

To Members of the Cabinet Executive

Councillor Terry Richardson (Leader)	– Leader of the Council
Councillor Maggie Wright (Deputy Leader)	– Finance, People & Performance Portfolio Holder
Councillor Nigel Grundy	– Neighbourhood Services & Assets Portfolio Holder
Councillor Les Phillimore	– Housing, Community & Environmental Services Portfolio Holder
Councillor Ben Taylor	– Planning Delivery and Enforcement & Corporate Transformation Portfolio Holder

Dear Councillor,

A meeting of the **CABINET EXECUTIVE** will be held on **MONDAY, 26 FEBRUARY 2024** at **5.30 p.m.** for the transaction of the following business and your attendance is requested.

Yours faithfully



Louisa Horton
Monitoring Officer



AGENDA

1. Apologies for Absence
2. Disclosure 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 3 - 10)
To approve and sign the minutes of the meeting held on 15 January 2024 (enclosed).
4. Public Speaking Protocol
Requests received by the Protocol deadline to be reported by the Senior Democratic Services 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).
5. Scrutiny Commission response to the Administrations 2024/25 Draft Budget Proposals (Pages 11 - 18)
To consider the report of the Senior Democratic Services & Scrutiny Officer (enclosed).
6. Quarter 3 Budget Review 2023/24 (Pages 19 - 30)
To consider the report of the Accountancy Services Manager (enclosed).
7. Quarter 3 Capital Programme Review 2023/24 (Pages 31 - 38)
To consider the report of the Accountancy Services Manager (enclosed).
8. 5 Year Capital Programme 2024/25 to 2028/29 (Pages 39 - 74)
To consider the report of the Finance Group Manager (enclosed).
9. Prudential Indicator & Treasury Management Strategy 2024/25 (Pages 75 - 128)
To consider the report of the Finance Group Manager (enclosed).
10. Schedule of Charges 2024/25 (Pages 129 - 174)
To consider the report of the Accountancy Services Manager (enclosed).
11. General Fund Budget Proposals 2024/25 (Pages 175 - 196)
To consider the report of the Executive Director (S151 Officer) (enclosed).
12. Council Tax 2024/25 (Pages 197 - 212)
To consider the report of the Finance Group Manager (enclosed).

CABINET EXECUTIVE

Minutes of a meeting held at the Council Offices, Narborough

MONDAY, 15 JANUARY 2024

Present:

Councillor Terry Richardson (Leader of the Council) (Leader)
Councillor Maggie Wright (Finance, People & Performance Portfolio Holder) (Deputy Leader)

Cllr. Nigel Grundy	- Neighbourhood Services & Assets Portfolio Holder
Cllr. Les Phillimore	- Housing, Community & Environmental Services Portfolio Holder
Cllr. Ben Taylor	- Planning Delivery and Enforcement & Corporate Transformation Portfolio Holder

Also in attendance:

Cllr. Nick Brown (Scrutiny Commissioner)

Officers present:-

Julia Smith	- Chief Executive
Sarah Pennelli	- Executive Director - S.151 Officer
Louisa Horton	- Executive Director - Communities and Monitoring Officer
Gill Callingham	- Executive Director
Nick Brown	- Finance Group Manager
Caroline Harbour	- Environmental Health, Housing, Net Zero & Community Services Group Manager
Taranjeet Bhaur	- Lightbulb Service Manager
Sarabjit Khangura	- Council Tax Income and Debt Manager
Jonathan Hodge	- Planning Enforcement Manager
Nicole Cramp	- Democratic & Scrutiny Services Officer
Isaac Thomas	- Democracy Support Officer

1. DISCLOSURE OF INTERESTS FROM MEMBERS

No disclosures were received.

2. MINUTES

The minutes of the meeting held on 6 November 2023, as circulated, were approved and signed as a correct record.

3. **PUBLIC SPEAKING PROTOCOL**

No requests were received.

4. **QUARTER 3 TREASURY MANAGEMENT UPDATE 2023-24**

Considered – Report of the Finance Group Manager.

Other options considered:

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

DECISION

That the latest position in respect of treasury activities, and the prudential indicators, be accepted.

Reason:

The 2023/24 edition of the Prudential Code has added a requirement for quarterly reporting of treasury management activities and prudential indicators. 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.

5. NATIONAL NON DOMESTIC RATES BASE 2024-25

Considered – Report of the Finance Group Manager.

Other options considered:

None. The setting of the NNDR Base is a statutory requirement.

DECISIONS

1. That the amount calculated by Blaby District Council as its National Non-Domestic Rate Base for the financial year 2024/25 shall be £52,121,644.
2. That delegated authority be given to the Executive Director (Section 151) in consultation with the Portfolio Holder to make amendments, if required, to the draft National Non-Domestic Rate Base prior to submission of the NNDR1 return by 31st January 2024.

Reasons:

1. The Council has a statutory obligation to set its National Non-Domestic Rate NNDR) Base for 2024/25 by 31st January 2024.
2. It is appropriate for the Executive Director (Section 151) to have authority to amend the National Non-Domestic Rate Base in line with the finalised NNDR1 submission, to ensure that all known factors are considered.

6. ESTABLISHMENT 2023-24 AND 2024-25

Considered – Report of the Accountancy Services Manager, presented by the Finance Group Manager.

Other options considered:

Not to produce a separate report on establishment costs ahead of the main budget proposals. This option is not considered appropriate given that the establishment budget constitutes such a significant proportion of core costs.

DECISIONS

1. That the latest forecast in respect of the 2023/24 establishment be accepted.
2. That the proposed establishment budget for 2024/25 be approved.
3. That additional resource requirement for 2024/25 as set out in paragraph 4.4 of the report, be approved.

Reason:

The cost of the establishment is a significant part of the council's overall budget and members are asked to consider and approve the budget for the next financial year. The final establishment costs will be incorporated into the General Fund budget for consideration in February 2024.

7. **COUNCIL TAX BASE 2024-25**

Considered – Report of the Council Tax Income & Debt Manager.

Other options considered:

None – the setting of the Council Tax Base is a statutory requirement.

DECISIONS

1. That the Tax Base for the year 2024/25 is set at 34,505.83
2. The amount calculated by Blaby District Council as the Council Tax Base for each of the District's Parishes for the year 2024/25 is shown at Appendix C of the report.
3. That the Tax Base is prepared without taking into account special expenses under Section 34a and 35 of the Local Government Finance Act 1992.

Reasons:

1. The Council is statutorily required to set its base each year by 31st January before the subject year.
2. To enable the Tax Base to be prepared without taking into account special expenses as explained below.

8. LIGHTBULB DELIVERY DOCUMENT 2024 TO 2029

Considered – Report of the Business, Partnerships and Health Improvement Group Manager, presented by the Lightbulb Service Manager.

Other options considered:

Delivery of Disabled Facilities Grants is a mandatory function of Blaby District Council, there are a number of options for delivery which are being explored, delivering the service as prior to Lightbulb, would be less holistic and preventative and would provide a poorer service to Blaby residents.

DECISIONS

1. To host the Lightbulb Service for a period of up to five years.
2. That the current contracts with the other Leicestershire Authorities be extended by an initial one year period, whilst further work is undertaken to review delivery models.
3. That the cost of delivering the Lightbulb Service for 2024-25, as set out in paragraph 5 of the report, be agreed.
4. That delegated authority be given to the Environmental Health, Housing & Community Services Group Manager in consultation with the Neighbourhood Services & Assets Portfolio Holder to monitor progress, review delivery models and make any changes needed to ensure delivery.

Reasons:

1. The Lightbulb Management Board recommended that Blaby District Council continue to host the Lightbulb Service and that a review be undertaken of the delivery models.
2. Approval for up to five years is appropriate to enable future planning as well as opportunity for a review of Delivery Models and the Pilots. The service model which has been costed reflects the staffing levels and salaries recommended and approved by the Lightbulb Management Board 2024-25.

9. PARKS AND OPEN SPACES STRATEGY 2024-2034

Considered – Report of the Neighbourhood Services & Assets Group Manager.

Other options considered:

Maintain the status quo however, this will not deliver robust ecological outcomes nor the efficiencies as set out in 5.1 of the report.

It was agreed that an amendment be added at page 6 of the Parks & Open Spaces Strategy 2024-2034 document, as shown at page 76 of the agenda pack, to make reference to Whistle Meadow.

DECISION

That the new Parks and Open Spaces Strategy 2024 – 2034 be approved.

Reason:

To provide the Council with a strategic direction for the future of district council owned parks and open spaces; and to define how Blaby District Council open spaces are to be managed in a practical way that gives regard to emerging environmental legislation through site specific management plans.

10. PLANNING ENFORCEMENT POLICY 2024-2027

Considered – Report of the Planning Enforcement Manager.

Other options considered:

There is no legal requirement to have a Planning Enforcement Policy in place, and therefore the alternative option is to not produce and adopt one.

The Council has however always felt that it is important to the integrity of the planning process, and to its residents, to have a policy in place.

DECISION

That the new Planning Enforcement Policy be adopted.

Reason:

1. The previous Planning Enforcement Policy had reached the period previously set for review.
2. It is important to ensure that our Planning Enforcement Policy is always up-to date to enable us to deliver the best possible service.

THE MEETING CONCLUDED AT 6.10 P.M.

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Blaby District Council

Cabinet Executive

Date of Meeting	26 February 2024
Title of Report	Scrutiny Commission response to the Administrations 2024/25 Draft Budget Proposals This is not a Key Decision and is on the Forward Plan
Lead Member	Cllr. Maggie Wright – Finance, People & Performance (Deputy Leader)
Report Author	Senior Democratic Services & Scrutiny Officer
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 The report sets out the findings and conclusions following scrutiny examination of the Administration's 2024/25 draft budget proposals.

2. Recommendation(s) to Cabinet Executive

- 2.1 That Cabinet Executive considers the comments and recommendations of Scrutiny Commission in respect of the draft 2024/25 budget proposals before making final recommendations to Council.

3. Reason for Decisions Recommended

- 3.1 Scrutiny Commission has a mandate to examine the Administration's draft budget proposals and submit comments to Cabinet Executive which it is then obliged to consider before making its own final recommendations to Council on Budget proposals. All non-executive members may be involved in this process.

4. Matters to consider

4.1 Background

The Administration's 2024/25 draft Budget proposals for the General Fund Revenue Account have been fully considered by the Scrutiny Commission and non-executive members.

Cabinet Portfolio Holders and Senior Officers attended Scrutiny budget meetings to answer questions relating to the draft budget proposals as follows:-

10 January 2024 - Budget Context and Overview

17 January 2024 – Portfolio Holder Question Sessions for:

- Leader
- Finance, People & Performance
- Health, Wellbeing, Community Engagement & Business Support
- Neighbourhood Services & Assets
- Housing, Community & Environmental Services
- Planning Delivery and Enforcement & Corporate Transformation

All figures are as presented at the time scrutiny meetings took place, and do not take account any minor adjustments that may have been made to the budget after those dates.

Budget Gap

Scrutiny noted the Council has benefited from the Funding Guarantee Grant which ensures that every authority has an increase in core spending power of at least 3%. It is this grant that has compensated for the forecast loss of New Homes Bonus funding, lost over a number of years, and has contributed significantly (£2.136m) to minimise the funding gap for 2024/25.

The budget gap arising for the 2024/25 Financial Year is £981k. Scrutiny noted the measures proposed to reduce/close the gap:

Budget Gap	£981,146
Increase in Council Tax by 2.99%	£189,475
Utilisation of Business Rate Pool for ED	£300,000
Increase in Vacancy Savings Provision	£50,000
Remaining Budget Gap to be funded from Reserves	£441,671

Scrutiny would like to thank Portfolio Holders for the comprehensive overview of budget priorities and challenges and commend officers for their work on the budget planning process.

4.2 Proposal(s)

Statement on the Administrations 2024-25 Draft Budget

Council Tax

Members were concerned about the financial pressure that any possible raise in Council tax would have on residents. They noted long term reduction in funding from Government, which placed pressure on local authorities to raise this tax. Members emphasised the importance of maintaining quality services for residents, whilst also supporting those in need.

Members fully considered the options provided to increase Council Tax by either 2.99%, which would generate £189k or £5, which would generate £173k.

Recommendation 1 - Scrutiny would be supportive of a 2.99% increase given the current financial uncertainty that local authorities face.

Recommendation 2 - Scrutiny would welcome an update in 6 months on the levels of demand for Council Tax Support and Discretionary Housing Payments provided or any other similar support scheme.

Vacancy Savings Provision

Members noted the increase in vacancy savings and were concerned that vacancies were not being filled leaving existing staff and services with increased pressure. In the current climate where local authorities all face recruitment and retention challenges Scrutiny want to ensure that staff were supported with timely recruitment to vacant positions.

Scrutiny would welcome information on which services the vacancy savings relate to and how long those vacancies have existed.

Recommendation 3 – that Cabinet considers whether it is appropriate to hold a vacancy savings provision which is based on unfilled positions.

Investments

Scrutiny noted the difficulties that we have experienced with our current Property Fund, however, acknowledges that in the long term we may see more positive returns.

Scrutiny also noted the increase in income from interest on some of our investments.

Recommendation 4 – that Cabinet Executive continues to retain its investments and supports diversification in the Council's investments.

Lightbulb

The new visioning document to be signed by all partners will set out what Lightbulb will look like over the next 5 years. However, Scrutiny recognises the risks associated with funding and the possibility of one of the member Councils withdrawing from the service and the impact that this would have on the Council's budget.

Recommendation 5 - That Scrutiny be notified should a partner withdraw from the service.

Recommendation 6 - Scrutiny requests that the financial impact on Blaby be provided, if one or more partners withdraw their funding from the Partnership.

Recommendation 7 – That a breakdown of Blaby's contribution, compared to other partner authorities be provided.

Health, Leisure and Tourism

Members highlighted the importance of encouraging physical activity in terms of both mental and physical health. The newly adopted Corporate Plan states that the Council has committed to fostering active and healthier lifestyles among our residents, inspiring people to embrace lifestyles that promote physical and mental wellbeing.

Members were concerned that funding from Public Health via Active Together has reduced by over 30% from £74,540 to a proposed £49,570 and that this will result in a reduction in an officer post and our offer in terms of sport and physical activity.

Cabinet Executive should ensure that sufficient budget is provided to ensure that the health, leisure and tourism service is able to meet the priorities of the Corporate Plan.

Recommendation 8 – That the new offer in terms of sport and physical activity be provided to Scrutiny, highlighting what changes have been made.

Hydrotreated Vegetable Oil (HVO)

Last year Scrutiny noted with concern the increased costs of HVO for the fleet at the Depot. Scrutiny have again noted the continued fluctuation in the cost of HVO, which remains high and unpredictable.

Members are supportive of and remain committed to the net zero target. Scrutiny recognise that the HVO fuel will increase pressure on the budget and therefore are keen to explore future initiatives such as electrification of the fleet.

Recommendation 9 - In order to mitigate some of the costs associated with HVO, Scrutiny recommends that the Cabinet Executive explores increased storage capacity of HVO at the depot.

Housing

Scrutiny notes the risks associated with the cost and ability to deliver sufficient temporary and affordable housing provision to meet the increased demand being experienced both locally and nationally.

Scrutiny also noted the Portfolio Holder's concern that any further increase in demand would result in the Housing Team needing additional resource.

Scrutiny are supportive of the Cabinet Executives commitment to providing essential housing services to those in need.

Recommendation 10 - Scrutiny recommends that should demand on the service increase further, resource be increased in the Housing Team to support vulnerable residents.

Key Observations/Comments:

Medium Term Financial Strategy

Scrutiny noted that due to the short-term nature of the funding streams issued in the Settlement Statement for 2024/25, it is difficult to plan ahead with one year funding.

Continued rigorous management and monitoring by the Senior Leadership Team, Cabinet Executive and Scrutiny will ensure the Council continues to be well prepared to respond to challenges as a result of the Fair Funding Review and Business Rates Retention.

Fair Funding & Longer-Term Financial Settlement

Members noted that the continued delay of the Fair Funding Review affected the Council receiving a multi-year funding settlement and as a result, it is not possible to assess the impact it may have on our future financial position. In the interests of clarity, we encourage the Council Leader to take every opportunity to press for this review to be carried out as soon as possible.

Transition to Electric Fleet Vehicles

Members queried the life-cycle of the current vehicles at the Depot, including replacement options and the Council's commitment to electrifying the fleet. Scrutiny may wish to explore this further as part of its work programme.

Increase in Neighbourhood Services Fees and Charges

Members considered the increase to discretionary fees and charges and requested that further information be provided to Scrutiny on these.

IT Provision

Scrutiny are keen to provide comment on the proposals for the future of IT service provision at the earliest opportunity. Scrutiny request that it be provided with a comprehensive breakdown of the revenue and expenditure implications of the options being proposed.

Car Parks

Scrutiny noted that car parking income has reduced from £331,000 to £226,000 and that the Portfolio Holder is considering revisiting the Car Parks Strategy (approved in 2022).

