	0
Replacement of Corporate GIS System	0	18,120	0	0	18,120	14,600	3,520
Replacement Plan Printer	0	0	0	11,850	11,850	0	11,850
Council Offices - Green Heating Solution	0	111,934	128,066	0	240,000	5,162	234,838
Council Offices - Work Stations Upgrades	0	17,296	0	0	17,296	0	17,296
Refurbishment of Council Offices	250,000	50,000	(100,000)	0	200,000	60,582	139,418
Resurfacing of Car Parks	0	91,268	0	0	91,268	0	91,268
Renovation of the Ice House, Bouskell Park, Blaby	0	1,649	0	0	1,649	0	1,649
Active Blaby Website Enhancement	4,000	3,477	0	0	7,477	3,500	3,977
Sub Total - Essential & Contractual Schemes	1,690,500	1,050,784	216,525	(357,310)	2,600,499	395,655	2,204,844
Desirable Schemes (subject to affordability)							
Green Community Grants	0	3,504	16,496	0	20,000	15,724	4,276
Car Park and bridge improvements, Bouskell Park, Blaby	0	200,000	0	0	200,000	0	200,000
Sub Total - Desirable Schemes	0	203,504	16,496	0	220,000	15,724	204,276
Externally Funded Schemes							
Disabled Facilities Grants	630,000	1,116,455	12,183	(175,624)	1,583,014	529,300	1,053,714
Housing Support Grants	30,000	23,244	0	0	53,244	13,167	40,077
Empty Property Grants & Loans	0	28,049	0	(18,049)	10,000	0	10,000
Air Quality Action Plan	0	7,734	0	(7,734)	0	0	0
Hardware for IER Implementation	0	3,057	0	(3,057)	0	0	0
Blaby Town Centre Assisted Toilets	0	0	0	70,000	70,000	0	70,000
CCTV cameras, Blaby Town Centre & Narborough Station	40,000	0	0	0	40,000	0	40,000
Section 106-backed Schemes	0	243,715	23,049	89,646	356,410	49,456	306,954
Sub Total - Externally Funded Schemes	700,000	1,422,254	35,232	(44,818)	2,112,668	591,923	1,520,745
Other Schemes							
Land Charges & Customer Portal	0	26,675	0	(26,675)	0	0	0
iDox Software Upgrade	0	390	0	0	390	0	390
Enabling Microsoft Teams	0	9,969	0	(9,969)	0	0	0
Council Offices - New Exterior Lighting and Signage	0	1,542	0	0	1,542	0	1,542
Council Offices - Replacement of Fire Escape Doors	0	5,753	0	0	5,753	0	5,753
Update to Social Prescribing System	12,000	0	0	(12,000)	0	0	0
Asset Management Group Contingency	50,000	0	(28,066)	0	21,934	0	21,934
Sub Total - Other Schemes	62,000	44,329	(28,066)	(48,644)	29,619	0	29,619
TOTAL CAPITAL PROGRAMME 2022/23	2,452,500	2,847,013	2,740,187	(370,772)	7,668,928	1,025,302	6,643,626

	Original Capital Programme 2022/23 £	Budgets Brought Forward from 2021/22 £	Approved Adjustments to November 2022 £	New Adjustments to Capital Programme £	Latest Capital Programme 2022/23 £	Capital Expenditure to 31st Dec. 2022 £	Variance as at 31st Dec. 2022 £
FINANCED BY:	Original Capital Programme 2022/23 £	Budgets Brought Forward from 2021/22 £	Approved Adjustments to November 2022 £	New Adjustments to Capital Programme £	Latest Capital Programme 2022/23 £	Capital Expenditure to 31st Dec. 2022 £	Variance as at 31st Dec. 2022 £
Borrowing	1,118,500	569,932	2,704,955	365,000	4,758,387	173,269	4,585,118
Capital Receipts	534,000	442,903	0	(611,722)	365,181	27,285	337,896
Capital Grants & Contributions	700,000	1,425,831	35,232	(26,769)	2,134,294	623,549	1,510,745
Capital Reserves	0	356,910	0	(97,281)	259,629	187,846	71,783
Revenue Funded Capital Expenditure	100,000	51,437	0	0	151,437	13,353	138,084
TOTAL FUNDING	2,452,500	2,847,013	2,740,187	(370,772)	7,668,928	1,025,302	6,643,626

Blaby District Council Council

Date of Meeting	22 February 2023
Title of Report	Recommendations of the Cabinet Executive: 5 Year Capital Programme 2023/24 to 2027/28 This is not a Key Decision and is on the Forward Plan
Lead Member	Cllr. Maggie Wright - Finance, People & Performance (Deputy Leader)
Report Author	Finance Group Manager
Corporate Priority	Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 This report sets out the Council's proposed Capital Programme and resources for the next five financial years commencing in 2023/24. The Capital Programme covers our planned expenditure on the acquisition, construction and/or enhancement of non-current assets, i.e., those assets with a useful life of greater than one year.
- 1.2 The report also presents the Council's updated Capital Strategy in accordance with the requirements of the 2017 Prudential Code.

2. Recommendation(s) to Council

- 2.1 That the 5 Year Capital Programme for 2023/24 to 2027/28, set out at Appendix A, is approved.
- 2.2 That the application of capital resources of 3,618,500 for 2023/24, including a borrowing requirement of 2,295,500, is approved.
- 2.3 That the Capital Strategy 2023/24 to 2027/28 is approved

3. Reason for Decisions Recommended

- 3.1 To obtain approval for the proposed level of capital expenditure in 2023/24 and the suggested method of financing that expenditure.
- 3.2 To provide a longer term forecast of capital expenditure and financing requirements for the period 2023/24 to 2027/28.
- 3.3 To ensure compliance with the Prudential Code.

4. Matters to consider

4.1 Background

The Council approved its current Capital Strategy on 24th February 2022. The Capital Strategy is a high-level document that considers the Council's future capital spending plans and available capital resources, together with the implications for the revenue account. The strategy also sets out the overall governance process for setting the Capital Programme.

Part of the governance process involves the approval of a rolling 5 Year Capital Programme based around the Council's strategic priorities and planned renewal and replacement of existing assets.

The summarised 5 Year Capital Programme covering the financial years 2023/24 to 2027/28 is attached at Appendix A. The starting point is the existing 5-year programme, which was also approved by Council at the above meeting. The Senior Leadership Team has reviewed the existing programme and separated the schemes into the following categories as a way of targeting resources where the need is most urgent or where longer-term savings will be generated:

- Invest to Save schemes
- Essential schemes or those where the Council is contractually committed
- Desirable schemes subject to affordability
- Schemes that are externally funded

Consideration has also been given to where schemes can be, or need to be, deferred to a future financial year. The headline proposals were considered by Strategic Board in November 2022, although some of the detail has since been refined to reflect emerging priorities and slippage to the planned programme of works.

4.2 Proposal(s)

As can be seen at Appendix A, the total proposed Capital Programme for the next five years amounts to £11.1m, of which just over £3.6m falls in 2023/24. At this point in time, many of the schemes put forward for inclusion in the Capital Programme require further refinement in terms of specification and cost. Some of those schemes may also require separate approval from Council before proceeding. In cases such as this a further report will be brought before Council at the appropriate time.

Across the life of the 5 Year Capital Programme, it is forecast that just under £2.1m of capital expenditure can be met from the Council's own resources (e.g., capital receipts and reserves), and another £3.3m from capital Grants and contributions. This leaves a projected borrowing requirement of £5.7m between 2023/24 and 2027/28.

The estimated borrowing requirement in 2023/24 is £2.3m with the remainder of the programme being funded from a mixture of government grant, Section 106 contributions, capital receipts, and earmarked reserves. The main expenditure requirements in 2023/24 are as follows:

- Fleet Vehicle Replacement Programme (£1,505,000) – this allows for 5 refuse vehicles at an approximate cost of £200,000 each, a sweeper and transit van for District Cleansing (£125,000), and various vehicles for the Open Spaces team (£380,000). At this point it has been agreed that we will not seek to purchase electric vehicles until we have the necessary charging infrastructure in place, and whilst the price margin between diesel and electric vehicles remains at current levels.
- Disabled Facilities Grants (£660,000) - the precise grant allocation has not yet been released but is expected to be similar to 2022/23. £30,000 of this sum is earmarked for the provision of housing support grants.
- Installation of solar panels and an air source heat pump at the Depot (£600,000) – as mentioned on the previous page, this is an indicative cost and will require further market testing. A separate report will be brought back to Council before proceeding. It is anticipated that this scheme will generate longer term efficiencies in terms of reduced energy costs.
- Electric Vehicle Infrastructure for Depot (£250,000) – the progression of this investment will be dependent upon the extent to which the Council decides to move to electrification of the fleet.

In September 2022, Council approved a change to its Minimum Revenue Provision (MRP) Policy, effective from 2022/23. This involves moving from a straight-line “depreciation” method of writing down borrowing costs to an annuity-based method using the weighted average asset life of assets included in the capital programme during the financial year.

Under the new policy, the additional MRP chargeable in respect of schemes in the 2023/24 Capital Programme is just under £300,000, although this charge will not hit the General Fund budget until 2024/25, the year after the borrowing is incurred. There will also be additional revenue costs in respect of loan interest payable, and other running costs as shown in the table below.

Additional Revenue Costs:	2023/24 £	Full Year £
MRP related to new borrowing	0	265,395
Interest payable	43,000	86,000
Other running costs	24,100	24,100
	67,100	375,495

The costs above have been built into the base budget and medium-term financial strategy. Capital schemes that fall within the category of “Invest to Save” are expected to generate efficiencies and savings in future financial years, although these savings have yet to be quantified and included within the base budget.

Given the impact of the current cost-of-living crisis, and high inflation, it should be noted that many of the budgets included in the capital proposals are best estimates and subject to change. They are designed to give a broad indication of the likely cost of each scheme and will need to be refined as the procurement process gets underway. Where there is a significant departure, outside of the tolerances permitted by the financial regulations, a further report will be brought back to Council with final costs when they are known.

Furthermore, it will be necessary for the Asset Management Group to closely monitor the progress against the Capital Programme and, if the revenue implications become prohibitive, because of increasing costs or changes to available funding, schemes may be recommended for deferral. Similarly, if it becomes apparent that the Council can utilise more of its own resources to fund capital expenditure, instead of borrowing, this will also be considered to reduce ongoing revenue costs.

4.3 Capital Strategy

The 2021 Prudential Code makes it incumbent upon local authorities to produce an annual Capital Strategy. This is largely in response to the major expansion of local authority investment activity over recent years into the purchase of non-financial investments, particularly property.

The main issues raised in the Code are:

- A local authority should define its risk appetite and its governance processes for managing risk.
- A local authority should assess the risks and rewards of significant investments over the long term, to ensure the long-term financial sustainability of the authority. CIPFA has not defined what longer term means but it infers a timescale of 20-30 years in line with the financing time horizon and the expected life of the assets, while medium term financial planning, at a higher level of detail, is probably aimed at around a 10-year time frame and to focus on affordability.
- The Prudential Code stresses that local authorities should ensure that their approach to commercial activities should be proportional to its overall resources.
- A local authority should have access to the appropriate level of expertise to be able to operate safely in all areas of investment and capital expenditure, and to involve members adequately in making properly informed decisions on such investments.

Up to now, since Blaby has not purchased any non-financial assets, it has not been considered necessary to produce a 20-to-30-year Capital Strategy. Now that Council has approved, in principle, the investment in property for regeneration purposes, it may be necessary to widen the timescale covered by the Capital Strategy in future. However, for the time being, only the capital proposals for the period 2023/24 to 2027/28 have been built into the updated Capital Strategy which appears at Appendix B.

5. What will it cost and are there opportunities for savings?

5.1 The costs are detailed in the body of this report and in Appendices A and B.

6. What are the risks and how can they be reduced?

6.1

Current Risk	Actions to reduce the risks
Investment in capital schemes which may not be aligned to Council priorities, or which might not be affordable.	All bids submitted for inclusion in the capital programme are reviewed against the Council's priorities, whether the investment supports service delivery, and the capital and revenue consequences for the budget.
That the authorised capital expenditure is exceeded as projects progress throughout the year.	The projects are monitored throughout the year by the AMG, which highlights any possible variances at the earliest opportunity.
That the revenue costs arising from the Capital Programme are unaffordable in light of changes to local government funding.	Future year's schemes may need to be reviewed and, where necessary deferred or stopped completely, if revenue savings need to be identified.

7. Other options considered

7.1 None. It is important to produce a 5-year Capital Programme as a minimum requirement of the Capital Strategy, and that the programme aligns with the Council's Medium Term Financial Strategy.

8. Environmental impact

8.1 None arising directly from this report, but all capital bids are required to make clear how they help to achieve the Council's Carbon Net Zero target.

9. Other significant issues

9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

10. Appendix

10.1 Appendix A – 5 Year Capital Programme

10.2 Appendix B – Capital Strategy

11. Background paper(s)

11.1 None.

12. Report author's contact details

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FIVE YEAR CAPITAL PROGRAMME 2023/24 - 2027/28

Project	Planned Capital Expenditure					
	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
<u>Invest to Save Schemes</u>						
Regeneration Property	0	0	0	0	0	0
Solar Panels & Air Source Heat Pump for Depot	600,000	0	0	0	0	600,000
Replacement/Upgrade of Service Specific IT Systems	0	200,000	0	0	150,000	350,000
Sub-total Invest to Save Schemes	600,000	200,000	0	0	150,000	950,000
<u>Essential/Contractual Schemes</u>						
Electric Vehicle Infrastructure for Depot	250,000	0	60,000	35,000	35,000	380,000
Landfill Gas Monitoring Works	25,000	40,000	0	0	0	65,000
Leisure Centres	0	175,292	0	0	0	175,292
Fleet Vehicle Replacement Programme	1,505,000	1,476,000	120,000	0	1,515,000	4,616,000
Improvement Works to Strategic Parks & Open Spaces	11,000	0	0	0	0	11,000
Capital Grants Programme	54,500	54,500	54,500	54,500	54,500	272,500
Corporate IT Infrastructure & Security	245,000	0	282,000	118,000	0	645,000
Replacement/Upgrade of Service Specific IT Systems	200,000	20,000	0	0	210,000	430,000
Sub-total Essential/Contractual Schemes	2,290,500	1,765,792	516,500	207,500	1,814,500	6,594,792
<u>Desirable Schemes (subject to affordability)</u>						
Improvement Works to Strategic Parks & Open Spaces	22,000	0	0	0	0	22,000
Sub-total Desirable Schemes	22,000	0	0	0	0	22,000
<u>Externally Funded Schemes</u>						
Disabled Facilities Grants	630,000	630,000	630,000	630,000	630,000	3,150,000
Housing Support Grants	30,000	30,000	30,000	30,000	30,000	150,000
Improvement Works to Strategic Parks & Open Spaces	46,000	98,000	43,000	14,000	32,000	233,000
	706,000	758,000	703,000	674,000	692,000	3,533,000
TOTAL CAPITAL EXPENDITURE	3,618,500	2,723,792	1,219,500	881,500	2,656,500	11,099,792

	Planned Capital Resources					
	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
<u>Financed by:</u>						
Borrowing	2,295,500	1,445,792	334,500	207,500	1,464,500	5,747,792
Capital Receipts	525,000	520,000	150,000	0	500,000	1,695,000
Capital Grants	660,000	660,000	660,000	660,000	660,000	3,300,000
Section 106 Contributions	46,000	98,000	43,000	14,000	32,000	233,000
Capital Reserves	92,000	0	32,000	0	0	124,000
TOTAL CAPITAL FINANCING	3,618,500	2,723,792	1,219,500	881,500	2,656,500	11,099,792

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CAPITAL STRATEGY 2023/24 – 2027/28

1. INTRODUCTION

1.1 Background

1.1.1 The Prudential Code for Capital Finance in Local Authorities was developed by the Chartered Institute of Public Finance Accountants (CIPFA) to support local authorities with their capital investment decision making processes. Local authorities are required by Regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003.

1.1.2 The most recent versions of the CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report to provide the following:

- A high-level long-term 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
- The implications for future financial sustainability

The aim of the Capital Strategy is to ensure that Members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite. The revised reporting requirements include changes to this Capital Strategy, prudential indicators, and investment reporting. There is an implicit requirement that an authority must not borrow to invest primarily for financial return.

1.2 Aims and Principles

1.2.1 In terms of capital expenditure and investment, the Council's main aim is to deliver our corporate objectives and priorities whilst ensuring that our capital plans are affordable, prudent, and sustainable.

1.2.2 The Capital Strategy demonstrates that the Council takes capital expenditure and investment decisions in line with service objectives, and properly takes account of stewardship, value for money, prudence, sustainability, and affordability. The strategy sets out the long-term context in which capital expenditure and investment decisions are made, and to give due consideration to risk and reward, and the impact on the achievement of priority outcomes. It comprises the following distinct but inter-related elements:

- Capital expenditure.
- The Five-Year Capital Plan.
- Financing our capital expenditure plans.
- The capital appraisal and prioritisation process.
- An overview of the governance process, including approval, monitoring, and reporting.
- Debt and other treasury management issues
- Commercial activity

- Skills and knowledge required to deliver our capital plans.

1.2.3 The Capital Strategy should be read in conjunction with our Treasury Management Strategy and the Minimum Revenue Provision (MRP) Policy since our capital expenditure plans have a direct impact on debt and the MRP.

1.2.4 The key principles upon which the Capital Strategy is based are as follows:

- Ensuring that capital investment is focused on the delivery of our Vision and corporate priorities, as set out in the Blaby Plan.
- Maximising our available capital resources and ensuring value for money.
- Ensuring proper stewardship and sound governance in our decision-making process.
- Ensuring that our plans are affordable, prudent, and sustainable.

2. CAPITAL EXPENDITURE

2.1 Definition of Capital Expenditure

2.1.1 Capital expenditure is broadly defined as expenditure on the acquisition, creation, or enhancement of non-current assets. Non-current assets are those items of land, property and vehicles, plant or equipment which have a continuing benefit to the Council for a period extending beyond one year.

2.1.2 Grants or loans made to a third party, towards expenditure which meets the definition above, may also be capitalised. An example of this would be disabled facilities grants.

2.1.3 The Council will incur capital expenditure for several reasons, including:

- To refurbish and extend the useful life of existing assets.
- To deliver its corporate priorities.
- To meet statutory requirements and/or health and safety regulations.
- To avoid unnecessary revenue expenditure.

2.2 Capitalisation Policy

2.2.1 The Council operates a de-minimis limit of £10,000 for expenditure to be considered for capitalisation. Below that limit, expenditure will be charged to the revenue account.

2.2.2 Subject to the de-minimis limit referred to above, the following categories of expenditure will be capitalised:

- The acquisition, reclamation, enhancement or laying out of land.
- The acquisition, construction, preparation, enhancement or replacement of buildings and other infrastructure.
- The acquisition, installation or replacement of vehicles, plant, machinery, and equipment.
- The making of grants, loans, or other financial assistance towards expenditure.
- The acquisition of share or loan capital.
- The acquisition of computer software licences.

3. THE FIVE-YEAR CAPITAL PLAN

3.1 Capital Plans

3.1.1 The five-year capital programme is sub-divided into the following categories:

- Invest to save schemes.
- Schemes that are deemed to be essential to the delivery of our services or are linked to a long-term contract.
- Schemes that are considered to be desirable, but which are subject to affordability and the availability of resources.
- Externally funded schemes.

