

To Members of the Council

Cllr. Nick Chapman (Chairman)
Cllr. Janet Forey (Vice-Chairman)

Cllr. Shabbir Aslam
Cllr. Royston Bayliss
Cllr. Lee Breckon JP
Cllr. Nick Brown
Cllr. Adrian Clifford
Cllr. Cheryl Cashmore
Cllr. Stuart Coar
Cllr. Luke Cousin
Cllr. Tony Deakin
Cllr. Roy Denney
Cllr. Alex DeWinter
Cllr. Susan Findlay

Cllr. Helen Gambardella
Cllr. Hannah Gill
Cllr. Nigel Grundy
Cllr. Paul Hartshorn
Cllr. Richard Holdridge
Cllr. Mark Jackson
Cllr. Becca Lunn
Cllr. Antony Moseley
Cllr. Les Phillimore
Cllr. Terry Richardson
Cllr. Ande Savage
Cllr. Tracey Shepherd

Cllr. Dillan Shikotra
Cllr. Mike Shirley
Cllr. Roger Stead
Cllr. Ben Taylor
Cllr. Matt Tomeo
Cllr. Bob Waterton
Cllr. Bev Welsh
Cllr. Jane Wolfe
Cllr. Maggie Wright
Cllr. Neil Wright

Dear Councillor,

A meeting of the **COUNCIL** will be held in the Council Chamber - Council Offices, Narborough on **TUESDAY, 19 NOVEMBER 2024** at **7.00 p.m.** for the transaction of the following business and your attendance is requested.

Yours faithfully



Gemma Dennis
Corporate Services Group Manager and Monitoring Officer

AGENDA

SECTION 1 - INTRODUCTION

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

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

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

3. Minutes (Pages 5 - 10)

To approve and sign the minutes of the meeting held on 24 September 2024 (enclosed).

SECTION 2 - STANDARD COUNCIL BUSINESS

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

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

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

SECTION 3 - PRESENTATIONS TO COUNCIL

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

SECTION 4 - QUESTIONS FROM THE PUBLIC & PRESENTATION OF PETITIONS

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

6. Public Speaking Protocol

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

SECTION 5 - MEMBERS' QUESTIONS

To receive any questions submitted by Councillors.

7. Questions from Members

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

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

SECTION 6 - REPORTS FOR DECISIONS

To consider any reports submitted for consideration by Council.

8. Recommendations of the Cabinet Executive: Treasury Management Mid Year Monitoring Report 2024/25 (Pages 11 - 30)

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

9. Recommendations of the Cabinet Executive: Quarter 2 Capital Programme Review 2024/25 (Pages 31 - 38)

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

10. Food waste New Burdens Capital Allocation - Capital Programme Addition to 2024/25 (Pages 39 - 42)

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

11. Transfer of Public Open Space (Pages 43 - 50)

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

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

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

SECTION 8 - EXEMPT REPORTS

There are no items of business for consideration under this section.

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COUNCIL

Minutes of a meeting held at the Council Offices, Narborough

TUESDAY, 24 SEPTEMBER 2024

Present:-

Cllr. Nick Chapman (Chairman)
Cllr. Janet Forey (Vice-Chairman)

Cllr. Shabbir Aslam	Cllr. Susan Findlay	Cllr. Terry Richardson
Cllr. Royston Bayliss	Cllr. Helen Gambardella	Cllr. Tracey Shepherd
Cllr. Lee Breckon JP	Cllr. Hannah Gill	Cllr. Mike Shirley
Cllr. Nick Brown	Cllr. Nigel Grundy	Cllr. Roger Stead
Cllr. Adrian Clifford	Cllr. Paul Hartshorn	Cllr. Ben Taylor
Cllr. Cheryl Cashmore	Cllr. Richard Holdridge	Cllr. Jane Wolfe
Cllr. Stuart Coar	Cllr. Mark Jackson	Cllr. Maggie Wright
Cllr. Luke Cousin	Cllr. Becca Lunn	Cllr. Neil Wright
Cllr. Tony Deakin	Cllr. Antony Moseley	
Cllr. Roy Denney	Cllr. Les Phillimore	

Officers present:-

Julia Smith	- Chief Executive
Louisa Horton	- Executive Director - Communities and Monitoring Officer
Sarah Pennelli	- Executive Director - S.151 Officer
Marc Greenwood	- Executive Director - Place
Caroline Harbour	- Environmental Health, Housing & Community Services Group Manager
Jonathan Hodge	- Planning & Strategic Growth Group Manager
Gemma Dennis	- Corporate Services Group Manager
Martin Needham	- Senior Planning Policy Officer
Katie Hollis	- Finance Group Manager
Kevin Exley	- Principal Planning Policy Officer
Ian Jones	- Housing Services Manager
Katie Brooman	- Elections and Governance Manager
Sandeep Tiensa	- Senior Democratic Services & Scrutiny Officer
Nicole Cramp	- Democratic & Scrutiny Services Officer
Isaac Thomas	- Democracy Support Officer

Honorary Alderman in attendance:-

Iain Hewson & Guy Jackson

Apologies:-

Cllr. Alex DeWinter, Cllr. Ande Savage, Cllr. Dillan Shikotra and Cllr. Bob Waterton

88. DELAYED START TIME

The Chairman announced that the start of the meeting was delayed due to technical difficulties and the meeting would proceed without the livestream.

89. DISCLOSURES OF INTERESTS FROM MEMBERS

No disclosures were received.

90. MINUTES

The minutes of the previous meeting held on 16 July 2024 as circulated, were approved and signed as a correct record.

91. CHAIRMAN'S ANNOUNCEMENTS

The Chair, Cllr. Nick Chapman made announcements in respect of the following:

- Visited Kirby Muxloe Football Club for a preseason match with Nottingham County on 27 July 2024.
- Visited Wistow Church to support a concert by Musical village based in Leicester Forest East in aid of fundraising for the church on 17 August 2024.
- Attended Glenfield's Picnic in the Park on 18 August 2024.
- Represented the Council by attending the vigil for Mr Bhim Kohli and his family on 6 September 2024.
- Attended an evening at Cuisine of India in aid of the Mayor of Oadby and Wigston's Charity on 9 September 2024.
- My Chairman at Home event took place on 13 September 2024 where £503 was raised for the East Midlands Air Ambulance Charity. I would like to say thank you to all that joined me including the new MP for mid-Leicestershire and the acting Leader of Leicestershire County Council. A special thanks to Nicky Brown and Louise Price for all their hard work in supporting me at my event.
- Attended the Charity Cake & Coffee Morning on 17 September 2024. £160 was raised for the East Midlands Air Ambulance and £160 was raised for Macmillan Cancer Support.
- The Vice-Chairman, Cllr. Janet Forey joined me to attend Kirby Muxloe's Fun Day on 22 September 2024.