Scrutiny are concerned that the recently adopted Car Parks Strategy need revising so soon and are keen to explore the issues that have led to this.

Given the reduction in car park income and the requests from businesses to provide season tickets, Scrutiny requests further information on where income and footfall has reduced and the reasons for this. Dependent on the outcome of this Scrutiny may wish to explore this further as part of its work programme.

Transformation

Scrutiny welcomes more detail on how the service is assisting services to make efficiencies and where possible, savings. Scrutiny looks forward to working with the Transformation team and the Portfolio Holder on this.

4.3 Relevant Consultations

Non-Executive Members, Portfolio Holders, Senior Officers.

4.4 Significant Issues

None, as they relate to Cabinet Executive as the decision maker.

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

5.1 There are no cost implications as a result of this report.

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

6.1 There are no risks associated with this report.

7. Other options considered

- 7.1 No other options were considered. Budget scrutiny is a constitutional requirement.

8. Environmental impact

- 8.1 There are no environmental impacts associated with this report.

9. Other significant issues

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

10. Appendix

- 10.1 None

11. Background paper(s)

- 11.1 Meeting of the 'Scrutiny of the Administration's Budget Proposals'
[10th January 2024](#)

Meeting of the 'Scrutiny of the Administration's Budget Proposals'
[17 January 2024](#)

12. Report author's contact details

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Blaby District Council

Cabinet Executive

Date of Meeting	26 February 2024
Title of Report	Quarter 3 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 31st December 2023.

2. Recommendation(s) to Cabinet Executive

- 2.1 That the financial performance against the budget for the quarter ending 31st December 2023 is accepted.
- 2.2 That the forecast contribution of £318,257 to General Fund balances is accepted.
- 2.3 That the irrecoverable debts set out in paragraph 4.5 are authorised to be written off.

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 last quarterly report presented to Cabinet in November noted that the budget gap at that point was £469,765. The estimated impact of the annual pay award was an additional £290,000 and shortfalls in income budgets in both Planning fees and Building control increased the contribution required. However, the additional investment income and inflation on the Leisure income brought the forecast contribution to balances down to £250,773.

Since the last report, a review of all budgets has been carried out by the Finance Team in conjunction with Budget Managers based on expenditure to date and forecast expenditure to the end of the financial year. Following this review the call on balances reduced to £154,486, however, additional expenditure pressures identified in ICT has increased this contribution to £231,743.

Appendix A shows the net service expenditure to date compared with the profiled budget. Although a positive variance is shown, this does not reflect a likely outturn position due to the impact of profiling assumptions, and the fact that it is shown on a cash basis rather than an accruals basis.

4.2 Establishment

At the end of quarter 3, at an overall level, establishment costs amounted to £11,670,201 against a profiled budget of £12,008,808, i.e., under profile by £338,607.

An estimate of 3% had been originally budgeted for the pay award. The Chief Executive and Chief Officers (Directors and Group Managers) was agreed at 3.5%. The offer made and agreed for Officers on grade 1 to 9 was a flat rate of £1,925 per annum across all scale points, this was the same as agreed in 2022/23. An additional provision of £145,000 has been added to the revised budget to cover the increase above the original 3% estimate.

The following table shows variances to 31st December 2023.

Portfolio	(Under)/Over £	Note
Leader	(31,300)	1
Finance, People & Performance	(71,937)	2
Neighbourhood Services & Assets	26,899	3
Health, Wellbeing, Community Engagement & Business Support	(95,791)	4
Housing, Community and Environmental Services	(25,151)	5
Planning Delivery and Enforcement and Corporate Transformation	(123,720)	6
Central Provisions	(17,607)	7
Total Variance	(338,607)	

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 which have been added to the Establishment.
4. Largely due to vacant posts within Building Control.
5. Vacancies in Community Services and Environmental Health teams.
6. Vacant Team Leader post within Communications, vacant Planning Officer post in Development Services, plus a vacant Senior Planning Enforcement Officer post.
7. This represents the additional provision added in for the pay award, 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	(500,000)	(375,000)	(400,300)	(25,300)
Building Control Fees	(1,060,480)	(945,360)	(709,391)	235,969
Building Control Partnership	(201,701)	(151,275)	(134,719)	16,556
Land Charges	(236,500)	(177,375)	(143,181)	34,194
Investment Interest	(1,300,000)	(975,000)	(1,282,968)	(307,968)
Refuse and Recycling	(1,699,500)	(1,623,500)	(1,645,088)	(21,588)
Car Parks	(226,000)	(169,500)	(178,756)	(9,256)
Leisure Income	(673,260)	(504,945)	(504,945)	0
Total	(5,897,441)	(4,921,955)	(4,999,348)	(77,393)

Planning Fees

During the Budget Setting process, Planning income was reviewed, and the budget reduced to £500,000. As can be seen in the table, at the end of quarter three Planning Income is now showing a positive variance against the budget. There is the possibility of a larger scale application being submitted in relation to the solar farm, but there is no guarantee that the application will be submitted in this financial year. Planning income is expected to achieve the target budget.

Building Control

As reported in Quarter 2, the Building Control Fee income budget has been reduced by £200k. The income had been below profile in the 1st half of the year, and the shortfall has grown in the last quarter, however this is partly due to timing of invoicing. The revised income target is expected to be achieved by year end. It should be noted that any shortfall in the overall Building Control Partnership budget at year end will be shared amongst partners in accordance with the agreement, so the current deficit is not borne solely by Blaby.

Land Charges

The Land Charges budget was reduced from the original budget of £247,000. As can be seen in the table the income at the end of quarter 3 remains below the profiled target.

Investment Interest

The income budget for Investment interest has increased significantly following the performance seen in the 1st half of the financial year due to the increase in the Bank of England Base Rate. Interest is expected to fall back over the last quarter of the financial year, due to the cash flow profile, although it looks likely that the budget will be exceeded.

Car Parking

The budget for car parking income had been reduced to a more realistic level in line with current footfall and as can be seen in the table, at the end of the third quarter there is a small surplus compared to profile.

4.4 Earmarked Reserves

In addition to the General Fund balance the Council also maintains several 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 3rd quarter of the financial year and the forecast to the end of the year appears at Appendix B.

The Council, along with Leicestershire County Council, Leicester City Council, all Leicestershire District Councils and Leicester, Leicestershire, and Rutland Fire Authority, since 2015/16 have pooled Business Rates under the Rates

Retention Scheme. This has allowed Business Rates growth to be retained in the sub region. The Council has received distributed Business Rate Pool monies for the years 2020/21 and 2021/22 and a new reserve has been set up for these funds. The money is to be used by pool members to support “economic health and vibrancy of our communities”. The funds will support the Economic Development of the District through the Economic Development team, during the next financial year and potentially in the future.

£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 will be used in its entirety in 2023/24.

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.

4.5 Write-off of Irrecoverable Debt

The following debts are presented for write-off subject to the approval of Cabinet Executive. Whilst there is delegated authority in place for the Executive Director (Section 151), in consultation with the Portfolio Holder, to write off debts of this nature at an individual level, given the magnitude of the overall total, for transparency purposes it is considered more appropriate for Cabinet to approve the write offs.

As is evident from the following table, there are a number of reasons for the debt being considered to be irrecoverable, including the existence of a debt relief order, individual voluntary arrangements, and all the usual recovery routes having been attempted without success. Where the table indicates that recovery action has been exhausted this means that we are unable to obtain a charging order or attachment of earnings, and the use of enforcement agents and other legal means of recovery have proven unsuccessful. Naturally, if any further information presents itself the debt can still be written back onto the account and collected.

Debt Category	Amount	Reason for Write-off
Council Tax	£19,381.26	Individual Voluntary Arrangement granted
Council Tax	£36,493.02	Recovery action exhausted
Council Tax	£3,008.83	Deceased
Council Tax	£8,965.82	Debt Relief Order granted
HB overpayment	£5,479.33	Local Authority error
Total	£73,328.26	

4.6 Forecast Outturn

The original approved budget allowed for a contribution of £166,007 to be taken from General Fund Balances. As shown in Appendix A, the required contribution has increased to £231,743. However, taking into account the vacant post Establishment savings achieved during the year, detailed in section 4.2 with the estimation of savings to the end of the financial year,

additional income expected to be achieved from the Investment income stream, and the possible shortfall in Land Charges income, the potential forecasted outturn is a contribution to balances of £318,257.

Note: that whilst this is a positive contribution to the General Fund there is still the requirement to supplement the budget from the NNDR Reserve with an amount of £755k.

	£
Approved contribution from General Fund Balances	166,007
Quarter 1 budget adjustments	194,666
Quarter 2 budget adjustments	109,092
Quarter 3 budget adjustments	(238,092)
Latest contribution from General Fund Balances	231,743
Estimated establishment underspend	(400,000)
Estimated additional investment income	(200,000)
Estimated shortfall in Land Charges income	50,000
Forecast Outturn	(318,257)

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 31st December 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 31ST DECEMBER 2023

Portfolio		A Approved Budget £	B Working Budget £	C Profiled Budget £	D Actual to P9 £	E Variance to Profile £	F Forecast Outturn £
FPP	Finance, People & Performance	3,188,022	2,684,058	1,540,560	415,495	(1,125,064)	2,484,058
HCES	Housing, Community & Environmental Services	1,978,956	3,262,288	2,628,568	1,393,701	(1,234,868)	3,262,288
HWCEBS	Health & Wellbeing, Community Engagement & Business Support	399,359	2,038,135	1,483,192	988,977	(494,215)	2,038,135
LEAD	Leader	1,619,061	1,836,978	1,404,553	1,141,900	(262,652)	1,886,978
NSA	Neighbourhood Services & Assets	3,221,948	3,583,276	2,346,732	2,127,938	(218,794)	3,583,276
PDECT	Planning Delivery, Enforcement & Corporate Transformation	3,565,377	4,288,732	3,293,330	1,935,477	(1,357,853)	4,288,732
Net Expenditure on Services		13,972,723	17,693,467	12,696,935	8,003,489	(4,693,445)	17,543,467
RCCO	Revenue Contributions to Capital Outlay	100,000	200,729	150,547	4,371	(146,175)	200,729
MRP	Minimum Revenue Provision	478,077	484,445	363,334	0	(363,334)	484,445
VRP	Voluntary Revenue Provision	250,000	300,000	225,000	0	(225,000)	300,000
APPROP	Appropriations & Accounting Adjustments	271,400	(867,990)	147,915	11,567	(136,348)	(1,267,990)
		15,072,200	17,810,651	13,583,730	8,019,428	(5,564,302)	17,260,651
EAR	Contributions to/(from) Earmarked Reserves	(241,017)	(2,913,732)	(2,181,152)	14,049	2,195,200	(2,913,732)
GFBAL	Contributions to/(from) General Fund Balances	(166,007)	(231,743)	(78,480)	0	78,480	318,257
Net Budget Requirement		14,665,176	14,665,176	11,324,099	8,033,476	(3,290,623)	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)	445,000	0	(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	755,011	(1,698,915)
Agile Working Reserve	9999/VCG	(162,678)	0	0	(162,678)
Local Plan Reserve	9999/V CJ	(456,306)	0	17,420	(438,886)
Lottery Reserve	9999/VCK	(26,466)	0	5,334	(21,132)
IT System Replacement Reserve	9999/VCL	(39,815)	0	0	(39,815)
Property Fund Reserve	9999/VCM	(128,462)	0	(45,000)	(173,462)
S31 Grant Reserve	9999/VCO	(1,516,792)	0	1,516,792	0
Huncote Major Incident Reserve	9999/VCP	(500,843)	(200,000)	0	(700,843)
Court Fees Income Reserve	9999/V CQ	(31,813)	0	0	(31,813)
Business Rates Pool Reserve	9999/V**	0	0	(1,065,210)	(1,065,210)
		(12,735,996)	245,000	5,185,535	(7,305,461)
Less Earmarked Reserves set aside to meet the Collection Fund Deficit		1,516,792			0
Usable Earmarked Reserves		(11,219,204)			(7,305,461)
General Fund Balance		(4,619,445)	(245,000)	(318,257)	(5,182,702)

TOTAL RESERVES & BALANCES (15,838,649) (12,488,163)

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	26 February 2024
Title of Report	Quarter 3 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 third 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 £11,760,992, 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 3rd quarter of the year.

4. Matters to consider

4.1 Background

The original Capital Programme for 2023/24 was approved by Council on 22nd February 2023 and amounted to £3,618,500, including a borrowing requirement of £2,295,500.

Since then, there have been a number of changes to the Capital Programme, including £5,349,204 brought forward from 2022/23.

The following table shows the latest Capital Programme which now amounts to £11,760,992, (including S106 projects).

Appendix A gives a scheme-by-scheme breakdown of the planned expenditure for 2023/24.

	£
Approved Capital Programme 2023/24	10,450,009
<u>New Additions</u>	
1. Trenching works at Huncote Leisure Centre	29,965
2. Regeneration & Housing Property	760,000
3. ICT Security Upgrades	15,000
4. IT Infrastructure improvements	500,000
5. Fleet Vehicle Replacement Programme	164,861
6. Disabled Facilities Grants	21,367
7. CCTV cameras at 3 sites	5,000
8. Contaminated Land Works, Enderby	25,000
9. Southey Close Landfill Gas Remedial Works	25,000
<u>Reductions</u>	
10. CCTV cameras, Blaby Town Centre and Narborough Station	(40,000)
11. Refurbishment of vacant units at ERIE	(12,210)
12. Car park improvements, Bouskell Park	(200,000)
	11,743,992
13. Add S106 Contributions allocated to projects in 2023/24	17,000
Revised Capital Programme 2023/24	11,760,992

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

Additions

1. Trenching works at Huncote Leisure Centre - The Huncote Major Incident Reserve was increased to £600,000 by approval at Council in April 2022. Approval was given by Council on 25th October 2023 for additional budget to cover works necessary to enable the land fill gas to be released safely and prevent any build-up of gas beneath the Leisure Centre.
2. Regeneration & Housing Property - Approval was given at Council on 25th October 2023 to use the budget set aside for strategic investment for the purchase of 16 dwellings to reduce homelessness pressures. This followed the award of grant funding from the Local Authority Housing Fund. Although the expenditure budget has increased by £760,000, this

is offset by the grant of £1,366,000 leading to a net reduction in our borrowing need.

3. ICT Security Upgrades – Additional budget has been required to cover costs for the Privilege Access Management element of the Security upgrade. There is the possibility that these costs may be achieved through a subscription rather than outright purchase. If it is confirmed, this element of the project would need to be treated as revenue expenditure and removed from the Capital Programme
4. IT Infrastructure improvements – The project budget is provisionally set and is pending the outcome of the options appraisal.
5. Fleet Vehicle Replacement Programme – Funding has been received from Defra towards the purchase of an Electric Sweeper.
6. Disabled Facilities Grants – The project budget has been increased to recognise the final allocation,
7. CCTV cameras – A new project has been created for CCTV cameras to be installed at 3 sites in the district: Blaby Forge Corner, Blaby Town Centre, and Narborough Train Station. The previous CCTV project which was for CCTV at Blaby Town Centre and Narborough Train Station has been amalgamated, and the project budget amended in line with expected costs for the 3 sites. The cost is being met from the UK Shared Prosperity Fund allocation.
8. Contaminated Land Works, Enderby – A new project has been set up for investigative contaminated land works required at Sandhill Drive in Enderby.
9. Southey Close Landfill Gas Remedial Works – The project budget has been increased by £25,000 following quotations for work required. However, both this and the work at Sandhill Drive have been completed within budget.
10. As per point 7, above.
11. Refurbishment of vacant units at Enderby Industrial Estate – The project was completed within budget.
12. Car Park Improvements at Bouskell Park – deferred to 2024/25 to allow for the outcome of the Parks and Open Spaces Strategy.
13. 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 December 2023, the Council had spent £3,981,813 against its planned Capital Programme.

The reasons behind the main variances are as follows:

- Regeneration and Housing Property – 3 plots at 16 to 18 Fairway, Littlethorpe were purchased shortly before Christmas as the first phase to acquire 16 properties for homeless purposes. The purchase of a further 12 houses at Bluebanks, Glen Parva was completed in January, leaving just one, larger property to be identified.
- Fleet Vehicle Replacement Programme - £431,123 planned spend not yet utilised: Five refuse collection vehicles were delivered during September and payment was processed during Quarter 3. As detailed in section 4.1 additional funding has been added to the project for the purchase of an Electric Sweeper, the cost of which is substantially covered by Defra funding.
- ICT: IT Infrastructure Improvements - £500,000 planned spend not yet utilised: As detailed in section 4.1, the project expenditure is dependent on the outcome of the options appraisal.
- Disabled Facilities Grants - £765,812 planned spend not yet utilised: DFG allocation has been increased by central government over recent years. Following the pandemic there has been an increase in more complex cases, due to the impact on residents' health which take longer to complete. More preventative measures continue to be 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. Work continues to be carried out by Foundations to support legislative changes which will make it easier to introduce more preventative work.
- Section 106-backed schemes - £255,822 planned spend not yet utilised: Invoices totalling £116,005.58 have been paid during January and will be included in Quarter 4. Several projects are currently pending (Whistle Way, Jubilee Park, Dorothy Avenue, Victory Park, Recreation Ground Sappcote and Thorpe Meadows).
- Income Management System - £220,000 planned spend: existing contract expires 31st March 2024. Procurement options are currently being explored, the project budget is based on the indicative cost of implementing an entirely new system which may not be required, dependant on the Procurement option taken.