3.2 Our Vision and Priorities

3.2.1 Our vision is that Blaby District is made up of thriving and vibrant communities where people are happy to live, work and visit.

3.2.2 Our priorities link back to the vision and are:

- A Place to Live
- A Place to Work
- A Place to Visit

Corporate priorities are set out within the Blaby District Plan 2021 to 2024 that was approved by Council on 19th January 2021. Key objectives sit below each priority and services will develop operational action plans to support the delivery of those objectives.

3.2.3 A Place to Live

Strong, healthy, safe, sustainable communities where the most vulnerable are supported.

We will:

- Deliver our Climate Change Strategy and, champion the Green Agenda in all we do
- Deliver the right housing in the right places
- Work in partnership to keep our communities safe and healthy
- Help people to help themselves and live independently
- Deliver services which are “digital by choice”

3.2.4 A Place to Work

A thriving, prosperous, innovative local economy with a skilled and healthy workforce contributing to the local community.

We will:

- Support businesses in our district, encourage investment and growth and respond to evolving challenges that they may face
- Work with partners to deliver accessible, local employment and training opportunities
- Promote a healthy workforce and workplaces across Blaby District
- Promote “think local” in everything that we do

3.2.5 A Place to Visit

A strong leisure and tourism sector and well maintained and accessible attractions available in the local area encourage visitors to the district.

We will:

- Promote Blaby District as a tourism destination
- Continue to promote and focus on our ambitions for Walk / Ride Blaby District
- Provide desirable, accessible green spaces for our visitors and communities

3.2.6 Linked to the above are two overarching themes, the People Strategy, and the Medium-Term Financial Strategy. Key objectives for 2023/24 include transforming the way we work as we recover from the COVID-19 pandemic, maximising income, seeking external funding opportunities, and adopting a business-like approach to service delivery.

3.3 Asset Management Planning

3.3.1 The Council owns a relatively small number of assets that, in general, make an important and positive contribution towards the delivery of our corporate priorities. The quality, condition, suitability, and sustainability of our operational assets have a direct bearing on our service delivery. Therefore, it is essential that our assets are managed proactively and efficiently to ensure that they are fit for purpose.

3.3.2 The Council's key asset management priorities are:

- Evaluate the appraisals of the Council office campus in addition to other key locations and where appropriate undertake more detailed assessments to determine the long-term potential for office accommodation and affordable homes.
- Deliver further accommodation improvements to support the transformation to more developed hybrid working such as a desk booking system and a staff communal area.

- Implementation of the new parks and open spaces strategy and associated management plans including exploring opportunities to fund improvements through biodiversity net gain funding
- Installation of solar panels, an air source heat pump, and electric charging infrastructure at the depot, in support of the Council's net zero carbon ambitions.

3.3.3 Although the Council's asset base is relatively small, it is nevertheless paramount that we make the best use of those assets. Consequently, an officer group meets regularly to consider options for the future use of assets that are surplus to requirements in terms of direct service delivery. Options will generally include disposal or redevelopment, and a report will be brought before Council for consideration depending upon the most sustainable proposals for the asset in question. An example of this is the redevelopment of the Old Bank, Narborough into flats which, in the longer term, will provide an income stream for the Council.

3.3.4 The Parks and Open Spaces team is close to completing the longer-term plan for the Council's strategic parks and open spaces. This plan will help to further inform the 5 Year Capital Programme and will consider options that will make the sites more sustainable in the future, with a focus upon income generation and environmental considerations arising from the Environment Bill.

3.3.5 One of the Council's key objectives, as set out in the Blaby District Plan 2021 – 2024, is to deliver our Climate Change Strategy and strive to meet our carbon net zero ambitions. All capital bids must demonstrate how they contribute to the delivery of the Council's strategic outcomes, objectives, and priorities. A key part of this will be how the capital proposals will help to meet our green agenda. However, it is important to recognise that there may be constraints, including financial, that mean this is not always practical. Examples of such initiatives that are included within the 2023/24 capital Programme are:

- The installation of solar panels and an air source heat pump at the depot.
- The installation of electric vehicle infrastructure at the depot.

3.4 Commercialisation

3.4.1 The Council recognises that future changes to the business rates mechanism and the wider Local Government funding formula will reinforce the need to seek new, innovative ways of generating income or reducing costs to support service delivery.

3.4.2 The Council takes a commercial, business-like approach to how it delivers services, monitors expenditure, and considers charging for services. This is balanced alongside the need to place our customers at the heart of everything we do and providing support for the most vulnerable in our community. The

Council has approved a Commercial Strategy which will provide focus and structure to the work that is already underway in the Council.

3.4.3 The vision of the Strategy is:

“To place Blaby in the best financial position possible, enabling Blaby District to be a Great Place to Live, Work and Visit.”

It aligns closely to the Council's other key strategies; the Blaby District Plan, Medium Term Financial Strategy, the Council's Economic Development Strategy - “Building Blaby, Shaping Futures”, and the Tourism Strategy.

3.4.4 The Strategy includes five priority themes:

- Strengthening and Efficiency of Services
- Investment in and Maximisation of Asset Utilisation
- Selling Services
- Maximising Partnership Working and Encouraging Corporate Social Responsibility
- Exploiting External Funding Opportunities

3.4.5 The Commercial Strategy was reviewed and refreshed in February 2022 in the wake of the COVID-19 pandemic, considering the current and future financial landscape. The updated Strategy includes a Priority Action Plan which details work that is currently being undertaken or is planned. Further detail is contained within the Commercial Strategy itself which is available to download from the Council's website.

3.4.6 The introduction of the general power of competence, on the back of the Localism Act 2011, has given local authorities more flexibility in the types of activity in which they can engage. As a result of the financial challenges facing local government, many local authorities began to consider much different and innovative types of investment than would previously been the case. However, the level of borrowing undertaken by local authorities to fund investment for commercial return has given the government cause for concern. This has been exacerbated by the number of authorities that have issued Section 114 notices in response to difficulties over financial sustainability. This has resulted in the current position, reflected in the changes introduced in the 2021 Prudential Code, whereby the wider powers and flexibilities referred to above are still in place, but the ability to borrow purely for financial gain has been removed.

3.4.7 At its meeting in September 2022, the Council approved the following “Commercialism Position Statement”:

The Council recognises the need to balance bold, innovative action with social value creation when considering any commercial venture.

In addition, the Council also recognises the need for achieving best value and efficiency in both service delivery and commercial activity. As such, the following areas will be considered more favourably when evaluating which activities should be pursued:

- Investment in regeneration activity that supports strategic development aims and generates a financial return, making the investment sustainable and not placing further pressure on revenue budgets.
- Where the impact on local business is minimised.
- Where Blaby's reputation, locally and nationally, would be enhanced.

An investment of the nature described above, since it has stated service aims, would not be precluded under the changes to the 2021 Prudential Code.

3.4.8 Council has also approved the addition of £2.5m to the 2022/23 Capital Programme for the strategic investment in commercial property for regeneration purposes, subject to any investment meeting the following criteria:

- Is there a benefit to the local economy or Blaby residents that can be gained from the activity?
- Can income be generated to support the activity?
- Can the income stream(s) be developed (at scale) within the next financial year?
- Can the income stream(s) be delivered with relative certainty?
- Are there significant financial risks associated with the opportunity?
- Is there a track record within the Council – or other local authorities – which demonstrate the opportunity is viable?
- Does the Council have any commercial advantage in addressing an opportunity compared to the private sector (or, potentially, neighbouring local authorities or other public bodies)?
- (Conversely) is the Council at a commercial disadvantage compared to existing players in the market who may have existing brands, infrastructure, or track record of service delivery?
- Could the private sector respond to the Council entering the market by competing aggressively – e.g., through price competition - such that an initial or extended period of trading losses might ensue?
- Does the Commercial opportunity come with significant legal or regulatory risk?
- Does the Council have skills and capacity within the existing workforce that enable the delivery of the commercial opportunity?
- Could the Council easily access skills and capacity from the employment / interim / consultancy markets that that enable the delivery of the commercial opportunity?
- Are there political or ethical reasons which may constrain the Council's ability to provide services on a commercial basis?

Any potential commercial investment activity for regeneration will be graded against these criteria and assessed independently. Given the complex and

many faceted aspects of any opportunity, there is no strict level for pass/fail; opportunities will be assessed on their merits.

Due to the current economic climate, there has not been the opportunity to progress any commercial investment to date, and it is unlikely that market conditions will be conducive for the remainder of 2022/23. However, the £2.5m budget has been left in the Capital Programme for 2022/23 but will be rolled forward into 2023/24 in the event that no further progress is made by year end.

3.5 Five Year Capital Programme

3.5.1 The Council recognises that its capital plans are inextricably linked with its service revenue expenditure, through borrowing costs (loan interest and the MRP) and other associated running costs. It is, therefore, essential that the longer-term capital planning implications are reflected in the Medium-Term Financial Strategy.

3.5.2 The 5 Year Capital Programme covering the period 2023/24 to 2027/28 is summarised in the table below.

Project	Planned Capital Expenditure					
	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total £
<u>Invest to Save Schemes</u>						
Solar Panels & Air Source Heat Pump for Depot	600,000	0	0	0	0	600,000
Replacement/Upgrade of Service IT Systems	0	200,000	0	0	150,000	350,000
<i>Sub-total Invest to Save Schemes</i>	600,000	200,000	0	0	150,000	950,000
<u>Essential and Contractual Schemes</u>						
Electric Vehicle Infrastructure for Depot	250,000	0	60,000	35,000	35,000	380,000
Landfill Gas Monitoring	25,000	40,000	0	0	0	65,000
Leisure Centres	0	175,292	0	0	0	175,292
Fleet Vehicle Replacement Programme	1,505,000	1,476,000	120,000	0	1,515,000	4,616,000
Improvements to Strategic Parks & Open Spaces	11,000	0	0	0	0	11,000
Capital Grants Programme	54,500	54,500	54,500	54,500	54,500	272,500
Corporate IT Infrastructure & Security	245,000	0	282,000	118,000	0	645,000
Replacement/Upgrade of Specific IT Systems	200,000	20,000	0	0	210,000	430,000
<i>Sub-total Essential & Contractual Schemes</i>	2,290,500	1,765,792	516,500	207,500	1,814,500	6,594,792
<i>Desirable Schemes</i>	22,000	0	0	0	0	22,000
<i>Externally Funded Schemes</i>	706,000	758,000	703,000	674,000	692,000	3,533,000
TOTAL CAPITAL EXPENDITURE	3,618,500	2,723,792	1,219,500	881,500	2,656,500	11,099,792

4. CAPITAL RESOURCES

4.1 Capital Receipts

- 4.1.1 Capital receipts mainly arise from the disposal of the Council's assets, subject to a statutory de-minimis limit of £10,000, below which the income is credited to the revenue account instead.
- 4.1.2 The Council also continues to generate capital receipts through the VAT Shelter arrangement and "Right to Buy" sales arising from the legacy arrangements in place following the housing stock transfer.
- 4.1.3 It is recognised that the Council's small asset base means that there are limited opportunities to dispose of assets to generate capital receipts.
- 4.1.4 Capital receipts may also be applied to repay debt. This has the effect of reducing the MRP liability and, therefore, generates revenue savings.
- 4.1.5 On 31st March 2023, it is estimated that the Council will have approximately £1.8m capital receipts available to finance its capital expenditure plans, of which just over £0.2m has been earmarked to affordable housing projects.

4.2 Government Grants

- 4.2.1 The Council's main government grant available to fund capital expenditure is the Disabled Facilities Grant (DFG) allocation which amounted to £660,000 in 2022/23. This grant is required to be spent in accordance with a Better Care Fund spending plan jointly agreed by local authorities and Clinical Commissioning Groups. In 2022/23, approximately £210,000 of the allocation was top-sliced and retained by the Better Care Fund to support county-wide initiatives to deliver additional occupational therapist provision, and assistive technology as part of a dementia pilot scheme.
- 4.2.2 The DFG allocation must be used for the specific purpose of providing adaptations for disabled people or other social care capital projects agreed with the Better Care Fund.
- 4.2.3 From time to time the Council receives other government grants that are usually ring-fenced for specific purposes, e.g., air quality monitoring.

4.3 Borrowing

- 4.3.1 Local authorities can borrow money for capital purposes, subject to the cost of borrowing being affordable, prudent, and sustainable. The affordability of any proposed borrowing is gauged by way of the Prudential Indicators, specifically the measure of financing costs as a proportion of the net revenue stream.

4.3.2 Borrowing may be sourced externally, e.g., through the Public Works Loan Board (PWLB), through the money markets, or other local authorities, or by way of applying our own cash balances, i.e., internal borrowing. In recent years the Council has, in the main, been able to use internal balances since, based on current market interest rates, it is cheaper to forego investment interest than it is to incur additional loan interest. The exception to this was in 2019/20 when the Council borrowed £6m to strengthen the maturity profile of the debt portfolio, and to finance the refurbishment of its leisure centres.

4.3.3 As borrowing has a consequential impact on the revenue budget, in terms of loan interest and MRP, the Council aims to limit the amount of borrowing it undertakes where possible unless it can be demonstrated that it leads to savings or generates additional income, such as with the recent refurbishment of our major leisure facilities at Enderby and Huncote.

4.4 Section 106 Contributions

4.4.1 Section 106 (S106) contributions are planning obligations arising from new developments within the district. Generally, they are intended to cover new infrastructure requirements that might arise because of the development, e.g., affordable housing, community facilities, open spaces.

4.4.2 The allocation of S106 contributions is managed by the Planning Obligations Monitoring Group, a joint officer and member group. Proposed schemes which meet the criteria for award of S106 funding must be presented to the Planning Obligations Monitoring Group for consideration.

4.4.3 Where it is appropriate to do so, the Council may also allocate S106 funding to support its own capital schemes.

4.5 Reserves

4.5.1 Reserves may be built up from revenue resources over time to pay for capital expenditure.

4.6 Revenue Contributions

4.6.1 Local authorities are also able to contribute from their revenue budget towards the financing of capital schemes – sometimes known as direct revenue funding. No limits are imposed on this form of funding, but plans must be affordable in terms of the MTFS.

4.7 Available Resources

4.7.1 The table below sets out the estimated current and future resources available to finance our capital expenditure plans.

	Estimated Balance as at 31/03/23 £'000	Income 2023/24 £'000	Income 2024/25 £'000	Income 2025/26 £'000	Income 2026/27 £'000	Income 2027/28 £'000	Total Expected Income £'000
Capital Receipts	1,604	70	70	70	70	70	1,954
Capital Grants	11	660	660	660	660	660	3,311
Reserves	525	0	0	0	0	0	525

Section 106 contributions have been excluded from the table above since each individual contribution will differ in terms of the type and location of scheme that they may be able to support.

4.7.2 The Council's 5 Year Capital Programme and planned financing is summarised below. This includes schemes that have already been approved (e.g., investment in regeneration property) and recurring expenditure such as DFGs.

Estimated Capital Programme	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
Invest to Save Schemes	600	200	0	0	160	950
Essential & Contractual Schemes	2,291	1,766	516	207	1,815	6,595
Desirable Schemes	22	0	0	0	0	22
Externally Funded Schemes	706	758	703	674	692	3,533
Total Schemes	3,619	2,724	1,219	881	2,657	11,100

Financed by:	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
Borrowing	2,296	1,446	334	207	1,465	5,748
Capital Receipts	525	520	150	0	500	1,695
Government Grant	660	660	660	660	660	3,300
Section 106 Contributions	46	98	43	14	32	233
Reserves	92	0	32	0	0	124
Total Funding	3,619	2,724	1,219	881	2,657	11,100

4.7.3 The following table indicates the remaining capital resources available if the 5 Year Capital Programme above is approved. It is assumed that the Council will receive £70,000 per annum from vehicle sales and a share of the sale proceeds of former Council dwellings.

Unallocated Resources	31/03/24 £'000	31/03/25 £'000	31/03/26 £'000	31/03/27 £'000	31/03/28 £'000
Capital Receipts	1,149	699	619	689	259
Reserves	433	433	401	401	401
Total Available	1,582	1,132	1,020	1,090	660

5. Capital Appraisal and Prioritisation Process

5.1 Capital Appraisal

- 5.1.1 The Five-Year Capital Programme is prepared by officers and approved annually by full Council as part of the budget setting process. Schemes falling within Year 1 are subject to full appraisal by the Asset Management Group, and Senior Leadership Team before being recommended to Council for approval. Years 2 to 5 remain as indicative costs to aid the forward planning process and to provide a link with the MTFS.
- 5.1.2 The Five-Year Capital Programme is refreshed and updated on an annual basis.
- 5.1.3 The existence of a five-year plan ensures a degree of certainty in terms of future capital costs and their impact on the revenue budget, with only new initiatives or urgent schemes coming forward outside of this process.
- 5.1.4 Capital schemes that are deemed to be Major Corporate Projects are appraised and monitored by Programme Board, essentially comprising members of the Senior Leadership Team. Any such schemes are subject to individual report to and approval by full Council in accordance with the Financial Regulations.
- 5.1.5 Other capital schemes will fall into four broad categories, as discussed in previous chapters.
- Schemes that involve forward investment to generate future revenue savings (this will include commercial investment).
 - Schemes that are deemed to be essential or which involve some form of contractual commitment, e.g., the fleet replacement programme, replacement, or upgrade of IT software etc.
 - Schemes that meet corporate objectives and are desirable, but which will only be progressed if affordable.
 - Externally funded schemes.

5.2 Major Corporate Projects

- 5.2.1 Capital schemes that are designated as Major Corporate Projects will be appraised and monitored by Programme Board.
- 5.2.2 Major Corporate Projects will be subject to separate, individual approval by full Council, outside of the capital planning process.
- 5.2.3 Not all Major Corporate Projects will be capital schemes, but it is likely that they will include at least an element of capital expenditure – e.g., the acquisition of new wheeled bins as part of the alternate weekly Refuse and Recycling service that was introduced in recent years.

5.3 Other Capital Schemes

5.3.1 Other capital schemes should, as far as possible, be identified for inclusion in the rolling 5 Year Capital Programme. It is anticipated that most schemes falling under the commercialisation agenda would, however, constitute a Major Corporate Project.

5.3.2 The capital planning process will run in tandem with the annual budget cycle. Service Managers will be required to identify their expected capital expenditure requirements over the next five years. This will require sufficient detail to allow the compilation of an indicative 5 Year Capital Programme, including the following:

- The asset type, e.g., car park, vehicle, open space, IT software.
- A brief description of the scheme
- The indicative cost of the scheme
- The year(s) in which expenditure is expected to fall
- The revenue implications (cost or savings)
- Links to corporate priorities, health and safety etc.

5.3.3 Once the draft 5 Year Capital Programme has been compiled, more detail in respect of any scheme falling within Year 1 (i.e., the next financial year) will need to be provided on a Capital Appraisal Form. This will include evidence in support of the appraisal criteria required for the scheme to be considered for inclusion in the Capital Programme.

5.3.4 Evaluation and appraisal of proposed capital schemes will be undertaken by the Asset Management Group using the criteria set out on the Capital Appraisal Form.

