

DATE:
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30 October 2023
Scrutiny Commission

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To Members of the Scrutiny Commission

Cllr. Nick Brown (Chairman - Scrutiny Commissioner)
Cllr. Roy Denney (Vice-Chairman - Scrutiny Commissioner)

Cllr. Nick Chapman
Cllr. Luke Cousin
Cllr. Susan Findlay

Cllr. Janet Forey
Cllr. Antony Moseley
Cllr. Tracey Shepherd

Cllr. Matt Tomeo
Cllr. Geoff Welsh
Cllr. Neil Wright

Dear Councillor,

A meeting of the **SCRUTINY COMMISSION** will be held in the Council Chamber on **WEDNESDAY, 8 NOVEMBER 2023 at 5.30 p.m.** for the transaction of the following business and your attendance is requested.

Yours faithfully



Louisa Horton
Corporate Services Group Manager & Monitoring Officer



AGENDA

1. Apologies for absence.
2. Disclosures of Interests from Members
To receive disclosures of interests from Members (ie. The existence and the nature of those interests in respect of items on this agenda).
3. Minutes (Pages 3 - 8)
To approve and sign the minutes of the meeting held on 20 September 2023 (enclosed).
4. Quarter 2 Budget Review 2023-24 (Pages 9 - 20)
To consider the report of the Accountancy Services Manager (enclosed).

This report is due to be considered by Cabinet Executive on 6 November 2023. Members are asked to consider the report in preparation for Scrutiny of the Budget.
5. Quarter 2 Capital Programme 2023-24 (Pages 21 - 28)
To consider the report of the Accountancy Services Manager (enclosed).

This report is due to be considered by Cabinet Executive on 6 November 2023. Members are asked to consider the report in preparation for Scrutiny of the Budget.
6. Mid Year Treasury Management Monitoring Report 2023-24 (Pages 29 - 48)
To consider the report of the Accountancy Services Manager (enclosed).

This report is due to be considered by Cabinet Executive on 6 November 2023. Members are asked to consider the report in preparation for Scrutiny of the Budget.
7. Scrutiny Work Programme 2023-24 (Pages 49 - 52)
8. Consideration of Forward Plan Items (Pages 53 - 70)
9. Further Actions for Scrutiny arising from Meeting

SCRUTINY COMMISSION

Minutes of a meeting held at the Council Offices, Narborough

WEDNESDAY, 20 SEPTEMBER 2023

Present:-

Cllr. Nick Brown (Chairman - Scrutiny Commissioner)
Cllr. Roy Denney (Vice-Chairman - Scrutiny Commissioner)

Cllr. Nick Chapman
Cllr. Luke Cousin
Cllr. Susan Findlay

Cllr. Janet Forey
Cllr. Antony Moseley
Cllr. Matt Tomeo

Cllr. Geoff Welsh
Cllr. Neil Wright

Officers present:-

Louisa Horton	- Corporate Services Group Manager & Monitoring Officer
Luke Clements	- Business Systems & Information Manager
Katie Brooman	- Elections and Governance Manager
Tracy Gaskin	- Economic & Community Development, Work and Skills Team Leader
Sandeep Tiensa	- Senior Democratic Services & Scrutiny Officer
Isaac Thomas	- Democracy Support Officer

Apologies:-

Cllr. Tracey Shepherd

96. DISCLOSURES OF INTERESTS FROM MEMBERS

No disclosures were received.

97. MINUTES

The minutes of the meeting held on 12 July 2023, as circulated, were approved and signed as a correct record.

98. ECONOMIC DEVELOPMENT FRAMEWORK 2023-2026

Considered - presentation by the Economic & Community Development, Work and Skills Team Leader.

The Chairman, Cllr. Nick Brown welcomed the Economic & Community Development, Work and Skills Team Leader to the meeting.

The Economic & Community Development, Work and Skills Team Leader provided an overview of the Economic Development Framework 2023-2026 and introduced the 'Economic Development Action Plans' document, which was circulated to Members as a handout at the start of the meeting.

The handout included five priority themes for driving economic improvement, each with an associated action plan. It was agreed that the Economic & Community Development, Work and Skills Team Leader would present each priority theme and take Members' questions on each.

Priority Theme 1: Supporting local businesses and innovation

Members questioned the Economic & Community Development, Work and Skills Team Leader on the following:

- Blaby's strategy for SME's (small to medium-sized enterprises) and the challenge posed by Fosse Park to smaller retailers.
- The overall resilience of the local economy.
- The level of dialogue between Blaby District Council and the district's larger employers, such as Next, and the importance of knowing what these employers are looking for.
- The ecosystem of smaller businesses supplementing larger ones.
- The impact of the pandemic on SME's.
- How SME's are identified by the council. The Economic & Community Development, Work and Skills Team Leader highlighted the success of initiatives like the weekly newsletter and bi-monthly Business Breakfast in providing key networking opportunities and support for local businesses. These initiatives helped to raise the council's profile and expand its SME database.

Priority theme 2: Shaping our work and skills agenda

Members questioned the Economic & Community Development, Work and Skills Team Leader on the following:

- Increasing partnerships and building relationships with schools and higher education establishments.
- Upskilling Blaby District's workforce of the future.
- Identifying skill gaps among 16-24 year olds and mitigating the impact of the pandemic on their professional development.
- The affordability of housing relative to salaries across the district.

Priority 3: Growing and supporting the Green Economy

Members questioned the Economic & Community Development, Work and Skills Team Leader on the following:

- How SME's are supported in going Green and the advice that is offered.
- Collating data on SME's that need the council's assistance in reducing their carbon footprint (e.g. solar panels and heat pumps).

Priority 4: Building Pride in Place

Members questioned the Economic & Community Development, Work and Skills Team Leader on the following:

- The marketing of local businesses and the image of the District.
- How Blaby's visitor figures compare to other district and borough council's in terms of day and overnight visitors. The Economic & Community Development, Work and Skills Team Leader responded that this information would be circulated in a future meeting.
- How Blaby's visitor statistics are calculated. The Economic & Community Development, Work and Skills Team Leader responded that this would be taken into account and that a background to these statistics would be brought to a future meeting.
- The weighting of visitor statistics towards Fosse Park and the need to promote other areas of the district.

Priority 5: Identifying Investable Propositions

Members questioned the Economic & Community Development, Work and Skills Team Leader on the following:

- How the Economic Development Framework/ retail strategy aligns with the aims of the Local Plan and other strategies, particularly in terms of planning and land use. The Economic & Community Development, Work and Skills Team Leader explained that the 'Economic Development Action Plans' document was distributed to the Planning Department and that further input from the Planning Departments would be sought.
- Different methods of creating retail units, such as the pop-up shop model and the use of vacant spaces (e.g. empty supermarkets).
- The impact of Leicester City's rival markets policy on local business.

99. UPDATE ON CORPORATE MEASURES

Considered - demonstration of Corporate Measures on iPlan by the Performance & Information Service Manager and the Corporate Services Group Manager.

The Performance & Information Service Manager explained that the performance management system formerly known as Pentana would henceforth be known as iPlan. Members were reminded of the suggestions made in the previous meeting of the Scrutiny Commission on Wednesday 12 July 2023:

1. That the system display measureable targets and trends.
2. That clearer and simpler descriptions of measures be added to give meaning to the statistics.
3. That Scrutiny determine whether the right measures were categorized as Priority 1 through an examination of current Priority 1 and Priority 2 measures.
4. That self-service logins be provided for Members.
5. That trends be shown in a graphical format.

The Performance & Information Service Manager thanked Members for their previous feedback and explained that these five areas of improvement were now implemented. A list of data measures currently at Priority Level 2 was distributed to Member's for their feedback on whether any should be moved to Priority 1.

Members were made aware that self-service logins would be provided by email the following day. This was followed by a brief demonstration of iPlan in order for Members to get used to navigating the system. The Performance & Information Service Manager demonstrated the expanded context tabs that were added to give a fuller and more accessible description of each measure. Members were also shown how to view Priority 1 measures in a range of formats (e.g. chart, graph or numerical format).

The Chairman, Cllr. Nick Brown thanked the officer for attending and asked Members to access iPlan via the self-service login when they receive them.

100. PROPOSED 2023-24 SCRUTINY WORK PROGRAMME

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

DECISIONS

1. That the Scrutiny Work Programme for 2023-24 be approved.
2. That the Scrutiny Work Programme be communicated to all Councillors, Senior Officers and Parish and Town Councils.

Reason:

As set out in the Council's Constitution, Part 4, Section 5, paragraph 7, it is the responsibility of the Scrutiny Commission to set and agree its work programme for the next municipal year.

101. CONSIDERATION OF FORWARD PLAN ITEMS

The Chairman, Cllr. Nick Brown informed Members that a regular budget monitoring item would be brought to the Commission as and when the quarterly figures are made available.

102. FURTHER ACTIONS FOR SCRUTINY ARISING FROM MEETING

There were no further actions arising from the meeting.

THE MEETING CONCLUDED AT 6.52 P.M.

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Blaby District Council

Cabinet Executive

Date of Meeting	6 November 2023
Title of Report	Quarter 2 Budget Review 2023/24 This is a 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 with an overview of the financial performance against the revenue budget for the quarter ending 30th September 2023.

2. Recommendation(s) to Cabinet Executive

- 2.1 That the financial performance against the budget for the quarter ending 30th September 2023 is accepted.
- 2.2 That the forecast contribution of £250,773 from General Fund balances is accepted.