- Electric Vehicle Infrastructure for Depot - £720,000 planned spend: The project is expected to be undertaken in 2024/25.
- Extension of Enderby Leisure Centre Car Park - £190,000 planned spend: Main works to the Car Park have now been completed, with only snagging work to be undertaken. Expenditure will fall in quarter 4, with the possibility of a £2,000 underspend against the project budget.
- Walk & Ride, Blaby - £140,000 planned spend. The previous quarterly report highlighted that the overall cost of the project to create a new walking and cycling route between Lubbethorpe and the City is likely to exceed the budget. However, the cost overrun is at the expense of Leicester City Council, with Blaby's contribution expected to remain at £100,000.

4.3 At Council in November 2023, Members asked to be kept informed of any impact on project costs arising from inflationary increases. At the time of writing, the only project which has seen a significant price increase is the car park improvement work at Bouskell Park, Blaby, which was included in the Capital Programme at an estimated cost of £200,000. This scheme is now included in the proposed 2024/25 Capital Programme on the basis that it will only proceed if external funding can be identified, or the business case demonstrates that future income will meet any capital financing costs.

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 31st December 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 31st December 2023 £	Variance as at 31st December 2023 £
Invest to Save Schemes							
Regeneration & Housing Property	0	2,500,000	760,000	0	3,260,000	710,992	2,549,008
Strategic Review : Council Offices	0	0	250,000	0	250,000	0	250,000
Strategic Review : Land Rear Of Enderby Leisure Centre	0	0	530,000	0	530,000	0	530,000
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	1,396,000	0	4,515,250	730,242	3,785,008
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	(12,210)	0	437,790	425,965	11,825
Contaminated Land Works, Sandhill Drive, Enderby	0	0	25,000	0	25,000	0	25,000
Southey Close Landfill Gas Remedial Works	25,000	0	25,000	0	50,000	0	50,000
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	20,695	22,435
Blaby Town Centre Improvements	0	28,602	0	0	28,602	0	28,602
Blaby Town Centre Toilets	0	116,390	0	0	116,390	122,498	(6,108)
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	122,965	0	122,965	38,175	84,790
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	36,282	113,718
End User Device Replacement	15,000	0	0	0	15,000	0	15,000
Office 365 Consultancy	32,000	0	0	0	32,000	371	31,629
Network Upgrades - Phase 2	46,000	0	0	0	46,000	0	46,000
ICT Security Upgrades	107,000	0	15,000	0	122,000	18,597	103,403
ICT: IT Infrastructure Improvements	0	0	500,000	0	500,000	0	500,000
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	164,861	0	1,669,861	1,238,738	431,123
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	62,629	6,337
Active Blaby Website Enhancement	0	3,977	0	0	3,977	0	3,977
	2,290,500	1,508,273	1,298,616	0	5,097,389	2,218,523	2,878,866
Desirable Schemes (subject to affordability)							
Green Community Grants	0	0	16,000	0	16,000	7,090	8,910
Installation of new footpath, Fosse Meadows	22,000	0	0	0	22,000	16,897	5,103
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	34,934	66
Car Park and bridge improvements, Bouskell Park, Blaby	0	200,000	(200,000)	0	0	0	0
	68,000	200,000	(184,000)	0	84,000	67,054	16,946
Externally Funded Schemes							
Disabled Facilities Grants	630,000	758,526	21,367	0	1,409,893	644,081	765,812
Housing Support Grants	30,000	30,480	0	0	60,480	10,614	49,866
CCTV cameras, Blaby Town Centre & Narborough Station	0	40,000	(40,000)	0	0	0	0
CCTV cameras at 3 Other sites in District	0	0	31,000	0	31,000	4,142	26,858
Hardware for IER Implementation	0	3,057	(3,057)	0	0	0	0
Section 106-backed Schemes	0	289,618	273,362	0	562,980	307,157	255,822
	660,000	1,121,681	282,672	0	2,064,353	965,994	1,098,358
TOTAL CAPITAL PROGRAMME 2023/24	3,618,500	5,349,204	2,793,288	0	11,760,992	3,981,813	7,779,178

	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 31st December 2023 £	Variance as at 31st December 2023 £
FINANCED BY:							
Internally Resources							
Prudential Borrowing	2,295,500	3,827,980	82,415	0	6,205,895	1,615,405	4,590,490
Usable Capital Receipts	525,000	254,551	895,873	0	1,675,424	1,379,655	295,769
Blaby District Council Plan Priorities Reserve	47,000	0	0	0	47,000	371	46,629
IT Reserve	0	0	60,000	0	60,000	0	60,000
IT Systems Replacement Reserve	45,000	0	(45,000)	0	0	0	0
Revenue Funded Capital Expenditure	0	108,729	4,000	0	112,729	4,000	108,729
					0	0	0
External Resources							
Disabled Facilities Grant	660,000	789,006	21,367	0	1,470,373	654,695	815,679
DFG Contribution from East Midland Housing	0	0	0	0	0	0	0
Defra	0	0	213,201	0	213,201	0	213,201
LA Housing Fund Round 2	0	0	1,366,000	0	1,366,000	0	1,366,000
S106 Contributions - Various	46,000	289,618	227,362	0	562,980	307,157	255,822
Changing Places Funding	0	16,390	0	0	16,390	16,390	0
UK Shared Prosperity Fund	0	40,000	(9,000)	0	31,000	4,142	26,858
Central Government IER Funding	0	3,057	(3,057)	0	0	0	0
LLEP Funding	0	19,873	(19,873)	0	0	0	0
TOTAL FUNDING	3,618,500	5,349,204	2,793,288	0	11,760,992	3,981,815	7,779,176

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Blaby District Council

Cabinet Executive

Date of Meeting	26 February 2024
Title of Report	5 Year Capital Programme 2024/25 to 2028/29 This is not a Key Decision and is on the Forward Plan
Lead Member	Cllr. Maggie Wright - Finance, People & Performance (Deputy Leader)
Report Author	Finance Group Manager
Corporate Priority	Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 This report sets out the Council's proposed Capital Programme and resources for the next five financial years commencing in 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.
- 1.2 The report also presents the Council's updated Capital Strategy at Appendix B.

2. Recommendation(s) to Cabinet Executive and Council

- 2.1 That the 5 Year Capital Programme for 2024/25 to 2028/29, set out at Appendix A, is approved.
- 2.2 That the application of capital resources of £3,826,900 for 2024/25, including a borrowing requirement of £1,665,938, is approved.
- 2.3 That the Capital Strategy 2024/25 to 2028/29 is approved.

3. Reason for Decisions Recommended

- 3.1 To obtain approval for the proposed level of capital expenditure in 2024/25 and the suggested method of financing that expenditure.
- 3.2 To provide a longer-term forecast of capital expenditure and financing requirements for the period 2024/25 to 2028/29.
- 3.3 To ensure compliance with the Prudential Code.

4. Matters to consider

4.1 Background

The Council approved its current Capital Strategy on 22nd February 2023. The Capital Strategy is a high-level document that considers the Council's future capital spending plans and available capital resources, together with the implications for the revenue account. The strategy also sets out the overall governance process for setting the Capital Programme.

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

The summarised 5 Year Capital Programme, covering the financial years 2024/25 to 2028/29, is attached at Appendix A. The starting point is the existing 5-year programme, which was also approved by Council at the above meeting. The Senior Leadership Team has reviewed the existing programme and separated the schemes into the following categories as a way of targeting resources where the need is most urgent or where longer-term savings will be generated:

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

Consideration has also been given to where schemes can be, or need to be, deferred to a future financial year. The headline proposals were considered by Informal Cabinet in October 2023, and shared with Scrutiny in January 2024, although some of the detail has since been refined to reflect emerging priorities and slippage to the planned programme of works.

4.2 Proposal(s)

As can be seen at Appendix A, the total proposed Capital Programme for the next five years amounts to £11.3m, of which just over £3.8m falls in 2024/25. At this point in time, many of the schemes put forward for inclusion in the Capital Programme require further refinement in terms of specification and cost. Some of those schemes may also require separate approval from Council before proceeding. In cases such as this a further report will be brought before Council at the appropriate time.

Across the life of the 5 Year Capital Programme, it is forecast that just under £1.6m of capital expenditure can be met from the Council's own resources (e.g., capital receipts and reserves), and another £4.1m from capital Grants and contributions. This leaves a projected borrowing requirement of £5.6m between 2024/25 and 2028/29.

The estimated borrowing requirement in 2024/25 is £1.7m with the remainder of the programme being funded from a mixture of government grant, Section 106 contributions, capital receipts, and earmarked reserves.

The main expenditure requirements in 2024/25 are as follows:

- Fleet Vehicle Replacement Programme (£1,308,000) – this allows for 4 refuse vehicles at an approximate cost of £215,000 each, a road sweeper for District Cleansing (£190,000), and various vehicles for the Open Spaces team (£258,000). As discussed during the budget scrutiny process, currently there is a significant difference between the cost of electric vehicles and the cost of diesel vehicles. Furthermore, electric options are not readily available for all vehicles that have reached the end of their useful life, and the infrastructure required to charge electric vehicles will not be in place until later in 2024. Therefore, the proposed budget only allows for the purchase of diesel vehicles, which can run using hydrogenated vegetable oil (HVO). Consideration will also be given as to whether purchase of replacement vehicles can be delayed by extending the use of the assets where possible, until electric charging points have been installed at the depot and/or electric vehicles required are available.
- Disabled Facilities Grants (£660,000) - the precise grant allocation has not yet been released but is expected to be broadly the same level as 2023/24. The Capital Programme will be updated as soon as allocations are announced and will be reported to Council through the quarterly monitoring process.
- Provision for IT infrastructure improvements (£500,000) – this relates to the exempt report on this agenda (ICT Provision Options Appraisal).
- Improvements to the car park at Bouskell Park (£440,000) – this scheme has been included under the umbrella of those that will only proceed if they are affordable. This will mean that either external funding is identified, or a charging regime is introduced to cover any ongoing financing costs.
- Replacement of Customer Relationship Management (CRM) software (£200,000) – the Council's current contract encompassing CRM, "My Account", online forms software, and workflow services, expires in November 2024. The budget included in the Capital Programme is, at this point in time, an indicative sum and further details will be established as the procurement process gets underway. This software plays a key role in our digital transformation aspirations.

Capital Financing Costs

The Council writes down borrowing costs on an annuity basis using the weighted average life of assets funded through borrowing. This is in line with the Council's approved Minimum Revenue Provision (MRP) Policy, and links to the Treasury Management Strategy also on this agenda.

The additional MRP chargeable in respect of schemes in the 2024/25 Capital Programme, based on a weighted average life of 7 years, averages out at £238,000 per annum. This charge will not hit the General Fund budget

until 2025/26, the year after the borrowing is incurred. There will also be additional revenue costs in respect of loan interest payable, and other running costs as shown in the table below.

Additional Revenue Costs:	2024/25 £	Full Year (Average) £
MRP related to new borrowing	0	237,991
Interest payable (assuming 4%)	34,000	68,000
Other running costs	10,590	10,590
	44,590	316,581

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

In most cases, the capital proposals in this report are indicative, and will be refined as the procurement process for each scheme gets underway. An allowance for inflation has been built into the estimates for future years but scheme costs are nevertheless subject to change due to the passage of time. Where there is a significant departure from the estimates, outside of tolerances permitted by the financial regulations, a further report and business case will be brought back to Council with the final costs when they are known.

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

UK Shared Prosperity Funding

The Council expects to receive an allocation of around £1.3m in 2024/25 from the UK Shared Prosperity Fund (UKSPF). The grant conditions specify that a minimum of 20% of that allocation takes the form of capital expenditure, which equates to just under £0.3m. Local authorities may spend more on capital schemes if they so wish, subject to the approval of a revised Investment Plan. The proposals for the 2024/25 Capital Programme contain an assumption that up to £510,000 could be funded from UKSPF but this could be more or less, and it may be necessary to review capital financing proposals accordingly. Any changes will be reported back to Cabinet and Council as part of the routine quarterly monitoring process.

4.3 Capital Strategy

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

The main issues raised in the Code are:

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

Since Blaby does not have any non-financial assets, it has not been considered necessary to produce a 20-to-30-year Capital Strategy. For that reason, only the capital proposals for the period 2024/25 to 2028/29 have been built into the updated Capital Strategy which appears at Appendix B. In addition to the updated capital plans, the strategy has also been revised to ensure that it reflects the latest governance processes involved in setting the 5 Year Capital Programme.

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

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

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

6.1

Current Risk	Actions to reduce the risks
Investment in capital schemes which may not be aligned to Council priorities, or which might not be affordable.	All bids submitted for inclusion in the capital programme are reviewed against the Council's priorities, whether the investment supports service delivery, and the capital and revenue consequences for the budget.

That the authorised capital expenditure is exceeded as projects progress throughout the year.	The projects are monitored throughout the year by Senior Leadership Team, which highlights any possible variances at the earliest opportunity.
That the revenue costs arising from the Capital Programme are unaffordable in light of changes to local government funding.	Future year's schemes may need to be reviewed and, where necessary deferred or stopped completely, if revenue savings need to be identified.

7. Other options considered

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

8. Environmental impact

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

9. Other significant issues

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

10. Appendix

- 10.1 Appendix A – 5 Year Capital Programme

- 10.2 Appendix B – Capital Strategy

11. Background paper(s)

- 11.1 None.

12. Report author's contact details

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Project	Planned Capital Expenditure					
	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£	£	£	£	£	£
<u>Invest to Save Schemes</u>						
Replacement CRM/Granicus solutions	200,000	0	0	0	0	200,000
Revenues & Benefits - DMS & Citizens Access	0	0	0	150,000	0	150,000
	200,000	0	0	150,000	0	350,000
<u>Essential/Contractual Schemes</u>						
Carbon Net Zero Schemes	385,400	0	0	0	0	385,400
Landfill Gas Monitoring Works	40,000	0	0	0	0	40,000
Leisure Centres	0	175,292	0	0	0	175,292
Fleet Vehicle Replacement Programme	1,308,000	495,000	73,000	3,165,000	70,000	5,111,000
ICT Infrastructure & Security	500,000	300,000	0	0	0	800,000
Capital Grants Programme	54,500	54,500	54,500	54,500	54,500	272,500
Replacement/Upgrade of Service Specific IT Systems	109,000	0	0	60,000	150,000	319,000
	2,396,900	1,024,792	127,500	3,279,500	274,500	7,103,192
<u>Desirable Schemes (subject to affordability)</u>						
Strategic Parks and Open Spaces	570,000	0	0	0	0	570,000
	570,000	0	0	0	0	570,000
<u>Externally Funded Schemes</u>						
Disabled Facilities Grants	630,000	630,000	630,000	630,000	630,000	3,150,000
Housing Support Grants	30,000	30,000	30,000	30,000	30,000	150,000
	660,000	660,000	660,000	660,000	660,000	3,300,000
TOTAL CAPITAL EXPENDITURE	3,826,900	1,684,792	787,500	4,089,500	934,500	11,323,192

	Future Years Planned Capital Expenditure					
	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£	£	£	£	£	£
<u>Financed by:</u>						
Borrowing	1,665,938	970,292	73,000	2,875,000	0	5,584,230
Capital Receipts	574,000	0	0	500,000	220,000	1,294,000
Capital Grants	1,492,647	660,000	660,000	660,000	660,000	4,132,647
Capital Reserves	94,315	54,500	54,500	54,500	54,500	312,315
TOTAL CAPITAL FINANCING (excluding S106)	3,826,900	1,684,792	787,500	4,089,500	934,500	11,323,192

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APPENDIX B



CAPITAL STRATEGY 2024/25 – 2028/29

1. INTRODUCTION

1.1 Background

- 1.1.1 The Prudential Code for Capital Finance in Local Authorities was developed by the Chartered Institute of Public Finance Accountants (CIPFA) to support local authorities with their capital investment decision making processes. Local authorities are required by Regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003.
- 1.1.2 The most recent versions of the CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report to provide the following:
- A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.
 - An overview of how the associated risk is managed.
 - The implications for future financial sustainability.