5.4 Urgent Capital Schemes

5.4.1 It is recognised that urgent capital expenditure requirements may come forward during the financial year outside of the budget cycle.

5.4.2 Urgent capital schemes should be submitted to Asset Management Group using the Capital Appraisal Form.

5.4.3 Asset Management Group will evaluate the proposed scheme considering the following:

- The availability of unallocated resources
- Whether there are any existing schemes which no longer require funding
- Whether there are any existing schemes which can be deferred and replaced by the urgent scheme

5.4.4 If the new scheme can be accommodated within existing resources, then it may be added to the Capital Programme. If additional resources are required, then approval must be sought from Council.

6. The Governance Process

6.1 Prudential Code

- 6.1.1 The CIPFA Prudential Code for Capital Finance in Local Authorities (referred to as the 'Prudential Code') states that the governance procedure for setting and revising the Capital Strategy and prudential indicators is the responsibility of the same body that takes decisions on setting the budget, i.e., full Council.
- 6.1.2 The chief finance officer, in Blaby's case the Executive Director (Section 151), is responsible for ensuring that all matters to be considered are reported to the decision-making body for consideration, and for establishing procedures for monitoring of performance.
- 6.1.3 The Code requires local authorities to have regard for the following matters when agreeing or revising the capital programme and prudential indicators:
- Service objectives – do spending plans meet our strategic aims and objectives?
 - Stewardship of assets – is capital investment being made on new assets at the expense of maintaining existing assets?
 - Value for money – do the benefits of capital investment outweigh the cost?
 - Prudence and sustainability – can the Council afford the borrowing now and in the future?
 - Affordability – what are the implications for the budget and council tax?
 - Practicality – is the delivery of the plan achievable?
- 6.1.4 The Council is required by regulation to comply with the Prudential Code when assessing the affordability, prudence and sustainability of its capital investment plans. Fundamental to the prudential framework is a requirement to set a series of prudential indicators. These indicators are intended to collectively build a picture that demonstrates the impact over time of the Council's capital expenditure plans upon the revenue budget and upon borrowing and investment levels and explain the overall controls that will ensure that the activity remains affordable, prudent, and sustainable.
- 6.1.5 The Government has now restricted access to Public Works Loan Board (PWLB) funding for local authorities where the authority plans to purchase commercial investment property for yield. This applies whether or not a loan is specifically attached to an individual commercial property. In addition to this, an amendment to the 2021 Code prevents the acquisition of commercial investment property financed through borrowing. This means that the acquisition of assets purely to generate a commercial return is extremely difficult unless it can be achieved by applying existing resources.

6.2 Prudential Indicators

6.2.1 The Prudential Code specifies the indicators which the Council must set and monitor to ensure that our capital expenditure plans are prudent, affordable and sustainable.

Prudential Indicator	Purpose
Capital Expenditure Plans	Sets out planned expenditure for capital purposes, and how these plans are being financed. It also identifies any shortfall in resources which result in a need to borrow.
Capital Financing Requirement (CFR)	The CFR is the total historic capital expenditure which has not yet been paid for from either capital or revenue resources. It is basically a measure of our outstanding debt and consequential underlying need to borrow. Any capital expenditure which has not been paid for immediately, (e.g., by applying capital receipts), will increase the CFR.
Debt compared to the CFR	Provides a comparison of debt with the underlying need to borrow, to demonstrate that borrowing is only being undertaken for capital purposes.
Liability Benchmark	Acts as a tool to manage the net treasury position, with the aim of minimising or reducing refinancing, interest rate and credit risk.
Operational Boundary	The level of debt which the Council would not normally expect to exceed but which may be breached in an emergency.
Authorised Limit	The maximum amount of debt which the Council may borrow. This limit should not be breached and may only be changed by full Council.
Ratio of Financing Costs to Net Revenue Stream	Illustrates how much of the Council's key revenue streams (i.e., Government Grants, Council Tax and Business Rates) are used to service debt. An increasing percentage may indicate that capital borrowing is not sustainable.

6.3 Blaby's Governance Process

- 6.3.1 The Constitution specifies that full Council is responsible for approving the Council's policy framework and budget, which will be proposed by Cabinet Executive. In terms of financial planning this includes the approval of the Capital Programme and Capital Strategy.
- 6.3.2 The Executive Director (Section 151) is responsible for determining the capital resources available to fund the Council's capital expenditure plans. The Directors are responsible for ensuring that a Capital Programme, including details of any associated revenue implications, is prepared on an annual basis for consideration by Cabinet Executive before submission to full Council for approval.
- 6.3.3 Scrutiny Commission are also given opportunity to review the proposed Capital Programme, ahead of formal submission to Cabinet Executive and Council, and make comments and/or recommendations as necessary.
- 6.3.4 Progress against delivery of the Capital Programme is reported to Cabinet Executive and Council on a quarterly basis.
- 6.3.5 The Asset Management Group, an officer-led working group, plays a key role in the monitoring and review of the Capital Programme. The main responsibilities of the Asset Management Group are as follows:
- To continuously review, update, monitor progress and make recommendations for any necessary changes to the Capital Strategy.
 - To regularly review, update and monitor progress of current year capital schemes to ensure maximal delivery of the Capital Programme.
 - To receive and consider requests from project officers for budget transfers (virements) and to report any significant movements to Council.
 - To receive bids from project officers in respect of any new or urgent schemes emerging in the current financial year, outside of the budget setting cycle.
 - To ensure that capital bids meet the criteria set out on the Capital Appraisal Form, to make the optimal use of the available capital resources.

6.3.6 Given the necessity for potential transactions to be assessed, negotiated, and completed quickly, delegated authority has been approved by Council for the following persons to progress any future strategic property investment opportunities:

- The Chief Executive
- The Executive Director (S151 Officer)
- The Monitoring Officer

In consultation with:

- The Leader of the Council
- The Deputy Leader (Portfolio Holder for Finance, People and Performance)

Each case will be the subject of a retrospective, exempt report to Council in which full details of the transaction will be disclosed for transparency purposes.

6.4 Membership of the Asset Management Group

6.4.1 Asset Management Group comprises the following core team of officers:

- Neighbourhood Services & Assets Group Manager
- Finance Group Manager
- Service Manager – Assets
- Democratic Services, Scrutiny and Governance Manager
- Assets/Open Spaces Manager
- Head of Leicestershire ICT Partnership
- Senior Business Accountant

Other Service Managers and/or project officers attend the group on an ad hoc basis according to their respective area of expertise and authority.

7. Debt and Other Treasury Management Issues

7.1 External Debt and the use of Internal Borrowing

- 7.1.1 The following table provides a projection of external debt and use of internal borrowing to support capital expenditure compared with the CFR.

	31/03/24 £'000	31/03/25 £'000	31/03/26 £'000	31/03/27 £'000	31/03/28 £'000
CFR	19,902	20,354	19,485	18,397	18,487
External Borrowing	9,468	10,112	10,404	10,704	12,203
Internal Borrowing	10,233	10,042	8,881	7,493	6,084

7.2 Provision for the Repayment of Debt

- 7.2.1 The Council makes provision for the repayment of external debt in line with the life of the underlying debt. This is known as the Minimum Revenue Provision (MRP). The Council approves an annual MRP Statement as part of the budget reporting process. MRP represents a significant charge against the Council's annual budget. It is important to consider the revenue implications of borrowing when determining the capital expenditure plans, as it has a considerable bearing on the sustainability of the Council's financial position.

7.3 Authorised Limit and Operational Boundary

- 7.3.1 The authorised limit represents a control on the maximum level of borrowing. This is the limit beyond which external debt is prohibited. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The authorised limit for 2023/24 is £23,000,000 – further details are contained within the Treasury Management Strategy 2023/24.
- 7.3.2 The operational boundary is the limit 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. For 2023/24 the operational boundary has been set at £20,700,000 – see the Treasury Management Strategy 2023/24 for future years' projections.

7.4 Treasury Management

- 7.4.1 The Council's approach to Treasury Management is set out in its Annual Treasury Management Strategy which is presented to Council for approval in February. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return. The contribution the treasury management function makes to the authority is critical, as the balance of debt

and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects.

- 7.4.2 The processes to be followed when considering loans and investments are laid down in the Council's Treasury Management Practices document, which has been compiled in accordance with the Prudential Code, and the Treasury Management Code of Practice.
- 7.4.3 In terms of due diligence, before undertaking any new borrowing or investment arrangements, the Council will ensure that it has the legal powers to do so and that its financial position is always safeguarded.
- 7.4.4 Risk appetite – The Council places the security and liquidity of its funds ahead of the return on investment. In terms of treasury investments, the Council uses a tried and trusted set of credit criteria developed by its treasury advisors, Link Asset Services. Surplus funds will only be invested with counterparties that meet those criteria, and a lending list has been developed accordingly. Officer will add and remove counterparties to and from the list during the year where there is a change in credit ratings. However, the Council also recognises that there are also risks attached to doing nothing and will seek to strike a balance accordingly.

8. Commercial Activity

8.1 Commercialisation Strategy

8.1.1 The Council approved an update to its Commercialisation Strategy on 24th February 2022.

8.1.2 The vision linked with the strategy is set out in paragraph 3.4.3 and will be achieved through the following means:

- Creating a commercial culture and ethos – that Council understands the need for all services to operate effectively & efficiently to strengthen service provision and where possible generate income.
- Maximising Income but still retaining the status as ‘the safety net for the vulnerable’.
- Maximising the Blaby Pound – encouraging those who reside, work or trade in the district to spend within the district and support the local economy and their community.
- Focusing resources on initiatives that will drive financial or social benefit.
- Continuing to communicate with residents and customers to promote access to our services and Blaby’s reputation for delivering quality services.
- Recognising that chargeable Non-Statutory Services be cost neutral as a minimum.

8.1.3 Further details are available in the Commercial Strategy and Action Plan which are available to download from the Council’s website.

9. Skills and Knowledge

9.1 In-house Resources

9.1.1 The Council employs a small Assets Team as part of the Neighbourhood Services and Assets Group. Alongside the Neighbourhood Services and Assets Group Manager this team comprises:

- Service Manager – Assets
- Assets/Open Space Manager
- Property & Asset Officer

These officers have extensive knowledge and experience of the development of capital schemes, including the commissioning of partners/suppliers to deliver the capital programme.

9.1.2 The Council also operates in-house Legal and Finance teams that provide support to officers involved in the delivery of capital schemes

9.1.3 The Council has also secured support for the development of Blaby's commercial agenda, on a consultancy basis, from the Strategic Director – Commercial and Economic Development at Charnwood Borough Council, who has significant experience in this field. In addition to providing advice in respect of strategic property investment, the Strategic Director will also provide commercial awareness training to all senior managers at Blaby.

9.2 External Resources

9.2.1 Blaby also makes use of external advice from several sources when developing projects or undertaking due diligence. This includes the use of the following external experts:

- Treasury Management and Capital Financing – Link Treasury Services
- Procurement services – Welland Procurement
- External valuers
- External legal advisors
- Property condition experts

Other advice is commissioned as and when required.

9.3 Members

9.3.1 Members are fully engaged with the budget process, including Scrutiny Commission, Cabinet Executive and Council, the latter being responsible for approving the Budget, Capital Programme and Treasury Management Strategy.

9.3.2 The Council runs Member Induction training for newly elected Members, and this programme includes an overview of finance and the budget.

9.3.3 In addition to the induction programme, Blaby also operates a Member Training Plan, and this enables the Council to provide any additional training requirements as and when they are identified.

Blaby District Council Council

Date of Meeting	22 February 2023
Title of Report	Recommendations of the Cabinet Executive: Prudential Indicator & Treasury Management Strategy 2023/24 This is not a Key Decision and is on the Forward Plan
Lead Member	Cllr. Maggie Wright - Finance, People & Performance (Deputy Leader)
Report Author	Finance Group Manager
Corporate Priority	Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 This report lays down the guidelines and rules that Officers are required to follow when making decisions to borrow or when investing Council funds. Such decisions are made daily under delegated authority. The report outlines the Council's prudential indicators for 2023/24 to 2027/28 and sets out the expected treasury management activities for that period. The report also sets out the financial institutions the Council may invest in, the maximum investment level and the periods over which the investments can be made.
- 1.2 The report also fulfils four key legislative requirements:
 - The reporting of the prudential indicators which set out the expected capital activities - as required by The Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities.
 - The Council's Minimum Revenue Provision (MRP) Policy, which sets out how the Council will pay for capital assets through revenue each year.
 - The Treasury Management Strategy which sets out how the Council's treasury service will support the decisions taken above, the day-to-day treasury management activity, and the limitations on borrowing and investing through treasury prudential indicators. This accords with the CIPFA Code of Practice on Treasury Management in the Public Services.
 - The Annual Investment Strategy in accordance with investment guidance issued by the Department for Levelling Up, Housing and Communities (DLUHC).

2. Recommendation(s) to Council

- 2.1 That the capital prudential indicators and limits for 2023/24 to 2027/28 are approved.
- 2.2 That the Treasury Management Strategy for 2023/274 and the treasury prudential indicators are approved.
- 2.3 That the Investment Strategy for 2023/24 is approved.
- 2.4 That the Minimum Revenue Provision (MRP) Statement for 2023/24 is approved.

3. Reason for Decisions Recommended

- 3.1 The Local Government Act 2003 and supporting regulations requires the Council to “have regard to” the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent, and sustainable.
- 3.2 The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. This covers the Council’s criteria for choosing investment counterparties and limiting exposure to the risk of loss.
- 3.3 The Act also requires the Council to undertake an annual review of its policy for calculating the minimum revenue provision (MRP) for repayment of external debt.

4. Matters to consider

4.1 Background

DLUHC guidance requires that there is sufficient Member scrutiny of the Council’s treasury management function. For Blaby, Cabinet Executive is the responsible body for scrutinising the Treasury Management Strategy. To facilitate the decision-making process and support capital investment decisions the Prudential Code requires local authorities to agree and monitor a minimum number of prudential indicators. These are mandatory and must, as a minimum, cover the forthcoming three financial years.

The Treasury Management Code includes a new requirement to include a liability benchmark prudential indicator to manage an authority’s borrowing needs and maturities. This is a tool used in the support of cashflow management and borrowing decision making. The maturity benchmark is based on the forecast net loans requirement (loans less investments, plus a short-term liquidity allowance). The actual loans portfolio is then compared to

this to highlight any liquidity or interest rate risk.

The indicators are solely for the internal use of the Council and are not intended to be used for comparative purposes with other local authorities. They should not be considered in isolation since the benefit to be gained from monitoring comes from the movement in the indicators over time.

The prudential indicators in this report, and the appendices, are based on the financial plans contained within the revenue and capital reports elsewhere on this agenda.

The Treasury Management Strategy is attached at Appendix A including the prudential indicators that relate to the treasury management function. This strategy covers the operation of the treasury function and its activities for the forthcoming year and reflects the Council's capital and commercial investment strategies. The strategy has been informed by advice received from the Council's treasury management consultants.

4.2 Treasury Management Strategy

The main considerations set out in the Treasury Management Strategy (Appendix A) are as follows:

Capital Expenditure

The capital spending plans are based on available resources and the affordability of any associated borrowing, which has been built into the Medium-Term Financial Strategy.

	2021/22 Actual £000	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Capital Expenditure	2,147	7,669	3,619	2,724	1,220	882	2,657
Financed by:							
Capital Receipts	(286)	(365)	(525)	(520)	(150)	0	(500)
Capital Grants & Contributions	(984)	(2,135)	(706)	(758)	(703)	(674)	(692)
Capital Reserves	(357)	(260)	(92)	0	(32)	0	.0
Revenue Contributions	(76)	(151)	0	0	0	0	.0
Net financing need for the year	444	4,758	2,296	1,446	335	208	1,465

Borrowing Requirement

As shown in the table above, the capital expenditure plans can be partly funded from capital receipts, grants and contributions, and from reserves, leaving a residual amount to be funded through borrowing. This increases the Capital Financing Requirement (CFR) but the CFR is also reduced each year by a statutory revenue charge, the Minimum Revenue Provision (MRP). The

Council is also able to top-up this repayment by applying a Voluntary Revenue Provision (VRP).

Capital Financing Requirement

The projected CFR over the life of the Medium-Term Financial Strategy is set out in the table below.

	2021/22 Actual £000	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Total CFR	13,965	18,334	19,902	20,354	19,485	18,397	18,487
Movement in CFR	(701)	4,369	1,568	452	(869)	(1,088)	90

MRP Policy

In September 2022, the Council approved a change to the method it uses to calculate the MRP, resulting in a lower charge in the medium term. The MRP is an annual revenue charge based on the outstanding Capital Financing Requirement (CFR) brought forward from the preceding financial year. The CFR represents the Council's underlying need to borrow and is basically that part of capital expenditure which has not yet been financed. It is effectively capital expenditure financed through borrowing, whether that is external borrowing or internal borrowing (i.e., from the Council's own reserves and balances). Each year the Council is required to repay a proportion of that outstanding "borrowing cost" by way of the MRP, and it must approve its policy for charging MRP annually in advance of the forthcoming financial year. For 2022/23 the recommended policy is set out in paragraph 2.3 of Appendix A.

Borrowing

The Council's anticipated net borrowing requirement (net of investments) is shown below with a comparison against the CFR. The Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the next two financial years. This allows some flexibility for limited early borrowing for future years. The Council's gross borrowing remains significantly below its CFR due to the ongoing use of internal borrowing. Whilst internal reserves and balances remain at current levels, internal borrowing is a prudent method of financing capital expenditure since it is cheaper than external borrowing.

	2021/22 Actual £000	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Gross Borrowing	8,597	7,685	9,468	10,112	10,404	10,704	12,204
Investments	(36,654)	(20,000)	(15,000)	(10,000)	(8,000)	(6,000)	(6,000)
Net Borrowing	(28,057)	(12,315)	(5,532)	112	2,404	4,704	6,204
CFR	13,965	18,334	19,902	20,354	19,485	18,397	18,487

The Council's borrowing limits are as follows:

	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Operational Boundary for External Debt	20,700	20,700	23,400	23,400	21,600	21,600
Authorised Limit for External Debt	23,000	23,000	26,000	26,000	24,000	24,000

Liability Benchmark

A new prudential indicator for 2023/24 is the Liability Benchmark. The Council is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the Liability Benchmark:

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

Further details are included in paragraph 2.3 to Appendix A.

4.3 Prudential Code

CIPFA published a revised version of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (the Treasury Management Code) in 2021. The updated Prudential Code includes some significant changes, most notably the provisions in that borrowing purely for yield is no longer permissible. However, activities such as regeneration, although technically commercial, are not primarily driven by profit and do not represent an unnecessary risk to public funds.

A new requirement has been added so that capital strategies are required to report investments under the following headings: service, treasury management and commercial investments (where these were implemented prior to the changes in regulations with the aim to highlight these type of investments).

The updated Codes had a 'soft' launch in 2022/23 financial year, i.e., where possible, local authorities were encouraged to adhere to the new provisions

and not undertake any new investments that would not be consistent with the changes and will be fully implemented in the 2023/24 financial year.

4.4 Capital Strategy

The Prudential Code also makes it a requirement to produce a Capital Strategy which links to the Treasury Management Strategy. The Capital Strategy is an overarching document that sets the policy framework for the development, management, and monitoring of capital investment. It should focus on the core principles that underpin the Council's capital plans; short, medium, and long-term objectives; key issues and risks affecting the delivery of the capital programme; and the governance framework.