3. Reason for Decisions Recommended

- 3.1 It is good practice that Members have oversight of the Council's financial performance at regular points during the financial year.
- 3.2 To recognise movements in the call on reserves and balances to date, along with potential variances in establishment costs and key income streams that may arise between now and the end of the financial year.

4. Matters to consider

4.1 Background

The Council's original budget was approved on 22nd February 2023. The approved budget before contributions from reserves and government grants was £15,072,200. It was agreed that the budget would be supported by a contribution of £166,007 from the General Fund Balance and a contribution of

£241,017 from earmarked reserves, resulting in a net expenditure budget of £14,665,176.

The 1st quarter report was presented to Cabinet in September, several changes had been made to the budget since February, most significantly the addition of the unspent budget of £3,608,253 carried forward from 2022/23. The approved budget before contributions from reserves and government grants increased to £18,897,739. After taking into consideration the anticipated shortfall in Key Income streams and the estimated impact of the pay award, the forecasted contribution from General fund balances increased from £166,007 to £489,416.

The following table sets out the movement in the Working Budget, showing the changes that have been made in the 2nd quarter of the year.

	£
Approved budget before contributions from reserves and government grant	18,897,739
<u>Additional funding from Earmarked Reserves</u>	
Expenditure funded from Local Plan Reserve	3,000
<u>Additional Funding from General Fund Balances</u>	
Legal costs	35,000
Other one-off budget increases, individually £10,000 or under	22,200
Establishment Increase – Waste Management	
Establishment Increase - Finance	49,771
	19,972
<u>Transfers to General Fund Balances</u>	
DEFRA funded Establishment post	(17,851)
	19,009,831

Additional budget has been required to cover court fees, as these were not known at the time of setting the original budget, they have been added to the Legal Services budget to cover the costs incurred.

Approval was given at Cabinet in September for an increase in the Waste Management Establishment. This was required following the need to increase the collection rounds from 7 to 8. An additional 3 loaders have been added to the Council's Establishment and an increase in hours for the Transport Services Support Officer was also approved.

Approval was also given in September for the addition of a Finance Assistant within the Exchequer team due to the increasing demand on the service. The team undertake key transactional roles, looking after the purchase ledger, sales ledger, and payroll functions.

Funding has been secured to cover an Established post, as this was already included within the original budget, the funding enables the salary and on costs to be transferred back to General Fund Balance as a saving.

Appendix A shows the net service expenditure to 30th September 2023, compared with the profiled budget, and reflects a positive variance of £5,619,542 to date. This is due to a combination of reasons, including the pay award not yet having been settled, and the profiling of budgets being an imprecise science. Column F in Appendix A gives an indication of any known or likely variances between the current budget and forecast outturn.

4.2 Establishment

At the end of quarter 2, at an overall level, establishment costs amounted to £7,584,608 against a profiled budget of £7,806,201, i.e., under profile by £221,593. Currently, only the pay award for Chief Officers (Directors and Group Managers) has been settled, and this was agreed at 3.5% compared with the 3% budgeted. The offer made to officers on grade 1 to 9 is a flat rate of £1,925 per annum across all scale points, the same as agreed in 2022/23. Unions have balloted their members with GMB's ballot being the last expected to close in October. Chief Executives have rejected an offer of 3.5%.

The following table shows variances to 30th September 2023.

Portfolio	(Under)/Over £	Note
Leader	(27,034)	1
Finance, People & Performance	(56,491)	2
Neighbourhood Services & Assets	24,562	3
Health, Wellbeing, Community Engagement & Business Support	(81,033)	4
Housing, Community and Environmental Services	(31,736)	5
Planning Delivery and Enforcement and Corporate Transformation	(105,471)	6
Central Provisions	55,610	7
Total Variance	(221,593)	

Reasons for Variances

1. Largely due to the vacant post of Democratic Services and Governance Manager.
2. Mainly due to the vacant HR Manager post, and vacancies in Benefits and Income & Collections.
3. Additional costs incurred in Refuse and Recycling in relation to agency staff, overtime, and casual employees. Approval was given at Cabinet in September for 3 additional posts within Neighbourhood Services to be

added to the Establishment, these will be reflected following completion of the Budget Setting process.

4. Largely due to vacant posts within Building Control and the Community Development, Work and Skills team.
5. Vacancies in Community Services and Environmental Health teams.
6. Vacant post within Communications, vacant Planning Officer post in Development Services, plus Senior Planning Enforcement Officer post frozen.
7. This represents the vacancy savings provision, net of central provisions for statutory sick pay, statutory maternity pay, and the apprenticeship levy.

4.3 Key Income

	Working Budget	Profiled Budget	Actual to Date	(Surplus)/ Shortfall
	£	£	£	£
Planning Fees	(560,000)	(280,000)	(164,966)	115,034
Building Control Fees	(1,285,480)	(630,240)	(519,022)	111,218
Building Control Partnership	(121,987)	(60,994)	(102,454)	(41,460)
Land Charges	(247,000)	(123,500)	(96,488)	27,012
Investment Interest	(360,000)	(180,000)	(793,459)	(613,459)
Refuse and Recycling	(1,722,500)	(1,559,000)	(1,542,502)	16,498
Car Parks	(226,000)	(112,992)	(122,087)	(9,095)
Leisure Income	(544,268)	(272,134)	(336,630)	(64,496)
Total	(5,067,235)	(3,218,860)	(3,677,608)	(458,748)

Following the same pattern as was seen in the Quarter 1 report, both Planning and Building Control fee income have fallen below profile. Whilst there is still time for this position to recover, based on last financial year's performance, there is every likelihood that it will continue to struggle in the current financial climate. In the case of Building Control, this needs to be considered in the context of the whole service, with any shortfall at year end being shared amongst partners. At the time of writing the report the Department for Levelling Up, Housing and Communities had proposed an increase in Planning fees, which was awaiting Parliamentary approval.

Building Control Partnership contributions are based on the budgeted shortfall for the year. Invoices have, with one exception, been raised for the full year in advance, hence the surplus against profile.

Investment income continues to perform extremely well against profile in view of the continuing increases in the Bank of England Base Rate. This income is currently offsetting any losses suffered through other key income streams. Expectation in the first quarter of the year, was that the income stream would reach a similar level to last financial year, however it is now expected to surpass £800,000, and a revised estimate of £1,000,000 has been included as part of the budget setting process.

The budget for car parking income has been reduced from £331,000 to £226,000. This represents a more realistic level in line with current footfall and, as can be seen in the table, at the end of the second quarter there is a small surplus compared to profile.

Leisure income is showing positively and above profile due to an increase in the inflation rate this year.

4.4 Earmarked Reserves

In addition to the General Fund balance the Council also maintains a number of Earmarked Reserves. Some of these are set aside for specific purposes whilst others have been created to mitigate the uncertainties that still surround local government funding. A detailed breakdown of the movement on Earmarked Reserves during the 2nd quarter of the financial year and the forecast to the end of the year appears at Appendix B.

£1,516,792 of the balance is technically not available for use. This is the balance set aside to offset the NNDR Collection Fund deficit and is expected to be substantially utilised in 2023/24.

It was agreed at July Cabinet that the former Covid Support Reserve would be redesignated as the Contractual Losses Support Reserve, and that £445,000 of the balance would be returned to General Fund Balances.

Changes to funding from earmarked reserves highlighted in the table in paragraph 4.1 are reflected in Appendix B.

The balance remaining on the Huncote Major Incident Reserve relates to capital expenditure funded through borrowing. This balance will be amortised in line with Minimum Revenue Provision charges to General Fund.

4.6 Forecast Outturn

The approved budget allowed for a contribution of £166,007 to be taken from General Fund Balances. As shown in Appendix A and taking into account the known movements listed in paragraph 4.1, the required contribution has increased to £469,765.

The following table provides a high-level estimate of potential movements in income and expenditure to the end of the financial year.

	£
Approved contribution from General Fund Balances	166,007
Quarter 1 budget adjustments	194,666
Quarter 2 budget adjustments (para 4.1)	109,092
Latest contribution from General Fund Balances	469,765
Estimated impact of pay award (assuming average 5%)	290,000
Estimated shortfall in Planning fee income	60,000
Estimated shortfall in Building Control fee income	200,000
Estimated additional investment income	(640,000)
Impact of inflation on Leisure income	(128,992)
Forecast Outturn	250,773

In the Quarter 1 report approved by Cabinet in September, it was estimated that a reduction to the Planning Fees income budget of £100,000 would be required. Following a review of the Planning Fee work expected to be received during the year, and the anticipated increase in Planning Fees as proposed by the Department for Levelling Up, Housing & Communities a revision has been proposed to reduce the income from £560,000 to £500,000.

Building control fee income is not expected to achieve the budgeted target, a reduction of £200,00 has been proposed.

As can be seen in the table above, included in the forecasted contribution is an estimation of the impact that the pay award will have. Until the outcome of the pay negotiations is complete it is difficult to give a precise assessment of the financial impact. For 2022/23, where the award was £1,925 across all pay grades, the average increase worked out at around 4%. Given that separate pay deals have been or are in the process of being negotiated for grades 11 to 16, the average increase is likely to be slightly higher.

The Accountancy team are working with the Budget Holders to review and revise all budgets in line with spend to date and anticipated expenditure to the end of the year. Included within this is a review of all Income budgets. At the time of writing this report, meetings were still being held and work to revise the budgets is still being undertaken, therefore detail will be provided to members in the Quarter 3 Cabinet Report.