1.2 Aims and Principles

- 1.2.1 In terms of capital expenditure and investment, the Council's main aim is to deliver our corporate objectives and priorities whilst ensuring that our capital plans are affordable, prudent, and sustainable.
- 1.2.2 The Capital Strategy demonstrates that the Council takes capital expenditure and investment decisions in line with service objectives, and properly takes account of stewardship, value for money, prudence, sustainability, and affordability. The strategy sets out the long-term context in which capital expenditure and investment decisions are made, and to give due consideration to risk and reward, and the impact on the achievement of priority outcomes. It comprises the following distinct but inter-related elements:
- Capital expenditure.
 - The Five-Year Capital Plan.
 - Financing our capital expenditure plans.
 - The capital appraisal and prioritisation process.
 - An overview of the governance process, including approval, monitoring, and reporting.
 - Debt and other treasury management issues
 - Commercial activity
 - Skills and knowledge required to deliver our capital plans.
- 1.2.3 The Capital Strategy should be read in conjunction with our Medium-Term Financial Strategy (MTFS), Treasury Management Strategy and the Minimum Revenue Provision (MRP) Policy since our capital expenditure plans have a direct impact on debt and the MRP.

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

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

2. CAPITAL EXPENDITURE

2.1 Definition of Capital Expenditure

2.1.1 Whilst revenue expenditure is spending on the Council's day to day running costs (e.g., employee costs and supplies and services), capital expenditure provides long term solutions to deliver our priorities and operational requirements. Capital expenditure is broadly defined as expenditure on the acquisition, creation, or enhancement of non-current assets. Non-current assets are those items of land, property and vehicles, plant or equipment which have a continuing benefit to the Council for a period extending beyond one year.

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

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

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

2.2 Capitalisation Policy

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

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

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

3. THE FIVE-YEAR CAPITAL PLAN

3.1 Capital Plans

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

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

3.2 Our Vision and Priorities

3.2.1 The Council approved the Blaby District Plan 2024 to 2028 on 28th November 2023. The Blaby District Plan serves as the Council's roadmap for continuous improvement, and to continue our vision that the district is a great place to live, work and visit.

3.2.2 Our priorities link back to the vision and are predicated on the major challenges facing the district, those being:

- Climate Change – our ambition is for the Council to reduce carbon emissions and achieve net zero by 2030, with the district following suit by 2050.
- Service Delivery – future funding is uncertain, and it is likely that there will continue to be funding reductions and increasing pressure on services. The MTFs predicts a budget deficit of £4.9m by 2028/29.
- Housing Growth, Affordable Housing and Homelessness – we face a significant housing delivery challenge over the next 12 years, and there is an increasing need for affordable housing. The combined impact of the pandemic, rising living costs, and an unaffordable private rented sector, have led to an increase in homelessness across the district.
- Health – we are working with partners to tackle obesity. A further challenge is posed by contaminated land and the potentially high cost of mitigation works to ensure the safety of our communities.

3.2.3 The following organisational values define our culture, embody our beliefs and principles, and provide guidance for our interactions with customers, colleagues, and communities.

- Put the customer at the heart of everything we do.
- Be innovative, adaptable, and resourceful.
- Understand the needs of our communities and treat everyone fairly.
- Be open, honest, and clearly communicate.

3.2.4 The Blaby District Plan 2024 to 2028 sets out our strategic themes, what we want to achieve over the period covered by the plan, and how we will strive to achieve this.

- Enabling our communities and supporting our vulnerable residents.
- Enhancing and maintaining our natural and built environments.
- Growing and supporting our economy.
- Keeping you safe and healthy.
- Ambitious and well-managed Council, valuing our people.

A copy of the Blaby District Plan is available to download from our website.

3.3 Asset Management Planning

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

3.3.2 The Council's key asset management priorities are:

- Evaluate the appraisals of the Council office campus in addition to other key locations and where appropriate undertake more detailed assessments to determine the long-term potential for office accommodation and affordable homes.
- Implementation of the new parks and open spaces strategy and associated management plans including exploring opportunities to fund improvements through biodiversity net gain funding.
- Installation of solar panels, and electric charging infrastructure at the depot, in support of the Council's net zero carbon ambitions.
- Purchase of housing to alleviate homelessness pressures and reduce the call upon bed and breakfast accommodation.
- Ensuring the safety of our residents by understanding the risks associated with former landfill sites within our district and implementing measures to reduce landfill gas emissions.
- Ensuring that our ICT infrastructure is fit for purpose and future-proofed, to enable the Council to deliver transformational savings and efficiencies.

3.3.3 Although the Council's asset base is relatively small, it is nevertheless paramount that we make the best use of those assets. Consequently, an officer group meets regularly to consider options for the future use of assets that are surplus to requirements in terms of direct service delivery. Options will generally include disposal or redevelopment, and a report will be brought

before Council for consideration depending upon the most sustainable proposals for the asset in question.

- 3.3.4 The Parks and Open Spaces Strategy has recently been completed and includes an action plan for the Council's strategic parks and open spaces. This plan will help to further inform the 5 Year Capital Programme and will consider options that will make the sites more sustainable in the future, with a focus upon income generation and environmental considerations arising from the Environment Bill.
- 3.3.5 One of the Council's key objectives, as set out in the Blaby District Plan 2024 – 2028, is to deliver our Climate Change Strategy and strive to meet our carbon net zero ambitions. All capital bids must demonstrate how they contribute to the delivery of the Council's strategic outcomes, objectives, and priorities. A key part of this will be how the capital proposals will help to meet our net zero aspirations. However, it is important to recognise that there may be constraints, including financial, that mean this is not always practical.

3.4 Commercialisation

- 3.4.1 The Council recognises that future changes to business rates retention and the wider Local Government funding formula will reinforce the need to seek new, innovative ways of generating income or reducing costs to support service delivery.
- 3.4.2 The Council takes a commercial, business-like approach to how it delivers services, monitors expenditure, and considers charging for services. This is balanced alongside the need to place our customers at the heart of everything we do and providing support for the most vulnerable in our community. The Council's Commercial Strategy provides focus and structure to the work that is already underway in the Council.

- 3.4.3 The vision of the Strategy is:

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

It aligns closely to the Council's other key strategies, including the Blaby District Plan, Medium Term Financial Strategy, the Council's Economic Development Framework and the Tourism Strategy.

- 3.4.4 The Strategy includes five priority themes:

- Strengthening and Efficiency of Services
- Investment in and Maximisation of Asset Utilisation
- Selling Services

- Maximising Partnership Working and Encouraging Corporate Social Responsibility
- Exploiting External Funding Opportunities

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

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

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

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

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

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

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

3.4.8 Council will also consider strategic investments in commercial property for regeneration purposes, subject to any investment meeting the following criteria:

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

Any potential commercial investment activity for regeneration will be graded against these criteria and assessed independently. Given the complex and many faceted aspects of any opportunity, there is no strict level for pass/fail; opportunities will be assessed on their merits.

3.5 Five Year Capital Programme

- 3.5.1 The Council recognises that its capital plans are inextricably linked with its service revenue expenditure, through borrowing costs (loan interest and the MRP) and other associated running costs. It is, therefore, essential that the longer-term capital planning implications are reflected in the Medium-Term Financial Strategy.
- 3.5.2 The 5 Year Capital Programme covering the period 2024/25 to 2028/29 is summarised in the table below.

Project	Planned Capital Expenditure					
	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	Total £
<u>Invest to Save Schemes</u>						
Replacement/Upgrade of Service IT Systems	200,000	0	0	150,000	0	350,000
<i>Sub-total Invest to Save Schemes</i>	<i>200,000</i>	<i>0</i>	<i>0</i>	<i>150,000</i>	<i>0</i>	<i>350,000</i>
<u>Essential and Contractual Schemes</u>						
Carbon Net Zero Schemes	385,400	0	0	0	0	385,400
Landfill Gas Monitoring	40,000	0	0	0	0	40,000
Leisure Centres	0	175,292	0	0	0	175,292
Fleet Vehicle Replacement Programme	1,308,000	495,000	73,000	3,165,000	70,000	5,111,000
Capital Grants Programme	54,500	54,500	54,500	54,500	54,500	272,500
ICT Infrastructure & Security	500,000	300,000	0	0	0	800,000
Replacement/Upgrade of Specific IT Systems	109,000	0	0	60,000	150,000	319,000
<i>Sub-total Essential & Contractual Schemes</i>	<i>2,396,900</i>	<i>1,024,792</i>	<i>127,500</i>	<i>3,279,500</i>	<i>274,500</i>	<i>7,103,192</i>
<i>Desirable Schemes</i>	<i>570,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>570,000</i>
<i>Externally Funded Schemes</i>	<i>660,000</i>	<i>660,000</i>	<i>660,000</i>	<i>660,000</i>	<i>660,000</i>	<i>3,300,000</i>
TOTAL CAPITAL EXPENDITURE	3,826,900	1,684,792	787,500	4,089,500	934,500	11,323,192

4. CAPITAL RESOURCES

4.1 Capital Receipts

- 4.1.1 Capital receipts mainly arise from the disposal of the Council's assets, subject to a statutory de-minimis limit of £10,000, below which the income is credited to the revenue account instead.
- 4.1.2 The Council also continues to generate capital receipts through the VAT Shelter arrangement and "Right to Buy" sales arising from the legacy arrangements in place following the housing stock transfer.
- 4.1.3 It is recognised that the Council's small asset base means that there are limited opportunities to dispose of assets to generate capital receipts.
- 4.1.4 Capital receipts may also be applied to repay debt. This has the effect of reducing the MRP liability and, therefore, generates revenue savings.
- 4.1.5 On 31st March 2024, it is estimated that the Council will have approximately £1.2m capital receipts available to finance its capital expenditure plans, of which just over £0.2m has been earmarked to affordable housing projects.

4.2 Government Grants

- 4.2.1 The Council's main government grant available to fund capital expenditure is the Disabled Facilities Grant (DFG) allocation which amounted to £660,000 in 2022/24. This grant is required to be spent in accordance with a Better Care Fund spending plan jointly agreed by local authorities and Clinical Commissioning Groups. In 2023/24, part of the allocation was top-sliced and retained by the Better Care Fund to support county-wide initiatives to deliver additional occupational therapist provision, and assistive technology as part of a dementia pilot scheme.
- 4.2.2 The DFG allocation must be used for the specific purpose of providing adaptations for disabled people or other social care capital projects agreed with the Better Care Fund.
- 4.2.3 From time to time the Council receives other government grants that are usually ring-fenced for specific purposes, e.g., the Local Authority Housing Fund, which has been used to purchase 16 properties to accommodate homeless households.

4.3 Borrowing

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

- 4.3.2 Borrowing may be sourced externally, e.g., through the Public Works Loan Board (PWLB), through the money markets, or other local authorities, or by way of applying our own cash balances, i.e., internal borrowing. In recent years the Council has, in the main, been able to use internal balances since, based on current market interest rates, it is cheaper to forego investment interest than it is to incur additional loan interest. This position cannot be sustained in the longer term and, as the Council's reserves and balances diminish over the life of the current MTFS, it will be necessary to drawdown new borrowing to finance the capital programme. However, whilst PWLB rates remain at their current level, the Council will continue to utilise internal borrowing. It is likely that external borrowing will be drawn once rates fall to around 4%.
- 4.3.3 As borrowing has a consequential impact on the revenue budget, in terms of loan interest and MRP, the Council aims to limit the amount of borrowing it undertakes where possible unless it can be demonstrated that it leads to savings or generates additional income, such as with the refurbishment of our major leisure facilities at Enderby and Huncote in 2019/20.

4.4 Section 106 Contributions

- 4.4.1 Section 106 (S106) contributions are planning obligations arising from new developments within the district. Generally, they are intended to cover new infrastructure requirements that might arise because of the development, e.g., affordable housing, community facilities, open spaces.
- 4.4.2 The allocation of S106 contributions is managed by the Planning Obligations Monitoring Group, a joint officer and member group. Proposed schemes which meet the criteria for award of S106 funding must be presented to the Planning Obligations Monitoring Group for consideration.
- 4.4.3 Where it is appropriate to do so, the Council may also allocate S106 funding to support its own capital schemes.

4.5 Reserves

- 4.5.1 Reserves may be built up from revenue resources over time to pay for capital expenditure. The following reserves will generally be used to support the capital programme:
- Blaby District Plan Priorities Reserve
 - ICT Reserve

4.6 Revenue Contributions

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

4.7 Available Resources

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

	Estimated Balance as at 31/03/24 £'000	Income 2024/25 £'000	Income 2025/26 £'000	Income 2026/27 £'000	Income 2027/28 £'000	Income 2028/29 £'000	Total Expected Income £'000
Capital Receipts	1,246	70	70	70	70	70	1,596
Capital Grants	11	1,493	660	660	660	660	4,144
Reserves	434	0	0	0	0	0	434

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

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

Estimated Capital Programme	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
Invest to Save Schemes	200	0	0	150	0	350
Essential & Contractual Schemes	2,397	1,025	127	3,280	274	7,103
Desirable Schemes	570	0	0	0	0	570
Externally Funded Schemes	660	660	660	660	660	3,300
Total Schemes	3,827	1,685	787	4,090	934	11,323

Financed by:	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
Borrowing	1,666	970	73	2,875	0	5,584
Capital Receipts	574	0	0	500	220	1,294
Government Grant	1,493	660	660	660	660	4,133
Reserves	94	55	54	55	54	312
Total Funding	3,827	1,685	787	4,090	934	11,323

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

Unallocated Resources	31/03/25 £'000	31/03/26 £'000	31/03/27 £'000	31/03/28 £'000	31/03/29 £'000
Capital Receipts	744	812	882	452	302
Reserves	340	286	231	177	122
Total Available	1,084	1,098	1,013	629	424

5. Capital Appraisal and Prioritisation Process

5.1 Capital Appraisal

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

5.2 Major Corporate Projects

- 5.2.1 Capital schemes that are designated as Major Corporate Projects will be appraised and monitored by Programme Board.
- 5.2.2 Major Corporate Projects will either be subject to separate, individual approval by full Council, outside of the annual capital planning process, or specifically referenced in the routine quarterly capital monitoring reports to Council.

- 5.2.3 Not all Major Corporate Projects will be capital schemes, but it is likely that they will include at least an element of capital expenditure – e.g., the acquisition of new wheeled bins as part of the alternate weekly Refuse and Recycling service that was introduced in recent years.

5.3 Other Capital Schemes

- 5.3.1 Other capital schemes should, be identified for inclusion in the rolling 5 Year Capital Programme. It is anticipated that most schemes falling under the commercialisation agenda would, however, constitute a Major Corporate Project.
- 5.3.2 The capital planning process will run in tandem with the annual budget cycle. Service Managers will be required to identify their expected capital expenditure requirements over the next five years. This will require sufficient detail to allow the compilation of an indicative 5 Year Capital Programme, including the following:
- The asset type, e.g., car park, vehicle, open space, IT software.
 - A brief description of the scheme
 - The indicative cost of the scheme
 - The year(s) in which expenditure is expected to fall
 - The revenue implications (cost or savings)
 - Links to corporate priorities, health and safety etc.
- 5.3.3 Once the draft 5 Year Capital Programme has been compiled, more detail in respect of any scheme falling within Year 1 (i.e., the next financial year) will need to be provided on a Capital Appraisal Form (see Annexe A). This will include evidence in support of the appraisal criteria required for the scheme to be considered for inclusion in the Capital Programme.
- 5.3.4 Evaluation and appraisal of proposed capital schemes will be undertaken by the Senior Leadership Team using the criteria set out on the Capital Appraisal Form.
- 5.3.5 Once a draft capital plan has been compiled it is shared with Portfolio Holders to ensure that proposals have Member support prior to formally reporting to Cabinet Executive and Council. The 5 Year Capital Programme will be subject to change during the budget process, to ensure that changing priorities are captured ahead of formal approval.

5.4 Urgent Capital Schemes

- 5.4.1 It is recognised that urgent capital expenditure requirements may come forward during the financial year outside of the budget cycle.
- 5.4.2 Urgent capital schemes are submitted to the Capital Accountant using the Capital Appraisal Form.

5.4.3 Senior Leadership Team will evaluate the proposed scheme considering the following:

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

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

5.5 Post Completion Evaluation Process

5.5.1 Programme Board will receive project closure reports in respect of all major corporate projects. These reports will capture key achievements, outstanding deliverables, and lessons learnt to help inform the project management process for future schemes, and to ensure that the objectives of each project are delivered.