92. LEADER'S STATEMENT

Cllr. Antony Moseley arrived at the meeting during this item and Cllr. Stuart Coar left the meeting during this item and did not return.

The Leader, Cllr. Terry Richardson presented his statement in respect of the following:

- Braunstone Town Events
- HNRFI decision delayed
- Contaminated land update
- Council advice helps local business secure major contract
- Sport and physical activity highlights
- District Tourism Growth Plan
- Update on Local Plan
- Active Travel Strategy
- Job Fair
- New electric sweeper
- Solar Together success

93. PUBLIC SPEAKING PROTOCOL

No requests were received.

94. QUESTIONS FROM MEMBERS

No questions were received.

95. AFFORDABLE HOUSING CONTRIBUTIONS

Considered – Report of the Housing Services Manager, presented by Cllr. Les Phillimore – Housing & Community Services Portfolio Holder.

DECISION

That a further allocation of £57,835 towards a proposed 15 unit all affordable scheme for people suffering with mental health at Grove Road, Blaby be approved.

Reasons:

1. To ensure that funds previously allocated for affordable housing and commuted sums paid in lieu of affordable housing are utilised in the most appropriate and efficient way.

2. To ensure that the above funds are used to enable the delivery of affordable housing.

96. DESIGNATION OF A NEW CONSERVATION AREA IN BRAUNSTONE VILLAGE AND THE MAKING OF A NON-IMMEDIATE ARTICLE 4 DIRECTION

Considered – Report of the Senior Planning Policy Officer, presented by Cllr. Ben Taylor - Planning, Transformation and ICT Portfolio Holder.

A supplemental agenda in respect of Appendix C was considered alongside the report.

Cllr. Ben Taylor commented on the cross party work that had been undertaken and thanked colleagues for their support.

DECISIONS

1. That the formal designation of Braunstone Village Conservation Area be approved.
2. That a 'non-immediate' Article 4 Direction be prepared and made, removing some Permitted Development rights to specific properties as detailed in the Conservation Area Management Plan at Appendix C of the report.
3. That the Constitution be amended accordingly to grant delegated authority to the Planning & Strategic Growth Group Manager in consultation with the relevant Portfolio Holder for the determination of Article 4 directions.

Reasons:

1. To progress the motion made by Council in November 2021 and to consider the merits of a Conservation Area in this location and following the recent public consultation.
2. To consider the introduction of further planning controls in the interest of the historic character of the area.
3. To ensure clarity of decision making.

97. PLANNING OBLIGATIONS AND DEVELOPER CONTRIBUTIONS

Considered – Report of the Development Strategy Manager, presented by Cllr. Ben Taylor - Planning, Transformation and ICT Portfolio Holder.

DECISION

That the Planning Obligations and Developer Contributions Supplementary Planning Document (2024) be adopted.

Reasons:

1. To accord with national legislation, which sets out the mechanism for securing planning obligations from new development. This includes the Community Infrastructure Levy Regulations 2010 (as amended) which sets out additional legislation on the use of planning obligations.
2. To ensure that the Council's approach to securing planning obligations on new development is based on up-to-date local evidence.

98. APPOINTMENT OF MONITORING OFFICER

Considered – Report of the Chief Executive, presented by Cllr. Terry Richardson - Leader of the Council.

Cllr. Terry Richardson thanked Louisa Horton for her time in the role of Monitoring Officer.

DECISION

That Gemma Dennis be appointed as Blaby District Council's Monitoring Officer.

Reason:

The Local Government & Housing Act 1989 requires every local authority to designate one of its senior officers as the Monitoring Officer.

**99. RECOMMENDATIONS OF THE CABINET EXECUTIVE: QUARTER 1
CAPITAL PROGRAMME REVIEW 2024/25**

Considered – Report of the Accountancy Services Manager, presented by Cllr. Maggie Wright – Finance, People & Performance Portfolio Holder and Deputy Leader.

DECISIONS

1. That the report be accepted.
2. That the latest Capital Programme for 2024/25, totalling £8,449,878, be accepted.

Reasons:

1. To ensure that the Council has adequate resources in place to meet its capital expenditure commitments.
2. To reflect additions or other changes to the Capital Programme since it was approved by Council on 27th February 2024, including the carry forward of unspent budget from 2023/24.

THE MEETING CONCLUDED AT 6.58 P.M.

Blaby District Council Council

Date of Meeting	19 November 2024
Title of Report	Recommendations of the Cabinet Executive: Treasury Management Mid Year Monitoring Report 2024/25 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
Strategic Themes	Ambitious and well managed Council, valuing our people

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 2024, and the economic factors which have affected those activities.
- 1.2 The report also demonstrates compliance with the prudential indicators that were approved by Council on 27th February 2024.

2. Recommendation(s) to 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. Whilst quarters 1 and 3 do not need to be formally reported to full Council, there is an implicit understanding that they should be adequately scrutinised by Cabinet Executive.
- 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 2024/25 were contained in the report approved by Council on 27th February 2024.

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 2024/25 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 2024/25, 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.

On 9 May, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20th June. However, by the time of the August meeting, there was a 5-4 vote in place for rates to be cut by 25bps to 5%. However, subsequent speeches from MPC members have supported Governor Bailey's tone with its emphasis on "gradual" reductions over time.

Markets thought there may be an outside chance of a further Bank Rate reduction in September, following the 50bps cut by the FOMC, but this came to nothing.

Nonetheless, November still looks most likely to be the next month to see a rate cut to 4.75% but, thereafter, inflation and employment data releases, as well as geo-political events, are likely to be the determinant for what happens in the remainder of 2024/25 and into 2025/26.

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 latest forecast at Appendix B, sets out a view that short, medium and long-dated interest rates will fall back over the next year or two, although there are upside risks in respect of the stickiness of inflation and a continuing tight labour market, as well as the size of gilt issuance

4.4 Prudential Indicators

The Annual Treasury Management Strategy for 2024/25, including the Annual Investment Strategy, was approved by Council on 27th February 2024. 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 2024/25 was £3.827m of which it was planned that £1.666m would be financed through borrowing.

Since February further additions have been made to the programme, including £4.528m unspent budgets brought forward from the previous financial year.

As a result of these changes, the 2024/25 Capital Programme totalled £8.436m on 30th September.