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

- 5.1 Officers continue to seek savings and implement measures designed to reduce the budget gap that is forecast in the Medium-Term Financial Strategy.

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 shortfall in income or overspending	Ongoing budget monitoring to highlight variances.

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 – Budget Monitoring Statement to 30th September 2023.

10.2 Appendix B – Forecast Reserves Position to 31st March 2024.

11. Background paper(s)

11.1 None

12. Report author's contact details

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BLABY DISTRICT COUNCIL
GENERAL FUND REVENUE ACCOUNT

BUDGET MONITORING STATEMENT TO 30TH SEPTEMBER 2023

Portfolio	A Approved Budget £	B Working Budget £	C Profiled Budget £	D Actual to P6 £	E Variance to Profile £	F Forecast Outturn £
FPP Finance, People & Performance	3,188,022	3,331,790	1,723,736	(875,949)	(2,599,685)	2,691,790
HCES Housing, Community & Environmental Services	1,978,956	3,212,486	1,969,948	683,372	(1,286,576)	3,212,486
HWCEBS Health & Wellbeing, Community Engagement & Business Support	399,359	2,218,395	1,112,798	795,335	(317,462)	2,289,403
LEAD Leader	1,619,061	1,778,838	947,308	816,583	(130,725)	1,778,838
NSA Neighbourhood Services & Assets	3,221,948	3,354,319	970,824	901,961	(68,863)	3,354,319
PDECT Planning Delivery, Enforcement & Corporate Transformation	3,565,377	4,080,374	2,321,300	1,105,068	(1,216,232)	4,140,374
Net Expenditure on Services	13,972,723	17,976,202	9,045,913	3,426,370	(5,619,542)	17,467,210
RCCO Revenue Contributions to Capital Outlay	100,000	104,000	50,000	3,090	(46,910)	104,000
MRP Minimum Revenue Provision	478,077	478,077	239,039	0	(239,039)	478,077
VRP Voluntary Revenue Provision	250,000	250,000	125,000	0	(125,000)	250,000
APPROP Appropriations & Accounting Adjustments	271,400	201,552	100,776	0	(100,776)	491,552
	15,072,200	19,009,831	9,560,727	3,429,460	(6,131,267)	18,790,839
EAR Contributions to/(from) Earmarked Reserves	(241,017)	(3,874,890)	(3,549,717)	(17,564)	3,532,153	(3,874,890)
GFBAL Contributions to/(from) General Fund Balances	(166,007)	(469,765)	(335,178)	0	335,178	(250,773)
Net Budget Requirement	14,665,176	14,665,176	5,675,833	3,411,896	(2,263,937)	14,665,176

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FORECAST RESERVES & BALANCES AS AT 31ST MARCH 2024

APPENDIX B

	GL Code	Balance at 31/03/23 £	Contributions from I&E A/c £	Utilisation of Balances £	Balance at 31/03/24 £
Leisure Centre Renewals Fund	9999/VBA	(73,607)	0	0	(73,607)
Computer Room Environment	9999/VBB	(140,840)	0	50,020	(90,820)
Licensing Reserve	9999/VBC	(27,868)	0	0	(27,868)
Insurance Reserve Fund	9999/VBD	(100,000)	0	0	(100,000)
Blaby Plan Priorities Reserve	9999/VBJ	(365,824)	0	47,000	(318,824)
General Reserve Fund	9999/VBK	(1,612,310)	0	10,000	(1,602,310)
Ongoing Projects Reserve	9999/VBM	(3,762,841)	0	3,762,841	(0)
Elections Reserve	9999/VBQ	(141,944)	0	100,000	(41,944)
Choice Based Lettings Reserve	9999/VBR	(952)	0	0	(952)
New Homes Bonus Reserve	9999/VBT	(41,327)	0	31,327	(10,000)
Contractual Losses Support Reserve	9999/VBU	(700,000)	0	445,000	(255,000)
Economic Development Initiatives	9999/VBX	(50,000)	0	0	(50,000)
Provision - ERIE Sinking Fund	9999/VCA	(26,777)	0	0	(26,777)
Community Rights Reserve	9999/VCB	(48,724)	0	0	(48,724)
Hardship Reserve	9999/VCD	(325,000)	0	0	(325,000)
Parish New Homes Bonus Reserve	9999/VCE	(881)	0	0	(881)
NNDR Income Reserve	9999/VCF	(2,453,926)	0	453,500	(2,000,426)
Agile Working Reserve	9999/VCG	(162,678)	0	0	(162,678)
Local Plan Reserve	9999/VCJ	(456,306)	0	10,600	(445,706)
Lottery Reserve	9999/VCK	(26,466)	0	0	(26,466)
IT System Replacement Reserve	9999/VCL	(39,815)	0	0	(39,815)
Property Fund Reserve	9999/VCM	(128,462)	(35,000)	0	(163,462)
S31 Grant Reserve	9999/VCO	(1,516,792)	0	1,502,156	(14,636)
Huncote Major Incident Reserve	9999/VCP	(500,843)	0	0	(500,843)
Court Fees Income Reserve	9999/VCQ	(31,813)	0	0	(31,813)
		(12,735,996)	(35,000)	6,412,444	(6,358,552)
Less Earmarked Reserves set aside to meet the Collection Fund Deficit		1,516,792			14,636
Usable Earmarked Reserves		(11,219,204)			(6,343,916)
General Fund Balance		(4,619,445)	(445,000)	250,773	(4,813,672)

TOTAL RESERVES & BALANCES

(15,838,649)

(11,157,588)

NB: Council has approved the use of £100,000 from the Hardship Reserve to mitigate the impact of increased service demand arising from the cost of living crisis. This contribution will be reflected as and when any expenditure is required.

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Blaby District Council

Cabinet Executive

Date of Meeting	6 November 2023
Title of Report	Quarter 2 Capital Programme Review 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	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 second quarter of 2023/24.

2. Recommendation(s) to Cabinet Executive and Council

- 2.1 That the report is accepted.
- 2.2 That the latest Capital Programme for 2023/24, totalling £10,450,009, is accepted.

3. Reason for Decisions Recommended

- 3.1 To ensure that the Council has adequate resources in place to meet its capital expenditure commitments.
- 3.2 To reflect additions or other changes to the Capital Programme that have occurred in the 2nd quarter of the year.

4. Matters to consider

4.1 Background

The original Capital Programme for 2022/23 was approved by Council on 22nd February 2023 and amounted to £3,618,500, including a borrowing requirement of £2,295,500.

The revised Capital Programme following the 1st quarter of 2023/24 was approved in September 2023 and amounted to £9,187,982.

The following table shows the latest Capital Programme which now amounts to £10,254,009, (including S106 projects. This includes £5,349,204 of unspent budget brought forward from 2022/23. Appendix A gives a scheme-by-scheme breakdown of the planned expenditure for 2023/24.

	£
Approved Capital Programme 2023/24	9,187,982
<u>New Additions</u>	
1. Trenching works at Huncote Leisure Centre	93,000
2. Depot Site; Solar Panels and Electric Vehicle Charging Infrastructure	326,000
3. Review of Strategic Assets	780,000
	10,386,982
4. Add S106 Contributions allocated to projects in 2023/24	63,027
Revised Capital Programme 2023/24	10,450,009

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

Additions

1. The Huncote Major Incident Reserve was increased to £600,000 by approval at Council in April 2022. Trenching works are now being undertaken as a preventative measure to enable the land fill gas to be released safely and prevent any build-up of gas beneath the Leisure Centre. As at the end of September these works were to be covered by the reserve held but further expenditure has been deemed necessary and is the subject of a further report brought to Council on 25th October 2023.
2. Approval was given at Council on 26th September 2023 for the Solar Panel and Electric Vehicle Charging Infrastructure project at the Depot to commence, with £130,000 being brought forward in the Capital Programme and an additional £196,000 added to the project following a feasibility study being undertaken.
3. Review of Strategic Assets – as approved by Council at its meeting on 26th September.
4. Section 106 monies received are only released and added to the Capital Programme as and when suitable schemes are identified by the Planning Obligations Monitoring Group, following receipt of bids from Parish Councils or other community groups.

4.2 Performance to date

At the end of September 2023, the Council had spent £1,712,800 against its planned Capital Programme.

The reasons behind the main variances are as follows:

- Strategic Property Investment – planned spend £2,500,000: reported to Council on 25th October 2023.
- Fleet Vehicle Replacement Programme - £1,293,482 planned spend not yet utilised: Five refuse collection vehicles were delivered during September. At the time of writing the report, the invoices had been received and were being processed for payment. This will account for most of the planned expenditure in 2023/24.
- Disabled Facilities Grants - £942,615 planned spend not yet utilised: The DFG allocation has been increased by central government over recent years. There are more complex cases coming through as a knock-on effect of the pandemic and residents' health complications resulting in cases taking longer to complete. There are more preventative measures being implemented by the Trusted Assessors which are cheaper than traditional DFG's and there are several pilots currently in place which will provide data on future spend including things like hospital to home adaptations, green measures with the DFG and hoarding, self-neglect, and assistive technology. There are not big waiting lists, so it is considered that the pilot work will lead the way in opening new streams to support more residents. Work continues to be carried out by Foundations to support legislative changes which will make it easier to introduce more preventative work.
- Solar Panels and Air Source Heat Pump for Depot - £456,000 planned spend: Council approval was given in September, following a review of the project and a feasibility study being undertaken. The heat pumps are not expected to be installed; therefore, the project budget has been revised, and reallocated to the Electric Vehicle Infrastructure project.
- Electric Vehicle Infrastructure for Depot - £720,000 planned spend: Following a feasibility study being undertaken, the project was revised, and approval was given at Council for an additional £130,000 to be brought forward from future years in the 5 Year Capital Programme, and an additional £196,000 added to the project budget. The project is due to commence shortly.
- Section 106-backed schemes - £321,429 planned spend not yet utilised. The first tranche of funding at Henson Park, Whetstone has been sent and the second tranche will be sent upon completion, which is estimated for November 2023 (£38,290). Installation in Northfield Park, Blaby is due to complete in November (£112,494), and installation of water standpipes in Countesthorpe in October (£20,220). The remaining projects (circa

£147,881) are pending (Dorothy Avenue, Glen Parva, Victory Park in Cosby, Thorpe Meadows, Whistle Way, Jubilee Park, Recreation Ground Sapcote, Shakespeare Park in Braunstone, Glen Parva Memorial Gardens, Castle Acres).