5.5.2 Closure reports are not required for projects that fall outside of the remit of Programme Board.

6. The Governance Process

6.1 Prudential Code

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

6.2 Prudential Indicators

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

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

6.3 Blaby's Governance Process

- 6.3.1 The Constitution specifies that full Council is responsible for approving the Council's policy framework and budget, which will be proposed by Cabinet Executive. In terms of financial planning this includes the approval of the Capital Programme and Capital Strategy.
- 6.3.2 The Executive Director (Section 151) is responsible for determining the capital resources available to fund the Council's capital expenditure plans. The Directors are responsible for ensuring that a Capital Programme, including details of any associated revenue implications, is prepared on an annual basis for consideration by Cabinet Executive before submission to full Council for approval.
- 6.3.3 Scrutiny Commission are also given opportunity to review the proposed Capital Programme, ahead of formal submission to Cabinet Executive and Council, and make comments and/or recommendations as necessary.
- 6.3.4 Progress against delivery of the Capital Programme is reported to Cabinet Executive and Council on a quarterly basis.
- 6.3.5 Senior Leadership Team plays a key role in the monitoring and review of the Capital Programme. This includes:
- continuously reviewing, updating, monitoring progress, and making recommendations for any necessary changes to the Capital Strategy.
 - reviewing, updating, and monitoring progress of current year capital schemes to ensure maximal delivery of the Capital Programme on a quarterly basis.
 - receiving bids from project officers in respect of any new or urgent schemes emerging in the current financial year, outside of the budget setting cycle.
 - ensuring that capital bids meet the criteria set out on the Capital Appraisal Form, to make the optimal use of the available capital resources.
- 6.3.6 Given the necessity for potential transactions to be assessed, negotiated, and completed quickly, delegated authority has been approved by Council for the following persons to progress any future strategic property investment opportunities:
- The Chief Executive
 - The Executive Director (S151 Officer)
 - The Monitoring Officer

In consultation with:

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

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

7. Debt and Other Treasury Management Issues

7.1 External Debt and the use of Internal Borrowing

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

	31/03/25 £'000	31/03/26 £'000	31/03/27 £'000	31/03/28 £'000	31/03/29 £'000
CFR	20,524	20,265	19,200	20,876	19,525
External Borrowing	10,408	11,300	11,300	14,300	14,300
Internal Borrowing	10,116	8,965	7,900	6,576	5,225

7.2 Provision for the Repayment of Debt

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

7.3 Authorised Limit and Operational Boundary

- 7.3.1 The authorised limit represents a control on the maximum level of borrowing. This is the limit beyond which external debt is prohibited. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The authorised limit for 2024/25 is £23.0m – further details are contained within the Treasury Management Strategy 2024/25.
- 7.3.2 The operational boundary is the limit which external debt is not normally expected to exceed. In most cases this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt. For 2024/25 the operational boundary has been set at £20.7m – see the Treasury Management Strategy 2024/25 for future years' projections.

7.4 Treasury Management

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

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

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

8. Commercial Activity

8.1 Commercialisation Strategy

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

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

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

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

9. Skills and Knowledge

9.1 In-house Resources

- 9.1.1 The Council employs a small Assets Team, currently part of the Neighbourhood Services and Assets Group. The newly approved Blaby District Plan includes some ambitious projects that are aimed at increasing our commerciality, managing our assets more effectively, and ensuring we have the capacity and capability to manage the organisation to its full potential. As a result of this, and following a recent management restructure, the Council has appointed a new Executive Director for Place, and Group Manager with responsibility for Assets and Major Projects. This will add to the extensive knowledge and experience of the existing Assets team.
- 9.1.2 The Council also operates in-house Legal and Finance teams that provide support to officers involved in the delivery of capital schemes.
- 9.1.3 During 2023/24, the Council secured support for the development of Blaby's commercial agenda, on a consultancy basis, from the Strategic Director – Commercial and Economic Development at Charnwood Borough Council, who has significant experience in this field. In addition to providing advice in respect of strategic property investment, the Strategic Director has provided commercial awareness training to all senior managers at Blaby.

9.2 External Resources

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

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

Other advice is commissioned as and when required.

9.3 Members

- 9.3.1 Members are fully engaged with the budget process, including Scrutiny Commission, Cabinet Executive and Council, the latter being responsible for approving the Budget, Capital Programme and Treasury Management Strategy.
- 9.3.2 The Council runs Member Induction training for newly elected Members, and this programme includes an overview of finance and the budget.

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

CAPITAL APPRAISAL FORM

Project Code: **CX**

Scheme Title		Financial Year: 2024/25
Group Manager		
Project Manager		
Description of Scheme		
Key Benefits/Outcomes (e.g. enhancement, end of life, spend to save, etc.)		
Alternatives Considered		
What are the risks of not proceeding with this scheme? (e.g. financial implications, service implications, etc.)		

Total Capital Cost of Scheme (please <u>do not</u> include ongoing maintenance costs):	£							
	Year 1 Q1 £	Year 1 Q2 £	Year 1 Q3 £	Year 1 Q4 £	Year 2 Total £	Year 3 Total £	Year 4 Total £	Year 5 Total £
Phased as follows:								

Appraisal Criteria

Criteria	Evidence	Agreed/Not Agreed (for completion by SLT)
Are there any legal, statutory and/or contractual obligations connected with this scheme?		
How does this scheme contribute to the delivery of the Council's strategic outcomes, objectives and priorities?		
What financial benefit is the scheme expected to deliver?		

Is there any additional revenue cost associated with the scheme?		
Is there any external funding opportunity?		
What are the benefits to our customers and other key stakeholders?		
Any other details in support of your application (e.g., if the scheme does not contribute directly to corporate priorities)		
	APPROVED (Y/N):	

Notes for Project Managers

1. Senior Leadership Team is reliant upon your specialist knowledge in appraising your bid and resources are limited. Please consider your bid carefully and ensure that all sections of the form are completed in as much detail as possible.
2. Please note that you will be required to complete a post-completion project evaluation report.

Reviewed by:

(Group Manager)

Date:

For Senior Leadership Team use only

Further Information Requested:

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Blaby District Council

Cabinet Executive

Date of Meeting	26 February 2024
Title of Report	Prudential Indicator & Treasury Management Strategy 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
Corporate Priority	Medium Term Financial Strategy (MTFS)

1. What is this report about?

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

2. Recommendation(s) to Cabinet Executive and Council

- 2.1 That the capital prudential indicators and limits for 2024/25 to 2028/29 are approved.
- 2.2 That the Treasury Management Strategy for 2024/25 and the treasury prudential indicators are approved.
- 2.3 That the Investment Strategy for 2024/25 is approved.
- 2.4 That the Minimum Revenue Provision (MRP) Statement for 2024/25 is approved.
- 2.5 That delegated authority is granted to the Executive Director (Section 151), in consultation with the portfolio holder for Finance, Performance, and People, to decide whether to redeem its holding in the Lothbury Property Trust, or to transfer its investment to the proposed merger outlined at paragraph 4.3.

3. Reason for Decisions Recommended

- 3.1 The Local Government Act 2003 and supporting regulations requires the Council to “have regard to” the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent, and sustainable.
- 3.2 The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. This covers the Council’s criteria for choosing investment counterparties and limiting exposure to the risk of loss.
- 3.3 The Act also requires the Council to undertake an annual review of its policy for calculating the minimum revenue provision (MRP) for repayment of external debt.
- 3.4 The timing of the proposed merger of the Lothbury Property Trust with an alternative property fund is such that the Council will only have a short window of opportunity to make its decision regarding the future of its property fund investment.

4. Matters to consider

4.1 Background

DLUHC guidance requires that there is sufficient Member scrutiny of the Council’s treasury management function. For Blaby, Cabinet Executive is the responsible body for scrutinising the Treasury Management Strategy. To facilitate the decision-making process and support capital investment

decisions the Prudential Code requires local authorities to agree and monitor a minimum number of prudential indicators. These are mandatory and must, as a minimum, cover the forthcoming three financial years.

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

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

4.2 Proposal(s)

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

Capital Expenditure

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

	2022/23 Actual £000	2023/24 Revised £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Capital Expenditure	2,332	11,761	3,827	1,685	788	4,090	935
Financed by:							
Capital Receipts	(136)	(1,675)	(574)	0	0	(500)	(220)
Capital Grants & Contributions	(1,018)	(3,660)	(1,493)	(660)	(660)	(660)	(660)
Capital Reserves	(225)	(107)	(94)	(55)	(55)	(55)	(55)
Revenue Contributions	(43)	(113)	0	0	0	0	.0
Net financing need for the year	910	6,206	1,666	970	73	2,875	0

Borrowing Requirement

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

Capital Financing Requirement

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

	2022/23 Actual £000	2023/24 Revised £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Total CFR	14,486	19,907	20,524	20,265	19,200	20,876	19,525
Movement in CFR	521	5,421	617	(259)	(1,065)	1,676	(1,351)

MRP Policy

The MRP is an annual revenue charge based on the outstanding Capital Financing Requirement (CFR) brought forward from the preceding financial year. The CFR represents the Council's underlying need to borrow and is basically that part of capital expenditure which has not yet been financed. It is effectively capital expenditure financed through borrowing, whether that is external borrowing or internal borrowing (i.e., from the Council's own reserves and balances). Each year the Council is required to repay a proportion of that outstanding "borrowing cost" by way of the MRP, and it must approve its policy for charging MRP annually in advance of the forthcoming financial year. For 2024/25 the recommended policy is set out in paragraph 2.3 of Appendix A.

Borrowing

The Council's anticipated net borrowing requirement (net of investments) is shown below with a comparison against the CFR. The Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the next two financial years. This allows some flexibility for limited early borrowing for future years. The Council's gross borrowing remains significantly below its CFR due to the ongoing use of internal borrowing. Whilst internal reserves and balances remain at current levels, internal borrowing is a prudent method of financing capital expenditure since it is cheaper than external borrowing.

	2022/23 Actual £000	2023/24 Revised £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Gross Borrowing	6,385	9,468	10,862	11,754	11,754	14,754	14,753
Investments	(26,301)	(20,000)	(15,000)	(15,000)	(15,000)	(10,000)	(8,000)
Net Borrowing	(19,916)	(10,532)	(4,138)	(3,246)	(3,246)	4,754	6,753
CFR	14,486	19,907	20,524	20,265	19,200	20,876	19,525

The Council's borrowing limits are as follows:

	2023/24 Revised £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Operational Boundary for External Debt	20,700	20,700	23,400	23,400	21,600	21,600
Authorised Limit for External Debt	23,000	23,000	26,000	26,000	24,000	24,000

Liability Benchmark

The Council is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the Liability Benchmark:

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

Further details are included in paragraph 2.3 to Appendix A.

4.3 Property Fund

Members will be aware of the longstanding issues with regards to the Lothbury Property Trust, whereby the fund value has seen a significant fall on the back of an unprecedented number of investors seeking to withdraw from the fund.

Lothbury have given notice to terminate the fund and sell off the remaining fund assets on 31st March 2024, if a viable merger opportunity is not found by that time. The fund managers are currently in negotiations with another well-established property fund, with the aim of transferring holdings to that fund for those investors that wish to continue their investment. Negotiations are at an advanced stage, with heads of terms and due diligence considerations in progress. Both parties are optimistic that the merger could be able to go ahead by the week commencing 18th March 2024.

In normal circumstances the decision as to whether to accept the merger or to withdraw from the fund, would be brought to Council for approval.

However, in this instance, given that the timing of any such decision may not fit with the expected merger deadline, approval is also sought to give delegated authority to the Executive Director (Section 151), in consultation with the portfolio holder for Finance, Performance, and People, to decide whether to redeem its holding in the Lothbury Property Trust, or to transfer its investment to a new property fund, dependent upon the suitability of the proposed merger.

4.4 Capital Strategy

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

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

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

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

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

6.1

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

Refinancing and maturity risk – the risk that the Council might need to renew a loan or investment at disadvantageous interest rates	Monitoring of the maturity profile of debt to make sure that loans do not all mature in the same period. Monitoring the maturity profile of investments to ensure there is sufficient liquidity to meet day to day cash flow needs.
Market risk – losses may arise as a result of changes in interest rates etc	Maximum limits are set for exposure to fixed and variable interest rates. The Finance team will monitor market rates and forecast interest rates to limit exposure
Loss on the Property Fund investment if property values continue to fall.	See paragraph 4.3 – withdrawal from fund or merger with another existing property fund.

7. Other options considered

- 7.1 None. The approval of the Treasury Management Strategy and prudential indicators is a statutory requirement.

8. Environmental impact

- 8.1 The Council is actively seeking opportunities to invest its surplus balances in a way which supports the Green Strategy, with the caveat that such investments meet the primary considerations of security, liquidity, and return.

9. Other significant issues

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

10. Appendix

- 10.1 Appendix A – Capital prudential indicators and treasury management strategy 2023/24 to 2027/28.
- 10.2 Appendix B – Interest rate forecasts 2022 – 2025
- 10.3 Appendix C – Economic background
- 10.4 Appendix D – Credit and counterparty risk management
- 10.5 Appendix E – Approved counterparty list
- 10.6 Appendix F – Approved countries for investment
- 10.7 Appendix G – Treasury management scheme of delegation
- 10.8 Appendix H – The treasury management role of the S151 Officer

11. Background paper(s)

- 11.1 The CIPFA Prudential Code
CIPFA's Code of Treasury Management in the Public Services
The Treasury Management Policy, Practices and Schedules

12. Report author's contact details

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APPENDIX A

Capital Prudential Indicators and Treasury Management Strategy 2024/28 to 2028/29

1. INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

1.2 Reporting Requirements

Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.
- an overview of how the associated risk is managed.
- the implications for future financial sustainability.

The aim of the capital strategy is to ensure that all elected members fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

Treasury Management Reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report) – The first, and most important, report covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision (MRP) Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an Annual Investment Strategy (the parameters on how investments are to be managed)

A mid-year treasury management report – This is primarily a progress report and will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, the Cabinet Executive will receive quarterly update reports.

An annual treasury report – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to Council. This role is undertaken by Scrutiny Committee and the Cabinet Executive.

Quarterly reports

In addition to the three major reports detailed above, from 2023/24 the Code also specifies that quarterly updates are provided (end of June and end of December). However, these additional reports do not need to be reported to the full Council, although they do need to be adequately scrutinised. It is proposed that the quarterly updates, which should include reporting on treasury and prudential indicators, are reported to Cabinet Executive.

1.3 Treasury Management Strategy for 2023/24

The strategy for 2023/24 covers two main areas:

Capital issues

- The capital expenditure plans and the associated prudential indicators;
- The minimum revenue provision (MRP) policy.

Treasury Management issues

- The current treasury position;
- Treasury indicators which limit the treasury risk and activities of the Council;
- Prospects for interest rates;
- The borrowing strategy;
- Policy on borrowing in advance of need;
- Debt rescheduling;
- The investment strategy
- Creditworthiness policy; and
- Policy on the use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Department for Levelling Up, Housing and Communities (DLUHC) MRP Guidance, the CIPFA Treasury Management Code, and DLUHC Investment Guidance.

1.4 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management.

Furthermore, the Code also expects “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/council

members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management', which is available from the CIPFA website to download.

Cabinet members last received refresher training from our treasury consultants, Link Treasury Services, in October 2018, and further training is planned for Spring 2023.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained by the Finance Group Manager. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by Finance Group Manager.

1.5 Treasury Management Consultants

The Council uses Link Group, Link Treasury Services Limited as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions always remains with the organisation and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regard to all available information, including, but not solely, our treasury advisors.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and

resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

The Council does not currently have any non-treasury investments but, in September 2022, the Council approved budget provision to be used for strategic property investment purposes, subject to it meeting the criteria set out in the CIPFA Code.

2 THE CAPITAL PRUDENTIAL INDICATORS 2024/25 – 2028/29

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist members to overview and confirm capital expenditure plans are prudent, affordable, and sustainable.

2.1 Capital expenditure and financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. This indicator also covers how those plans are to be financed by capital or revenue resources. Members are asked to approve the estimated capital expenditure and resources in the table below. Any shortfall in resources results in a need to borrow.

	2022/23 Actual £000	2023/24 Revised £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Capital Expenditure	2,332	11,761	3,827	1,685	788	4,090	935
Financed by:							
Capital Receipts	(136)	(1,675)	(574)	0	0	(500)	(220)
Capital Grants & Contributions	(1,018)	(3,660)	(1,493)	(660)	(660)	(660)	(660)
Capital Reserves	(225)	(107)	(94)	(55)	(55)	(55)	(55)
Revenue Contributions	(43)	(113)	0	0	0	0	.0
Net financing need for the year	910	6,206	1,666	970	73	2,875	0

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It represents a measure of the Council's underlying need to borrow. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision

(MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities such as finance leases. Whilst this increases the CFR and, therefore, the Council's borrowing requirement, these types of schemes include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has just under £0.5m of finance lease liabilities within the CFR.

The Council is asked to approve the following CFR projections:

	2022/23 Actual £000	2023/24 Revised £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Total CFR	14,486	19,907	20,524	20,265	19,200	20,876	19,525
Movement in CFR	521	5,421	617	(259)	(1,065)	1,676	(1,351)

Movement in CFR represented by:							
Net financing need for the year	910	6,206	1,666	970	73	2,875	0
MRP/VRP and other financing movements	(389)	(785)	(1,049)	(1,229)	(1,138)	(1,199)	(1,351)
Movement in CFR	521	5,421	617	(259)	(1,065)	1,676	(1,351)

The following table analyses the planned external borrowing for capital expenditure purposes and conforms to the DLUHC requirements for applying for certainty rate borrowing from the Public Works Loan Board (PWLb).

	2022/23 Actual £000	2023/24 Revised £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Service expenditure	910	4,312	1,666	970	73	2,875	0
Housing	0	1,894	0	0	0	0	0
Regeneration	0	0	0	0	0	0	0
Preventative action	0	0	0	0	0	0	0
Projects for yield	0	0	0	0	0	0	0
Total	910	6,206	1,666	970	73	2,875	0

Borrowing for schemes that fall under the heading of "projects for yield" will automatically disqualify the Council from being able to borrow from the PWLB in any year, so this table demonstrates that The Council is complying with the Code in this regard.