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 £19.629m by 31st March 2025, compared with the original estimate of £20.525m. It is probable that the CFR will 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.

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 2024/25, no new borrowing has been undertaken. However, there have been scheduled loan repayments of £802,700, meaning that the outstanding debt is £4,910,739 on 30th September 2024.

For several years, the Council has been 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.

Debt repayment and rescheduling opportunities have increased over the course of the past six months and will be considered if giving rise to long-term savings. However, no debt repayments or rescheduling have been undertaken to date in the current financial year.

Gilt yields and PWLB certainty rates were less volatile than at this time last year. Overall, the 10, 25 and 50-year part of the curve endured a little volatility but finished September very much as it started in April.

At the beginning of April, the 5-year rate was the cheapest part of the curve at 4.72% whilst the 25-year rate was relatively expensive at 5.28%. May saw yields at their highest across the whole curve.

Conversely, 17 September saw the low point for the whole curve, with the 5-year certainty rate falling to 4.31% before rebounding to 4.55% by the end of the month. Similarly, the 50-year certainty rate fell to 4.88% but finished the month at 5.13%, slightly higher than at the start of April.

Our treasury advisor forecast rates to fall back over the next two to three years as inflation dampens, although there is upside risk to our Bank Rate forecast at present. The CPI measure of inflation is expected to fall below 2% in the second half of 2025, however, and we forecast 50-year rates to stand at 4.20% by the end of September 2026. The major caveats are that there is considerable gilt issuance to be digested by the market over the next couple of years, and geo-political uncertainties – which are generally negative for inflation prospects – abound in Eastern Europe and the Middle East, in particular.

4.6 Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2024/25, which includes the Annual Investment Strategy, was approved by the Council on 27th February 2024. 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.

The UK's sovereign rating has proven robust through the first half of 2024/25. The new Labour Government is expected to outline in detail its future fiscal proposals in the Budget scheduled for 30 October 2024.

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 is noted that sentiment in the current economic climate can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

Investment balances

The funds available over the first half of the financial year 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. The funds available for investment purposes as at 30th September was £27.077m.

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 2024

	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	5.25	5.20	5.20	5.21	5.23	5.26	5.33
Low	5.00	4.95	4.95	4.96	5.06	5.18	5.09
Average	5.17	5.12	5.12	5.15	5.20	5.25	5.26
Spread	0.25	0.25	0.25	0.25	0.17	0.08	0.24

The Council's approved budget for in-house investment income in 2024/25 is £1m. On 30th September, the Council had already secured a return of £0.754m.

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the half year to 30th September 2024. A full list of investments held at the end of the quarter is shown at Appendix C.

Property Fund

The Council invested £1m in the Lothbury Property Trust in December 2019. On 30th June 2023 the Net Asset Value (NAV) of this investment was £0.739m.

Following the winding up of this fund on the 30th May 2024 Lothbury are in the process of disposing of all assets and making distributions to investors.

As noted in the Treasury Management Report to Council on 16th July 2024, the investment is being transferred as capital distributions to UBS (UBS Triton property fund LP). In the first quarter of the year there were three distributions from the former Lothbury Property Trust into the Council's investments totalling £0.437m. The 4th distribution is expected to be made in November.

4.7 Relevant Consultations

The Council's Treasury Management advisors Link Group have been consulted in the drafting of this report.

4.8 Significant Issues

None

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	The Property Fund should be seen as a

investment if property values continue to fall	longer-term investment where the value of the fund can fluctuate both upwards and downwards. Historically, property prices tend to rise over time. Due to concerns reported to Council in July, officers are closely monitoring the proposed restructuring of the fund which is designed to ensure its future viability.
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7. Other options considered

7.1 None, this report is a requirement of the 2024/25 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 2024

10.4 Appendix D – Treasury and Prudential Indicators

11. Background paper(s)

11.1 None

12. Report author's contact details

Katie Hollis Finance Group Manager
Katie.Hollis@blaby.gov.uk 0116 272 7739

1. Economics update

The third quarter of 2024 (July to September) saw:

- GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
- A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
- CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
- Core CPI inflation increasing from 3.3% in July to 3.6% in August;
- The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
- 10-year gilt yields falling to 4.0% in September.
- The economy's stagnation in June and July points more to a mild slowdown in GDP growth than a sudden drop back into a recession. Moreover, the drop in September's composite activity Purchasing Managers Index, from 53.8 in August to 52.9, was still consistent with GDP growth of 0.3%-0.4% for the summer months. This is in line with the Bank of England's view, and it was encouraging that an improvement in manufacturing output growth could be detected, whilst the services PMI balance suggests non-retail services output grew by 0.5% q/q in Q3. Additionally, the services PMI future activity balance showed an uptick in September, although readings after the Chancellor's announcements at the Budget on 30th October will be more meaningful.
- The 1.0% m/m jump in retail sales in August was stronger than the consensus forecast for a 0.4% m/m increase. The rise was reasonably broad based, with six of the seven main sub sectors recording monthly increases, though the biggest gains came from clothing stores and supermarkets, which the ONS reported was driven by the warmer-than-usual weather and end of season sales. As a result, some of that strength is probably temporary.
- The government's plans to raise public spending by around £16bn a year (0.6% GDP) have caused concerns that a big rise in taxes will be announced in the Budget, which could weaken GDP growth in the medium-term. However, if taxes are raised in line with spending (i.e., by £16bn) that would mean the overall stance of fiscal policy would be similar to the previous government's plan to reduce the budget deficit. Additionally, rises in public spending tend to boost GDP by more than increases in taxes reduce it. Our colleagues at Capital Economics suggest GDP growth will hit 1.2% in 2024 before reaching 1.5% for both 2025 and 2026.
- The further easing in wage growth will be welcomed by the Bank of England as a sign that labour market conditions are continuing to cool. The 3myy growth rate of average earnings fell from 4.6% in June to 4.0% in July. On a three-month annualised basis, average earnings growth eased from 3.0% to 1.8%, its lowest rate since December 2023. Excluding bonuses, the 3myy rate fell from 5.4% to 5.1%.