- Income Management System - £220,000 planned spend: existing contract expires 31st March 2024. The budget is based on the indicative cost of implementing an entirely new system. Procurement options are currently being explored.
- Car Park, Bouskell Park, Blaby - £200,000 budget not yet utilised: No spend to date currently pending the outcome of the Parks and Open Spaces Strategy. The Strategy is expected to be finalised in January 2024.
- Extension of Enderby Leisure Centre Car Park - £190,000 planned spend: Planning application was considered by Planning Committee on 7th September. Works are expected to start at the end of October with an aim to complete by the end of December. The project is expected to be delivered within budget.
- Walk & Ride, Blaby - £140,000 planned spend: As was detailed in the 1st quarter report in September. The completion of the project is expected to slip to July 2024 due to the detailed design work in relation to the wider scheme taking longer than expected. The scheme, which includes a new walking and cycle route between Lubbethorpe and the City, is being run by Leicester City Council and this is a contribution towards the overall cost. Whilst the cost of the overall scheme is running over budget, this is at the risk of the City Council and Blaby's share of the cost still sits at £100,000. A contingency sum of £40,000 is included within our capital programme but is not expected to be required.
- HR & Payroll System - £125,426 budget not yet utilised: the first stage of the implementation of the new cloud-hosted system is well underway with expected completion by the end of October. The budget included provision for backfilling of posts where officers are working on the implementation, and additional project management support if required. This will only be called upon where necessary to complete the implementation.
- Blaby Toilets (including assisted toilets) - £72,450 planned spend not yet utilised: The project has now completed, and the toilets have reopened. A final invoice is due to be received, the project was completed within budget.
- ICT Security upgrades - £107,000 planned spend: firewall replacement was scheduled to take place over the weekend of 28th and 29th October.

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

5.1 Details are set out in the preceding paragraphs.

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 Finance 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

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 30th September 2023

11. Background paper(s)

11.1 None.

12. Report author's contact details

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	Approved Capital Programme 2023/24 £	Budgets Brought Forward from 2022/23 £	Virements / Additions etc within the year £	Project completed Saving realised £	Latest Capital Programme 2023/24 £	Capital Expenditure to 30th September 2023 £	Variance as at 30th September 2023 £
Invest to Save Schemes							
Strategic Property Investment	0	2,500,000	0	0	2,500,000	0	2,500,000
Review of Strategic Assets	0	0	780,000	0	250,000	0	250,000
Revenues & Benefits - Document Management & MyView	0	19,250	0	0	19,250	19,250	0
Solar Panels & Air Source Heat Pump for Depot	600,000	0	(144,000)	0	456,000	0	456,000
	600,000	2,519,250	636,000	0	3,755,250	19,250	3,736,000
Essential/Contractual Schemes							
Electric Vehicle Infrastructure for Depot	250,000	0	470,000	0	720,000	0	720,000
Refurbishment of Vacant Units at Enderby Road Industrial Estate	0	450,000	0	0	450,000	425,965	24,035
Southey Close Landfill Gas Remedial Works	25,000	0	0	0	25,000	0	25,000
Walk & Ride Blaby	0	140,000	0	0	140,000	0	140,000
Extension of Enderby Leisure Centre Car Park	0	190,000	0	0	190,000	0	190,000
Capital Grants Programme	54,500	630	(12,000)	0	43,130	10,171	32,959
Blaby Town Centre Improvements	0	8,729	0	0	8,729	0	8,729
Blaby Town Centre Toilets	0	100,000	0	0	100,000	27,550	72,450
Works to Landfill Gas Monitoring System, Pavilion	0	10,931	0	0	10,931	10,931	0
Trenching Works at Huncote Leisure Centre	0	0	93,000	0	93,000	0	93,000
Replacement of Air Quality Analysers	0	29,643	0	0	29,643	637	29,006
Income Management System	200,000	20,000	0	0	220,000	0	220,000
HR & Payroll System	0	150,000	0	0	150,000	24,574	125,426
End User Device Replacement	15,000	0	0	0	15,000	0	15,000
Office 365 Consultancy	32,000	0	0	0	32,000	0	32,000
Network Upgrades - Phase 2	46,000	0	0	0	46,000	0	46,000
ICT Security Upgrades	107,000	0	0	0	107,000	0	107,000
Emergency Generator at LICTP Data Centre	8,000	0	0	0	8,000	0	8,000
Network Load Balancing	8,000	0	0	0	8,000	0	8,000
Multi-Factor Authentication	5,000	0	0	0	5,000	0	5,000
UPS Replacement at LICTP Data Centre	24,000	0	0	0	24,000	0	24,000
Fleet Vehicle Replacement Programme	1,505,000	0	0	0	1,505,000	211,518	1,293,482
Vehicle CCTV & Tracking Upgrade	0	47,000	0	0	47,000	0	47,000
Entrance & Path Improvements at the Osiers, Braunstone	11,000	0	0	0	11,000	11,000	0
Council Offices - Green Heating Solution	0	234,838	0	0	234,838	216,995	17,843
Council Offices - Work Stations Upgrades	0	17,296	0	0	17,296	15,010	2,286
Refurbishment of Council Offices	0	68,966	0	0	68,966	24,934	44,032
Active Blaby Website Enhancement	0	3,977	0	0	3,977	0	3,977
	2,290,500	1,472,010	551,000	0	4,313,510	979,285	3,334,225
Desirable Schemes (subject to affordability)							
Green Community Grants	0	0	16,000	0	16,000	3,090	12,910
Installation of new footpath, Fosse Meadows	22,000	0	0	0	22,000	7,997	14,003
Car Park and bridge improvements, Bouskell Park, Blaby	0	200,000	0	0	200,000	0	200,000
	22,000	200,000	16,000	0	238,000	11,087	226,913
Externally Funded Schemes							
Disabled Facilities Grants	630,000	758,526	0	0	1,388,526	446,197	942,329
Housing Support Grants	30,000	30,480	0	0	60,480	8,194	52,286
Blaby Town Centre Assisted Toilets	0	16,390	0	0	16,390	16,390	0
Blaby Town Centre Improvements	0	19,873	0	0	19,873	0	19,873
CCTV cameras, Blaby Town Centre & Narborough Station	0	40,000	0	0	40,000	0	40,000
CCTV cameras at 3 Other sites in District	0	0	26,000	0	26,000	0	26,000
Hardware for IER Implementation	0	3,057	(3,057)	0	0	0	0
Regrade and dress pathway at Whistle Way, Narborough	11,000	0	0	0	11,000	8,133	2,867
Replace steps, fencing & sleepers, regrade & dress paths at Crow Mills, Countesthorpe	35,000	0	0	0	35,000	0	35,000
Section 106-backed Schemes	0	289,618	256,362	0	545,980	224,550	321,429
	706,000	1,157,943	279,305	0	2,143,248	703,464	1,439,784
TOTAL CAPITAL PROGRAMME 2023/24	3,618,500	5,349,204	1,482,305	0	10,450,009	1,713,086	8,736,922

FINANCED BY:	Approved Capital Programme 2023/24 £	Budgets Brought Forward from 2022/23 £	Virements / Additions etc within the year £	Project completed Saving realised £	Latest Capital Programme 2023/24 £	Capital Expenditure to 30th September 2023 £	Variance as at 30th September 2023 £
Internally Resources							
Prudential Borrowing	2,295,500	3,827,980	419,000	0	6,542,480	708,873	5,833,607
Usable Capital Receipts	525,000	254,551	780,000	0	1,559,551	297,660	1,261,891
Blaby District Council Plan Priorities Reserve	47,000	0	0	0	47,000	0	47,000
IT Systems Replacement Reserve	45,000	0	0	0	45,000	0	45,000
Revenue Funded Capital Expenditure	0	108,729	4,000	0	112,729	3,090	109,639
External Resources							
Disabled Facilities Grant	660,000	789,006	0	0	1,449,006	454,391	994,616
DFG Contribution from East Midland Housing	0	0	0	0	0	0	0
S106 Contributions - Various	46,000	289,618	256,362	0	591,980	232,683	359,296
Changing Places Funding	0	16,390	0	0	16,390	16,390	0
UK Shared Prosperity Fund	0	40,000	26,000	0	66,000	0	66,000
Central Government IER Funding	0	3,057	(3,057)	0	0	0	0
LLEP Funding	0	19,873	0	0	19,873	0	19,873
TOTAL FUNDING	3,618,500	5,349,203	1,482,305	0	10,450,009	1,713,086	8,736,922

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Blaby District Council

Cabinet Executive

Date of Meeting	6 November 2023
Title of Report	Treasury Management Mid Year Monitoring Report 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 To provide members with an update on the Council's treasury activities for the half year ended 30th September 2023, and the economic factors which have affected those activities.
- 1.2 To demonstrate compliance with the Council's prudential indicators which were approved on 22nd February 2023.