The strategy aims to drive the Council's capital plans by ensuring that capital expenditure and financing, and treasury management are appropriately aligned to support the sustainable, long-term delivery of our services. The strategy is reported as part of the 5 Year Capital Programme report elsewhere on this agenda.

5. What will it cost and are there opportunities for savings?

- 5.1 There are no direct costs arising from this report. Instead, it provides a basis on which to undertake the treasury management activities necessary to support the Council's capital expenditure plans.

6. What are the risks and how can they be reduced?

6.1

Current Risk	Actions to reduce the risks
That external borrowing might not be undertaken at the most advantageous rate	Treasury officers maintain regular contact with the Council's advisors, Link Asset Services, who monitor movements in interest rates on our behalf. The aim is always to drawdown loans when interest rates are at their lowest point.
Credit risk – the risk that other parties might fail to pay amounts due, e.g., deposits with banks etc.	The Annual Investment Strategy sets the criteria through which the Council decides with whom it may invest. The lending list is updated regularly to reflect changes in credit ratings.
Liquidity risk – the Council might not have sufficient funds to meet its commitments	Daily monitoring of cash flow balances. Access to the money markets to cover any short-term cash shortfall.
Refinancing and maturity risk – the risk that the Council might need to renew a loan or investment at disadvantageous interest rates	Monitoring of the maturity profile of debt to make sure that loans do not all mature in the same period. Monitoring the maturity profile of investments to ensure there is

	sufficient liquidity to meet day to day cash flow needs.
Market risk – losses may arise as a result of changes in interest rates etc	Maximum limits are set for exposure to fixed and variable interest rates. The Finance team will monitor market rates and forecast interest rates to limit exposure
Loss on the Property Fund investment if property values continue to fall.	The Lothbury Property Trust should be seen as a longer-term investment where the value of the fund can fluctuate both upwards and downwards. Historically, property prices tend to rise over time, but officers will monitor the trajectory of the fund and consider withdrawal if the valuation continues to fall.

7. Other options considered

- 7.1 None. The approval of the Treasury Management Strategy and prudential indicators is a statutory requirement.

8. Environmental impact

- 8.1 The Council is actively seeking opportunities to invest its surplus balances in a way which supports the Green Strategy, with the caveat that such investments meet the primary considerations of security, liquidity, and return.

9. Other significant issues

- 9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

10. Appendix

- 10.1 Appendix A – Capital prudential indicators and treasury management strategy 2023/24 to 2027/28.
- 10.2 Appendix B – Interest rate forecasts 2022 – 2025
- 10.3 Appendix C – Economic background
- 10.4 Appendix D – Credit and counterparty risk management
- 10.5 Appendix E – Approved counterparty list
- 10.6 Appendix F – Approved countries for investment
- 10.7 Appendix G – Treasury management scheme of delegation

10.8 Appendix H – The treasury management role of the S151 Officer

11. Background paper(s)

11.1 The CIPFA Prudential Code
CIPFA's Code of Treasury Management in the Public Services
The Treasury Management Policy, Practices and Schedules

12. Report author's contact details

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APPENDIX A

Capital Prudential Indicators and Treasury Management Strategy 2023/24 to 2027/28

1. INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

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 that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management 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."

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

1.2 Reporting Requirements

Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long-term 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
- the implications for future financial sustainability

The aim of the capital strategy is to ensure that all elected members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

Treasury Management Reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report) – The first, and most important, report covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision (MRP) Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an Annual Investment Strategy (the parameters on how investments are to be managed)

A mid-year treasury management report – This is primarily a progress report and will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.

An annual treasury report – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to Council. This role is undertaken by Scrutiny Committee and the Cabinet Executive.

Quarterly reports

In addition to the three major reports detailed above, from 2023/24 the Code also specifies that quarterly updates are provided. However, these additional reports do not need to be reported to the full Council, although they do need to be adequately scrutinised. It is proposed that the quarterly updates, which should include reporting on treasury and prudential indicators, are reported to Cabinet Executive.

1.3 Treasury Management Strategy for 2023/24

The strategy for 2023/24 covers two main areas:

Capital issues

- The capital expenditure plans and the associated prudential indicators;
- The minimum revenue provision (MRP) policy.

Treasury Management issues

- The current treasury position;
- Treasury indicators which limit the treasury risk and activities of the Council;
- Prospects for interest rates;
- The borrowing strategy;
- Policy on borrowing in advance of need;
- Debt rescheduling;
- The investment strategy
- Creditworthiness policy; and
- Policy on the use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Department for Levelling Up, Housing and Communities (DLUHC) MRP Guidance, the CIPFA Treasury Management Code, and DLUHC Investment Guidance.

1.4 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management.

Furthermore, the Code also expects “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/council members have the required knowledge and skills to undertake their roles and whether

they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.

Cabinet members last received refresher training from our treasury consultants, Link Treasury Services, in October 2018, and further training is planned for Spring 2023.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained by the Finance Group Manager. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by Finance Group Manager.

1.5 Treasury Management Consultants

The Council uses Link Group, Link Treasury Services Limited as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regard to all available information, including, but not solely, our treasury advisors.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

The Council does not currently have any non-treasury investments but, in September 2022, the Council approved budget provision to be used for strategic property investment purposes, subject to it meeting the criteria set out in the CIPFA Code. The Council has secured specialist advice in this area through a fixed term shared service with Charnwood Borough Council.

2 THE CAPITAL PRUDENTIAL INDICATORS 2023/24 – 2027/28

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist members to overview and confirm capital expenditure plans.

2.1 Capital expenditure and financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. This indicator also covers how those plans are to be financed by capital or revenue resources. Members are asked to approve the estimated capital expenditure and resources in the table below. Any shortfall in resources results in a need to borrow.

	2021/22 Actual £000	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Capital Expenditure	2,147	7,669	3,619	2,724	1,220	882	2,657
Financed by:							
Capital Receipts	(286)	(365)	(525)	(520)	(150)	0	(500)
Capital Grants & Contributions	(984)	(2,135)	(706)	(758)	(703)	(674)	(692)
Capital Reserves	(357)	(260)	(92)	0	(32)	0	.0
Revenue Contributions	(76)	(151)	0	0	0	0	.0
Net financing need for the year	444	4,758	2,296	1,446	335	208	1,465

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It represents a measure of the Council's underlying need to borrow. 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 borrowing need in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities such as finance leases. Whilst

this increases the CFR and, therefore, the Council's borrowing requirement, these types of schemes include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has just under £0.5m of finance lease liabilities within the CFR.

The Council is asked to approve the following CFR projections:

	2021/22 Actual £000	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Total CFR	13,965	18,334	19,902	20,354	19,485	18,397	18,487
Movement in CFR	(701)	4,369	1,568	452	(869)	(1,088)	90

Movement in CFR represented by:							
Net financing need for the year (above)	444	4,758	2,296	1,446	335	208	1,465
MRP/VRP and other financing movements	(1,145)	(389)	(728)	(992)	(1,202)	(1,296)	(1,375)
Movement in CFR	(701)	4,369	1,568	452	(869)	(1,088)	90

The following table analyses the planned external borrowing for capital expenditure purposes and conforms to the DLUHC requirements for applying for certainty rate borrowing from the Public Works Loan Board (PWLb).

	2021/22 Actual £000	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Service spend	444	2,258	2,296	1,446	335	208	1,465
Housing	0	0	0	0	0	0	0
Regeneration	0	2,500	0	0	0	0	0
Preventative action	0	0	0	0	0	0	0
Projects for yield	0	0	0	0	0	0	0
Total	444	4,758	2,296	1,446	335	208	1,465

Borrowing for schemes that fall under the heading of "projects for yield" will automatically disqualify the Council from being able to borrow from the PWLB in any year, so this table demonstrates that The Council is complying with the Code in this regard.

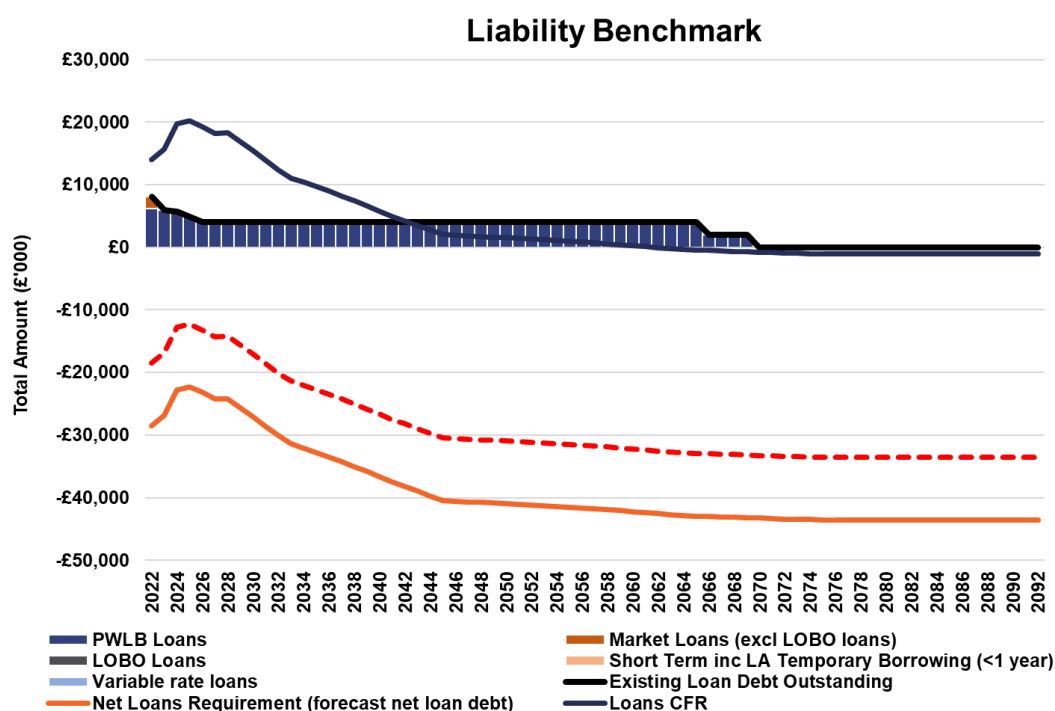
2.3 Liability Benchmark

A third and new prudential indicator for 2023/24 is the Liability Benchmark. The Council is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the Liability Benchmark:

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

The graph below shows that the Council's borrowing is below the CFR and will reduce over time. However, it should be noted that this is a snapshot and when the debt matures those loans will need to be refinanced. The graph also shows that the liability benchmark is negative, meaning that the Council has sufficient cash reserves to maintain internal borrowing for the foreseeable future, even when allowing for a liquidity buffer.



2.4 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed in the following table are high level estimates of the year end balances for each resource and anticipated day to day cash flow balances.

	2021/22 Actual £000	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Fund Balances & Reserves	(18,780)	(12,936)	(10,907)	(8,956)	(8,219)	(7,514)	(6,809)
Capital Receipts	(2,124)	(1,829)	(1,374)	(924)	(844)	(914)	(484)
Provisions	(2,103)	(1,980)	(3,007)	(4,160)	(5,338)	(6,638)	(7,964)
Other	2,958	1,872	(388)	(388)	(388)	(388)	(388)
Total Core Funds	(20,049)	(14,873)	(15,675)	(14,428)	(14,789)	(15,454)	(15,645)
Working Capital*	(21,973)	(13,076)	(9,558)	(5,614)	(2,092)	1,962	3,561
(Over)/Under Borrowing	5,368	10,649	10,433	10,242	9,081	7,692	6,284
Expected Investments	(36,654)	(20,000)	(15,000)	(10,000)	(8,000)	(6,000)	(6,000)

* Working capital balances shown are estimated year end; these may be higher mid-year.

2.5 Minimum revenue provision (MRP) policy statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

The Council is required to calculate a prudent MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Council can use any other reasonable basis that it can justify as prudent.

The MRP policy statement must be approved by full Council in advance of each financial year. The Council is recommended to approve the following MRP statement:

For supported capital expenditure incurred before 1st April 2008, the Authority will apply the Asset Life Method using an annuity calculation over 50 years.

Unsupported borrowing will be subject to MRP under option 3 of the guidance (Asset Life Method), which will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of the expenditure. For example, capital expenditure on a new building, or on the

refurbishment or enhancement of a building, will be related to the estimated life of that building. An annuity method will be used for the MRP calculation on a weighted average basis.

The interest rate applied to the annuity calculations will reflect the market conditions at the time and will for the current financial year be the Council's weighted average borrowing rate.

The following table gives an indication of the useful asset lives of different categories of assets/capital expenditure type, and hence the period over which MRP will be charged.

Capital Expenditure incurred on:	Estimated Asset Life for MRP purposes
Construction of new buildings	40 – 60 years
Disabled Facilities Grants – Stairlifts	5 years
Disabled Facilities Grants – Bathrooms/Major Adaptations	20 years
Enhancement and refurbishment of land and buildings	10 years
Refuse vehicles	7 years
Other vehicles, plant and equipment	5 – 7 years
Other capital grants	5 years
IT Systems	2 - 5 years

Capital expenditure incurred during 2022/23 will not be subject to an MRP charge until 2023/24, or in the year after which the asset becomes operational.

The Council will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

MRP in respect of assets acquired under Finance Lease will be charged at a rate equal to the principal element of the annual lease rental for the year in question.

MRP Overpayments - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

There have been no cumulative VRP overpayments made to date.

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions and the Annual Investment strategy.

3.1 Current portfolio position

The overall treasury management portfolio as at 31st March 2022 is shown below compared with the position as at 31st January 2023.

	Actual 31/03/22 £000	Actual 31/03/22 %	Actual 31/01/23 £000	Actual 31/01/23 %
Treasury Investments				
Banks	23,560	64%	27,337	63%
Local Authorities	0	0%	2,000	5%
Money Market Funds	12,000	33%	12,637	30%
Total managed in house	35,560	97%	41,974	98%
Property Funds	1,094	3%	857	2%
Total managed externally	1,094	3%	857	2%
Total Treasury Investments	36,654	100%	42,831	100%
External Borrowing				
Local Authorities	2,000	25%	0	0%
Public Works Loans Board	6,142	75%	6,037	100%
Total External Borrowing	8,142	100%	6,037	100%
Net Treasury Investments/(Borrowing)	28,512		36,794	

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2021/22 Actual £000	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Loans at 1 st April	8,349	8,142	7,230	9,013	9,658	9,950	10,250
Leases at 1 st April	456	455	455	455	454	454	454
Gross Opening Debt	8,805	8,597	7,685	9,468	10,112	10,404	10,704
New loans in year	0	1,300	2,000	1,500	1,150	300	1,500
New leases in year	0	0	0	0	0	0	0
Loan repayments	(207)	(2,212)	(217)	(855)	(858)	0	0
Lease repayments	(1)	0	0	(1)	0	0	0
Loans at 31 st March	8,142	7,230	9,013	9,658	9,950	10,250	11,750
Leases at 31 st March	455	455	455	454	454	454	454
Gross Closing Debt	8,597	7,685	9,468	10,112	10,404	10,704	12,204
Capital Financing Requirement	13,965	18,334	19,902	20,354	19,485	18,397	18,487
Under/(over) borrowing	5,368	10,649	10,434	10,242	9,081	7,693	6,284

Within the prudential indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Executive Director (Section 151) is pleased to report that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans, and the proposals in the budget report.

3.2 Treasury Indicators – limits to borrowing activity

The operational boundary – This is the limit 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.

	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Borrowing	20,200	20,200	20,900	20,900	19,100	19,100
Other long-term liabilities	500	500	2,500	2,500	2,500	2,500
Total	20,700	20,700	23,400	23,400	21,600	21,600

The authorised limit for external debt - A further key prudential indicator represents a control on the maximum level of borrowing. This is a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
- The Council is asked to approve the following authorised limit:

	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Borrowing	22,444	22,444	23,222	23,222	21,222	21,222
Other long-term liabilities	556	556	2,778	2,778	2,778	2,778
Total	23,000	23,000	26,000	26,000	24,000	24,000

Both the Authorised Limit and the Operational Boundary for 2024/25 onwards have been increased by £2m to allow for the introduction of IFRS16. This acts as a provision for leases that are currently off-balance sheet (accounted for as operating leases) to be brought onto the balance sheet on 1st April 2024. The increase is based broadly on the outstanding operating lease liability on 31st March 2022.

3.3 Prospects for interest rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link's central view appears at Appendix B. Their forecasts take account of certainty rates, gilt yields plus 80 basis points.

Link's central forecast for interest rates was updated on 19th December 2022 and reflected a view that the Monetary Policy Committee (MPC) would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. Bank Rate stands at 3.5% currently but is expected to reach a peak of 4.5% in the first half of 2023.

Further down the road, Link anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation looks to have peaked at 11.1% in Q4 2022 (currently 10.7%). Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market.

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started and will focus on the short, medium and longer end of the curve in equal measure, now that the short-lived effects of the Autumn Statement unfunded dash for growth policy are firmly in the rear-view mirror.

In the upcoming months, forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. More recently, the heightened tensions between China, Taiwan, and the US also have the potential to have a wider and negative economic impact.

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy, and rent/mortgage payments.

PWLB Rates

- The yield curve movements have become less volatile of late and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.10% to 4.80%.
- Link view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

The balance of risks to the UK economy:

- The overall balance of risks to economic growth in the UK is to the downside.

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

- Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- The Bank of England acts too quickly, or too far, over the next year to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than currently anticipated.
- UK / EU trade arrangements – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- Geopolitical risks, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea, and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates:

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than currently projected or even necessitates a further series of increases in Bank Rate.
- The Government acts too quickly to cut taxes and/or increases expenditure in light of the cost-of-living squeeze.
- The pound weakens because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term US treasury yields rise strongly and pull gilt yields up higher than currently forecast.
- Projected gilt issuance, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields consequently.

Borrowing advice: Link's long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are currently above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Suggested budgeted earnings rates for investments up to about three months' duration in each financial year are as follows:

- | | |
|----------------|-------|
| • 2022/23 | 4.00% |
| • 2023/24 | 4.40% |
| • 2024/25 | 3.30% |
| • 2025/26 | 2.60% |
| • 2026/27 | 2.50% |
| • Years 6 to 9 | 2.80% |
| • Year 10+ | 2.80% |

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

The interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of +/- 25 bps. Naturally, we will continue to monitor events and will update our forecasts as and when appropriate.

3.4 Borrowing Strategy

The Council is currently maintaining a position whereby its outstanding debt is lower than the underlying need to borrow (the CFR). This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, the Bank Rate increases over the first half of 2023.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Executive Director (S151) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp **fall** in borrowing rates then borrowing will be postponed.
- if it was felt that there was a significant risk of a much sharper **rise** in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

3.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Borrowing in advance will be made within the constraints that:

- It will be limited to no more than the sum of the expected increase in borrowing need (CFR) over the next three years; and
- The Council would not look to borrow more than 24 months in advance of need.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.

If any rescheduling is done, it will be reported to Council at the earliest opportunity following its enactment.