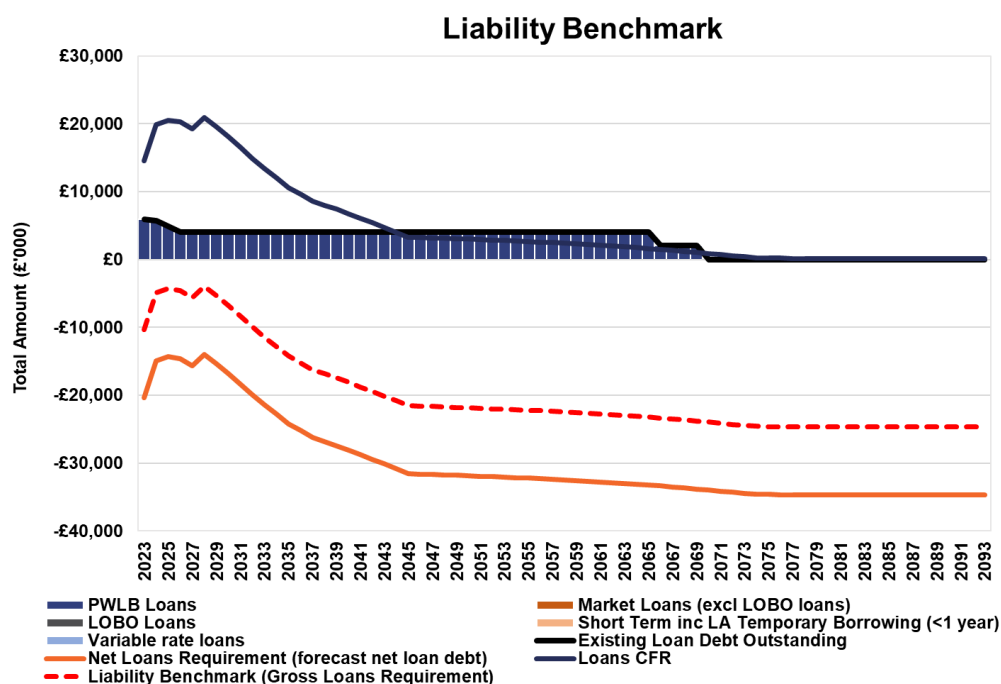
2.3 Liability Benchmark

The Council is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the Liability Benchmark:

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

The graph below shows that the Council's borrowing is below the CFR and will reduce over time. However, it should be noted that this is a snapshot and when the debt matures those loans will need to be refinanced. The graph also shows that the liability benchmark is negative, meaning that the Council has sufficient cash reserves to maintain internal borrowing for the foreseeable future, even when allowing for a liquidity buffer.



2.4 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed in the following table are high level estimates of the year end balances for each resource and anticipated day to day cash flow balances.

	2022/23 Actual £000	2023/24 Revised £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Fund Balances & Reserves	(17,355)	(10,932)	(10,536)	(10,427)	(9,924)	(8,201)	(5,185)
Capital Receipts	(2,038)	(1,246)	(742)	(812)	(882)	(452)	(302)
Provisions	(2,055)	(3,071)	(3,911)	(4,798)	(5,705)	(6,659)	(7,633)
Other	196	920	0	0	0	0	0
Total Core Funds	(21,252)	(14,929)	(15,189)	(16,039)	(16,511)	(15,312)	(13,120)
Working Capital*	(13,150)	(15,510)	(9,473)	(7,472)	(5,935)	(810)	348
(Over)/Under Borrowing	8,101	10,439	9,662	8,511	7,446	6,122	4,772
Expected Investments	(26,301)	(20,000)	(15,000)	(15,000)	(15,000)	(10,000)	(8,000)

* Working capital balances shown are estimated year end; these may be higher mid-year.

2.5 Minimum revenue provision (MRP) policy statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

The Council is required to calculate a prudent MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Council can use any other reasonable basis that it can justify as prudent.

The MRP policy statement must be approved by full Council in advance of each financial year. The Council is recommended to approve the following MRP statement:

For supported capital expenditure incurred before 1st April 2008, the Authority will apply the Asset Life Method using an annuity calculation over 50 years.

Unsupported borrowing will be subject to MRP under option 3 of the guidance (Asset Life Method), which will be charged over a period which is reasonably

commensurate with the estimated useful life applicable to the nature of the expenditure. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building. An annuity method will be used for the MRP calculation on a weighted average basis.

The interest rate applied to the annuity calculations will reflect the market conditions at the time and will for the current financial year be the Council's weighted average borrowing rate.

The following table gives an indication of the useful asset lives of different categories of assets/capital expenditure type, and hence the period over which MRP will be charged.

Capital Expenditure incurred on:	Estimated Asset Life for MRP purposes
Construction of new buildings	40 – 60 years
Disabled Facilities Grants – Stairlifts	5 years
Disabled Facilities Grants – Bathrooms/Major Adaptations	20 years
Enhancement and refurbishment of land and buildings	10 years
Refuse vehicles	7 years
Other vehicles, plant and equipment	5 – 7 years
Other capital grants	5 years
IT Systems	2 - 5 years

Capital expenditure incurred during 2023/24 will not be subject to an MRP charge until 2024/25, or in the year after which the asset becomes operational.

The Council will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

MRP in respect of assets acquired under Finance Lease will be charged at a rate equal to the principal element of the annual lease rental for the year in question.

MRP Overpayments - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. For these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

There have been no VRP overpayments made to date but scheduled payments for 2023/24 amount to £0.3m.

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions, and the Annual Investment strategy.

3.1 Current portfolio position

The overall treasury management portfolio as at 31st March 2023 is shown below compared with the position as at 31st January 2024.

	Actual 31/03/23 £000	Actual 31/03/23 %	Actual 31/01/24 £000	Actual 31/01/24 %
Treasury Investments				
Banks	15,373	58%	23,713	66%
Local Authorities	2,000	8%	0	0%
Money Market Funds	8,083	31%	11,614	32%
Total managed in house	25,456	97%	35,327	98%
Property Funds	845	3%	765	2%
Total managed externally	845	3%	765	2%
Total Treasury Investments	26,301	100%	36,092	100%
External Borrowing				
Local Authorities	0	0%	0	0%
Public Works Loans Board	5,930	100%	5,822	100%
Total External Borrowing	5,930	100%	5,822	100%
Net Treasury Investments/(Borrowing)	20,371		30,270	

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2022/23 Actual £000	2023/24 Revised £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Loans at 1 st April	8,142	5,930	9,013	10,408	11,300	11,300	14,300
Leases at 1 st April	455	455	455	454	454	454	454
Gross Opening Debt	8,597	6,385	9,468	10,862	11,754	11,754	14,754
New loans in year	0	3,300	2,250	1,750	0	3,000	0
New leases in year	0	0	0	0	0	0	0
Loan repayments	(2,212)	(217)	(855)	(858)	0	0	0
Lease repayments	0	0	(1)	0	0	0	(1)
Loans at 31 st March	5,930	9,013	10,408	11,300	11,300	14,300	14,300
Leases at 31 st March	455	455	454	454	454	454	453
Gross Closing Debt	6,385	9,468	10,862	11,754	11,754	14,754	14,753
Capital Financing Requirement	14,486	19,907	20,524	20,265	19,200	20,876	19,525
Under/(over) borrowing	8,101	10,439	9,662	8,511	7,446	6,122	4,772

Within the prudential indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Executive Director (Section 151) is pleased to report that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans, and the proposals in the budget report.

3.2 Treasury Indicators – limits to borrowing activity

The operational boundary – This is the limit which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

	2023/24 Revised £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Borrowing	20,200	18,200	20,900	20,900	19,100	19,100
Other long-term liabilities	500	2,500	2,500	2,500	2,500	2,500
Total	20,700	20,700	23,400	23,400	21,600	21,600

The authorised limit for external debt - A further key prudential indicator represents a control on the maximum level of borrowing. This is a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the

longer term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
- The Council is asked to approve the following authorised limit:

	2023/24 Revised £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Borrowing	22,444	20,222	23,222	23,222	21,222	21,222
Other long-term liabilities	556	2,778	2,778	2,778	2,778	2,778
Total	23,000	23,000	26,000	26,000	24,000	24,000

Both the Authorised Limit and the Operational Boundary for 2024/25 onwards have been increased by £2m to allow for the introduction of IFRS16. This acts as a provision for leases that are currently off-balance sheet (accounted for as operating leases) to be brought onto the balance sheet on 1st April 2024. The increase is based broadly on the outstanding operating lease liability on 31st March 2023.

3.3 Prospects for interest rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link's central view appears at Appendix B. Their forecasts take account of certainty rates, gilt yields plus 80 basis points.

Link's central forecast for interest rates was updated on 7th December 2023 and reflected a view that the Monetary Policy Committee (MPC) would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least the second half of 2024. Link expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and when there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months (although most recent GDP releases have surprised with their on-going robustness).

Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

In the upcoming months, these forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

PWLB Rates

- The short and medium part of the gilt curve has rallied since the start of November as markets price in a quicker reduction in Bank Rate through 2024 and 2025 than held sway back then. This reflects market confidence in inflation falling back in a similar manner to that already seen in the US and the Euro-zone. At the time of writing there is c70 basis points difference between the 5- and 50-year parts of the curve.

The balance of risks to the UK economy:

- The overall balance of risks to economic growth in the UK is even.

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

- Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- The Bank of England has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- Geopolitical risks, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates:

- Despite the tightening in Bank Rate to 5.25%, the Bank of England allows inflationary pressures to remain elevated for a long period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- The pound weakens because of a lack of confidence in the UK Government's pre-election fiscal policies, which may prove inflationary, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Projected gilt issuance, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields consequently.

Link expect the MPC will keep Bank Rate at 5.25% until the second half of 2024, to combat on-going inflationary and wage pressures, even if they have dampened somewhat of late. It is not thought that the MPC will increase Bank Rate above 5.25%.

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of the interest rate forecasts, as inflation continues to fall through 2024.

Link's target borrowing rates are set two years forward (as rates are expected to fall back) and the current PWLB (certainty) borrowing rates are set out below:

PWLB Debt	Current Borrowing Rate	Target Borrowing Rate now (end of Q4 2025)	Target Borrowing Rate previous (end of Q3 2025)
5 years	4.53%	3.70%	3.80%
10years	4.67%	3.90%	3.80%
25 years	5.19%	4.20%	4.20%
50years	4.97%	4.00%	4.00%

Borrowing advice: Link's long-term (beyond 10 years) forecast for Bank Rate remains at 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to factor in Bank Rate reductions for 2024 and later.

Suggested budgeted earnings rates for investments up to about three months' duration in each financial year are as follows:

- 2023/24 (residual) 5.30%
- 2024/25 4.55%
- 2025/26 3.10%
- 2026/27 3.00%
- 2027/28 3.25%
- 2028/29 3.25%
- Years 6 to 9 3.25%
- Year 10+ 3.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

The interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of +/- 25 bps. Naturally, we will continue to monitor events and will update our forecasts as and when appropriate.

3.4 Borrowing Strategy

The Council is currently maintaining a position whereby its outstanding debt is lower than the underlying need to borrow (the CFR). This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, the Bank Rate remains elevated through to the second

half of 2024.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Executive Director (S151) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp **fall** in borrowing rates then borrowing will be postponed.
- if it was felt that there was a significant risk of a much sharper **rise** in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

3.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Borrowing in advance will be made within the constraints that:

- It will be limited to no more than the sum of the expected increase in borrowing need (CFR) over the next three years; and
- The Council would not look to borrow more than 24 months in advance of need.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.

If any rescheduling is done, it will be reported to Council at the earliest opportunity following its enactment.

3.7 New Financial Institutions as a source of borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time).
- UK Infrastructure Bank (as above)

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

3.8 Approved Sources of Long- and Short-Term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
Municipal Bond Agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
UK Infrastructure Bank	●	●
Market – long term	●	●
Market – temporary	●	●
Market – LOBOs	●	●
Stock issues	●	●
Local temporary	●	●
Local bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable bonds	●	●
Internal – capital receipts and revenue balances	●	●
Commercial paper	●	
Medium term notes	●	
Finance leases	●	●

4. ANNUAL INVESTMENT STRATEGY

4.1 Investment policy – management of risk

The Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, part of the 5 Year Capital Programme report.

The Council’s investment policy has regard to the following:

- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

The Council’s investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council’s risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable credit criteria are applied to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.

3. Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. The Council has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in Appendix D under the categories of 'specified' and 'non-specified' investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods more than one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
5. **Non-specified and loan investment limits.** The Council does not currently place a limit on the maximum total exposure to non-specified investments as a percentage of the total investment portfolio.
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
7. **Transaction limits** are set for each type of investment in Appendix D.
8. The Council will set a limit for its investments which are invested for longer than 365 days, (see paragraph 4.4).
9. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating, (see paragraph 4.3).
10. The Council has engaged external consultants, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in sterling.
12. As a result of the change in accounting standards for 2023/24 under IFRS 9, the Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31st March 2023. More recently, a further extension to the over-

ride to 31st March 2025 has been agreed by Government. This will apply to the Council's investment in the Lothbury Property Fund. Once the statutory override expires, the Council will need to reflect movements in its Property Fund in the General Fund, in accordance with IFRS 9.

However, the Council will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year

The above criteria are unchanged from last year.

4.2 Creditworthiness policy

This Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody's, and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any associated credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will, therefore, use counterparties within the following durational bands:

- | | |
|--------------|----------------------------------------------------------------------|
| • Yellow | 5 years |
| • Dark Pink | 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25 |
| • Light Pink | 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5 |
| • Purple | 2 years |
| • Blue | 1 year (nationalised/or semi nationalised UK Banks) |
| • Orange | 1 year |
| • Red | 6 months |
| • Green | 100 days |
| • No Colour | not to be used (NB: except building societies) |

	Colour/long term rating	Money and/or % limit	Time Limit
UK Banks/Non-UK Banks	Yellow	£5m/£3m	5 years
UK Banks/Non-UK Banks	Purple	£5m/£3m	2 years
UK Banks/Non-UK Banks	Orange	£5m/£3m	1 year
Banks – part nationalised • RBS	Blue	£8m	1 year
UK Banks/Non-UK Banks	Red	£8m/£5m/£3m	6 months
UK Banks/Non-UK Banks	Green	£5m/£3m	100 days
UK Banks/Non-UK Banks	No colour	n/a	n/a
Building Societies	No colour/P-2	£5m	100 days
Council's own banker (not meeting usual criteria)	No colour	£8m	Overnight
DMADF	UK Sovereign Rating	unlimited	6 months
Local authorities	n/a	£5m	5 years
Property Funds	n/a	£1m	Unlimited
Money Market Funds			
• CNAV	AAA	£8m	Liquid
• LVNAV	AAA	£8m	Liquid
• VNAV	AAA	£8m	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark pink/AAA	£3m	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.50	Light pink/AAA	£3m	Liquid

In respect of building societies, the Council will use those societies that have assets in excess of £10 billion, subject to them having a minimum credit rating of P-2 (Moody's).

The Link creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not place undue emphasis on just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of F1, and a long term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored on an ongoing basis. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service.

- if a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in CDS spreads against the iTraxx European Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition, the Council will also use market data and market information, information on any external support for banks to help to underpin its decision-making process.

Creditworthiness

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during Autumn 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

4.3 Country limits

The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent counterparty rating). Furthermore, the maximum amount which may be invested with non-UK banks will be limited to £3m per institution. The list of countries that qualify using the sovereign credit rating criteria as at the date of this report are shown in Appendix F. This list will be maintained by officers in accordance with this policy if ratings change.

4.4 Investment strategy

In-house funds - Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the second half of 2023 and possibly reducing as early as the second half of 2024 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

The Council's proposed Approved Counterparty List appears at Appendix E.

Investment returns expectations

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to have peaked at 5.25%.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

- 2023/24 (residual) 5.30%
- 2024/25 4.55%
- 2025/26 3.10%
- 2026/27 3.00%
- 2027/28 3.25%
- Years 6 to 9 3.25%
- Year 10+ 3.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Investment treasury indicator and limit - Total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of investments after each year-end.

The Council is asked to approve the following treasury indicator and limit:

Upper limit for principal sums invested for longer than 365 days	2024/25	2025/26	2026/27	2027/28	2028/29
Principal sums invested > 365 days	£6.0m	£6.0m	£6.0m	£6.0m	£6.0m
Current investments as at 31/01/24, in excess of 1 year, maturing in each year	£1.0m	£1.0m	£1.0m	£1.0m	£1.0m

4.5 Investment Performance/Risk Benchmarking

The Council will use the 3-month average earnings as a benchmark for assessing its investment performance.