2. Recommendation(s) to Cabinet Executive and Council

- 2.1 That the latest position in respect of treasury activities, and the prudential indicators, are accepted.

3. Reason for Decisions Recommended

- 3.1 The regulatory framework governing treasury management activities includes a requirement that the Council should, as a minimum, receive quarterly treasury monitoring reports in addition to the forward-looking annual treasury strategy and the backward-looking annual treasury report.
- 3.2 This report fulfils the requirement above and incorporates the needs of the Prudential Code to ensure adequate monitoring of capital expenditure plans and the Council's prudential indicators. The treasury strategy and prudential indicators for 2023/24 were contained in the report approved by Council on 22nd February 2023.

4. Matters to consider

4.1 Background

The Chartered Institute of Public Finance Accountancy (CIPFA) Code of Practice for Treasury Management 2021 recommends that Members are updated on treasury activities at least quarterly. This report, therefore, ensures that the Council is following best practice in accordance with the Code. It is the second quarterly report to be presented to Cabinet Executive but the first which requires ratification by full Council.

As part of the February strategy report Council also approved a range of Prudential Indicators for 2023/24 which are designed to ensure that the Council's capital expenditure plans are prudent, affordable, and sustainable. Officers monitor performance against these indicators on a quarterly basis, and the results are shown at Appendix D, compared with the original estimate and the forecast outturn position. As well as reviewing treasury activity to date, this report provides an explanation for any divergence from the original estimates.

4.2 Economic Update

The economic update for the first 6 months of 2023/24, provided by Link Group, the Council's treasury management advisors, is included at Appendix A.

It should be noted that changes to the UK economy, and their resulting implications for the Council's treasury activities, can often be fast-paced and, therefore, some of the economic data may be partially out of date by the time it is reported.

At its meeting on 20th September 2023, the Monetary Policy Committee (MPC) voted by a majority of 5-4 to maintain the Bank Rate at 5.25%. Four members were in favour of a further increase of 0.25% but weak inflation in August appears to have been the deciding factor in leaving the rates unchanged.

4.3 Interest Rate Forecasts

The Council has appointed Link Group as its treasury management advisors and part of Link's service is to assist the Council to formulate a view on interest rates. The Public Works Loans Board (PWLB) rate forecasts below are based on the Certainty Rate (the standard rate minus 0.20%) which has been accessible to most local authorities since 1st November 2012.

The latest forecast at Appendix B, made on 25th September 2023, sets out a view that short, medium, and long-dated interest rates will be elevated for quite some time, as the Bank of England seeks to squeeze inflation out of the economy.

4.4 Prudential Indicators

The Annual Treasury Management Strategy for 2023/24, including the Annual Investment Strategy, was approved by Council on 23rd February 2023. There have been no policy changes to the strategy to date this financial year, and so the details in this report are an update to the original plans based on the latest economic position and budgetary changes which have already been approved.

The Council's treasury and prudential indicators are set out in Appendix D. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the first half year the Council has operated within the treasury and prudential indicators that were approved in February.

Capital Expenditure & Financing

The Council's capital expenditure plans and sources of finance is the first Prudential Indicator appearing at Appendix D. The original approved programme for 2023/24 was £3.618m of which it was planned that £2.295m would be financed through borrowing.

Since February further additions have been made to the programme, including £5.349m unspent budgets brought forward from the previous financial year, and £1.742m of other additions approved by Council on 26th September 2023 in relation to strategic asset reviews and net zero plans. The other additions are covered in more detail in the quarterly Capital Programme Review Reports (Quarter 1 – 18th September 2023, Quarter 2 - elsewhere on this agenda).

As a result of these changes, the 2023/24 Capital Programme totalled £10,450m on 30th September with a borrowing requirement of £6.452m.

Capital Financing Requirement

Another key Prudential Indicator is the Capital Financing Requirement (CFR) which is a measure of the Council's underlying need to borrow for capital purposes. If the latest Capital Programme is fully spent the CFR will rise to £20.300m by 31st March 2024, compared with the original estimate of £19.902m. It is probable that the CFR will continue to exceed actual debt for the foreseeable future due to the Council's ongoing practice of borrowing internally to finance capital investment. However, over time, the gap between the CFR and external debt will gradually close as reserves and balances are utilised, and further borrowing is undertaken.

Borrowing Limits

Appendix A shows the Operational Boundary for External Debt, and the Authorised Limit for External Debt as approved by Council in February. The first of these represents the level of external debt that the Council would not normally expect to exceed. It is normally a similar figure to the CFR but can vary according to the actual level of external debt. The Authorised Limit is the maximum level of borrowing permitted. Even if the Council fully spends

its Capital Programme and borrows to fund expenditure, external debt will remain below the Authorised Limit. However, this is highly unlikely and at this point in time it is not recommended that the borrowing limits need to be increased.

4.5 Borrowing

The Council can raise cash through borrowing to fund expenditure on its capital programme. The amount of borrowing needed each year is determined by capital expenditure plans, the underlying borrowing requirement, the availability of other capital resources, and prevailing economic conditions.

In the first six months of 2023/24, no new borrowing has been undertaken. However, there have been scheduled loan repayments of £ 107,661, meaning that the outstanding debt is £5,822,278 on 30th September 2023. The budget makes allowance for new borrowing of £2m during 2023/24 but the extent to which this will be taken up is dependent upon PWLB rates in force during the year.

For several years, the Council has been in an internally borrowed cash position, and balances will need to be replenished at some point in the future, subject to expenditure demands. This strategy is prudent whilst investment rates are lower than borrowing rates and serves to mitigate counterparty risk. In the short-term it is planned to maintain internal borrowing, but officers will closely monitor the reserves, balances and cashflows that support this position.

No rescheduling of borrowing was undertaken in the first quarter. Opportunities to do so are limited in the current economic climate because the difference between new borrowing rates and early redemption rates would lead to substantial exit costs (premiums) being incurred.

Gilt yields and PWLB certainty rates were on a generally rising trend throughout the first half of 2023/24. At the beginning of April, the 5-year rate was the cheapest part of the curve and touched 4.14% whilst the 25-year rate was relatively expensive at 4.58%.

July saw short-dated rates peak at their most expensive. The 1-year rate spiked to 6.36% and the 5-year rate to 5.93%. Although, in due course, short-dated rate expectations fell, the medium dates shifted higher through August and the 10-year rate pushed higher to 5.51% and the 25-year rate to 5.73%. The 50-year rate was 4.27% on 5th April but rose to 5.45% on 28th September.

Our treasury advisors forecast rates to fall back over the next two to three years as inflation dampens. The CPI measure of inflation is expected to fall below 2% in the second half of 2024, and 50-year rates are expected to stand at 3.90% by the end of September 2025. However, there is a high degree of uncertainty as to whether rates will fall that far.

4.6 Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2023/24, which includes the Annual Investment Strategy, was approved by the Council on 22nd February 2023. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Council's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

Creditworthiness

Following the Government's fiscal event on 23rd September 2022, both Standard & Poors and Fitch rating agencies placed the UK sovereign debt rating on Negative Outlook, reflecting a downside bias to the current ratings in light of expectations of weaker finances and a challenging economic outlook. Nothing further has evolved in the first half of 2023/24.

Officers continue to monitor credit ratings, with support from Link, to ensure that only appropriate counterparties are considered for investment purposes.

Investment counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

CDS prices

It remains important, in the current economic climate, to undertake continual monitoring of all aspects of risk and return.

Investment balances

The average level of funds available for investment purposes during the half of the financial year was £33.244m. These were a mixture of temporary, cashflow funds where the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme, and longer-term core funds.

In terms of investment performance, the Council measures its rate of return against the Sterling Overnight Index Averages (SONIA). The following table reflects the backward-looking benchmark, which reflects where the market was positioned when investments were placed.

Financial year to 30th September 2023

	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	5.25	5.19	5.19	5.20	5.12	4.78	4.06
Low	4.25	4.18	4.18	4.02	3.81	3.32	2.27
Average	4.81	4.74	4.71	4.64	4.44	4.10	3.16
Spread	1.00	1.01	1.01	1.18	1.31	1.46	1.79

The Council's approved budget for in-house investment income in 2023/24 is £360,000. On 30th September, the Council had already secured a return of £793,459 at an average rate of 4.76%.

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the half year to 30th September 2023. A full list of investments held at the end of the quarter is shown at Appendix C.

Property Fund

In addition to the internal investment portfolio, the Council has also invested £1m in the Lothbury Property Trust.

Members will be aware from the Treasury Management Outturn report, presented to Cabinet and Council in July, that Lothbury has suspended the fund due to an unprecedented volume of redemption requests. This prompted the Council to submit a redemption request of its own to ensure that it did not find itself in a worse position than other investors in the event that the fund is deemed to be unsustainable.