- Other labour market indicators also point to a further loosening in the labour market. The 59,000 fall in the alternative PAYE measure of the number of employees in August marked the fourth fall in the past five months. And the 77,000 decline in the three months to August was the biggest drop since November 2020. Moreover, the number of workforce jobs fell by 28,000 in Q2. The downward trend in job vacancies continued too. The number of job vacancies fell from 872,000 in the three months to July to 857,000 in the three months to August. That leaves it 34% below its peak in May 2022, and just 5% above its pre-pandemic level. Nonetheless, the Bank of England is still more concerned about the inflationary influence of the labour market rather than the risk of a major slowdown in labour market activity.
- CPI inflation stayed at 2.2% in August, but services inflation rose from a two-year low of 5.2% in July to 5.6%, significantly above its long-run average of 3.5%. Food and fuel price inflation exerted some downward pressure on CPI inflation, but these were offset by the upward effects from rising furniture/household equipment inflation, recreation/culture inflation and a surprisingly large rise in airfares inflation from -10.4% in July to +11.9% in August. As a result, core inflation crept back up from 3.3% to 3.6%. CPI inflation is also expected to rise in the coming months, potentially reaching 2.9% in November, before declining to around 2.0% by mid-2025.
- The Bank initiated its loosening cycle in August with a 25bps rate cut, lowering rates from 5.25% to 5.0%. In its September meeting, the Bank, resembling the ECB more than the Fed, opted to hold rates steady at 5.0%, signalling a preference for a more gradual approach to rate cuts. Notably, one Monetary Policy Committee (MPC) member (Swati Dhingra) voted for a consecutive 25bps cut, while four members swung back to voting to leave rates unchanged. That meant the slim 5-4 vote in favour of a cut in August shifted to a solid 8-1 vote in favour of no change.
- Looking ahead, CPI inflation will likely rise in the coming months before it falls back to its target of 2.0% in mid-2025. The increasing uncertainties of the Middle East may also exert an upward pressure on inflation, with oil prices rising in the aftermath of Iran's missile attack on Israel on 1 October. China's recent outpouring of new fiscal support measures in the latter stages of September has also added to the upshift in broader commodity prices, which, in turn, may impact on global inflation levels and thus monetary policy decisions. Despite these recent developments, our central forecast is still for rates to fall to 4.5% by the end of 2024 with further cuts likely throughout 2025. This is in line with market expectations, however, although a November rate cut still looks likely, December may be more problematic for the Bank if CPI inflation spikes towards 3%. In the second half of 2025, though, we think a more marked easing in inflation will prompt the Bank to speed up, resulting in rates eventually reaching 3.0%, rather than the 3.25-3.50% currently priced in by financial markets.
- Our forecast is next due to be updated around mid-November following the 30 October Budget, 5 November US presidential election and the 7 November MPC meeting and the release of the Bank of England Quarterly Monetary Policy Report.
- Looking at gilt movements in the first half of 2024/25, and you will note the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank's

August rate cut signalled the start of its loosening cycle. Following the decision to hold the Bank Rate at 5.0% in September, the market response was muted, with the 10-year yield rising by only 5bps after the announcement. This likely reflected the fact that money markets had priced in a 25% chance of a rate cut prior to the meeting. The yield had already increased by about 10bps in the days leading up to the meeting, driven in part by the Fed's "hawkish cut" on 18 September. There is a possibility that gilt yields will rise near-term as UK policymakers remain cautious due to persistent inflation concerns, before declining in the longer term as rates fall to 3.0%.

- The FTSE 100 reached a peak of 8,380 in the third quarter of 2024, but its performance is firmly in the shade of the US S&P500, which has breached the 5,700 threshold on several occasions recently. Its progress, however, may pause for the time being whilst investors wait to see who is elected the next US President, and how events in the Middle East (and Ukraine) unfold. The catalyst for any further rally (or not) is likely to be the degree of investors' faith in AI.

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Link Group Interest Rate View 28.05.24										
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	4.50	4.00	3.50	3.25	3.25	3.25	3.25	3.00	3.00	3.00
3 month ave earnings	4.50	4.00	3.50	3.30	3.30	3.30	3.30	3.00	3.00	3.00
6 month ave earnings	4.40	3.90	3.50	3.30	3.30	3.30	3.30	3.10	3.10	3.20
12 month ave earnings	4.30	3.80	3.50	3.40	3.40	3.40	3.40	3.20	3.30	3.40
5 yr PWLB	4.50	4.30	4.10	4.00	3.90	3.90	3.90	3.90	3.90	3.80
10 yr PWLB	4.60	4.40	4.30	4.10	4.10	4.10	4.00	4.00	4.00	3.90
25 yr PWLB	5.00	4.80	4.70	4.50	4.50	4.40	4.40	4.40	4.30	4.30
50 yr PWLB	4.80	4.60	4.50	4.30	4.30	4.20	4.20	4.20	4.10	4.10

- PWLB rate forecasts are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1 November 2012.

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INVESTMENTS HELD ON 30TH SEPTEMBER 2024

Appendix C

Counterparty	Investment Type	Investment Date	Maturity Date	Interest Rate	Principal
Aberdeen Liquidity Fund	Money Market Fund	n/a	n/a	5.00%	£7,100,000
Federated Investors	Money Market Fund	n/a	n/a	4.97%	£905,000
SMBC Bank International PLC	Time Deposit	30/08/24	29/11/24	5.34%	£3,000,000
Landesbank Hessen-Thuringen Girozentrale	Time Deposit	05/06/24	05/12/24	5.34%	£3,000,000
SMBC Bank International PLC	Time Deposit	15/08/24	15/11/24	5.30%	£2,300,000
Standard Chartered Bank	Sustainable Fixed Term Deposit	06/08/24	06/11/24	4.90%	£2,000,000
HSBC Bank PLC	31 Day Notice Account	n/a	n/a	5.35%	£2,000,000
National Bank of Canada	Time Deposit	16/08/24	15/11/24	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	4.88%	£891,200
HSBC Business Account	Call Account	n/a	n/a	2.02%	£81,000
Landesbank Hessen-Thuringen Girozentrale	Time Deposit	18/08/24	15/11/24	5.18%	2000000
					<u>£27,077,200</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.

	2024/25 Approved Budget £	Position as at 30th September 2024 £	2024/25 Revised Estimate £
Total Capital Programme	3,826,900	1,054,655	8,435,559
Financed by:			
Capital receipts	574,000	260,878	1,464,710
Capital grants and contributions	1,492,647	394,114	2,607,455
Capital reserves	94,315	22,364	145,315
Revenue contributions	0	82	100,082
Total Financing	2,160,962	677,438	4,317,562
Borrowing Requirement	1,665,938	377,217	4,117,997

The Revised Capital Programme includes expenditure and resources brought forward from 2023/24 totalling £4,528,430.

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).