3.7 New Financial Institutions as a source of borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time).
- UK Infrastructure Bank (as above)

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

3.8 Approved Sources of Long- and Short-Term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
Municipal Bond Agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
UK Infrastructure Bank	●	●
Market – long term	●	●
Market – temporary	●	●
Market – LOBOs	●	●
Stock issues	●	●
Local temporary	●	●
Local bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable bonds	●	●
Internal – capital receipts and revenue balances	●	●
Commercial paper	●	
Medium term notes	●	
Finance leases	●	●

4. ANNUAL INVESTMENT STRATEGY

4.1 Investment policy – management of risk

The Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, part of the 5 Year Capital Programme report.

The Council's investment policy has regard to the following:

- DLUHC's Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
3. Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to

establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. The Council has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in Appendix D under the categories of 'specified' and 'non-specified' investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods more than one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
5. **Non-specified and loan investment limits.** The Council does not currently place a limit on the maximum total exposure to non-specified investments as a percentage of the total investment portfolio.
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
7. **Transaction limits** are set for each type of investment in Appendix D.
8. The Council will set a limit for its investments which are invested for longer than 365 days, (see paragraph 4.4).
9. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating, (see paragraph 4.3).
10. The Council has engaged external consultants, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in sterling.
12. As a result of the change in accounting standards for 2022/23 under IFRS 9, the Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31st March 2023. At the current juncture it has not been determined whether a further extension to the over-ride will be agreed by the government. This will apply to the Council's investment in the Lothbury Property

Fund. Once the statutory override expires, the Council will need to reflect movements in its Property Fund in the General Fund, in accordance with IFRS 9.

However, the Council will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year

The above criteria are unchanged from last year.

4.2 Creditworthiness policy

This Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody's, and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ranges;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any associated credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will, therefore, use counterparties within the following durational bands:

- | | |
|--------------|--|
| • Yellow | 5 years |
| • Dark Pink | 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25 |
| • Light Pink | 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5 |
| • Purple | 2 years |
| • Blue | 1 year (nationalised/or semi nationalised UK Banks) |
| • Orange | 1 year |
| • Red | 6 months |
| • Green | 100 days |
| • No Colour | not to be used (NB: except building societies) |

	Colour/long term rating	Money and/or % limit	Time Limit
UK Banks/Non-UK Banks	Yellow	£5m/£3m	5 years
UK Banks/Non-UK Banks	Purple	£5m/£3m	2 years
UK Banks/Non-UK Banks	Orange	£5m/£3m	1 year
Banks – part nationalised • RBS	Blue	£8m	1 year
UK Banks/Non-UK Banks	Red	£8m/£5m/£3m	6 months
UK Banks/Non-UK Banks	Green	£5m/£3m	100 days
UK Banks/Non-UK Banks	No colour	n/a	n/a
Building Societies	No colour/P-2	£5m	100 days
Council's own banker (not meeting usual criteria)	No colour	£8m	Overnight
DMADF	AAA	unlimited	6 months
Local authorities	n/a	£5m	5 years
Property Funds	n/a	£1m	Unlimited
Money Market Funds			
• CNAV	AAA	£8m	Liquid
• LVNAV	AAA	£8m	Liquid
• VNAV	AAA	£8m	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark pink/AAA	£3m	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.50	Light pink/AAA	£3m	Liquid

In respect of building societies, the Council will use those societies that have assets in excess of £10 billion, subject to them having a minimum credit rating of P-2 (Moody's).

The Link creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not place undue emphasis on just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of F1, and a long term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored on an ongoing basis. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service.

- if a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in CDS spreads against the iTraxx European Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on any external support for banks to help to underpin its decision making process.

Creditworthiness

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards at the end of March/early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

4.3 Country limits

The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent counterparty rating). Furthermore the maximum amount which may be invested with non-UK banks will be limited to £3m per institution. The list of countries that qualify using the sovereign credit rating criteria as at the date of this report are shown in Appendix F. This list will be maintained by officers in accordance with this policy if ratings change.

4.4 Investment strategy

In-house funds - Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term

investments will be carefully assessed. Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

The Council's proposed Approved Counterparty List appears at Appendix E.

Investment returns expectations

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to reach 4.5% in Q2 2023.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

- 2022/23 4.00%
- 2023/24 4.40%
- 2024/25 3.30%
- 2025/26 2.60%
- 2026/27 2.50%
- Years 6 to 9 2.80%
- Year 10+ 2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Investment treasury indicator and limit - Total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of investments after each year-end.

The Council is asked to approve the following treasury indicator and limit:

Upper limit for principal sums invested for longer than 365 days	2023/24	2024/25	2025/26	2026/27	2027/28
Principal sums invested > 365 days	£6.0m	£6.0m	£6.0m	£6.0m	£6.0m
Current investments as at 31/01/23, in excess of 1 year, maturing in each year	£1.0m	£1.0m	£1.0m	£1.0m	£1.0m

4.5 Performance indicators

The Council will use the 3 month average earnings as a benchmark for assessing its investment performance.

4.6 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

4.7 Property Fund Managers

Property funds are a longer-term investment tool, generally with an investment period of greater than 5 years. Investment balances are normally based on the projected level of reserves and balances available for longer-term investment and appropriate due diligence should be undertaken before investing in Property Funds. Following Council approval in December 2018 and a full property fund selection, the Authority has invested £1m in the Lothbury Property Trust.

4.8 Ethical Investment Policy

The Council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's mission and values. This would include, inter alia, avoiding direct investment in institutions with material links to:

- Human rights abuse (e.g. child labour, political oppression)
- Environmentally harmful activities (e.g. pollutants, destruction of habitat, fossil fuels)
- Socially harmful activities (e.g. tobacco, gambling)

In addition to this, and in furtherance of the Council's carbon neutral ambitions, the Council will invest in green deposit notice accounts, providing that they are in accordance with the Council's prevailing investment criteria.

5. THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2023/24 – 2027/28

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

5.1 Capital Expenditure

	2021/22 Actual £000	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000
Capital Expenditure	2,147	7,669	3,619	2,724	1,220	882	2,657
Financed by:							
Capital Receipts	(286)	(365)	(525)	(520)	(150)	0	(500)
Capital Grants & Contributions	(984)	(2,135)	(706)	(758)	(703)	(674)	(692)
Capital Reserves	(357)	(260)	(92)	0	(32)	0	.0
Revenue Contributions	(76)	(151)	0	0	0	0	.0
Net financing need for the year	444	4,758	2,296	1,446	335	208	1,465

5.2 Affordability prudential indicators

The previous sections deal with the prudential indicators relating to overall capital expenditure and control of borrowing, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall financial position. The Council is asked to approve the following indicators:

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals in the budget report.

	2021/22 Actual	2022/23 Revised	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund	11.23%	7.03%	8.10%	10.76%	12.90%	14.23%	15.31%

The estimates of financing costs include current commitments and the proposals in the budget report.

Commercial and Service Investment Income to Net Revenue Stream

This Indicator is aimed at showing the financial exposure of the Council to the loss of its non-treasury investment income. The higher the ratio, the more reliant the Council is on income from commercial and service investments which represents a potential affordability risk should those investments perform badly or fail.

Local Authorities without commercial and service investments need not report this indicator which is currently the case for Blaby as it does not hold any commercial investments that are held for purely financial return. Where assets generate income, these are long standing assets held for historic or regeneration benefit such as the Enderby Road Industrial Estate Units, or for housing purposes like the Old Bank.

5.3 Maturity structure of borrowing

These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Maturity structure of fixed interest rate borrowing 2023/24		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%
Maturity structure of variable interest rate borrowing 2023/24		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%

The maturity structure limits are designed to ensure that the Council has the maximum possible flexibility to be able to restructure its loans portfolio in order to maximise the financial benefit to the General Fund.

5.4 Control of Interest Rate Exposure

See paragraphs 3.3, 3.4 and 4.4

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APPENDIX B

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

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ECONOMIC BACKGROUND

A Narrative taken from information sourced from the Council's Treasury advisors: Link Group

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
Bank Rate	3.5%	2.0%	4.25%-4.50%
GDP	-0.2%q/q Q3 (2.4%y/y)	+0.2%q/q Q3 (2.1%y/y)	2.6% Q3 Annualised
Inflation	10.7%y/y (Nov)	10.1%y/y (Nov)	7.1%y/y (Nov)
Unemployment Rate	3.7% (Oct)	6.5% (Oct)	3.7% (Nov)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

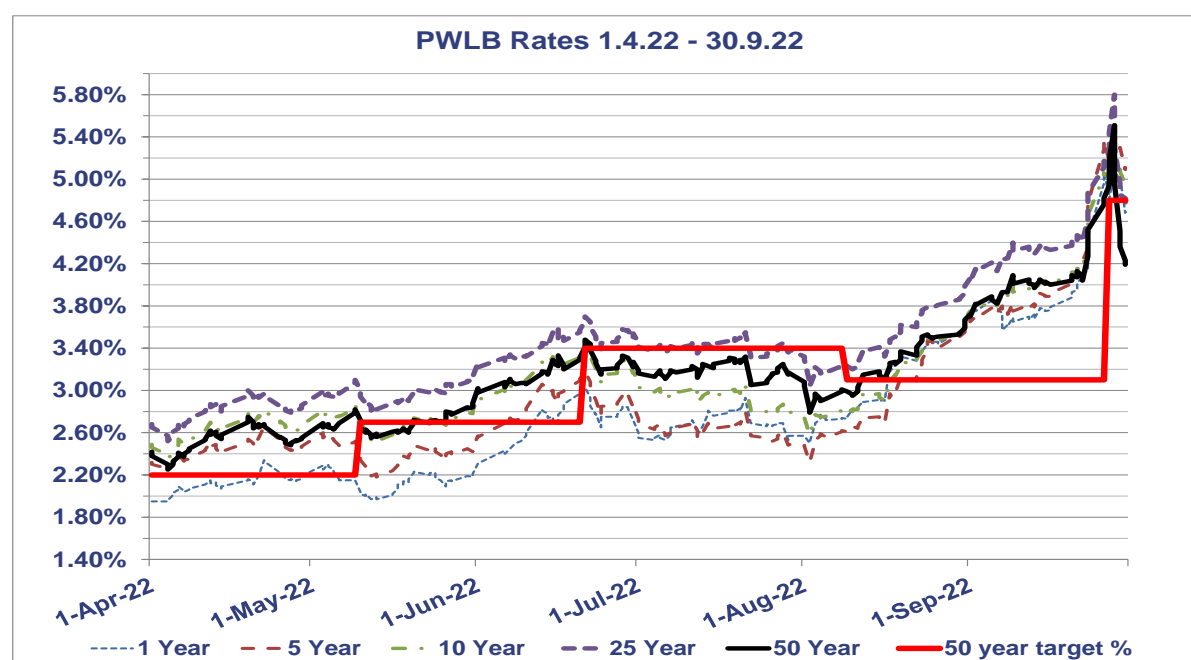
Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3.5% in December and the market expects Bank Rate to hit 4.5% by May 2023.

Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and October. The markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17th November gave rise to a net £55bn fiscal tightening, although much of the “heavy lifting” has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have almost completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one, if not more, quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government’s “fiscal event”, to \$1.22. Notwithstanding the £’s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28th September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.35%	5.80%	5.51%
Date	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
Average	2.81%	2.92%	3.13%	3.44%	3.17%
Spread	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

CENTRAL BANK CONCERNS – DECEMBER 2022

In December, the Fed decided to push up US rates by 0.5% to a range of 4.25% to 4.5%, whilst the MPC followed by raising Bank Rate from 3% to 3.5%, in line with market expectations. EZ rates have also increased to 2% with further tightening in the pipeline.

Having said that, the sentiment expressed in the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

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CREDIT AND COUNTERPARTY RISK MANAGEMENT

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' quality criteria where applicable. (Non-specified investments which would be specified investments apart from originally being for a period longer than 12 months, will be classified as being specified once the remaining period to maturity falls to under twelve months.)

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria/ colour band	Maximum investment limit per institution	Maximum maturity period
DMADF – UK Government	Yellow	unlimited	6 months
UK Government gilts*	Yellow	£5m	1 year
UK Government Treasury bills*	Yellow	£5m	1 year
Money market funds – Constant Net Asset Value (CNAV)	AAA	£8m per fund^	Liquid
Money market funds – Low Volatility Net Asset Value (LVNAV)	AAA	£8m per fund^	Liquid
Money market funds – Variable Net Asset Value (VNAV)	AAA	£8m per fund^	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	AAA	£3m per fund	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	AAA	£3m per fund	Liquid
Local authorities	Yellow	£5m per authority	1 year
UK Banks	Orange Red Green	£5m	1 year 6 months 100 days

Part nationalised UK Banks	Blue	£8m	1 year
Non-UK Banks (with a Sovereign Rating of AA-)	Orange Red Green	£3m	1 year 6 months 100 days
Building Societies	Orange Red Green	£5m	Up to 1 year Up to 6 Months Up to 100 days

* UK Government gilts and treasury bills are rarely, if ever, used but are included in this list as a potential, high credit quality investment.

^ Approved limits were increased by Council on 9th April 2020 to allow more flexibility for investment of unusually large sums, in light of the COVID-19 Business Grant funding.

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the specified investment criteria.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria/ colour band	Maximum investment limit per institution	Maximum maturity period
Local authorities	n/a	£5m per authority	5 years
UK Banks	Yellow Purple	£5m	5 years 2 years
Non-UK Banks (with a Sovereign Rating of AA-)	Yellow Purple	£3m	5 years 2 years
Building Societies	P-2 (Moody's)	£5m	Up to 100 days
Property Funds	n/a	£1m	Minimum of 5 years
Council's own bank	n/a	£8m^	Overnight

^ Approved limits were increased by Council on 9th April 2020 to allow more flexibility for investment of unusually large sums, in light of the COVID-19 Business Grant funding.

The criteria in this appendix are intended to be the operational criteria in normal times. At times of heightened volatility, risk and concern in financial markets, this strategy may be amended by temporary operational criteria further limiting investments to counterparties of a higher creditworthiness and/or restricted time limits

The Council will undertake investments for periods in excess of one year only when it has been clearly established that core funds are available, and that any funds invested will not be required during the term of the investment.

The Council's policy is not to invest with subsidiaries of counterparties where those subsidiaries do not have credit ratings in their own right, even where they have an unconditional guarantee from a parent.

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APPENDIX E

APPROVED COUNTERPARTY LENDING LIST 2023/24

	Country	Monetary Limit	Maximum Period for Investment
UK Banks			
Bank of Scotland plc (RFB)	UK	£5m	6 months
Barclays Bank plc (NRFB)	UK	£5m	6 months
Barclays Bank plc (RFB)	UK	£5m	6 months
Close Brothers	UK	£5m	6 months
Clydesdale Bank PLC	UK	£5m	100 days
Goldman Sachs International Bank	UK	£5m	6 months
Handelsbanken plc	UK	£5m	1 year
HSBC Bank PLC (NRFB)	UK	£5m	1 year
HSBC UK Bank plc (RFB)	UK	£5m	1 year
Lloyds Bank Corporate Markets plc (NRFB)	UK	£5m	6 months
Lloyds Bank plc (RFB)	UK	£5m	6 months
NatWest Markets plc (NRFB)	UK	£5m	6 months
Santander Financial Services plc (NRFB)	UK	£5m	6 months
Santander UK plc	UK	£5m	6 months
SMBC Bank International Limited	UK	£5m	6 months
Standard Chartered Bank	UK	£5m	6 months
Nationalised/Part Nationalised Banks			
National Westminster Bank plc (RFB)	UK	£5m	1 year
The Royal Bank of Scotland plc (RFB)	UK	£5m	1 year
Non-UK Banks			
Australia and New Zealand Banking Group Ltd	Australia	£3m	1 year
Commonwealth Bank of Australia	Australia	£3m	1 year
Macquarie Bank Limited	Australia	£3m	6 months
National Australia Bank Ltd	Australia	£3m	1 year
Westpac Banking Corporation	Australia	£3m	1 year
BNP Paribas Fortis	Belgium	£3m	6 months
KBC Bank NV	Belgium	£3m	1 year
Bank of Montreal	Canada	£3m	1 year
Bank of Nova Scotia	Canada	£3m	1 year
Canadian Imperial Bank of Commerce	Canada	£3m	1 year
National Bank of Canada	Canada	£3m	6 months
Royal Bank of Canada	Canada	£3m	1 year
Toronto Dominion Bank	Canada	£3m	1 year
Danske Bank	Denmark	£3m	6 months
Nordea Bank Abp	Finland	£3m	1 year
OP Corporate Bank plc	Finland	£3m	1 year
BNP Paribas	France	£3m	1 year
Credit Agricole Corporate & Investment Bank	France	£3m	1 year
Credit Agricole SA	France	£3m	1 year
Credit Industriel et Commercial	France	£3m	1 year
Societe Generale	France	£3m	6 months
Bayerische Landesbank	Germany	£3m	6 months
Commerzbank	Germany	£3m	100 days
Deutsche Bank AG	Germany	£3m	100 days
DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	Germany	£3m	1 year
Landesbank Baden-Wuerttemberg	Germany	£3m	6 months
Landesbank Berlin AG	Germany	£3m	1 year
Landesbank Hessen-Thueringen Girozentrale	Germany	£3m	1 year
Landwirtschaftliche Rentenbank	Germany	£3m	2 years
Norddeutsche Landesbank Girozentrale	Germany	£3m	100 days
NRW Bank	Germany	£3m	2 years
ABN AMRO Bank NV	Netherlands	£3m	6 months
Bank Nederlandse Gemeenten NV	Netherlands	£3m	2 years
Coöperatieve Rabobank UA	Netherlands	£3m	1 year
ING Bank NV	Netherlands	£3m	1 year
Nederlandse Waterschapsbank NV	Netherlands	£3m	2 years
DNB Bank ASA	Norway	£3m	1 year
DBS Bank Ltd	Singapore	£3m	1 year
Oversea Chinese Banking Corporation Ltd	Singapore	£3m	1 year
United Overseas Bank Ltd	Singapore	£3m	1 year
Skandinaviska Enskilda Banken AB	Sweden	£3m	1 year
Swedbank AB	Sweden	£3m	1 year
Svenska Handelsbanken AB	Sweden	£3m	1 year
UBS AG	Switzerland	£3m	1 year
Bank of America, N.A.	USA	£3m	1 year
The Bank of New York Mellon	USA	£3m	2 years
Citibank NA	USA	£3m	1 year
JP Morgan Chase Bank NA	USA	£3m	1 year
Wells Fargo Bank NA	USA	£3m	1 year
Building Societies			
Coventry Building Society	UK	£5m	6 months
Leeds Building Society	UK	£5m	100 days
Nationwide Building Society	UK	£5m	6 months
Principality Building Society	UK	£5m	100 days
Skipton Building Society	UK	£5m	6 months
Yorkshire Building Society	UK	£5m	100 days
Other Institutions			
Local Authorities (per authority)	UK	£5m	5 years
Collateralised LA Deposit	UK	£5m	5 years
UK Debt Management Office (DMADF)	UK	unlimited	5 years
Multilateral Development Banks	UK	£5m	5 years
Supranationals	UK	£5m	5 years
UK Gilts	UK	£5m	5 years
Money Market Funds (per Fund) - Constant Net Asset Value (CNAV)	UK	£8m	Liquid
Money Market Funds (per Fund) - Low Volatility Net Asset Value (LVNAV)	UK	£8m	Liquid
Money Market Funds (per Fund) - Variable Net Asset Value (VNAV)	UK	£8m	Liquid
HSBC Call Account	UK	£8m	Liquid
Property Funds	UK	£3m	Minimum of 5 years

NB: Monetary limits apply to groups as well as individual counterparties.