Over the last few weeks, officers have been in discussion with Lothbury over the future of the fund. Lothbury had initially been confident that a revised strategy, coupled with a reduced fund size of £500m would be sufficient to ensure the future of the fund. Lothbury have already commenced with a programme of asset disposal designed to reduce the fund to the desired size, and this is seemingly progressing well with receipts exceeding expectations.

At a meeting of investors, held on 14th September, Lothbury presented three options in relation to the future of the fund:

- Continuing with a smaller fund size, as outlined above
- Terminating the fund
- Exploring the option of a merger

Following this, investors had the opportunity to discuss the proposals without the presence of the Lothbury management team. The consensus view was that the redemption requests remained in place and that continuing with a smaller size was not a viable option. Consequently, termination would be the likely outcome although investors were open to exploring the merger with another property fund.

Subsequently, on 17th October, Lothbury have issued a letter to all investors giving notice of the termination of the fund on 31st December 2023. At that point, funds will be distributed to investors, pro rata to their holding in the fund on the termination date. In the event that one of the merger options under consideration is deemed to be viable, and is identified prior to the termination date, Lothbury will seek a mandate from investors at an Extra General Meeting, to clarify whether they wish to move forward with that option and either postpone the termination date, or not proceed with the termination at all.

In the meantime, the disposal programme will continue such that the net proceeds can be distributed to investors as soon as possible.

The value of Blaby's share in the property fund on 30th September 2023 has fallen further to £817,471.

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

5.1 Treasury management decisions and activities are driven by the capital programme and the Council's overall financial position and will impact on the interest payable and receivable budgets which are included in the quarterly budget monitoring report elsewhere on the agenda.

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 Group, 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 because 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 terminated	The fund managers have issued a termination notice, signalling their intention to close the fund on 31 st December 2023 unless a viable merger option is identified. The Council has already submitted a redemption request to ensure that it is not placed in a worse position than other investors upon termination. However, there remains a real risk that fund proceeds will be insufficient to reimburse investors to the value of their initial investment.

7. Other options considered

7.1 None, this report is a requirement of the 2023/24 Prudential Code.

8. Environmental impact

8.1 There is no direct environmental impact arising from this report. However, the Council continues to utilise sustainable investment opportunities in line with its approved investment criteria.

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 – Economic Update

10.2 Appendix B – Interest Rate Forecast

10.3 Appendix C – Investments Held at 30th September 2023

10.4 Appendix D – Treasury and Prudential Indicators

11. Background paper(s)

11.1 None.

12. Report author's contact details

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1. Economics update

- The first half of 2023/24 saw:
 - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium, and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
 - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).
- The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% q/q rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour

market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

- But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.
- CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. However, the positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.
- In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was "finely balanced". Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures "further tightening in policy would be required". Governor Bailey stated, "we'll be watching closely to see if further increases are needed". The Bank also retained the hawkish guidance that rates will stay "sufficiently restrictive for sufficiently long".
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.

- The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).
- The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.
- The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100's relatively high concentration on energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914.

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Link Group Interest Rate View 25.09.23													
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

- LIBOR and LIBID rates ceased at the end of 2021. In a continuation of previous views, money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- The Link forecast for average earnings are averages, i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

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INVESTMENTS HELD ON 30TH SEPTEMBER 2023

Counterparty	Investment Type	Investment Date	Maturity Date	Interest Rate	Principal
Aberdeen Liquidity Fund	Money Market Fund	n/a	n/a	5.28%	£8,000,000
Federated Investors	Money Market Fund	n/a	n/a	5.30%	£3,507,000
SMBC Bank International PLC	Time Deposit	28/09/23	02/01/24	5.44%	£3,000,000
Landesbank Hessen-Thueringen Girozentrale	Time Deposit	05/09/23	05/12/23	5.34%	£3,000,000
SMBC Bank International PLC	Time Deposit	15/09/23	15/12/23	5.64%	£2,300,000
Standard Chartered Bank	Sustainable Fixed Term Deposit	04/08/23	02/02/24	5.67%	£2,000,000
Standard Chartered Bank	Sustainable Fixed Term Deposit	04/09/23	04/12/23	5.50%	£2,000,000
HSBC Bank PLC	31 Day Notice Account	n/a	n/a	5.10%	£2,000,000
Lloyds Bank PLC	Fixed Term Deposit Account	27/09/23	27/12/23	5.18%	£2,000,000
National Bank of Canada	Time Deposit	17/07/23	17/10/23	5.42%	£1,800,000
Lloyds Bank Corporate Markets	Time Deposit	03/07/23	03/01/24	5.95%	£2,000,000
Lloyds Treasury Call Account	Money Market Call Account	n/a	n/a	5.14%	£600,000
HSBC Bank PLC	Money Market Call Account	n/a	n/a	0.50%	£168,000
					<u>£32,375,000</u>

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PRUDENTIAL INDICATORS**1. Capital Expenditure and Financing**

This indicator shows the capital expenditure plans for the year and demonstrates how those plans are expected to be financed.

	2023/24 Approved Budget £	Position as at 30th September 2023 £	2023/24 Revised Estimate £
Total Capital Programme	3,618,500	1,713,086	10,450,009
Financed by:			
Capital receipts	525,000	297,660	1,559,551
Capital grants and contributions	706,000	703,463	2,143,249
Capital reserves	92,000	0	92,000
Revenue contributions	0	3,090	112,729
Total Financing	1,323,000	1,004,213	3,907,529
Borrowing Requirement	2,295,500	708,873	6,542,480

The Revised Capital Programme includes expenditure and resources brought forward from 2022/23 totalling £5,349,204.

2. Capital Financing Requirement

The Capital Financing Requirement (CFR) is a measure of the Council's underlying need to borrow for capital purposes. It will increase as the Council incurs capital expenditure which cannot be met from other resources, but this will be partially offset by revenue repayments for the year (the Minimum Revenue Provision).

	2023/24 Approved Budget £	Position as at 30th September 2023 £	2023/24 Revised Estimate £
CFR as at 1 st April 2023	18,334,226	14,486,025	14,486,025
Capital Expenditure in Year	3,618,500	1,713,086	10,450,009
Financing in Year	(1,323,000)	(1,004,213)	(3,907,529)
Minimum Revenue Provision	(478,077)	0	(478,077)
Voluntary Revenue Provision	(250,000)	0	(250,000)
CFR as at 31st March 2024	19,901,649	15,194,898	20,300,428

3. The Portfolio Position

The table below compares the Council's actual external debt, including other long-term liabilities such as finance leases, with the CFR. This indicator also acts as a limit to borrowing activity. Gross external debt should not, except in the short term, exceed the total of CFR in the preceding year plus the estimated additional CFR for 2023/24 and the next two financial years. This allows some limited flexibility for borrowing in advance of need. No difficulties are envisaged in complying with this indicator for the current or future financial years.

	2023/24 Approved Budget £	Position as at 30 th September 2023 £	2023/24 Revised Estimate £
External Debt			
Debt at 1 st April 2023	7,229,939	5,929,939	5,929,939
Finance Leases at 1 st April 2023	455,157	455,157	455,157
Estimated Borrowing 2023/24	2,000,000	0	3,300,000
Estimated Loan Repayments	(216,500)	(107,661)	(216,500)
Estimated Lease Repayments	(266)	0	(266)
Estimated Debt at 31st March 2024	9,468,330	6,277,435	9,468,330
CFR (as above)	19,901,649	15,194,898	20,300,428
Under/(Over) Borrowing	10,433,319	8,917,463	10,832,098

4. Operational Boundary for External Debt

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.

	2023/24 Approved Budget £	Position as at 30 th September 2023 £	2023/24 Revised Estimate £
Borrowing	20,200,000	5,822,278	20,200,000
Other Long-Term Liabilities	500,000	455,157	500,000
Total	20,700,000	6,277,435	20,700,000

5. Authorised Limit for External Debt

A further key prudential indicator 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.

	2023/24 Approved Budget £	Position as at 30 th September 2023 £	2023/24 Revised Estimate £
Borrowing	22,444,400	5,822,278	22,444,400
Other Long-Term Liabilities	555,600	455,157	555,600
Total	23,000,000	6,277,435	23,000,000

6. Treasury Management Limits on Activity

There is a further debt related treasury activity limit. The purpose of this is to manage risk and reduce the impact of any adverse movement in interest rates. However, if it is too restrictive it will impair the opportunities to reduce costs and/or improve performance. The indicator is:

- 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.

	2023/24 Approved Budget £	Position as at 30th September 2023 £	2023/24 Revised Estimate £
Maturity structure of fixed interest rate borrowing:			
Under 12 months	100%	15.66%	100%
12 months to 2 years	100%	14.71%	100%
2 years to 5 years	100%	0.93%	100%
5 years to 10 years	100%	0.00%	100%
10 years and above	100%	68.70%	100%

7. Investments Greater Than 364 Days

This limit is set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and is based on the availability of investments after each year-end.

The Council invested £1m in the Lothbury Property Trust in December 2019. On 30th September 2023 the Net Asset Value (NAV) of this investment was £0.817m.