	2024/25 Approved Budget £	Position as at 30th September 2024 £	2024/25 Revised Estimate £
CFR as at 1 st April 2024	19,907,475	16,560,287	16,560,287
Capital Expenditure in Year	3,826,900	1,054,655	8,435,559
Financing in Year	(2,160,962)	(677,438)	(4,317,562)
Minimum Revenue Provision	(748,865)	0	(748,865)
Voluntary Revenue Provision	(300,000)	0	(300,000)
CFR as at 31st March 2025	20,524,548	16,937,504	19,629,419

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 2024/25 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.

	2024/25 Approved Budget £	Position as at 30 th September 2024 £	2024/25 Revised Estimate £
External Debt			
Debt at 1 st April 2024	9,013,439	4,963,439	4,962,439
Finance Leases at 1 st April 2024	454,891	454,864	454,864
Estimated Borrowing 2024/25	3,300,000	0	1,500,000
Estimated Loan Repayments	(855,837)	0	(855,837)
Estimated Lease Repayments	(293)	0	(293)
Estimated Debt at 31st March 2025	11,912,200	5,418,303	6,061,173
CFR (as above)	20,524,548	16,937,504	19,629,419
Under/(Over) Borrowing	8,612,348	11,519,201	13,568,246

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.

	2024/25 Approved Budget £	Position as at 30 th September 2024 £	2024/25 Revised Estimate £
Borrowing	18,200,000	4,910,739	18,200,000
Other Long-Term Liabilities	2,500,000	454,864	2,500,000
Total	20,700,000	5,365,603	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.

	2024/25 Approved Budget £	Position as at 30 th September 2024 £	2024/25 Revised Estimate £
Borrowing	20,222,200	4,910,739	20,222,200
Other Long-Term Liabilities	2,777,800	454,864	2,777,800
Total	23,000,000	5,365,603	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.

	2024/25 Approved Budget £	Position as at 30 th September 2024 £	2024/25 Revised Estimate £
Maturity structure of fixed interest rate borrowing:			
Under 12 months	100%	16.30%	100%
12 months to 2 years	100%	14.43%	100%
2 years to 5 years	100%	1.81%	100%
5 years to 10 years	100%	0.00%	100%
10 years and above	100%	67.45%	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 June 2023 the Net Asset Value (NAV) of this investment was £0.739m. The investment is being transferred as capital distributions to UBS (UBS Triton property fund LP). The remaining Lothbury estimated valuation as at 30/09/24 was: £299,724 a further capital distribution early November will be made. We do not have the valuation of the capital distribution as at yet but the remaining balance will be reduced after the capital distribution.

As of 30th September 2024, the UBS Triton Property Fund LP investment value stood at £437,781.56

The Bank hope to complete the Lothbury transfers by the end of February 2025.

	2024/25 Approved Budget £	Position as at 30 th September 2024 £	2024/25 Revised Estimate £
Principal sums invested > 364 days	6,000,000	1,000,000	6,000,000

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Blaby District Council Council

Date of Meeting	19 November 2024
Title of Report	Recommendations of the Cabinet Executive: Quarter 2 Capital Programme Review 2024/25 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
Strategic Themes	All Themes: Enabling communities and supporting vulnerable residents; Enhancing and maintaining our natural and built environment; Growing and supporting our economy; Keeping you safe and healthy; Ambitious and well managed Council, valuing our people

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 2024/25.

2. Recommendation(s) to Council

- 2.1 That the report is accepted.
- 2.2 That the latest Capital Programme for 2024/25, totalling £8,582,759, 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 2024/25 was approved by Council on 27th February 2024 and amounted to £3,826,900, including a borrowing requirement of £1,665,938.

The revised Capital Programme following the 1st quarter of 2024/25 was approved in September 2024 and amounted to £8,449,878. The following table shows the latest Capital Programme which now amounts to £8,582,759. This includes £4,528,430 of unspent budget brought forward from 2023/24. Appendix A gives a scheme-by-scheme breakdown of the planned expenditure for 2024/25.

	£
Approved Capital Programme 2024/25	8,449,878
<u>New Additions</u>	
1. Fleet Vehicle Replacement Programme	178,328
2. EV Charging Hub at Enderby Leisure Centre	147,200
<u>Reductions</u>	
3. Installation of PV Panels at Enderby Leisure Centre	(192,647)
Revised Capital Programme 2024/25	8,582,759

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

Additions

1. Funding has been received from Defra to retrofit and electrify an existing refuse collection vehicle and the additional cost, although externally funded needs to be added to the capital programme.
2. As part of the Green Living Leicestershire partnership external funding has been sourced from the Local EV Infrastructure Fund to install an electric vehicle charging hub at Enderby Leisure Centre. This project is being led by Harborough District council.
3. The grant funding associated with the Installation of solar panels at the Enderby Leisure Centre has not been pursued given the grant conditions were unfavourable to the Council. An amount still remains in the capital programme to develop a scheme without utilising the Sport England funding stream.

- 4.2 At the end of September 2024, the Council had spent £1,054,655 against its planned Capital Programme.

The reasons behind the main variances are as follows:

- Net Zero at the Depot - £1,175,587 planned spend not yet utilised: Planning permission has been granted and tendered costs have been received for the installation of solar panels at the depot. There are some minor stakeholder queries that have been raised which are currently being investigated, these are not foreseen to delay the works which are forecast to complete by March 2025. Appropriate infrastructure solutions for the Electric Vehicle infrastructure at the Council's depot are currently being reviewed. Soft market testing will commence in early November which will be followed by a tender process.
- Fleet Vehicle Replacement Programme - £1,222,085 planned spend not yet utilised: The majority of budget is allocated for three new waste collection vehicles and the retrofitting of an existing refuse collection vehicle. Orders are to be placed for vehicles that are fuelled by HVO.
- IT Infrastructure Improvements - £941,772 planned spend not yet utilised: whilst the plans to move the IT to an in-house service are going well the expenditure to June 2024 has been limited. It is expected that the expenditure will increase during the second half of the year and the works are forecast to be completed by March 2025.
- Disabled Facilities Grants - £810,682 planned spend not yet utilised: The DFG allocation has been increased by central government over recent years. Lightbulb have seen a permanent rise in the complexity of cases coming through due to an increase in residents' health complications. We have also experienced an increase in child cases in which the needs can be more complex resulting in cases taking longer to complete. Lightbulb is currently going through a service review and streamlining ways of working which is expected to increase the number of DFG's completed throughout the year.
- Strategic Regeneration Property Investment - £661,767 planned spend not yet utilised: Although a suitable property had been identified a further survey gave concerns and substantial renovations were necessary. As a result an alternative property is being considered for purchase to provide accommodation under the resettlement scheme and funded partly through the Local Authority Housing Fund 2 (LAHF2) funding.
- Car Park, Bouskell Park, Blaby - £430,317 planned spend not yet utilised: A contractor has been appointed and is currently on site for the

completion of the improvements to the car park. It is anticipated that the project will be completed by March 2025.