RFB = Ring Fenced Bank

NRFB = Non Ring Fenced Bank

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APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link Group credit worthiness service.

Based on lowest rating available

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- France

AA-

- Belgium
- United Kingdom

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TREASURY MANAGEMENT SCHEME OF DELEGATION

The following is an extract from TMP5 – Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements.

5.1 Allocation of responsibilities

Council:

- receiving and reviewing reports on treasury management policies, practices, and activities
- approval of annual strategy.

Cabinet Executive:

- approval of amendments to the Council's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

Scrutiny Committee:

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

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ROLE OF THE SECTION 151 OFFICER

5.4 Statement of the Treasury Management Duties/Responsibilities of each Treasury Post

The responsible officer

The responsible officer is the person charged with professional responsibility for the treasury management function and in this Council that person is the Executive Director (Section 151). This person will carry out the following duties: -

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable, and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above

- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following:
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios.*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments.*
 - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making.*
 - *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken.*
 - *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

Blaby District Council Council

Date of Meeting	22 February 2023
Title of Report	Recommendations of the Cabinet Executive: General Fund Budget Proposals 2023/24 This is not a Key Decision and is on the Forward Plan
Lead Member	Cllr. Maggie Wright - Finance, People & Performance (Deputy Leader)
Report Author	Executive Director (Section 151 Officer)
Corporate Priority	Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 The report sets out the Council's General Fund budget proposals for the forthcoming financial year. This includes details of the financial settlement that will support service delivery, and a high level summary of planned expenditure by portfolio. The Council holds a number of reserves that it can draw upon to fund future expenditure. The level of reserves is noted within this report, along with an update of the Medium Term Financial Strategy.

2. Recommendation(s) to Council

- 2.1 To have regard to the comments of the Executive Director (Section 151 Officer) in paragraph 4.7 in respect of the requirements of the Local Government Finance Act 2003.
- 2.2 To approve the 2023/24 General Fund Revenue Account net expenditure budget of **£14.665m**.
- 2.3 That delegated authority is given to the S151 Officer in consultation with the Portfolio Holder to make amendments to the Budget prior to the commencement of the financial year should it be necessary.

3. Reason for Decisions Recommended

- 3.1 It is a requirement for the Cabinet Executive and Council to take into account the requirements of the Local Government Finance Act 2003 in relation to the robustness of the budget and the adequacy of reserves.
- 3.2 Cabinet and Council are required to consider and approve the General Fund Revenue Account budget proposals in order to set the budget and Council Tax for the forthcoming financial year

- | | |
|-----|---|
| 3.3 | Delegated authority is sought in order to make any amendments to the Budget should any new information become available following approval by full Council. |
|-----|---|

4. Matters to consider

4.1 Background

The Council formulates an annual budget based on our best estimates of income and expenditure for the forthcoming financial year. Officers monitor actual income and expenditure against the budget during the year, and quarterly progress reports are presented to Cabinet Executive, highlighting any significant variances against the budget.

Alongside the annual budget, the Medium Term Financial Strategy (MTFS) provides a forecast of the Council's revenue position up to a period of five years in the future.

Perhaps the most significant strand to the budget setting process is the Local Government Finance Settlement, which sets out the amount of Government funding that will be made available to support the Council's budget for the forthcoming year, and the amount by which we are permitted to raise council tax.

Members will be aware that the settlement funding assessment for 2023/24 was announced on 19th December 2022. It had been hoped that the Secretary of State would announce a multi-year settlement to commence in 2023/24. However, as has been the case in recent years, only a single year settlement was released. This makes it far more difficult to gauge the level of funding in future financial years, as a number of the funding streams for 2023/24 are either one-off grants or are funding streams that may end after the next financial year.

On top of this, there remains a great deal of uncertainty over how changes to Business Rates Retention and the Fair Funding Review will impact our financial position. We had expected that these changes may have started to be implemented in 202/24 however we now expect that these changes will not take effect until 2025/26. The updated MTFS, at Appendix C, is predicated on the assumption that the Business Rates Baseline will be re-based from 1st April 2025, and this is expected to lead to the loss of any growth in business rates that have accumulated since 2013/14.

4.2 Proposed Budget

The General Fund Revenue Account net expenditure budget of **£14.665m** has been prepared by:

- Including an estimate of the costs associated with the annual pay settlement which is yet to be agreed by the National Joint Council for Local Government.
- Incorporating increases in employer's pension in line with the triannual review.
- Including changes in external funding.
- Updating both income and expenditure forecasts to reflect inflationary pressures and any review of charges, particularly in respect of some of our key income streams.
- Utilising earmarked reserves where applicable to do so to support services to continue to be delivered.
- Estimating the amount of business rates receivable based on properties on the rating list, entitlement to various reliefs, expected growth, and the likelihood of appeals.

Contingent events such as planning appeals are not included within the budget requirement but expenditure will be funded from balances if it is necessary.

Funding the Budget Requirement

Service expenditure is presented net of fees and charges, and other specific grant income, to arrive at the net budget requirement of £14.665m.

The net budget requirement is met through a combination of council tax, business rates, and government grants.

Council Tax – proposals for Council Tax are included in a separate report on this agenda. The budget proposals include an assumption that the Band D Council Tax is increased by 2.99%; an increase of £5.33 per annum in 2023/24. Applying this to the Council Tax Base of 34,369.72 Band D equivalents, generates estimated Council Tax income of £6,311,930 in 2023/24.

Business Rates – income from Business Rates has been significantly impacted by the pandemic over recent years, mainly due to the expanded retail relief introduced by the Government to support businesses that were affected by the lockdown, but also in terms of an increase in empty properties, reduced growth, and an increase in the number of appeals against rating assessments. However, this position has been mitigated by the receipt of Section 31 Grant paid by the Government in compensation for expanded retail relief losses and other similar measures.

At the time when Scrutiny was presented with the draft budget proposals, Members were advised that income from Business Rates was expected to increase by approx. £1.54m between 2022/23 and 2023/24. Further work has been undertaken to refine the budget estimates in line with completion of the statutory NNDR1 return, however overall, the figure has not altered significantly. Income from Business Rates of **£6,292,638** has been built into

the 2023/24 budget, including a contribution of £453,500 from the NNDR Income Reserve.

New Homes Bonus Grant – New Homes Bonus Grant has again been extended for a further year. As a result we will receive **£430,029** in 2023/24 (a reduction of £559,464 compared to 2022/23). The future of New Homes Bonus is very uncertain and we await to hear if there will be a continuation of New Homes Bonus Grant in the future or if anything will replace it.

Funding Guarantee Grant - A new grant introduced this year to ensure every authority has an increase in Core Spending Power (CSP) of at least 3%. This has been funded from the discontinuation of the Lower Tier Services Grant and the reduction in the payment nationally of New Homes Bonus. Blaby has been allocated **£1.531m** for 2023/24.

Services Grant – This was a new grant in 2022/23 and was the mechanism used to distribute an element of the £1.5bn additional funding to Local Government that was announced in the Spending Review of 2022/23. Included in 2023/24 is grant funding of **£90,200** reduced from £154,000.

Balances and Reserves

The adequacy of the Councils balances and reserves are essential factors to be taken into consideration when preparing the annual budgets. The Council maintains a General Fund working balance and a number of specific earmarked reserves and provisions to meet liabilities.

In 2023/24 it is proposed that the Council makes a contribution from the General Fund Balance of £166k to support the budget and contributions from earmarked reserves are proposed to be utilised as follows:

- £100,000 from the Election reserve to be utilised to fund the Blaby District elections
- £53,000 from the IT Reserve Fund to support capital schemes
- £47,000 from the Blaby District Plan Reserve to support capital schemes
- £55,000 from the Ongoing Projects Reserve represents upfront funding to be carried forward and delivered in 2023/24
- £31,327 from the New Homes Bonus Reserve released to general reserves.

In addition to these contributions from earmarked reserves, we are also utilising £1,502,156 from the S31 Grant Reserve and £453,500 from the NNDR Income Reserve. The former relates to grant monies received in 2020/21 that were carried forward to offset the Business Rates deficit arising in 2021/22 and subsequent years, as a result of the pandemic. The latter is being utilised to support the overall Business Rates income stream in 2022/23.

It should also be noted that an addition £45,000 is to be made to the Property Fund Reserve. This reflects income that is expected to be received from the

investment in the property fund. Initially none of the income is being utilised within the Council's budget, but instead is being placed in a reserve to mitigate against any potential reductions in value which may have to be recognised by the Council in the future.

Information relating to specific Balances and Reserves are set out below:

General Fund Balance

The Council's General Fund balance plays an important part in maintaining the financial stability of the authority primarily by:-

- Meeting unforeseen additional expenditure and reductions in income during the course of the financial year.
- Meeting the cost of one-off items of expenditure.
- Supporting the stability of the Council's finances by providing a source of funding in times of uncertainty.

In 2023/24 there is a requirement to make a contribution of **£166k** from the General Fund to support expenditure. This is on the basis that Cabinet Executive and Council approve the Council Tax increase that is the subject of the following report.

The estimated balance at 31st March 2024 would, therefore, be **£3.642m** representing **24.8%** of the proposed net revenue budget for 2023/24. This is below the current limit within the Council's policy to hold no higher than 35% of the proposed relevant annual net revenue budget.

NNDR Income Reserve

Since 2015/16 the Council has recognised and released income generated from the growth in Business Rates to support the budget.

Officers monitor Business Rates throughout the year and although appeals and unpredictability of growth rates and empty properties make it difficult to forecast the outturn position, the Council has continued to benefit from seeing growth within the District. It is anticipated that the NNDR income reserve will have a balance of **£2.744m** by 31st March 2023 reducing to £2.291m by 31st March 2024.

S31 Grant Reserve

The balance on this reserve represents compensation received in 2020/21 towards expanded retail relief granted to businesses as part of the Government's response to COVID-19. The Government passed legislation allowing local authorities to spread any Business Rates deficit at 31st March 2021 over 3 financial years. The majority of this deficit has been recognised in 2021/22 with reducing balances being charged to the General Fund in 2022/23 and 2023/24. This is the final year of the release of this reserve and

the balance on this reserve at 31st March 2023 is expected to be **£1.502m** which will be applied in full during 2023/24.

Huncote Major Incident Reserve

As part of the Council's response to the major incident at the Huncote Leisure Centre site, in relation to landfill gas, the Council approved that **£0.500m** be set aside towards the cost of remedial works. At the time we were aware that expenditure was likely to fall across at least two financial years, 2021/22 and 2022/23. The majority of the works have now been completed, with some of those works being capital in nature. Consideration is being given as to whether it would be more beneficial to borrow to fund the capital element of works, and thus spread the cost over a number of years rather than take a one-off hit on reserves up front. In this regard, it is expected that the accounting treatment of this expenditure is reported at the year end and the reserve position correctly reflected.

Other Earmarked Reserves

Appendix B gives details of the expected movement on earmarked reserves in 2022/23 and 2023/24. If any planned expenditure for 2022/23, backed by contributions from earmarked reserves, does not take place before 31st March 2023, consideration will be given to carrying the budget forward to 2023/24. In such cases the funding will remain in the earmarked reserve until required.

Medium Term Financial Strategy

The MTFS financial assumptions have been updated to reflect the recent Settlement and to take account of the anticipated reduction in future funding and the consequential risks that the Council faces in future financial years. A summary of the MTFS appears at Appendix C. The MTFS gives an indication of our future financial position based on the limited information we currently have regarding the changes to Business Rates and the introduction of Fairer Funding, both of which are likely to be implemented from 1st April 2025/26.

The main assumption contained within the MTFS is that rebasing will take place from 2025/26, based upon the level of collectable Business Rates in 2023/24. This will effectively remove any growth attained between 2013/14 and 2023/24 by increasing the tariff payable to Government out of Blaby's share of the collectable rates.

This is expected to lead to a budget deficit of around £2.5M in 2025/26 after damping. Once again, there is no certainty that the Government will introduce any form of damping but it is thought likely that they will, in order to smooth the impact of the loss in funding across more than one financial year. The MTFS at Appendix C builds in an assumption that the loss in funding will be limited to 5% of the funding level for 2025/26. However, this is just one possibility and is by no means guaranteed.

The future of New Homes Bonus is very uncertain and we await to hear if there will be a continuation of New Homes Bonus Grant in the future or if anything will replace it. For the purposes of the MTFS a similar level of New Homes Grant Funding has been assumed for 2024/25 but that this income stream is discontinued in the years that follow.

4.3 Relevant Consultations

Cabinet Executive Members, Senior Leadership Team and the Service Managers have all been consulted in the preparation of budget proposals for the forthcoming year. The Scrutiny Commission has also had opportunity to challenge and understand the budget process and outcome.

4.4 Significant Issues

Local Government Act 2003 – Budget Calculations and Revenue Reserves

The Council's Section 151 Officer, is required to report to Members about the robustness of the budget proposals and to comment on the adequacy of the reserves.

This provision is designed to strengthen the financial reporting requirements of local government and to reduce the risk of authorities getting themselves into financial difficulty. The reason for this is that there is no prospect, under normal circumstances, of levying a supplementary Council Tax once a Council sets its level of tax for the forthcoming year.

Robustness of Budget Proposals

The preparation of the 2023/24 budget has been undertaken in accordance with best practice, including individually costing each establishment post and examining each cost centre budget line against current year and prior year performance. This has produced a tight, tailored budget which will require careful monitoring throughout the forthcoming financial year. Capital charges have been calculated in accordance with the Accounting Code of Practice and the Council's policies in relation to depreciation and the Minimum Revenue Provision.

Those specific grants known of at the time of preparation are included in the budget and the declared level, where Ministers have already confirmed the arrangements for 2023/24. Where this is not the case a similar level to that received in 2022/23 has been used for ongoing grants. Where there is uncertainty no provision has been assumed.

No specific provision has been incorporated into the proposed revenue budgets for 2023/24 for future potential redundancy or employment tribunal costs. It is proposed that any such costs be met from the Council's balances as and when required.

Adequacy of Major Reserves and Balances

Appendix B of this report sets out in detail the Council's overall position in relation to its reserves and balances.

The Council's proposals to utilise some of these reserves throughout the year illustrate how a structured approach is being taken to balance sustainable service delivery with financial prudence.

For the purposes of the requirements of Section 25 and 26 of the Local Government Act 2003, the Executive Director (S151) considers that the estimates for 2023/24 are robust and the proposed levels of balances and reserve are adequate.

Given the uncertainty that the Fair Funding Review and particularly the Business Rate Reform and changes to New Homes Bonus presents in future years there is a question as to whether the reserves are sufficient to underpin future financial pressures. This will be something that will be monitored by the Executive Director (S151) and brought to Council's attention as soon as information allows. As a matter of course, the reserves position is reported to Cabinet Executive on a quarterly basis. Based on the Council's 2021/22 Unaudited Accounts, usable revenue reserves (including earmarked reserves) at 31st March 2022 sit at 99% of net revenue expenditure. Whilst this puts Blaby at the lower end of the scale in terms of its level of usable revenue reserves, for the 2022/23 financial year the proposed level of balances and reserves are considered to be robust and adequate.

5. What will it cost and are there opportunities for savings?

- 5.1 The financial implications are included in the main body of the report and also documented in the papers provided to the Scrutiny Commission during January 2023.

6. What are the risks and how can they be reduced?

- 6.1 The risks to the Council in 2023/24 and future years are detailed in the Medium Term Financial Narrative document at Appendix C.

7. Other options considered

- 7.1 None – The Council is required to set its budgetary requirement and for the Council to consider the opinion of the Executive Director (S151 Officer) as to the robustness of the proposed budget and the levels of reserves and balances being adequate.

8. Environmental impact

- 8.1 This report itself has no environmental impact. Should further funding be required for environmental initiatives, these will be brought for consideration within independent reports and the financial implications considered at the time of bringing these reports before Cabinet and Council.

9. Other significant issues

- 9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

10. Appendix

- 10.1 Appendix A – Summary of Net Expenditure and Budget Requirement
- 10.2 Appendix B – Analysis of Reserves
- 10.3 Appendix C – Medium Term Financial Strategy (MTFS)

11. Background paper(s)

- 11.1 Establishment Report to Cabinet Executive - 7th November 2022.
Detailed budget working papers held by Financial Services.
Reports provided to the Scrutiny Commission Meetings of 11th and 18th
January 2023.