	2023/24 Approved Budget £	Position as at 30th September 2023 £	2023/24 Revised Estimate £
Principal sums invested > 364 days	6,000,000	1,000,000	6,000,000

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Agenda Item 7

2023/24 Scrutiny Work Programme

Item	Detail	Attendance required	Timescale	Forum/Progress
'Quick wins'				
Retail Strategy	To explore current use of existing and future retail spaces. Are we using them in the most appropriate way?	Tracy Gaskin	20 th September	Explored as part of the Economic Development Strategy at Scrutiny Commission – Completed
The Council's approach to Graffiti & Littering	Is there more that the council can do to ensure a quick resolution to this? Including the removal of graffiti from privately owned land?	Caroline Harbour Phil Fasham	Tues 24 th October	Task & Finish 1 meeting Requires an additional meeting to consider draft FPN levels and draft policy. (Apr 2024 – TBC)
Commercial Strategy	To review our approach.	Justin Henry	Tues 12 December Confirmed	Task & Finish 1 meeting
High Priority Areas				
Budget Scrutiny process	Annual scrutiny of budgets.	Sarah Pennelli, Portfolio Holders	10 th , 17 th , 24 th January Confirmed	All non-executive Members
The Council's plans for historic waste sites	Following completion of the Contaminated Land strategy, commission to feed into the action plans. To scrutinise identified risks and prioritisation to ensure the correct actions are being taken at the correct times.	Anna Farish	Wednesday 7 th February Confirmed	Scrutiny Commission
HR Review	To continue and 'wrap-up' the commission's work on current HR provision at The Council.		5/6 March TBC	Task & Finish 2 meetings
Net Zero by 2050 target To incorporate the Parks & Open Spaces /Footpath strategies.	To look at our community leadership role in championing our net zero ambitions (for example working with parishes and other external partners). Are we doing enough, quickly enough?	Anna Farish Nick Fear Jill Stevenson	Monday 11 th March Confirmed	Working Group

Item	Detail	Attendance required	Timescale	Forum/Progress
Medium Priority Areas				
iPlan Workshop (Corporate Measures)	To examine areas of concern, trends and poor performance through iPlan – the Council’s Corporate Measures system.	Luke Clements	Confirmed: Tuesday 21 November 2023 (Brooks Room) Thursday 1 February (Brooks Room) Wednesday 24 April (Park Room) Wednesday 24 July (Brooks Room) Thursday 26 September 2024 (Brooks Room)	All Commission Members as a Working Group to log into iPlan
Homelessness & Social Housing	Following the member training session scheduled for 18 December, commission to scope how Scrutiny may feed into this.	TBC		TBC (Original date: 25 October – cancelled due to extraordinary Council meeting)
Transforming Blaby Together’ Strategy	Following completion of the strategy, commission to receive a progress update on the implementation of action plans.	Lisa Boland	10 April Confirmed	Scrutiny Commission
New Waste Collection Scheme	Scrutiny to feed into and examine the Council’s proposed approach.	Paul Coates	Awaiting further Government guidance before timelines can be established.	TBC

Item	Detail	Attendance required	Timescale	Forum/Progress
Low Priority Areas				
Flood Resilience	To be looked at depending on the progress of higher priority issues.			
2023 Net Zero Target	To be looked at depending on the progress of higher priority issues.			
Scrutiny of Scrutiny	Only to be looked at after the new Scrutiny Commission has had sufficient opportunity to progress work, and it is still felt appropriate.			

Items to be taken up in another forum:

Current IT Provision: Member Reference Group to be established for IT specialist members to feed in to future IT provision.

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**BLABY DISTRICT COUNCIL
Forward Plan
FOR THE PERIOD: November 2023 – February 2024**

What is the Plan?

It is a list of the Key Decisions to be taken by the Cabinet Executive during the period referred to above. The Council has a statutory duty to prepare this document, in accordance with the Local Government Act 2000 (as amended). The Plan is published 28 clear days before a meeting of Cabinet Executive is to be held. The Plan is available to view at the Council's main offices in Narborough, or on the Council's website, www.blaby.gov.uk.

What is a Key Decision?

Definition of a key decision as detailed in Part 2 Article 11 of the Council's Constitution:

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- (i) Is, in value, worth more than £50,000 of the annual revenue budget for the service or function or of the capital allocation to the scheme concerned, or
 - (ii) Has a significant impact because it either:
 - Affects individuals or organisations outside the District;
 - Affects individuals or organisations in more than one Ward; or
 - Will have a long term (more than 5 year) or permanent effect on the Council or District
 - (iii) Involves significant changes to the policy and budget framework (involves the adoption or amendment of a policy or strategy or to the budgets which the Executive has the power to adopt).

Who makes Key Decisions?

Under the Council's constitution, Key Decisions are made by:

- Cabinet Executive
- The Leader or Deputy Leader (in matters of urgency only)
- Individual officers acting under delegated powers. (it is rare for any decision delegated to an officer to be a Key Decision)

Are only Key Decisions published on the Plan?

The Council has a statutory obligation to publish Key Decisions in the Plan. However, the Council has voluntarily decided to list non-key Cabinet Executive and Council decisions as well. To clarify matters, Key Decisions will be identified on the Plan with a Yes, non-key decisions with a No.

What does the List tell me?

The List gives information about:

- Upcoming Key and Non-Key Decisions (identified by **Yes** or **No** next to them)
- Whether the decision will be made in public or private.
- When decisions are likely to be made.
- Who will make these decisions.
- Who you can contact for further information.

Who are the members of the Cabinet Executive?

The members of the Cabinet Executive and their areas of responsibility are:

- | | | |
|--------------------------|--|--|
| • Cllr. Terry Richardson | Leader of the Council & Cabinet Executive | cllr.terry.richardson@blaby.gov.uk |
| • Cllr. Maggie Wright | Deputy Leader and Finance, People & Performance | cllr.maggie.wright@blaby.gov.uk |
| • Cllr. Nigel Grundy | Neighbourhood Services & Assets | cllr.nigel.grundy@blaby.gov.uk |
| • Cllr. Les Phillimore | Housing, Community & Environmental Services | cllr.les.phillimore@blaby.gov.uk |
| • Cllr. Ben Taylor | Planning Delivery and Enforcement & Corporate Transformation | cllr.ben.taylor@blaby.gov.uk |

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What is the role of Overview and Scrutiny?

The Council's Scrutiny Commission's role is to contribute to the development of Council policies, scrutinise decisions of the Cabinet Executive and hold them to account and to consider any matter affecting Blaby District or its citizens. Dates of these meetings can be found on the Council's website.

Who do I contact, and how?

Each entry on the Plan indicates the names of the people to contact about that item. They can be contacted via the switchboard on 0116 275 0555.

Request to view Background Papers

Should you wish to request copies or extracts of any documents listed under the column entitled 'Background Papers', for items which are considered to be Key Decisions, please contact Democratic Services at, Blaby District Council, Desford Road, Narborough, Leicestershire, LE19 2EP. Please note that copies or extracts of documents which contain information of a confidential or exempt nature cannot be disclosed to the public.

Submission of Additional Documents

Additional documents which are deemed relevant to a particular Key Decision item may be submitted to the Cabinet Executive for consideration. Copies of such documents may also be requested under the same process for requesting to view Background Papers.

Confidential and Exempt Information

This list may also include items to be considered which contain confidential or exempt information, but will not disclose any detail of a confidential or exempt nature. Such items will be identified with '(Exempt)' in the report title.

Report Title and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
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November 2023

<p><u>Establishment 2023/24 and 2024/25</u></p> <p>To provide members with an update in respect of the 2023/24 establishment budget, and to set out the proposed establishment budget for 2024/25.</p>	None	Cabinet Executive	6 November 2023	Yes	<p>27 October 2023</p> <p>Councillor Maggie Wright</p> <p>Katie Hollis, Accountancy Services Manager</p>	Public
<p><u>Quarter 2 Budget Review 2023/24</u></p> <p>The report gives Members an overview of the financial performance against the budget for the second quarter of 2022/23.</p>	None	Cabinet Executive	6 November 2023	Yes	<p>27 October 2023</p> <p>Councillor Maggie Wright</p> <p>Katie Hollis, Accountancy Services Manager</p>	Public

Report Title and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<p><u>Imposing financial and publication penalties - The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (MEES Regulations)</u></p> <p>This policy is to establish how Blaby District Council will take action against landlords in respect of the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (MEES Regulations). The policy will details when such penalties should be levied as well as the amounts depending on the circumstances of each case.</p>	<p>The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015</p>	<p>Cabinet Executive</p>	<p>6 November 2023</p>	<p>Yes</p>	<p>27 October 2023</p> <p>Councillor Les Phillimore</p> <p>Phil Fasham, Environmental Health Manager</p>	<p>Public</p>
<p><u>Legal Services Structure</u></p> <p>Structure of the Legal Services Team within Corporate Services</p>	<p>None</p>	<p>Cabinet Executive</p>	<p>6 November 2023</p>	<p>No</p>	<p>27 October 2023</p> <p>Councillor Terry Richardson</p> <p>Louisa Horton, Corporate Services Group Manager & Monitoring Officer</p>	<p>Public</p>

<u>Report Title</u> and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<p><u>Planning Enforcement Policy</u></p> <p>This report presents the new Planning Enforcement Policy for consideration</p>	None	Cabinet Executive	6 November 2023	No	27 October 2023 Councillor Ben Taylor Jonathan Hodge, Planning Enforcement Manager	Public
<p><u>'Transforming Blaby Together' Strategy</u></p> <p>Do you agree the 'Transforming Blaby Together' strategy. Encompassed within this will be our Transformation, Customer, People and Equalities, Diversity and Inclusion (EDI) approaches/strategies.</p>	None	Cabinet Executive	6 November 2023	No	27 October 2023 Councillor Ben Taylor, Councillor Maggie Wright Lisa Boland, Service Transformation Group Manager	Public
<p><u>Senior Management Structure</u></p> <p>This report proposes changes to the Senior Management Structure at the Council, to ensure that we able to deliver our ambitious corporate plan and ensure Blaby District is a great place to live, work and visit.</p>	None	Cabinet Executive	6 November 2023	No	27 October 2023 Councillor Terry Richardson	Public