- Strategic Review: Land Rear Of Enderby Leisure Centre - £404,791 planned spend not yet utilised: Public engagement has now concluded on the proposed scheme. Consultants are engaging with the Council's Local Plan team; providing information for the site to be assessed for inclusion in the new Local Plan.
- Strategic Asset Review - £250,000 planned spend not yet utilised: Consultants have been appointed to provide an options appraisal. The strategic review is forecast to complete this financial year.
- Installation of PV Panels at Enderby Leisure Centre - £192,753 planned spend not yet utilised: A review of the funding options is currently being undertaken.
- Income Management System – £186,625 planned spend not yet utilised: The new system is currently in its testing phase and is expected to go live by the end of November 2024.
- Replacement CRM/Granicus solutions - £186,405 planned spend not yet utilised: The procurement of a new CRM solution is currently on hold and will be revisited once the Council's IT infrastructure project is complete. It is planned to move the project budget to the Capital Programme for 2025/26.
- Walk & Ride, Blaby - £140,000 planned spend not yet utilised: Substantial parts of the new walk and cycle route between Lubbesthorpe and the City are complete but there is currently a delay at the Merdian roundabout due to required amendments to the existing highways by Leicester County Council. It's expected these works are to complete in the new year.
- Resurfacing of Main & Overflow Car Parks, Fosse Meadows - £130,000 planned spend not yet utilised: Following the recent agreement to enter into a lease with Green Circle to manage Fosse Meadows Green Circle will look to access external funding opportunities to progress with the project.
- HR & Payroll System - £100,000 planned spend not yet utilised: The first stage of the implementation of the new cloud-hosted system is complete and plans for the second phase are being drawn up. 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.

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. Officers delivering the projects within the Capital Programme are asked to consider environmental impacts in each case.

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 2024

11. Background paper(s)

11.1 None.

12. Report author's contact details

Katie Hollis	Financial Services Group Manager
Katie.hollis@blaby.gov.uk	0116 272 7739

	Approved Capital Programme 2024/25 £	Budgets Brought Forward from 2023/24 £	Virements / Additions etc within the year £	Project completed Saving realised £	Latest Capital Programme 2024/25 £	Capital Expenditure to 30th September 2024 £	Variance as at 30th September 2024 £
<u>Invest to Save Schemes</u>							
Regeneration Property	0	662,067	0	0	662,067	300	661,767
Strategic Review : Council Offices	0	250,000	0	0	250,000	0	250,000
Strategic Review : Land Rear Of Enderby Leisure Centre	0	503,710	0	0	503,710	98,919	404,791
Revenues & Benefits - Document Management & MyView	0	0	28,595	0	28,595	20,567	8,028
Replacement CRM/Granicus solutions	200,000	0	(13,595)	0	186,405	0	186,405
	200,000	1,415,777	15,000	0	1,630,777	119,786	1,510,991
<u>Essential/Contractual Schemes</u>							
Net Zero at the Depot	0	1,176,000	0	0	1,176,000	413	1,175,587
Refurbishment of Vacant Units at Enderby Road Industrial Estate	0	11,825	0	0	11,825	11,825	0
Walk & Ride Blaby	0	140,000	0	0	140,000	0	140,000
Finance System Upgrade	0	0	87,320	0	87,320	0	87,320
Installation of PV Panels at Enderby Leisure Centre	385,400	0	(192,647)	0	192,753	0	192,753
Capital Grants Programme	54,500	10,365	0	0	64,865	9,997	54,868
Blaby Town Centre Improvements	0	17,000	0	0	17,000	0	17,000
Works to Landfill Gas Monitoring System, Huncote	40,000	0	0	0	40,000	0	40,000
Replacement of Air Quality Analysers	0	10,000	0	0	10,000	3,242	6,758
Income Management System	0	220,000	(15,000)	0	205,000	18,375	186,625
Replacement BACS Submission Software	20,000	0	0	0	20,000	0	20,000
HR & Payroll System	0	100,000	0	0	100,000	0	100,000
Replacement Audio/Visual System for Council Chamber	75,000	0	0	0	75,000	0	75,000
End User Device Replacement	0	15,000	0	0	15,000	12,287	2,713
Office 365 Consultancy	0	16,000	0	0	16,000	0	16,000
Network Upgrades - Phase 2	0	24,961	0	0	24,961	0	24,961
ICT Security Upgrades	0	72,076	0	0	72,076	7,346	64,730
ICT Infrastructure Improvements	500,000	497,378	0	0	997,378	55,606	941,772
Multi factor Authentication	0	5,000	0	0	5,000	0	5,000
Fleet Vehicle Replacement Programme	1,308,000	142,000	178,328	0	1,628,328	406,243	1,222,085
Vehicle CCTV & Tracking Upgrade	0	13,000	0	0	13,000	5,320	7,680
Upgrades to IDOX DMS and UNI-form Public Access	14,000	0	0	0	14,000	7,150	6,850
Refurbishment of Council Offices	0	2,950	0	0	2,950	2,950	0
	2,396,900	2,473,555	58,001	0	4,928,456	540,754	4,387,702
<u>Desirable Schemes (subject to affordability)</u>							
Green Community Grants	0	5,277	0	0	5,277	0	5,277
Car Park improvements, Bouskell Park, Blaby	440,000	0	0	0	440,000	9,683	430,317
Resurfacing of Main & Overflow Car Parks, Fosse Meadows	130,000	0	0	0	130,000	0	130,000
	570,000	5,277	0	0	575,277	9,683	565,594
<u>Externally Funded Schemes</u>							
Disabled Facilities Grants	630,000	512,790	0	0	1,142,790	332,108	810,682
Housing Support Grants	30,000	34,707	0	0	64,707	45,095	19,612
CCTV cameras at 3 Other sites in District	0	1,632	0	0	1,632	0	1,632
EV Charging Hub at Enderby Leisure Centre	0	0	147,200	0	147,200	0	147,200
Section 106-backed Schemes	0	84,692	7,228	0	91,920	7,228	84,692
	660,000	633,821	154,428	0	1,448,249	384,431	1,063,818
TOTAL CAPITAL PROGRAMME 2024/25	3,826,900	4,528,430	227,429	0	8,582,759	1,054,655	7,528,105