12. Report author's contact details

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SUMMARY OF NET EXPENDITURE & BUDGET REQUIREMENT

	Approved 2022/23 £	Revised 2022/23 £	Base 2023/24 £
<u>Net Direct Expenditure</u>			
Finance, People & Performance	2,927,303	3,057,231	3,188,022
Housing, Community & Environmental Services	1,914,296	2,592,911	1,978,956
Health & Wellbeing, Community Engagement & Business Support	299,655	1,980,598	399,359
Leader	1,440,676	1,683,458	1,619,061
Neighbourhood Services & Assets	2,554,596	3,191,214	3,246,948
Planning Delivery, Enforcement & Corporate Transformation	2,817,157	3,681,941	3,565,377
Net Direct Expenditure	11,953,683	16,187,353	13,997,723
Revenue Contributions towards Capital Expenditure	100,000	411,066	100,000
Minimum Revenue Provision	1,173,162	389,373	478,077
Voluntary Revenue Provision	0	0	250,000
Other Appropriations & Accounting Adjustments	257,701	(191,224)	246,400
Net Total Expenditure	13,484,546	16,796,568	15,072,200
Contribution to/(from) Earmarked Reserves	(230,940)	(3,225,468)	(241,017)
Contribution to/(from) General Fund Balances	(397,563)	(715,058)	(166,007)
Net Budget Requirement	12,856,043	12,856,042	14,665,176
Income from Business Rates	(390,153)	(295,364)	(1,749,109)
Contributions from Business Rates Reserves	(2,145,760)	(1,726,457)	(1,955,656)
S31 Grant - Business Rates Compensation	(2,214,888)	(2,728,979)	(2,587,873)
Revenue Support Grant	0	0	(74,608)
New Homes Bonus Grant	(1,020,820)	(1,020,820)	(430,029)
Lower Tier Services Grant	(867,225)	(867,225)	0
Services Grant	(153,747)	(153,747)	(90,200)
Funding Guarantee	0	0	(1,530,635)
Council Tax (Surplus)/Deficit	43,211	43,211	64,864
Council Tax Demand on Collection Fund	(6,106,661)	(6,106,661)	(6,311,930)
Funding Envelope	(12,856,043)	(12,856,042)	(14,665,176)

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ANALYSIS OF RESERVES - REVISED BUDGET 2022/23 & BASE BUDGET 2023/24

Appendix B

	GL Code	Actual 31/03/22 £	Reallocations 2022/23 £	Movement in 2022/23 £	Estimated 31/03/23 £	Movement in 2023/24 £	Estimated 31/03/24 £
Earmarked Reserves							
Leisure Centre Renewals Fund	0001/VBA	(62,361)	0	0	(62,361)	0	(62,361)
IT Reserve Fund	0001/VBB	(255,407)	0	118,000	(137,407)	53,000	(84,407)
Licensing Reserve	0001/VBC	(27,868)	0	0	(27,868)	0	(27,868)
Insurance Reserve Fund	0001/VBD	(100,000)	0	0	(100,000)	0	(100,000)
Blaby District Plan Priorities Reserve	0001/VBJ	(452,667)	0	101,513	(351,154)	47,000	(304,154)
General Fund Reserve	0001/VBK	(1,697,764)	0	88,946	(1,608,818)	0	(1,608,818)
Ongoing Projects Reserve	0001/VBM	(2,923,063)	0	2,868,373	(54,690)	54,690	0
Elections Reserve	0001/VBQ	(121,944)	0	0	(121,944)	100,000	(21,944)
Choice Based Lettings Reserve	0001/VBR	(952)	0	0	(952)	0	(952)
New Home Bonus	0001/VBT	(41,327)	0	10,000	(31,327)	31,327	0
COVID Support Reserve	0001/VBU	(700,000)	0	0	(700,000)	0	(700,000)
Economic Development Reserve	0001/VBX	(50,000)	0	0	(50,000)	0	(50,000)
ERIE Sinking Fund	0001/VCA	(34,654)	0	0	(34,654)	0	(34,654)
Community Rights Reserve	0001/VCB	(48,724)	0	0	(48,724)	0	(48,724)
Council Tax Support Reserve	0001/VCD	(325,000)	0	0	(325,000)	0	(325,000)
Parish New Homes Bonus Reserve	0001/VCE	(881)	0	0	(881)	0	(881)
NNDR Income Reserve	0001/VCF	(1,702,174)	0	(1,041,742)	(2,743,916)	453,500	(2,290,416)
Agile Working Reserve	0001/VCG	(162,678)	0	0	(162,678)	0	(162,678)
Local Plan Reserve	0001/V CJ	(483,595)	0	59,661	(423,934)	0	(423,934)
Lottery Reserve	0001/VCK	(21,132)	0	5,855	(15,277)	0	(15,277)
IT System Replacement Reserve	0001/VCL	(54,415)	0	18,120	(36,295)	0	(36,295)
Property Fund Reserve	0001/VCM	(88,462)	0	(45,000)	(133,462)	(45,000)	(178,462)
Tax Income Guarantee Reserve	9999/VCN	0	0	0	0	0	0
S31 Grant Reserve	9999/VCO	(4,270,355)	0	2,768,199	(1,502,156)	1,502,156	0
Huncote Major Incident Reserve	9999/VCP	(423,433)	(100,000)	0	(523,433)	0	(523,433)
Court Fees Income Reserve	9999/V CQ	(31,813)	0	0	(31,813)	0	(31,813)
Total - All Earmarked Reserves		(14,080,669)	(100,000)	4,951,925	(9,228,744)	2,196,673	(7,032,071)
General Fund Balance	9999/ZZA	(4,698,909)	100,000	715,058	(3,883,851)	166,007	(3,717,844)

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Appendix C

Medium Term Financial Strategy

The Medium-Term Financial Strategy (MTFS) is the Council's key financial planning document.

The MTFS forms part of the '**Blaby District Plan**' which brings together the Council's Corporate Plan, the MTFS and the People Strategy.

The current MTFS document contains a financial forecast which is updated each year to reflect the changes to funding. This update has been extended to include the years up to 2027/28 to ensure the Council continues to consider the financial picture with a longer-term strategic view and understand the financial resources available.

The future funding envelope beyond 2023/24 remains quite uncertain given there are changes to funding in future years with the Fair Funding Review and the anticipated reset of the Business Rates baseline, both of which are now expected to take effect from 2025/26. The future funding estimates within the MTFS consider any information that can be gained from the national picture and documents within the public domain on this subject, although there is a high degree of risk and uncertainty around these.

Whilst the future funding levels are uncertain it is not unrealistic to assume there will continue to be funding reductions or higher demand placed upon the Council. It is important that the Council understands the potential future funding gaps and scenarios have been included to illustrate possible financial impacts of the changes.

For this latest update of the MTFS, the provisional budget for 2023/24 has been used as the baseline for projecting the future budget requirement. However, priorities and services may have to be revised to ensure the Council remains financially sustainable.

Financial Summary

Forecast Net Revenue Expenditure						
	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Portfolio:						
Finance, People & Performance	3,057,231	3,188,022	3,438,212	3,553,910	3,655,057	3,731,462
Housing, Community & Environmental Services	2,592,911	1,978,956	2,059,041	2,135,986	2,215,252	2,296,908
Health & Wellbeing, Community Engagement & Business Support Leader	1,980,598	399,359	214,677	315,472	181,608	198,033
Neighbourhood Services & Assets	1,683,458	1,619,061	1,670,404	1,720,471	1,772,041	1,825,157
Planning Delivery, Enforcement & Corporate Transformation	3,191,214	3,246,948	3,372,316	3,508,044	3,642,788	3,782,312
	3,681,941	3,565,377	3,661,981	3,756,486	3,853,829	3,954,096
Net Direct Expenditure - Portfolio	16,187,353	13,997,723	14,416,631	14,990,369	15,320,575	15,787,968
RCCO	411,066	100,000	22,000	32,000	0	0
Minimum Revenue Provision	389,373	478,077	743,472	952,995	1,046,325	1,123,661
Voluntary Revenue Provision	0	250,000	250,000	250,000	250,000	250,000
Appropriations & Accounting Adjustments	85,819	246,400	246,400	246,400	246,400	246,400
Contribution to/(from) Earmarked Reserves	(3,225,468)	(241,017)	23,000	13,000	45,000	45,000
Net Revenue Expenditure	13,848,143	14,831,183	15,701,503	16,484,764	16,908,300	17,453,029
Funding Envelope						
	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Income from Business Rates	(295,364)	(1,749,109)	(3,210,492)	(692,581)	(1,342,009)	(1,362,786)
Contribution from Business Rates Reserves	(1,726,457)	(1,955,656)	0	0	0	0
S31 Grant - Business Rates Compensation	(2,728,979)	(2,587,873)	(2,730,139)	(1,844,514)	(1,083,449)	(1,104,053)
Revenue Support Grant	0	(74,608)	(74,608)	(74,608)	(74,608)	(74,608)
Lower Tier Services Grant	(867,225)	0	0	0	0	0
Services Grant	(153,747)	(90,200)	(90,200)	0	0	0
Funding Guarantee	0	(1,530,635)	(1,530,635)	0	0	0
New Homes Bonus Grant	(1,020,820)	(430,029)	(430,029)	0	0	0
	(6,792,592)	(8,418,110)	(8,066,103)	(2,611,703)	(2,500,066)	(2,541,447)
Council Tax Deficit	43,211	64,864	0	0	0	0
Council Tax	(6,106,661)	(6,311,930)	(6,538,486)	(6,772,947)	(7,035,645)	(7,307,996)
Funding Envelope	(12,856,042)	(14,665,176)	(14,604,589)	(9,384,650)	(9,535,711)	(9,849,443)
Funding Gap/(Surplus)	992,101	166,007	1,096,914	7,100,114	7,372,589	7,603,586
Damping				(4,489,709)	(3,644,930)	(2,672,166)
Adjusted Funding Gap/(Surplus)	992,101	166,007	1,096,914	2,610,405	3,727,659	4,931,420

Forecast Assumptions

Set out below is a commentary relating to the key assumptions that have been made in drafting the future financial forecast.

Net Direct Expenditure

Net Direct Expenditure budgets have been compiled by rolling forward the 2023/24 draft budget numbers and applying inflationary factors where appropriate to the elements. Key areas of note are:

- Establishment – assumes a 3% increase to cover the annual pay award, increments and increases in national insurance and pension contributions.
- Other costs – increases in line with contractual arrangements or by reference to appropriate inflationary factors, dependent upon the nature of the expenditure.
- Fees and charges – non-statutory income budgets have been increased by inflation and with a view to achieving full cost recovery.

RCCO

Revenue Contributions towards Capital Outlay – this is where revenue expenditure (including earmarked reserves) is used to finance capital expenditure.

Minimum Revenue Provision (MRP)

MRP is a proxy for depreciation used in local government finance. It is charged on any capital expenditure funded through borrowing, over a period commensurate with the estimated life of the asset. Much of the current MRP relates to the purchase of fleet vehicles, investment in our leisure facilities, and historic disabled facilities grants. The increase in MRP from 2024/25 reflects the impact of new expected borrowing to fund our 5-year Capital Programme.

Voluntary Revenue Provision (VRP)

VRP is in addition to MRP and is applied to smooth the impact of introducing the Council's new MRP policy.

Contributions to/(from) Earmarked Reserves

This represents the release of reserves to support one-off expenditure items or spend to save initiatives.

Net Revenue Expenditure

The Council's forecast net expenditure position prior to the application of balances, government grants and council tax.

Income from Business Rates

The Council retains 40% of the net rates collectable from businesses. However, it is also required to pay a tariff to government from its share, as well as a levy payment to the Leicestershire Business Rates Pool based on any growth above the baseline. Blaby has benefitted from considerable growth since the current Business Rates Retention Scheme was introduced in April 2013. The MTFS anticipates a reset of the business rates baseline in 2025/26 and this is likely to have a major impact on the

amount of business rates that Blaby will have to support its budget. However, there remains a great deal of uncertainty over the precise impact.

S31 Grant – Business Rates Compensation

The amount of business rates collectable is reduced by various reliefs that have been introduced by the government, for example, to freeze the business rate multiplier. This results in a loss of income to the Council, which is usually compensated by the government through Section 31 grant.

Lower Tier Services Grant

Introduced by government as part of the 2021/22 financial settlement to offset the reduction in funding that many authorities were feeling because of the phasing out of New Homes Bonus. Initially intended as a one-off grant, it was extended into the 2022/23 settlement but has been replaced in 2023/24.

Services Grant

A new grant introduced in the 2022/23 settlement but continued into 2023/24 in the latest settlement.

New Homes Bonus

New Homes Bonus has again been extended by a further year based on the existing distribution mechanism. Blaby's settlement is based on housing growth up to October 2022. It is likely, but not definite, that the grant will continue in 2024/25 although with a lower pot to be allocated.

Council Tax Deficit

The amount by which council tax due in the previous year, falls short of the expected sum collectable. The government introduced new legislation in 2020/21 enabling local authorities to spread any unusual deficit arising from the pandemic across three years.

Council Tax

The expected amount of revenue receivable from Council Taxpayers, assuming an increase of 2.99% on Band D each year and an assumed increase in the tax base to reflect new build.

Damping

An assumption has been built into the MTFs in anticipation that the government will introduce some form of damping mechanism to smooth the impact of the expected reduction in funding. Until the Fair Funding review is complete and the government has made a decision in relation to the business rate baseline reset, the full extent of this impact poses a significant risk.

Financial Risks

- **New Homes Bonus (NHB)** When the New Homes Bonus commenced it was a non-ring fenced grant introduced to encourage the building of new housing. This, in effect, was top sliced from the existing funding streams for local government and therefore has provided an alternative source of funding as the core grant has been reduced. In the early years Blaby was in the position to support local housing schemes with some of the New Homes Bonus. However, in recent years it has been necessary to include the NHB as a source of funding to underpin the budget requirement.

In 2023/24 **£0.461m** of NHB has been utilised to fund the budget requirement.

NHB is expected to be removed from the settlement from 2025/26 onwards and, as yet, there is no indication from government that it will be replaced. If it is replaced, there is a strong likelihood that any new grant will be more weighted towards upper tier authorities.

- **Business Rates Retention Reform**

The recent Statement suggests that this will take effect in the year 2025/26 at the same time as the result of the Fair Funding Review is expected to be implemented.

The overriding question will be how this additional retention locally will be distributed between Districts and County Councils given the financial pressures being experienced by County Councils because of Social Care costs. In addition, it is suggested that there will be a full Business Rate Baseline reset. If there is a full reset of the Baseline the Council may lose the benefit of any significant growth that has been generated in recent years. This element of the changes to Business Rates provides a substantial risk to the Council which could result in growth being lost. The financial impact of this is illustrated by the considerable financial gap from 2025/26 onwards.

Blaby will benefit from any future growth in Business Rates, however quantifying the benefit is not yet possible.

- **Fair Funding Review**

It is expected that this will take effect in the year 2025/26. Whilst the historic consultation detailed considerations that may be being taken into account it is not possible to assess how Blaby District will be impacted by this change. How

future changes are softened through a 'damping process' will be key as to how Blaby's financial position may change.

- **Inflationary Pressures.** The Council continues to see inflationary pressures impacting on the costs of providing services to residents. Where these can be predicted they have been included in the budget however, it is difficult to accurately forecast all increases. The pay award of 2022 resulted in considerable additional costs to the Council and is one area of inflationary pressure that the Council will continue to monitor during the coming months.
- **County Council Funding Reductions.** The County Council has openly illustrated the level of funding cuts that they will be required to make over the coming years. Whilst we can plan to mitigate any obvious impacts of this, some are more subtle and the increased demand that results from this is difficult to quantify financially. This is a considerable risk to which we will put financial values to as and when we are in a position to do so.
- **New Demands from Residents.** Blaby has an ageing population which brings with it challenges such as dealing with dementia and issues such as loneliness. We have also seen considerable increase in homelessness costs and the cost of living crisis may also drive further demands. What role Blaby will play in our community to combat these challenges and what different demand this drives for services that are needed have not yet been identified.

Blaby District Council Council

Date of Meeting	22 February 2023
Title of Report	Recommendations of the Cabinet Executive: Council Tax 2023/24
	This is not a Key Decision and is on the Forward Plan
Lead Member	Cllr. Maggie Wright - Finance, People & Performance (Deputy Leader)
Report Author	Finance Group Manager
Corporate Priority	Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 The Council is required to set out the total amount that needs to be raised from the collection of Council Tax in the forthcoming year. This is known as the Council Tax Requirement for Blaby District Council and forms part of the funding towards the services provided by the Council. The report sets the amount of Council Tax charged to each household in the district.

2. Recommendation(s) to Council

- 2.1 The Council Tax Requirement for 2023/24 is set at £6,311,930.
- 2.2 The District Council Band D Council Tax is set at £183.65, reflecting an increase of 2.99% (£5.33), all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended.
- 2.3 The precepts and Band D Council Tax for Leicestershire County Council*, the Office of the Police and Crime Commissioner (OPCC), the Combined Fire Authority, and the various Parish Councils within the District, be determined as set out in the following report, with all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended.

* Subject to the meeting of Leicestershire County Council to be held on 22nd February 2023.

3. Reason for Decisions Recommended

- 3.1 The Council is statutorily required to determine its own Council Tax Requirement and to determine the Council Tax for the 2023/24 financial year, after considering precepts set by the other preceptors.

4. Matters to consider

4.1 Background

Setting the level of Council Tax to be charged and calculating the total amount of Council Tax to be drawn from the Collection Fund, is the final stage of the budget process. The amount of funding the Council may raise in Council Tax is limited by:

- The number and size of properties in the district on which a charge for Council Tax can be applied (referred to as the Council Tax Base), and
- The maximum increase that may be applied to the current Council Tax level (without a referendum being triggered).

Blaby's Council Tax Base for 2023/24 is 34,369.72 and this was approved at a meeting of the Cabinet Executive on 20th January 2023.

Each year the government sets out the principles that determine whether a local authority's proposed council tax increase is excessive. For 2023/24, the basic amount of council tax for a shire district council is considered excessive if:

- It is 3%, or more than 3%, greater than the basic amount of council tax in 2022/23; **and**
- It is more than £5 greater than the basic amount of council tax in 2022/23.

This means that Blaby can increase its Band D council tax by the greater of 2.99% or £5 in 2023/24 without triggering a referendum. If a referendum were to be triggered this would require the local electorate to be given an opportunity to vote to support or veto the increase in council tax.

The table below illustrates the impact on each council tax band if the council tax is increased by 2.99%:

A	B	C	D	E	F	G	H
£3.55	£4.15	£4.74	£5.33	£6.51	£7.70	£8.88	£10.66

4.2 Proposal(s)

Leicestershire County Council is not due to formally set its Council Tax requirement until 22nd February 2023, but provisional figures are included in this report. The OPCC has already set its budget and Council Tax on 1st February 2023, with the Police and Crime Panel accepting the proposal of a £15 increase at Band D level. The Combined Fire Authority approved an increase of £5 to its Band D Council Tax at a meeting on 8th February 2023.

The Council Tax Requirement for Blaby has been determined to be £6,311,930 and is calculated as follows:

	2022/23 £	2023/24 £
General Fund Budget Requirement	12,856,043	14,665,176
<u>Financed by:</u>		
National Non-Domestic Rates	(2,535,913)	(3,704,765)
New Homes Bonus Grant	(1,020,820)	(430,029)
Section 31 Grant – NNDR Compensation	(2,214,888)	(2,587,873)
Funding Guarantee	0	(1,530,635)
Lower Tier Services Grant	(867,225)	0
Services Grant	(153,747)	(90,200)
Revenue Support Grant	0	(74,608)
Council Tax (Surplus)/Deficit	43,211	64,864
Council Tax Requirement	6,106,661	6,311,930

The Council Tax Requirement, including all preceptors, is shown in the table below. The percentage increase takes account of both the increase in the Council Tax Base, and the increase in Band D Council Tax.

	2022/23 £	2023/24 £	Change £
Leicestershire County Council	49,758,413	52,429,736	2,671,323
Leicestershire, Leicestershire & Rutland Combined Fire Authority	2,544,152	2,725,175	181,023
Office of the Police & Crime Commissioner for Leicestershire	8,843,411	9,390,845	547,434
Blaby District Council	6,106,661	6,311,930	205,269
Parish Councils (Aggregate)	3,957,970	4,214,207	256,237
Total	71,210,607	75,071,893	3,861,286

The Average Council Tax for each household is calculated by taking the precept requirement and dividing it by the Council Tax Base. This average is always shown as a Band D equivalent.

The table below shows the resulting Band D Council Tax amount for each of the preceptors that comprise the Council Tax bill. The Parish element is not shown in this table but is added on depending on the Parish in which the household is situated. Appendix A provides details of all individual Parish precepts.

	2022/23 £	2023/24 £	Change
Leicestershire County Council			
• Main element *	1,280.87	1,324.31	2.99%
• Adult Social Care element *	172.09	201.15	2.00%
• Total	1,452.96	1,525.46	4.99%
Leicestershire, Leicestershire & Rutland Combined Fire Authority	74.29	79.29	6.73%
Office of the Police & Crime Commissioner for Leicestershire	258.23	273.23	5.81%
Blaby District Council	178.32	183.65	2.99%
Total	1,963.80	2,061.63	4.98%

* In accordance with Government guidance each percentage is calculated as an increase to the 2022/23 total of £1,452.96.

All other bands are calculated by applying a ratio to the Band D Council Tax. The average parish Council Tax is £122.61 which, when added to the figures in the table above, gives an overall Band D average charge of £2,184.24. By way of comparison, the current year Band D average charge is £2,079.37. The relevant Council Tax for each of the bands, including the average Parish charge, is:

A	B	C	D	E	F	G	H
£1,456.16	£1,698.86	£1,941.55	£2,184.24	£2,669.63	£3,155.03	£3,640.41	£4,368.48

In accordance with Section 30-36 of the Local Government and Finance Act, 1992, the Council Tax payable for each band of property has been determined taking into account the individual precept requirement for each Parish Council. This information is set out in Appendix B.