4.6 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

4.7 Property Fund Managers

Property funds are a longer-term investment tool, generally with an investment period of greater than 5 years. Investment balances are normally based on the projected level of reserves and balances available for longer-term investment and appropriate due diligence should be undertaken before investing in Property Funds. The Council has £1m invested in the Lothbury Property Trust, although the current value of the investment is below £0.8m currently. The Lothbury Property Trust is expected to be wound up by 31st March 2024, and discussions are ongoing with another property fund manager over a possible merger.

4.8 Ethical Investment Policy

The Council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's mission and values. This would include, inter alia, avoiding direct investment in institutions with material links to:

- Human rights abuse (e.g. child labour, political oppression)
- Environmentally harmful activities (e.g. pollutants, destruction of habitat, fossil fuels)
- Socially harmful activities (e.g. tobacco, gambling)

In addition to this, and in furtherance of the Council's carbon neutral ambitions, the Council will invest in green deposit notice accounts, providing that they are in accordance with the Council's prevailing investment criteria.

5. THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2024/25 – 2028/29

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

5.1 Capital Expenditure

	2022/23 Actual £000	2023/24 Revised £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Capital Expenditure	2,332	11,761	3,827	1,685	788	4,090	935
Financed by:							
Capital Receipts	(136)	(1,675)	(574)	0	0	(500)	(220)
Capital Grants & Contributions	(1,018)	(3,660)	(1,493)	(660)	(660)	(660)	(660)
Capital Reserves	(225)	(107)	(94)	(55)	(55)	(55)	(55)
Revenue Contributions	(43)	(113)	0	0	0	0	.0
Net financing need for the year	910	6,206	1,666	970	73	2,875	0

5.2 Affordability prudential indicators

The previous sections deal with the prudential indicators relating to overall capital expenditure and control of borrowing, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall financial position. The Council is asked to approve the following indicators:

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals in the budget report.

	2022/23 Actual £000	2023/24 Revised £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
General Fund	6.78%	8.73%	10.80%	11.84%	11.90%	12.91%	14.47%

The estimates of financing costs include current commitments and the proposals in the budget report.

Commercial and Service Investment Income to Net Revenue Stream

This Indicator is aimed at showing the financial exposure of the Council to the loss of its non-treasury investment income. The higher the ratio, the more reliant the Council is on income from commercial and service investments which represents a potential affordability risk should those investments perform badly or fail.

Local Authorities without commercial and service investments need not report this indicator which is currently the case for Blaby as it does not hold any commercial investments that are held for purely financial return. Where assets generate income, these are long standing assets held for historic or regeneration benefit such as the Enderby Road Industrial Estate Units, or for housing purposes like the Old Bank.

5.3 Maturity structure of borrowing

These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Maturity structure of fixed interest rate borrowing 2024/25		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%
Maturity structure of variable interest rate borrowing 2024/25		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%

The maturity structure limits are designed to ensure that the Council has the maximum possible flexibility to be able to restructure its loans portfolio to maximise the financial benefit to the General Fund.

5.4 Control of Interest Rate Exposure

See paragraphs 3.3, 3.4 and 4.4

APPENDIX B

Link Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

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ECONOMIC BACKGROUND

A Narrative taken from information sourced from the Council's Treasury advisors: Link Group

The third quarter of 2023/24 saw:

- A 0.3% m/m decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30th September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;
- A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS "experimental" rate of unemployment has remained low at 4.2%;
- CPI inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
- Core CPI inflation decreasing from April and May's 31 years' high of 7.1% to 5.1% in November, the lowest rate since January 2022;
- The Bank of England holding Bank Rate at 5.25% in November and December;
- A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.

The revision of GDP data in Q2 to a 0.1% q/q fall may mean the mildest of mild recessions has begun. Indeed, real GDP in October fell 0.3% m/m which does suggest that the economy may stagnate again in Q3. The weakness in October may partly be due to the unseasonably wet weather. That said, as the weakness was broad based it may also be the case that the ongoing drag from higher interest rates is more than offsetting any boost from the rise in real wages.

However, the rise in the flash composite activity Purchasing Managers Index, from 50.7 in November to 51.7 in December, did increase the chances of the economy avoiding a contraction in Q3. The improvement was entirely driven by the increase in the services activity balance from 50.9 to 52.7. (Scores above 50 point to expansion in the economy, although only tepid in this instance.) The press release noted that this was primarily driven by a revival in consumer demand in the technological and financial services sectors. This chimes with the further improvement in the GfK measure of consumer confidence in December, from -24 to -22. The services PMI is now consistent with non-retail services output growing by 0.5% q/q in Q3, but this is in stark contrast to the manufacturing sector where the output balance slumped from 49.2 to 45.9 and, at face value, the output balance is consistent with a 1.5% q/q fall in manufacturing output in Q3.

The 0.3% m/m fall in retail sales volumes in October means that after contracting by 1.0% q/q (which was downwardly revised from -0.8% q/q) in Q2, retail activity remained weak at the start of Q3. That suggests higher interest rates are taking a bigger toll on real consumer spending.

Higher interest rates have filtered through the financial channels and weakened the housing market but, overall, it remains surprisingly resilient with the Halifax house price index recently pointing to a 1.7% year on year increase whilst Nationwide's December data pointed to a -1.8% year on year decrease. However, the full weakness in real consumer spending and real business investment has yet to come as currently it is estimated that around two thirds to a half of the impact of higher interest rates on household interest payments has yet to be felt.

Overall, we expect real GDP growth to remain subdued throughout 2024 as the drag from higher interest rates is protracted but a fading of the cost-of-living crisis and interest rate cuts in the second half of 2024 will support a recovery in GDP growth in 2025.

The labour market remains tight by historical standards, but the sharp fall in wage growth seen in October will reinforce the growing belief in markets that interest rates will be cut mid-2024. Wage growth eased in October much faster than the consensus expected. Total earnings fell by 1.6% m/m, which meant the headline 3myy rate eased from 8.0% in September to 7.2% in October. This news will be welcomed by the Bank of England. Indeed, the timelier three-month annualised rate of average earnings growth fell from +2.4% to -1.2%. Excluding bonuses, it fell from 5.3% to 2.0%. Furthermore, one of the Bank's key barometers of inflation persistence, regular private sector pay growth, dropped from 7.9% 3myy to 7.3%, which leaves it comfortably on track to fall to 7.2% by December, as predicted by the Bank in November.

The fall in wage growth occurred despite labour demand being stronger in October than expected. The three-month change in employment eased only a touch from +52,000 in September to +50,000 in October. But resilient labour demand was offset by a further 63,000 rise in the supply of workers in the three months to October. That meant labour supply exceeded its pre-pandemic level for the first time, and the unemployment rate remained at 4.2% in October. In the three months to November, the number of job vacancies fell for the 17th month in a row, from around 959,000 in October to around 949,000. That has reduced the vacancy to unemployment ratio as demand for labour eases relative to supply, which may support a further easing in wage growth in the coming months.

CPI inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. Both these falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). That's the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some

of it was due to services inflation falling from 6.6% to 6.3%. The Bank views the latter as a key barometer of the persistence of inflation and it came in further below the Bank's forecast of 6.9% in its November Monetary Policy Report. This will give the Bank more confidence that services inflation is now on a firmly downward path.

The Bank of England sprung no surprises with its December monetary policy committee (MPC) meeting, leaving interest rates at 5.25% for the third time in a row and pushing back against the prospect of near-term interest rate cuts. The Bank continued to sound hawkish, with the MPC maintaining its tightening bias saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures". And it stuck to the familiar script, saying that policy will be "sufficiently restrictive for sufficiently long" and that "monetary policy is likely to need to be restrictive for an extended period of time". In other words, the message is that the MPC is not yet willing to endorse investors' expectations that rates will be cut as soon as May 2024.

Looking ahead, our colleagues at Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline more decisively again in February. That explains why we think the Bank of England won't feel comfortable cutting interest rates until H2 2024.

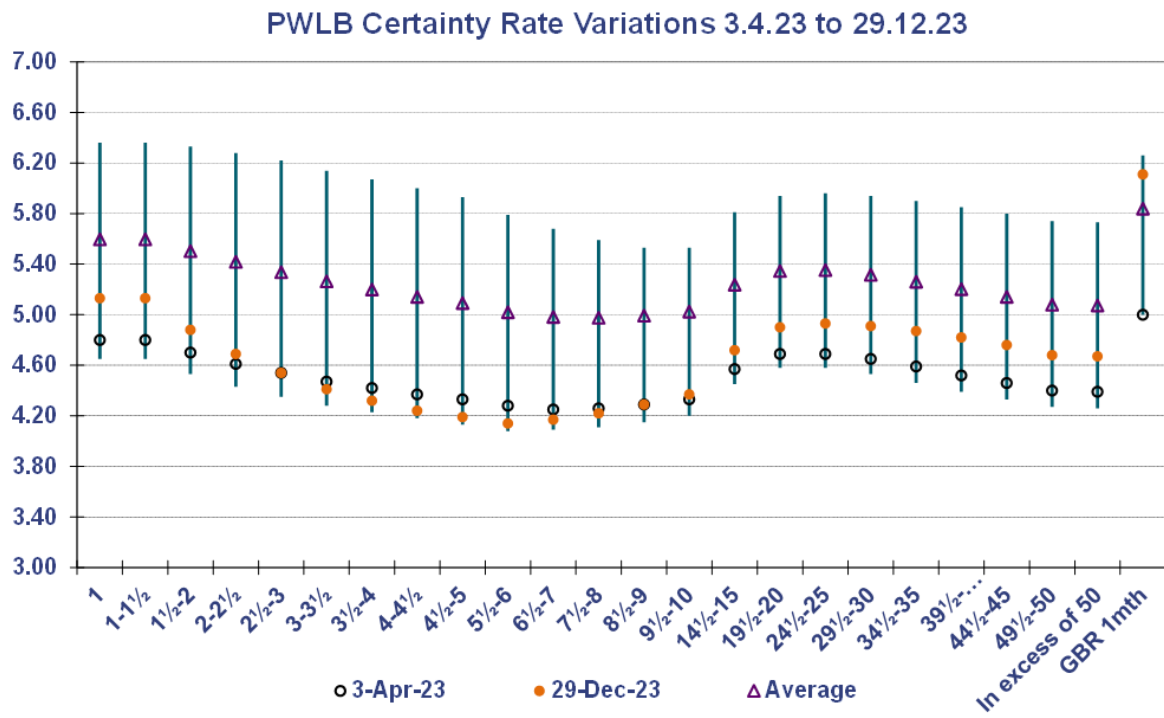
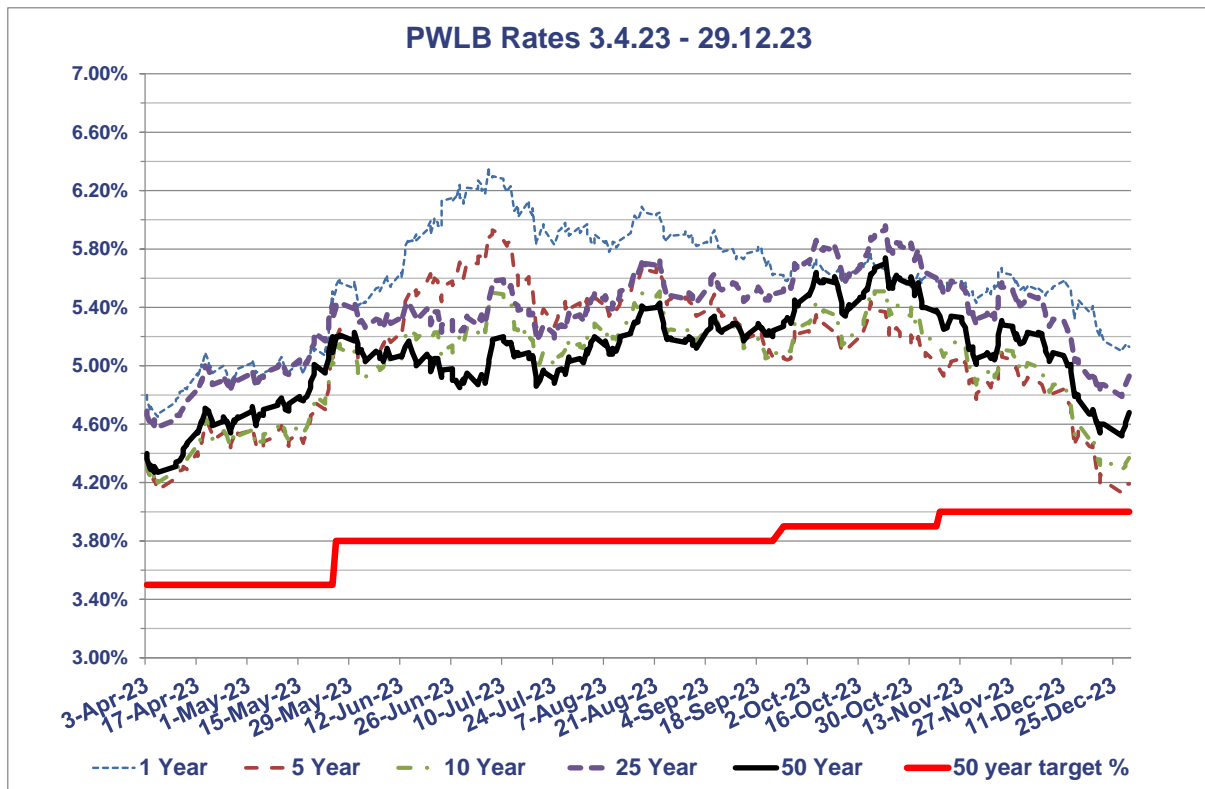
The fall in UK market interest rate expectations in December has driven most of the decline in 10-year gilt yields, which have fallen in line with 10-year US Treasury and euro-zone yields. 10-year gilt yields have fallen from 4.68% in October 2023 to around 3.70% in early January, with further declines likely if the falling inflation story is maintained.

Investors' growing expectations that the Fed will cut interest rates soon has led to an improvement in risk sentiment, which has boosted the pound and other risky assets. In addition, the rise in the pound, from \$1.21 in November to \$1.27 now, has also been supported by the recent relative decline in UK wholesale gas prices.

The further fall in 10-year real gilt yields in December has supported the recent rise in the FTSE 100. That said, the index remains 5% below its record high in February 2023. This modest rise in equities appears to have been mostly driven by strong performances in the industrials and rate-sensitive technology sectors. But UK equities have continued to underperform US and euro-zone equities. The FTSE 100 has risen by 2.2% in December, while the S&P 500 has risen by 3.8%. This is partly due to lower energy prices, which have been a relatively bigger drag on the FTSE 100, due to the index's high concentration of energy companies.

In the chart below, the rise in gilt yields across the curve in the first half of 2023/24, and therein PWLB rates, is clear to see, prior to the end of year rally based on a mix of supportive domestic and international factors.

PWLB RATES 3.4.23 - 29.12.23



HIGH/LOW/AVERAGE PWLB RATES FOR 3.4.23 – 29.12.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.13%	4.20%	4.58%	4.27%
Date	06/04/2023	27/12/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.53%	5.96%	5.74%
Date	06/07/2023	07/07/2023	23/10/2023	23/10/2023	23/10/2023
Average	5.60%	5.09%	5.03%	5.35%	5.08%
Spread	1.71%	1.80%	1.33%	1.38%	1.47%

MPC meetings 2nd November and 14th December 2023

On 2nd November, the Bank of England's Monetary Policy Committee (MPC) voted to keep Bank Rate on hold at 5.25%, and on 14th December reiterated that view. Both increases reflected a split vote, the latter by 6 votes to 3, with the minority grouping voting for an increase of 0.25% as concerns about "sticky" inflation remained in place.

Nonetheless, with UK CPI inflation now at 3.9%, and core inflating beginning to moderate (5.1%), markets are voicing a view that rate cuts should begin in Q1 2024/25, some way ahead of the indications from MPC members. Of course, the data will be the ultimate determinant, so upcoming publications of employment, wages and inflation numbers will be of particular importance, and on-going volatility in Bank Rate expectations and the gilt yield curve can be expected.

In addition, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has kept short-term rates in the range of 5.25%-5.50%, whilst the ECB has moved its Deposit rate to a probable peak of 4%. Markets currently expect both central banks to start cutting rates in 2024.

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CREDIT AND COUNTERPARTY RISK MANAGEMENT

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' quality criteria where applicable. (Non-specified investments which would be specified investments apart from originally being for a period longer than 12 months, will be classified as being specified once the remaining period to maturity falls to under twelve months.)