	Approved Capital Programme 2024/25 £	Budgets Brought Forward from 2023/24 £	Virements / Additions etc within the year £	Project completed Saving realised £	Latest Capital Programme 2024/25 £	Capital Expenditure to 30th September 2024 £	Variance as at 30th September 2024 £
<u>FINANCED BY:</u>							
<u>Internally Resources</u>							
Prudential Borrowing	1,665,938	2,540,411	(88,352)	0	4,117,997	377,217	3,740,780
Usable Capital Receipts	574,000	890,710	0	0	1,464,710	260,878	1,203,832
Blaby District Council Plan Priorities Reserve	54,500	31,000	0	0	85,500	22,364	63,136
IT Reserve	0	20,000	0	0	20,000	0	20,000
IT Systems Replacement Reserve	39,815	0	0	0	39,815	0	39,815
Revenue Funded Capital Expenditure	0	100,082	0	0	100,082	82	100,000
<u>External Resources</u>							
Disabled Facilities Grant	660,000	547,497	0	0	1,207,497	377,203	830,294
Defra	0	0	354,000	0	354,000	0	354,000
LA Housing Fund Round 2	0	312,406	0	0	312,406	0	312,406
S106 Contributions - Various	0	84,692	7,228	0	91,920	7,228	84,692
UK Shared Prosperity Fund	510,000	1,632	0	0	511,632	9,683	501,949
Sport England	192,647	0	(192,647)	0	0	0	0
Local EV Infrastructure Fund	0	0	147,200	0	147,200	0	147,200
Unconfirmed government grant	130,000	0	0	0	130,000	0	130,000
TOTAL FUNDING	3,826,900	4,528,430	227,429	0	8,582,759	1,054,655	7,528,105

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Blaby District Council Council

Date of Meeting	19 November 2024
Title of Report	Food waste new burdens capital allocation - Capital Programme Addition to 2024/25 This is a Key Decision and is on the Forward Plan.
Lead Member	Cllr. Nigel Grundy - Neighbourhood Services & Assets
Report Author	Neighbourhood Services Group Manager
Strategic Themes	All Themes: Enabling communities and supporting vulnerable residents; Enhancing and maintaining our natural and built environment; Growing and supporting our economy; Keeping you safe and healthy; Ambitious and well managed Council, valuing our people

1. What is this report about?

- 1.1 This report provides Members an update on additional planned expenditure against the Capital Programme for the second quarter of 2024/25 for the procurement of food waste vehicles.

2. Recommendation(s) to Council

- 2.1 To approve an additional £970,000 to the capital programme to allow 7 vehicles and food waste receptacles to be procured.

3. Reason for Decisions Recommended

- 3.1 To ensure that the Council has adequate capital resources in place to meet its new legal obligations to implement separate weekly food waste collections from March 2026.
- 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

As part of the national waste reforms all local authorities in England are legally required to provide a separate weekly food waste collection service to all its residents by 01 April 2026.

Defra have already provided a capital allocation to Blaby District Council of £920,000 for the provision of food waste collection vehicles and food waste receptacles for residents' food waste.

Soft market testing of suitable vehicles has taken place and provisional prices obtained for 7 vehicles in the 7,500kgs category which operate on Hydrotreated vegetable oil (HVO) fuel. Each vehicle has an approximate price of £105,000 depending on the level of ancillary equipment included and procurement framework fees.

Due to the food waste implementation being a national initiative it is expected that demand for food waste vehicles will increase thereby requiring orders to be placed in this financial year in order to stand the best chance of obtaining the vehicles in time for the planned implementation date.

Failure to place orders in a timely manner risks significant price increases and increases in lead times which could result in not having vehicles arrive in time for the scheme implementation date.

As part of the soft market testing prices and information were also sought for electric vehicle equivalents. The capital costs of the electric equivalent is approximately £300,000 each and three times the capital costs of the HVO equivalent. Defra have confirmed they will not be providing capital costs for electric vehicles.

Aside from the costs of a fully electric food waste vehicle being three times that of the HVO complaint version, operating on HVO fuel provides for a 90% reduction in CO2 emissions compared to diesel fuel. According to some manufacturers the vehicle category is not as developed in the 7,500kgs market as it is in the general car or bus and bin lorry market. Until more advancements are made in this category there is a risk over the reliability of the after sales support market.

With regards to food waste receptacles a full procurement has taken place jointly with other Leicestershire district council partners in order to provide where possible uniformity in type size and colour of container for operational efficiency - this amounts to £235,000 of capital.

The total capital requirement is as follows:

Food waste vehicles @ £105,000 each	£735,000
Food waste receptacles	£235,000
TOTAL	£970,000

To provide the greatest degree of certainty that the required assets will arrive in a reasonable time before implementation date orders for vehicles and caddies are to be placed before 31 December 2024.

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
Costs of vehicles may increase significantly as the deadline for implementation of food waste collections gets closer	Seek to place order as early as possible to guarantee lead times for delivery prior to implementation.
Vehicle may not be delivered in time for scheme start date.	Place orders by 31 December 2024 to ensure delivery within 12 months.
Containers may not be delivered in time for scheme start date.	Joint procurement of containers completed. Orders to be placed by 31 December 2024 to ensure delivery ahead of scheme start date.
Public acceptance of not procuring electric vehicles	Provide explanation as in section 7.1 to reiterate the challenges around public finance, EV infrastructure at the depot, and a so far under developed market in this vehicle category in addition to HVO fuel being used as a substitute to fossil fuel.
Insufficient space at the depot to accommodate new vehicles and temporary storage of containers	A review of the existing depot layout is being undertaken to provide adequate vehicle parking and container storage. Cost estimates are being obtained for an amended layout including potential expansion of depot footprint.

7. Other options considered

- 7.1 Consideration was given to purchasing electric vehicles but given the costs were three times as much as the HVO equivalent, an under developed market in this category causing concern around reliability of performance and service, uncertainty around the timescales in which to deliver electric infrastructure charging at the depot, and Defra's position not to provide funding for electric vehicles, and HVO obtaining 90% reduction in emissions compared to the diesel fuel equivalent the option of purchasing fully electric food waste vehicles was discounted.

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. Officers delivering the projects within the Capital Programme are asked to consider environmental impacts in each case. The Council's fleet transition has begun with the addition of a mini electric sweeper and an end of life bin lorry being converted to fully electric. It will continue as we develop the infrastructure and subject to available funding.

9. Other significant issues

It is likely that the Blaby District Council vehicle depot located in Whetstone will need to be extended to accommodate the new food waste vehicles. Cost estimates are being obtained for the works and once these are known approval for the required additional expenditure will be sought either through Cabinet Executive or Full Council dependent on the value.

- 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 None.

11. Background paper(s)

- 11.1 None.