4.3 Relevant Consultations

Major preceptors and all Parishes have been consulted to obtain their precept requirements for 2023/24.

As part of the annual budget consultation exercise, a sample selection of residents has been asked for their views on increasing the Council Tax for 2023/24. The consultation had not closed at the point of publication of this report and a verbal update will be given when the report is presented at the Council Meeting.

5. What will it cost and are there opportunities for savings?

- 5.1 The financial implications of this report are dealt with in the report General Fund Budget Proposals 2023/24 also included on this agenda.

6. What are the risks and how can they be reduced?

6.1

Current Risk	Actions to reduce the risks
Not performing the calculations correctly and therefore issuing Council Tax demands to residents incorrectly	All precept amounts are formally notified to the Council by each authority or Parish. Meticulous calculations and independent checks are made to ensure accuracy

7. Other options considered

- 7.1 None – the setting of the Council Tax Requirement is a statutory requirement, and changes to Council Tax Support and discretionary liability must be approved by Full Council.

8. Environmental impact

8.1 None arising directly from this report.

9. Other significant issues

9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

10. Appendix

10.1 Appendix A – Comparison of Band D Tax by Parish

10.2 Appendix B – Total Council Tax Amounts by Band 2023/24

10.3 Appendix C – Draft Resolution

11. Background paper(s)

11.1 General Fund Budget Proposals 2023/24
Council Tax Setting 2023/24 files held by Finance Services

12. Report author's contact details

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Comparison of Band D Tax by Parish:

APPENDIX A

	Total Tax		Increase		Parish Components		Increase/(Decrease)	
	2023/24	2022/23	£	%	2023/24	2022/23	£	%
Aston Flamville	2,061.63	1,963.80	97.83	4.98	0.00	0.00	0.00	0.00
Blaby	2,235.87	2,122.63	113.24	5.33	174.24	158.83	15.41	9.70
Braunstone Town	2,219.87	2,111.18	108.69	5.15	158.24	147.38	10.86	7.37
Cosby	2,186.93	2,077.60	109.33	5.26	125.30	113.80	11.50	10.11
Countesthorpe	2,216.76	2,115.00	101.76	4.81	155.13	151.20	3.93	2.60
Croft	2,225.60	2,118.85	106.75	5.04	163.97	155.05	8.92	5.75
Elmesthorpe	2,099.49	2,000.59	98.90	4.94	37.86	36.79	1.07	2.91
Enderby	2,183.21	2,088.14	95.07	4.55	121.58	124.34	-2.76	-2.22
Glenfield	2,165.16	2,057.27	107.89	5.24	103.53	93.47	10.06	10.76
Glen Parva	2,209.91	2,106.49	103.42	4.91	148.28	142.69	5.59	3.92
Huncote	2,187.99	2,074.64	113.35	5.46	126.36	110.84	15.52	14.00
Kilby	2,138.35	2,031.61	106.74	5.25	76.72	67.81	8.91	13.14
Kirby Muxloe	2,165.58	2,060.07	105.51	5.12	103.95	96.27	7.68	7.98
Leicester Forest East	2,135.91	2,035.89	100.02	4.91	74.28	72.09	2.19	3.04
Leicester Forest West	2,061.63	1,963.80	97.83	4.98	0.00	0.00	0.00	0.00
Lubbesthorpe	2,116.94	2,011.96	104.98	5.22	55.31	48.16	7.15	14.85
Narborough	2,194.92	2,088.65	106.27	5.09	133.29	124.85	8.44	6.76
Potters Marston	2,061.63	1,963.80	97.83	4.98	0.00	0.00	0.00	0.00
Sapcote	2,161.69	2,058.28	103.41	5.02	100.06	94.48	5.58	5.91
Sharnford	2,131.54	2,030.76	100.78	4.96	69.91	66.96	2.95	4.41
Stoney Stanton	2,149.46	2,048.33	101.13	4.94	87.83	84.53	3.30	3.90
Thurlaston	2,162.30	2,061.36	100.94	4.90	100.67	97.56	3.11	3.19
Whetstone	2,168.76	2,068.83	99.93	4.83	107.13	105.03	2.10	2.00
Wigston Parva	2,061.63	1,963.80	97.83	4.98	0.00	0.00	0.00	0.00
<u>Parish Average</u>	<u>2,184.24</u>	<u>2,079.37</u>	<u>104.87</u>	<u>5.04</u>	<u>122.61</u>	<u>115.57</u>	<u>7.04</u>	<u>6.09</u>
Blaby District Council					183.65	178.32	5.33	2.99
the Office of the Police & Crime Commissioner (OPCC) for Leicestershire					273.23	258.23	15.00	5.81
Leicester, Leicestershire & Rutland Combined Fire Authority					79.29	74.29	5.00	6.73
Leicestershire County Council - includes an element for Adult Social Care Services					1,525.46	1,452.96	72.50	4.99

APPENDIX B

Total Council Tax Amounts By Band 2023/24									
Parish	Precept	A	B	C	D	E	F	G	H
Aston Flamville	0	1,374.42	1,603.49	1,832.56	2,061.63	2,519.77	2,977.92	3,436.05	4,123.26
Blaby	383,461	1,490.58	1,739.01	1,987.44	2,235.87	2,732.73	3,229.60	3,726.45	4,471.74
Braunstone Town	776,035	1,479.92	1,726.57	1,973.22	2,219.87	2,713.18	3,206.50	3,699.79	4,439.74
Cosby	147,759	1,457.96	1,700.95	1,943.94	2,186.93	2,672.92	3,158.92	3,644.89	4,373.86
Countesthorpe	401,561	1,477.84	1,724.15	1,970.45	2,216.76	2,709.37	3,202.00	3,694.60	4,433.52
Croft	91,014	1,483.73	1,731.02	1,978.31	2,225.60	2,720.17	3,214.76	3,709.33	4,451.20
Elmesthorpe	11,810	1,399.66	1,632.94	1,866.22	2,099.49	2,566.05	3,032.61	3,499.15	4,198.98
Enderby	238,434	1,455.48	1,698.06	1,940.64	2,183.21	2,668.37	3,153.54	3,638.69	4,366.42
Glenfield	393,000	1,443.44	1,684.01	1,924.58	2,165.16	2,646.30	3,127.46	3,608.60	4,330.32
Glen Parva	274,283	1,473.27	1,718.82	1,964.36	2,209.91	2,701.00	3,192.10	3,683.18	4,419.82
Huncote	81,751	1,458.66	1,701.77	1,944.88	2,187.99	2,674.21	3,160.44	3,646.65	4,375.98
Kilby	9,782	1,425.57	1,663.16	1,900.76	2,138.35	2,613.54	3,088.74	3,563.92	4,276.70
Kirby Muxloe	211,425	1,443.72	1,684.34	1,924.96	2,165.58	2,646.82	3,128.07	3,609.30	4,331.16
Leicester Forest East	181,000	1,423.94	1,661.26	1,898.59	2,135.91	2,610.56	3,085.21	3,559.85	4,271.82
Leicester Forest West	0	1,374.42	1,603.49	1,832.56	2,061.63	2,519.77	2,977.92	3,436.05	4,123.26
Lubbesthorpe	42,500	1,411.29	1,646.51	1,881.72	2,116.94	2,587.37	3,057.81	3,528.23	4,233.88
Narborough	399,000	1,463.28	1,707.16	1,951.04	2,194.92	2,682.68	3,170.45	3,658.19	4,389.84
Potters Marston	0	1,374.42	1,603.49	1,832.56	2,061.63	2,519.77	2,977.92	3,436.05	4,123.26
Sapcote	124,972	1,441.12	1,681.31	1,921.50	2,161.69	2,642.06	3,122.44	3,602.81	4,323.38
Sharnford	28,000	1,421.03	1,657.86	1,894.70	2,131.54	2,605.21	3,078.90	3,552.57	4,263.08
Stoney Stanton	130,000	1,432.97	1,671.80	1,910.63	2,149.46	2,627.12	3,104.78	3,582.43	4,298.92
Thurlaston	29,212	1,441.53	1,681.79	1,922.04	2,162.30	2,642.81	3,123.33	3,603.83	4,324.60
Whetstone	259,208	1,445.84	1,686.81	1,927.79	2,168.76	2,650.70	3,132.66	3,614.60	4,337.52
Wigston Parva	0	1,374.42	1,603.49	1,832.56	2,061.63	2,519.77	2,977.92	3,436.05	4,123.26
	4,214,207								

DRAFT RESOLUTION

COUNCIL TAX 2023/24

The Council is recommended to resolve as follows:

1. That it be noted that on 16th January 2023 the Council calculated the Council Tax Base for 2023/24
 - (a) for the whole district as 34,369.72 [Item T in the formula in Section 31B of the Local Government Finance Act 1992 (the Act), as amended by the Localism Act 2011; and
 - (b) for dwellings in those parts of its district to which a Parish precept relates as listed below:

Parish of:	Band D Equivalent Properties
Aston Flamville	126.95
Blaby	2,200.78
Braunstone Town	4,904.03
Cosby	1,179.20
Countesthorpe	2,588.55
Croft	555.08
Elmesthorpe	311.92
Enderby	1,961.05
Glenfield	3,796.11
Glen Parva	1,849.82
Huncote	646.98
Kilby	127.50
Kirby Muxloe	2,033.89
Leicester Forest East	2,436.69
Leicester Forest West	18.30
Lubbesthorpe	768.40
Narborough	2,993.55
Potters Marston	12.67
Sapcote	1,249.03
Sharnford	400.52
Stoney Stanton	1,480.16
Thurlaston	290.18
Whetstone	2,419.60
Wigston Parva	18.76

2. Calculate that the Council Tax Requirement for the Council's own purposes for 2023/24 (excluding Parish precepts) is £6,311,930.
3. That the following amounts be calculated by the Council for the year 2023/24 in accordance with new Sections 31 to 36 of the Act:
 - (a) £37,155,692 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils **(i.e., gross expenditure including parish precepts)**.
 - (b) £26,629,555 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act **(i.e., gross income including government grants)**.
 - (c) £10,526,137 being the amount by which the aggregate at 3(a) above exceeds the aggregate of 3(b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax Requirement for the year (Item R in the formula in Section 31B of the Act) **(i.e., Council Tax Requirement including parish precepts)**.
 - (d) £306.2619 being the amount at 3(c) above (Item R) divided by the amount at 1(a) above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year **(i.e., average Band D Council Tax including parish precepts)**.
 - (e) £4,214,207 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act **(i.e., Parish Council precepts)**.
 - (f) £183.6480 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its areas to which no special item relates **(i.e., District Council Band D Council Tax)**.

(g) Basic Amount of Council Tax by Parish 2023/24 (£)

Aston Flamville	183.6480
Blaby	357.8867
Braunstone Town	341.8923
Cosby	308.9524
Countesthorpe	338.7777
Croft	347.6136
Elmesthorpe	221.5103
Enderby	305.2329
Glenfield	287.1750
Glen Parva	331.9235
Huncote	310.0058
Kilby	260.3696
Kirby Muxloe	287.5990
Leicester Forest East	257.9291
Leicester Forest West	183.6480
Lubbesthorpe	238.9577
Narborough	316.9346
Potters Marston	183.6480
Sapcote	283.7032
Sharnford	253.5571
Stoney Stanton	271.4763
Thurlaston	284.3166
Whetstone	290.7765
Wigston Parva	183.6480

being the amounts given by adding to the amount at 2(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) Calculation of Basic Amounts of Council Tax by parish for Different Valuation Bands

The amounts shown in Table A attached being the amounts given by multiplying the amounts at 2(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted for the year 2023/24 the major precepting authorities have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below: -

<u>Precepting Authority</u>	<u>Valuation Bands (£)</u>			
Leicestershire County Council (Main Element)	A	882.8740	E	1,618.6025
	B	1,030.0197	F	1,912.8939
	C	1,177.1654	G	2,207.1851
	D	1,324.3111	H	2,648.6222
Leicestershire County Council (Adult Social Care)	A	134.1013	E	245.8523
	B	156.4515	F	290.5527
	C	178.8017	G	335.2532
	D	201.1519	H	402.3038
Leicestershire County Council (Total)	A	1,016.9753	E	1,864.4548
	B	1,186.4712	F	2,203.4466
	C	1,355.9671	G	2,542.4383
	D	1,525.4630	H	3,050.9260
Office of the Police & Crime Commissioner for Leicestershire	A	182.1535	E	333.9480
	B	212.5124	F	394.6658
	C	242.8713	G	455.3837
	D	273.2302	H	546.4604
Leicester, Leicestershire & Rutland Combined Fire Authority	A	52.8600	E	96.9100
	B	61.6700	F	114.5300
	C	70.4800	G	132.1500
	D	79.2900	H	158.5800

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2023/24 for each part of its area and for each of the categories of dwelling shown in Table B attached.
6. Determines that the Council's basic amount of Council Tax for 2023/24 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992.

District Council Tax Amounts By Band 2023/24								
Parish	A	B	C	D	E	F	G	H
Aston Flamville	122.4320	142.8373	163.2427	183.6480	224.4587	265.2693	306.0800	367.2960
Blaby	238.5911	278.3563	318.1215	357.8867	437.4171	516.9474	596.4778	715.7734
Braunstone Town	227.9282	265.9162	303.9043	341.8923	417.8684	493.8444	569.8205	683.7846
Cosby	205.9683	240.2963	274.6244	308.9524	377.6085	446.2645	514.9207	617.9048
Countesthorpe	225.8518	263.4937	301.1358	338.7777	414.0617	489.3455	564.6295	677.5554
Croft	231.7424	270.3661	308.9899	347.6136	424.8611	502.1085	579.3560	695.2272
Elmesthorpe	147.6735	172.2858	196.8981	221.5103	270.7348	319.9593	369.1838	443.0206
Enderby	203.4886	237.4033	271.3182	305.2329	373.0625	440.8919	508.7215	610.4658
Glenfield	191.4500	223.3583	255.2667	287.1750	350.9917	414.8083	478.6250	574.3500
Glen Parva	221.2823	258.1627	295.0431	331.9235	405.6843	479.4450	553.2058	663.8470
Huncote	206.6705	241.1156	275.5607	310.0058	378.8960	447.7861	516.6763	620.0116
Kilby	173.5797	202.5097	231.4397	260.3696	318.2295	376.0894	433.9493	520.7392
Kirby Muxloe	191.7327	223.6881	255.6436	287.5990	351.5099	415.4207	479.3317	575.1980
Leicester Forest East	171.9527	200.6115	229.2703	257.9291	315.2467	372.5642	429.8818	515.8582
Leicester Forest West	122.4320	142.8373	163.2427	183.6480	224.4587	265.2693	306.0800	367.2960
Lubbesthorpe	159.3051	185.8560	212.4069	238.9577	292.0594	345.1611	398.2628	477.9154
Narborough	211.2897	246.5047	281.7197	316.9346	387.3645	457.7944	528.2243	633.8692
Potters Marston	122.4320	142.8373	163.2427	183.6480	224.4587	265.2693	306.0800	367.2960
Sapcote	189.1355	220.6580	252.1807	283.7032	346.7484	409.7935	472.8387	567.4064
Sharnford	169.0381	197.2110	225.3841	253.5571	309.9032	366.2491	422.5952	507.1142
Stoney Stanton	180.9842	211.1482	241.3123	271.4763	331.8044	392.1324	452.4605	542.9526
Thurlaston	189.5444	221.1351	252.7259	284.3166	347.4981	410.6795	473.8610	568.6332
Whetstone	193.8510	226.1595	258.4680	290.7765	355.3935	420.0105	484.6275	581.5530
Wigston Parva	122.4320	142.8373	163.2427	183.6480	224.4587	265.2693	306.0800	367.2960

TABLE B

Total Council Tax Amounts By Band 2023/24								
Parish	A	B	C	D	E	F	G	H
Aston Flamville	1,374.42	1,603.49	1,832.56	2,061.63	2,519.77	2,977.92	3,436.05	4,123.26
Blaby	1,490.58	1,739.01	1,987.44	2,235.87	2,732.73	3,229.60	3,726.45	4,471.74
Braunstone Town	1,479.92	1,726.57	1,973.22	2,219.87	2,713.18	3,206.50	3,699.79	4,439.74
Cosby	1,457.96	1,700.95	1,943.94	2,186.93	2,672.92	3,158.92	3,644.89	4,373.86
Countesthorpe	1,477.84	1,724.15	1,970.45	2,216.76	2,709.37	3,202.00	3,694.60	4,433.52
Croft	1,483.73	1,731.02	1,978.31	2,225.60	2,720.17	3,214.76	3,709.33	4,451.20
Elmesthorpe	1,399.66	1,632.94	1,866.22	2,099.49	2,566.05	3,032.61	3,499.15	4,198.98
Enderby	1,455.48	1,698.06	1,940.64	2,183.21	2,668.37	3,153.54	3,638.69	4,366.42
Glenfield	1,443.44	1,684.01	1,924.58	2,165.16	2,646.30	3,127.46	3,608.60	4,330.32
Glen Parva	1,473.27	1,718.82	1,964.36	2,209.91	2,701.00	3,192.10	3,683.18	4,419.82
Huncote	1,458.66	1,701.77	1,944.88	2,187.99	2,674.21	3,160.44	3,646.65	4,375.98
Kilby	1,425.57	1,663.16	1,900.76	2,138.35	2,613.54	3,088.74	3,563.92	4,276.70
Kirby Muxloe	1,443.72	1,684.34	1,924.96	2,165.58	2,646.82	3,128.07	3,609.30	4,331.16
Leicester Forest East	1,423.94	1,661.26	1,898.59	2,135.91	2,610.56	3,085.21	3,559.85	4,271.82
Leicester Forest West	1,374.42	1,603.49	1,832.56	2,061.63	2,519.77	2,977.92	3,436.05	4,123.26
Lubbesthorpe	1,411.29	1,646.51	1,881.72	2,116.94	2,587.37	3,057.81	3,528.23	4,233.88
Narborough	1,463.28	1,707.16	1,951.04	2,194.92	2,682.68	3,170.45	3,658.19	4,389.84
Potters Marston	1,374.42	1,603.49	1,832.56	2,061.63	2,519.77	2,977.92	3,436.05	4,123.26
Sapcote	1,441.12	1,681.31	1,921.50	2,161.69	2,642.06	3,122.44	3,602.81	4,323.38
Sharnford	1,421.03	1,657.86	1,894.70	2,131.54	2,605.21	3,078.90	3,552.57	4,263.08
Stoney Stanton	1,432.97	1,671.80	1,910.63	2,149.46	2,627.12	3,104.78	3,582.43	4,298.92
Thurlaston	1,441.53	1,681.79	1,922.04	2,162.30	2,642.81	3,123.33	3,603.83	4,324.60
Whetstone	1,445.84	1,686.81	1,927.79	2,168.76	2,650.70	3,132.66	3,614.60	4,337.52
Wigston Parva	1,374.42	1,603.49	1,832.56	2,061.63	2,519.77	2,977.92	3,436.05	4,123.26

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