<u>Report Title</u> and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<u>Contaminated Land Strategy</u> To update the Councils Contaminated Land Strategy following consultation.	Contaminated Land Strategy	Cabinet Executive	6 November 2023	Yes	27 October 2023 Councillor Les Phillimore Anna Farish, Environmental Services Manager	Public
<u>The Serious Violence Statutory Duty</u> To outline the requirements of the Duty, describe the LLR approach to the Duty and update elected members as to Blaby's current position in regards to compliance with the Duty	None	Cabinet Executive	6 November 2023	Yes	27 October 2023 Councillor Les Phillimore Rebecca Holcroft, Community Services Manager	Public

Report Title and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<p><u>Mid Year Treasury Management Monitoring Report</u></p> <p>To provide members with an update on the Council's treasury activities for the half year ended 30th September 2023, and the economic factors which have affected those activities.</p> <p>To demonstrate compliance with the Council's prudential indicators which were approved in February 2023.</p>	None	Cabinet Executive Council	6 November 2023 28 November 2023	No	Cabinet Executive: 27 October 2023 Council: 17 November 2023 Councillor Maggie Wright Nick Brown, Finance Group Manager	Public
<p><u>Quarter 2 Capital Programme Review 2023/24</u></p> <p>The report provides Members with an update on expenditure against the Capital Programme for the quarter ending 30th September 2023.</p>	None	Cabinet Executive Council	6 November 2023 28 November 2023	No	Cabinet Executive: 27 October 2023 Council: 17 November 2023 Councillor Maggie Wright Katie Hollis, Accountancy Services Manager	Public

Report Title and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
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<p><u>Leicestershire ICT Partnership - Future Arrangements</u></p> <p>To provide members an update on the current ICT position and proposed key next steps for consideration</p>	<p>Blaby District Council Report 14th December 2010 - Recommendations to Cabinet Executive - Provision of ICT Services Blaby District Council Report 18th April 2023 - Leicestershire ICT Partnership - Future Governance Arrangements</p>	<p>Cabinet Executive</p> <p>Council</p>	<p>6 November 2023</p> <p>28 November 2023</p>	<p>No</p>	<p>Cabinet Executive: 27 October 2023</p> <p>Council: 17 November 2023</p> <p>Councillor Ben Taylor</p> <p>Lisa Boland, Service Transformation Group Manager</p>	<p>Private</p>
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<p><u>Polling District, Places & Stations Review</u></p> <p>To seek approval for the revised schedule of polling districts, polling places and polling stations as a result of the compulsory review of polling districts, polling places and polling stations.</p>	<p>The Electoral Commission Polling District Review Guidance https://www.electoralcommission.org.uk/reviews-polling-districts-polling-places-and-polling-stations</p> <p>Boundary Commission for England parliamentary constituency boundary recommendations https://boundarycommissionforengland.independent.gov.uk/2023-review/</p>	Council	28 November 2023	No	<p>17 November 2023</p> <p>Councillor Terry Richardson</p> <p>Katie Brooman, Elections and Governance Manager</p>	Public.
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<u>Report Title</u> and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<u>Member Development Strategy 2023-2027</u> That the Member Development Strategy is approved.	None	Council	28 November 2023	No	17 November 2023 Councillor Terry Richardson Sandeep Tiensa, Senior Democratic Services & Scrutiny Officer	
<u>Corporate Plan 2024 - 2028</u> To seek approval for the Corporate Plan 2024 – 2028.	None	Council	28 November 2023	No	17 November 2023 Councillor Terry Richardson Julia Smith, Chief Executive	Public

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<u>Developer Contribution Supplementary Planning Document consultation</u> To seek approval from Council to consult on the Developer Contributions SPD. The SPD sets out how the Council will use its powers to ensure that new development contributes to the necessary provision of services, facilities and infrastructure needed to support the District's residents and communities	Habitat Regulation Assessment Strategic Environmental Assessment Screening Equality Impact Assessment	Council	28 November 2023	No	17 October 2023 Councillor Ben Taylor Vicky Chapman, Development Strategy Manager	Public
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January 2024

<u>Council Tax Base 2024/25</u> The purpose of this report is to set the Council Tax Base for the 2024/25 year so that in February, Council will be able to use this information and set the Council Tax for the year. The report also seeks approval to set aside 'special items' of expenditure under Section 34 and 35 of the Local Government Finance Act 1992.	None	Cabinet Executive	15 January 2024	Yes	5 January 2024 Councillor Maggie Wright Sarabjit Khangura, Council Tax Income and Debt Manager	Public
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Report Title and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<p><u>National Non Domestic Rates Base 2024/25</u></p> <p>The Local Government Finance Act 2012 requires local authorities to set an annual National Non-Domestic Rate Base, otherwise known as the Business Rates Base. The Base must be set by 31st January ahead of the forthcoming financial year.</p>	None	Cabinet Executive	15 January 2024	Yes	5 January 2024 Councillor Maggie Wright Nick Brown, Finance Group Manager	Public
<p><u>Quarter 3 Treasury Management Update 2023/24</u></p> <p>The report updates Members on the treasury Management activities up to 31st December 2023, and performance against the approved prudential indicators.</p>	None	Cabinet Executive	15 January 2024	Yes	5 January 2024 Councillor Maggie Wright Nick Brown, Finance Group Manager	Public
<p><u>Lightbulb Delivery Document 2024 to 2029</u></p> <p>To agree the delivery document detailing how Blaby District Council will run Lightbulb from April 2024.</p>	None	Cabinet Executive	15 January 2024	Yes	5 January 2024 Councillor Nigel Grundy Teresa Neal, Business, Partnerships and Health Improvement Group Manager	Public

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<u>Parks and Open Spaces Strategy</u> This document sets out how the Council intends to manage the parks and open spaces that it is responsible for including a series of management plans for each key site.	None	Cabinet Executive	15 January 2024	Yes	5 January 2024 Councillor Nigel Grundy Paul Coates, Neighbourhood Services & Assets Group Manager	Public
<u>Place Vision/Narrative</u> Approval of a place narrative for the Blaby District which will provide a shared vision of how organisations across the district will shape our future.	None	Council	30 January 2024	No	19 January 2024 Councillor Terry Richardson Julia Smith, Chief Executive	Public

February 2024

<u>Quarter 3 Budget Review 2023/24</u> This report gives Members an overview of the financial performance against the budget for the third quarter of 2023/24.	None	Cabinet Executive	26 February 2024	Yes	16 February 2024 Councillor Maggie Wright Katie Hollis, Accountancy Services Manager	Public
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Report Title and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<p><u>Quarter 3 Capital Programme Review 2023/24</u></p> <p>This report provides Members an update on expenditure against the Capital Programme for the third quarter of 2023/24.</p>	None	Cabinet Executive	26 February 2024	Yes	16 February 2024 Councillor Maggie Wright Katie Hollis, Accountancy Services Manager	Public
<p><u>Schedule of Charges 2024/25</u></p> <p>This report lays out the proposed fees and charges for the financial year commencing 1st April 2024.</p>	None	Cabinet Executive	26 February 2024	Yes	16 February 2024 Councillor Maggie Wright Katie Hollis, Accountancy Services Manager	Public

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Report Title and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<p><u>Prudential Indicator & Treasury Management Strategy 2024/25</u></p> <p>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 2024/25 to 2028/29 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.</p>	<p>None</p>	<p>Cabinet Executive</p> <p>Council</p>	<p>26 February 2024</p> <p>27 February 2024</p>	<p>No</p>	<p>Cabinet Executive: 16 February 2024</p> <p>Council: 16 February 2024</p> <p>Councillor Maggie Wright</p> <p>Nick Brown, Finance Group Manager</p>	<p>Public</p>

Report Title and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<p><u>5 Year Capital Programme 2024/25 to 2028/29</u></p> <p>This report sets out the Council's proposed Capital Programme and resources for the next five financial years commencing in 2024/25. 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.</p> <p>The report also presents the Council's updated Capital Strategy in accordance with the requirements of the Prudential Code.</p>	None	Cabinet Executive Council	26 February 2024 27 February 2024	No	Cabinet Executive: 16 February 2024 Council: 16 February 2024 Councillor Maggie Wright Nick Brown, Finance Group Manager	Public
<p><u>General Fund Budget Proposals 2024/25</u></p> <p>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.</p>	None	Cabinet Executive Council	26 February 2024 27 February 2024	No	Cabinet Executive: 16 February 2024 Council: 16 February 2024 Councillor Maggie Wright Sarah Pennelli, Executive Director - S.151 Officer	Public

Report Title and Expected Decision	Background Papers	Decision Maker	Date of Decision	Key Decision?	Report Available/ Portfolio Holder/ Contact Officer	Decision to be taken in public or private session?
<p><u>Council Tax 2024/25</u></p> <p>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.</p>	None	<p>Cabinet Executive</p> <p>Council</p>	<p>26 February 2024</p> <p>27 February 2024</p>	No	<p>Cabinet Executive: 16 February 2024</p> <p>Council: 16 February 2024</p> <p>Councillor Maggie Wright</p> <p>Nick Brown, Finance Group Manager</p>	Public

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