12. Report author's contact details

Paul Coates	Neighbourhood Services Group Manager
Paul.coates@blaby.gov.uk	0116 272 7615

Blaby District Council Council

Date of Meeting	19 November 2024
Title of Report	Transfer of Public Open Space This is not a Key Decision and is not on the Forward Plan
Lead Member	Cllr. Nigel Grundy - Neighbourhood Services & Assets
Report Author	Neighbourhood Services & Assets Group Manager
Corporate Priority	All Priorities: A Place to Live; A Place to Work; A Place to Visit; People Strategy; Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 To seek authority to transfer land assets to Parish Councils for improved community use.

2. Recommendation(s) to Council

- 2.1 That Council approve the disposal of land at Southey Close recreation ground and Jubilee Park to Enderby Parish Council and disposal of Holt Crescent allotments to Thurlaston Parish Council.
- 2.2 That delegated authority is given to the Executive Director (S151) in consultation with the Neighbourhood Services and Assets Portfolio holder and Finance, People and Performance Portfolio holder to agree terms and finalise the disposals of the land assets detailed in 2.1.

3. Reason for Decisions Recommended

- 3.1 Transfer of land listed in 2.1 is a recommendation within the Parks & Open Spaces Strategy 2024-2034.
- 3.2 The recommendations seek to transfer open space to Parishes where there is no potential for development of the land and in so doing reduce maintenance costs and liability to the Council.

4. Matters to consider

4.1 Background

The District Council have recently developed a Parks and Open Strategy 2024- 2034 with a strategic vision to ensure that Blaby District Council owned parks and open spaces are sustainable, high quality, accessible and continue to provide value to people, place, and nature.

A key objective of the strategy is to review all strategic parks and open spaces owned by Blaby District Council and recommend the best ownership and management for their respective communities.

As part of this continuous review the Council have identified 3 open space sites recommended for transfer to the respective local parish council: Holt Crescent allotment site, Thurlaston; Jubilee Park and Southey Close recreation ground in Enderby.

Parish Councils have an in depth understanding of local needs, and the availability to access funding opportunities which has the potential to provide a vast range of benefits to its residents, visitors, and park users. In addition, it allows for the Parish Council to take control of the site offering opportunities for consistency in maintenance regimes, community events, activities, and much more.

Further to an offer in principle to transfer land, the following Parish Councils have expressed an interest in taking ownership of the following:

Holt Crescent Allotment site, Thurlaston

Thurlaston Parish Council has expressed an interest to take ownership of the allotment site located at Holt Crescent LT384762 (Plan Appendix A) which will remain as allotment land in perpetuity.

The land has received a valuation of £15,000 based on it being retained as an allotment site. The site has been deemed not to have any development potential and it is unlikely that the land would obtain the valuation figure if advertised for sale as allotment land. It is therefore proposed that the site be transferred to the parish to be retained as allotment land in perpetuity for a nominal value of £1.00.

Jubilee Park and Southey Close Recreation Ground, Enderby

Enderby Parish Council has expressed an interest to take ownership of two sites, Southey Close recreation ground LT384463 and Jubilee Park that consists of two titles LT384520 & LT383921 (Plan Appendix B & C). Both of these sites will transfer on the basis of remaining as open space in perpetuity. It is proposed that the land be transferred at a nominal value of £1.00. For Jubilee Park the transfer includes the car park which is included within the same title.

The land has been valued on the basis of a restricted valuation ensuring the land is retained as public open space in perpetuity by a public body. The valuations are nominal and are valued at £2,650 per site. None of the above assets are deemed to have development potential. Therefore the land will be transferred with a condition for the land to remain as public open space in perpetuity. It is proposed that the land be transferred at a nominal value of £1.00.

The Council will be required to advertise the open space for sale by way of a Public Notice in a local newspaper in accordance with the Local Government Act 1972 s123 prior to transfer should Council accept the recommendations.

4.2 Proposal(s)

- To proceed with the transfers outlined in 4.1; and for the terms of the transfer for each site to be agreed and finalised by the Executive Director (S151 officer) in consultation with the respective Portfolio Holders for Assets and Finance.

4.3 Relevant Consultations

Consultation was undertaken during the development of the Parks & Open Strategy that subsequently identified the transfers of Southey Close and Jubilee Park as a Strategic Objective.

Internal consultants: Working group, Tourism, Planning, Environmental Services, SLT, Informal Cabinet, Scrutiny, Full Council.

External consultants: Leicestershire County Council, The Environmental Partnership (TEP) Parish/Town Councils.

4.4 Significant Issues

There are no significant issues to report.

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

- 5.1 The transfer will have the potential to reduce operational costs to the Parks and Open Spaces Team and free up time from the cessation of grounds maintenance obligations. In monetary terms the table below provides an illustration of the potential revenue savings.

	Current year	2025/26
Revenue Savings	£0*	£25,670
Nominal Receipt	£0	£3

*No savings are anticipated from the current financial year as it is anticipated that timescales for transfer will likely be in place for the next financial year.

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

6.1

Current Risk	Actions to reduce the risks
Councils' liability for the sites	Transferring the asset to the Parish Council's will transfer the liability.
Risk that the Parish is unable to maintain the assets after transfer.	The Council will carry out due diligence to ensure the Parish Council's have the ability and funding to maintain the parks into the future.
Limited funding for improvements to the open spaces.	Transferring the asset will provide further funding avenues for future improvements to the sites.

7. Other options considered

- 7.1 The option of continuing to maintain the site by the Council's in house team was considered and discounted based on the ongoing revenue costs of maintaining the site and lack of capital funding for any investment into the site. The option to undertake minimal maintenance on all sites was considered and discounted in favour of transferring to the parish council.
- 7.2 Opportunities to retain Jubilee Park sites for potential biodiversity net gain units have been explored and discounted as an early assessment has found that it would not yield a favourable investment in units. Southey Close Recreation Ground and the Holt Close Allotment site were not deemed appropriate sites for biodiversity net gain consideration.

8. Environmental impact

- 8.1 No adverse environmental impacts are anticipated given there is to be no change to the current utilisation of the land.

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 – Holt Crescent allotment, Thurlaston.

10.2 Appendix B – Southey Close recreation ground, Enderby.

10.3 Appendix C – Jubilee Park, Enderby.

11. Background paper(s)

11.1 None.

12. Report author's contact details

Paul Coates	Neighbourhood Services Group Manager
Paul.coates@blaby.gov.uk	0116 2727615

Appendix B – Southey Close, Enderby



Appendix C – Jubilee Park, Enderby