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria/ colour band	Maximum investment limit per institution	Maximum maturity period
DMADF – UK Government	Yellow	unlimited	6 months (maximum set by DMO)
UK Gilts*	Yellow	£5m	5 years
UK Treasury bills*	Yellow	£5m	364 days (maximum set by DMO)
Bonds issued by Multilateral Development Banks	Yellow	£5m	5 years
Money market funds – Constant Net Asset Value (CNAV)	AAA	£8m per fund	Liquid
Money market funds – Low Volatility Net Asset Value (LVNAV)	AAA	£8m per fund	Liquid
Money market funds – Variable Net Asset Value (VNAV)	AAA	£8m per fund	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	AAA	£3m per fund	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	AAA	£3m per fund	Liquid
Local authorities	Yellow	£5m per authority	1 year

UK Banks	Orange Red Green	£5m	1 year 6 months 100 days
Part nationalised UK Banks	Blue	£8m	1 year
Non-UK Banks (with a Sovereign Rating of AA-)	Orange Red Green	£3m	1 year 6 months 100 days
Building Societies	Orange Red Green	£5m	Up to 1 year Up to 6 Months Up to 100 days

* UK Government gilts and treasury bills are rarely, if ever, used but are included in this list as a potential, high credit quality investment.

DMO is the Debt Management Office of HM Treasury.

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the specified investment criteria.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria/ colour band	Maximum investment limit per institution	Maximum maturity period
Local authorities	n/a	£5m per authority	5 years
UK Banks	Yellow Purple	£5m	5 years 2 years
Non-UK Banks (with a Sovereign Rating of AA-)	Yellow Purple	£3m	5 years 2 years

Building Societies	P-2 (Moody's)	£5m	Up to 100 days
Property Funds	n/a	£1m	Minimum of 5 years
Council's own bank	n/a	£8m	Overnight

The criteria in this appendix are intended to be the operational criteria in normal times. At times of heightened volatility, risk and concern in financial markets, this strategy may be amended by temporary operational criteria further limiting investments to counterparties of a higher creditworthiness and/or restricted time limits

The Council will undertake investments for periods in excess of one year only when it has been clearly established that core funds are available, and that any funds invested will not be required during the term of the investment.

The Council's policy is not to invest with subsidiaries of counterparties where those subsidiaries do not have credit ratings in their own right, even where they have an unconditional guarantee from a parent.

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APPENDIX E

APPROVED COUNTERPARTY LENDING LIST 2024/25

	Country	Monetary Limit	Maximum Period for Investment
UK Banks			
Bank of Scotland plc (RFB)	UK	£5m	6 months
Barclays Bank plc (NRFB)	UK	£5m	6 months
Barclays Bank plc (RFB)	UK	£5m	6 months
Close Brothers	UK	£5m	6 months
Clydesdale Bank PLC	UK	£5m	100 days
Goldman Sachs International Bank	UK	£5m	6 months
Handelsbanken plc	UK	£5m	1 year
HSBC Bank PLC (NRFB)	UK	£5m	1 year
HSBC UK Bank plc (RFB)	UK	£5m	1 year
Lloyds Bank Corporate Markets plc (NRFB)	UK	£5m	6 months
Lloyds Bank plc (RFB)	UK	£5m	6 months
NatWest Markets plc (NRFB)	UK	£5m	6 months
Santander Financial Services plc (NRFB)	UK	£5m	6 months
Santander UK plc	UK	£5m	6 months
SMBC Bank International Limited	UK	£5m	6 months
Standard Chartered Bank	UK	£5m	6 months
Nationalised/Part Nationalised Banks			
National Westminster Bank plc (RFB)	UK	£5m	1 year
The Royal Bank of Scotland plc (RFB)	UK	£5m	1 year
Non-UK Banks			
Australia and New Zealand Banking Group Ltd	Australia	£3m	1 year
Commonwealth Bank of Australia	Australia	£3m	1 year
Macquarie Bank Limited	Australia	£3m	6 months
National Australia Bank Ltd	Australia	£3m	1 year
Westpac Banking Corporation	Australia	£3m	1 year
BNP Paribas Fortis	Belgium	£3m	6 months
KBC Bank NV	Belgium	£3m	1 year
Bank of Montreal	Canada	£3m	1 year
Bank of Nova Scotia	Canada	£3m	1 year
Canadian Imperial Bank of Commerce	Canada	£3m	1 year
National Bank of Canada	Canada	£3m	6 months
Royal Bank of Canada	Canada	£3m	1 year
Toronto Dominion Bank	Canada	£3m	1 year
Danske Bank	Denmark	£3m	6 months
Nordea Bank Abp	Finland	£3m	1 year
OP Corporate Bank plc	Finland	£3m	1 year
BNP Paribas	France	£3m	1 year
Credit Agricole Corporate & Investment Bank	France	£3m	1 year
Credit Agricole SA	France	£3m	1 year
Credit Industriel et Commercial	France	£3m	1 year
Societe Generale	France	£3m	6 months
Bayerische Landesbank	Germany	£3m	6 months
Commerzbank	Germany	£3m	6 months
Deutsche Bank AG	Germany	£3m	6 months
DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	Germany	£3m	1 year
Landesbank Baden-Wuerttemberg	Germany	£3m	6 months
Landesbank Berlin AG	Germany	£3m	1 year
Landesbank Hessen-Thuringen Girozentrale	Germany	£3m	1 year
Landwirtschaftliche Rentenbank	Germany	£3m	2 years
Norddeutsche Landesbank Girozentrale	Germany	£3m	100 days
NRW Bank	Germany	£3m	2 years
ABN AMRO Bank NV	Netherlands	£3m	6 months
Bank Nederlandse Gemeenten NV	Netherlands	£3m	2 years
Coöperatieve Rabobank UA	Netherlands	£3m	1 year
ING Bank NV	Netherlands	£3m	1 year
Nederlandse Waterschapsbank NV	Netherlands	£3m	2 years
DNB Bank ASA	Norway	£3m	1 year
DBS Bank Ltd	Singapore	£3m	1 year
Oversea Chinese Banking Corporation Ltd	Singapore	£3m	1 year
United Overseas Bank Ltd	Singapore	£3m	1 year
Skandinaviska Enskilda Banken AB	Sweden	£3m	1 year
Svenska Handelsbanken AB	Sweden	£3m	1 year
Swedbank AB	Sweden	£3m	1 year
UBS AG	Switzerland	£3m	1 year
Bank of America, N.A.	USA	£3m	1 year
The Bank of New York Mellon	USA	£3m	2 years
Citibank NA	USA	£3m	1 year
JP Morgan Chase Bank NA	USA	£3m	1 year
Wells Fargo Bank NA	USA	£3m	1 year
Building Societies			
Coventry Building Society	UK	£5m	6 months
Leeds Building Society	UK	£5m	100 days
Nationwide Building Society	UK	£5m	6 months
Principality Building Society	UK	£5m	100 days
Skipton Building Society	UK	£5m	6 months
Yorkshire Building Society	UK	£5m	100 days
Other Institutions			
Local Authorities (per authority)	UK	£5m	5 years
Collateralised LA Deposit	UK	£5m	5 years
UK Debt Management Office (DMADF)	UK	unlimited	5 years
Multilateral Development Banks	UK	£5m	5 years
Supranationals	UK	£5m	5 years
UK Gilts	UK	£5m	5 years
Money Market Funds (per Fund) - Constant Net Asset Value (CNAV)	UK	£8m	Liquid
Money Market Funds (per Fund) - Low Volatility Net Asset Value (LVNAV)	UK	£8m	Liquid
Money Market Funds (per Fund) - Variable Net Asset Value (VNAV)	UK	£8m	Liquid
HSBC Call Account	UK	£8m	Liquid
Property Funds	UK	£3m	Minimum of 5 years

NB: Monetary limits apply to groups as well as individual counterparties.

RFB = Ring Fenced Bank

NRFB = Non Ring Fenced Bank

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APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link Group credit worthiness service.

Based on lowest rating available

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA-

- Belgium
- France
- United Kingdom

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TREASURY MANAGEMENT SCHEME OF DELEGATION

The following is an extract from TMP5 – Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements.

5.1 Allocation of responsibilities

Council:

- receiving and reviewing reports on treasury management policies, practices, and activities
- approval of annual strategy.

Cabinet Executive:

- approval of amendments to the Council's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

Scrutiny Committee:

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

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ROLE OF THE SECTION 151 OFFICER

5.4 Statement of the Treasury Management Duties/Responsibilities of each Treasury Post

The responsible officer

The responsible officer is the person charged with professional responsibility for the treasury management function and in this Council that person is the Executive Director (Section 151). This person will carry out the following duties: -

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe.
- ensuring that the capital strategy is prudent, sustainable, affordable, and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees.
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following:
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios.*

- *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments.*
- *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making.*
- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken.*
- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

Blaby District Council

Cabinet Executive

Date of Meeting	26 February 2024
Title of Report	Schedule of Charges 2024/25 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 The purpose of this report is to recommend the proposed level of fees and charges for the financial year commencing 1st April 2024.

2. Recommendation(s) to Cabinet Executive

- 2.1 That the Schedule of Charges for 2024/25, appearing at Appendix A, is approved.

3. Reason for Decisions Recommended

- 3.1 To ensure that the fees and charges for 2024/25 are formally set and approved.

4. Matters to consider

4.1 Background

As part of the annual budget setting cycle Service Managers have been asked to undertake a review of the Councils fees and charges with a view of maximising income streams, and to ensure that, where permissible, they are set at a level that achieves cost recovery as a minimum.

There are certain charges that are set at a national level, so these fees remain unchanged. In some cases, there is less scope to increase charges due to external competition, without having a negative impact on demand.

4.2 Proposals

The complete Schedule of Charges for 2024/25 is attached at Appendix A. Members attention is drawn to the following charges in particular:

Bulky Items Collections

The collection charges for Bulky items have been reviewed and a new charging structure is proposed. The new charges are set at £30 for the collection of the 1st item and then £20 per additional item up to a maximum of 6 items. The new structure is in line with external competition.

There is potential for a review of the charges to be needed during the year due to EA rules relating to Persistent Organic Pollutants (POPs). These are found in upholstered domestic seating and the law requires that waste containing POPs must be incinerated and must not be re-used, recycled or landfilled. The Council has a Duty of Care to ensure that the law is complied with, and the Council already has measures in place to ensure any waste containing POP's is collected and disposed of separately to other waste collected. Should there be any changes to the cost of these collections and disposals, the fees would need to be revised to ensure full cost recovery.

Workplace Chargers

Supporting staff to switch to low carbon transport is essential for the Council to meet its net zero 2030 target. The 2022 staff survey indicated that there is a strong desire to switch to electric vehicles, following this, a project has been undertaken to introduce electric charging points at the Council Offices. A new fee has been added to the 2024/25 fees and charges schedule for Council staff, for charging private vehicles at the Council Offices. The fees are set to cover the cost of electricity and management of the scheme.

Legal Services

Legal Fees have been reviewed and revised. The fees set ensure cost recovery of Officer time to complete the works.

Licensing – Private Sector Housing

A new Licence fee has been added for 2024/25; for a HMO licence application fee that applies to property's found to be already operating as a House in multiple operation without a licence. It is an offence to be operating as a HMO without a licence, and the responsible party can be prosecuted or issued with a Civil Penalty, although the Council's Enforcement Policy is based on the principle of taking informal action prior to legal action. The fee is set to cover the investigation costs and administrative costs, and to also incentivise landlords to apply for a licence prior to meeting the threshold required to have one. This is an option that a number of other Councils have chosen to implement as a way of recovering costs and is a more proportionate response than immediate legal action.

Licensing – Hackney Carriage and Private Hire

Any changes to Taxi Operator and Vehicle Licensing fees are required to be consulted on. The consultation process for the proposed 2024/25 fees concluded in January.

Leisure Centre Fees and Charges

These are set by our leisure management operator, SLM Limited, but have not yet been released. The Schedule of Charges will be updated to include the fees and charges applicable from 1st April 2024 once they are available.

Building Control Charges Scheme

Building Control Fees are not disclosed in Appendix A for reasons of commercial sensitivity.

4.3 Relevant Consultations

The Service Managers have been consulted and fully engaged in the calculation of these charges and fees.

4.4 Future Amendments to the Schedule of Charges

The Constitution grants delegated authority to the Executive Director (Section 151 Officer) to amend fees and charges, where necessary, during the financial year.

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

5.1 Not applicable

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

6.1

Current Risk	Actions to reduce the risks
The greatest risk is that the increase in a charge will significantly affect the take up of that service.	The elasticity of the demand for the service has been considered for each charge to avoid unnecessary loss of income.

7. Other options considered

7.1 Not to review the fees and charges. However, it is considered appropriate that, where possible, charges should be set at a level necessary to achieve full cost recovery.

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 – Schedule of Charges 2024/25

11. Background paper(s)

- 11.1 None

12. Report author's contact details

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SCHEDULE OF CHARGES 2024/25

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SCHEDULE OF CHARGES 2024/25

CLASSIFICATION OF HEADINGS

The column headed "Basis of Charge" defines the basis for fees and charges to be applied.

A	Minimum Charge	
B	Hourly Rate	
C	Each Collection	
D	Each	
E	Flat Rate	
F	Each Visit	
G	Session	
H	All Day	
I	Part Day	
J	Per Copy	
K	Per Week	
L	Per Year	
M	Per Course	
N	Per Night	
P	Per Ticket	
Q	Per Quarter	
R	Per Page	

The column headed "Vat Category" defines the Value Added Tax (VAT) status of the charge.

A definition of each category is given below:

OS	Non-Business	The charge is outside the scope of VAT
EX	Exempt	The charge is exempt from VAT
ZR	Zero Rated	The charge is liable to VAT at a zero rate
SR	Standard Rated	The charge is liable to VAT at the standard rate

The standard rate of VAT is currently 20%.

Any future changes in the VAT rate will result in an amended charge from the date of change.

SCHEDULE OF CHARGES 2024/25

Refuse Collection and Recycling

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Refuse Collection and Recycling								
Business Waste – Refuse Collections								
70 Litre Sacks	2128/MDE	C	OS*	£3.50	£3.50	£3.75	£3.75	1,3
Wheeled Bins (Weekly Collection)								
1100 litre - 1st bin	2128/MDD	Q	OS*	£26.99	£26.99	£28.99	£28.99	3
660 litre	2128/MDD	Q	OS*	£19.29	£19.29	£20.79	£20.79	3
360 litre	2128/MDD	Q	OS*	£12.99	£12.99	£13.99	£13.99	3
240 litre	2128/MDD	Q	OS*	£10.99	£10.99	£11.79	£11.79	3
*Businesses outside of Blaby District will be liable for VAT								
Business Waste Mixed Recycling Collections								
Wheeled Bins (Price Per Collection)	2128/MDT	Q	OS*	£12.99	£12.99	£13.99	£13.99	3
1100 litre	2128/MDT	Q	OS*	£8.99	£8.99	£9.69	£9.69	3
660 litre	2128/MDT	Q	OS*	£5.19	£5.19	£5.59	£5.59	3
360 litre	2128/MDT	Q	OS*	£4.89	£4.89	£5.29	£5.29	3
240 litre								
*Businesses outside of Blaby District will be liable for VAT								
<u>Commercial Glass Recycling Service (per bin)</u>								
Weekly Collection								
360 litre	2128/MDP	Q	OS*	£4.49	£4.49	£4.89	£4.89	3
*Businesses outside of Blaby District will be liable for VAT								
Wheeled Domestic Refuse& Recycling Bins								
Up to 3 residents								
Standard Capacity (140 litres)	2127/MCB	D	OS	FOC	FOC	FOC	FOC	
Chargeable Capacity (240 LITRES)	2127/MCB	D	OS	£23.00	£23.00	£24.50	£24.50	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
4-6 residents								
Standard Capacity (240 litres)	2127/MCB	D	OS	FOC	FOC	FOC	FOC	
Chargeable Capacity (380 litres)	2127/MCB	D	OS	£23.00	£23.00	£24.50	£24.50	
7 plus residents								
Standard Capacity (240 litres)	2127/MCB	D	OS	FOC	FOC	FOC	FOC	
Chargeable Capacity (380 litres)	2127/MCB	D	OS	£23.00	£23.00	£24.50	£24.50	
*one-off charge								
Domestic Garden Waste Collections								
Garden Waste bin (140 litre)	2127/MDH	L	OS	£28.20	£28.20	£30.00	£30.00	
Garden Waste bin (240 litre)	2127/MDH	L	OS	£41.70	£41.70	£44.00	£44.00	
Garden Waste bin Mid Subscription bin size change	2127/MDH	L	OS	£13.50	£13.50	£14.00	£14.00	5
Telephone Charge - Per transaction	2127/MDH	L	OS	£2.50	£2.50	£2.50	£2.50	6
Negligently Damaged/Stolen Wheeled Bins								
140 litre	2127/MEJ	D	OS	£23.00	£23.00	£24.50	£24.50	2
240 litre	2127/MEJ	D	OS	£23.00	£23.00	£24.50	£24.50	2
Chargeable Household Collections (Via Telephone)								
collection method proposed to be changed, to charge increased price for 1st item then a fixed fee for each item after								
1 Large item	2127/MZA	C	OS	N/A	N/A	£32.50	£32.50	4,7
cost for each item after up to a maximum of 6	2127/MZA	C	OS	N/A	N/A	£20.00	£20.00	4,8
Chargeable Household Collections (Via Website)								
collection method proposed to be changed, to charge increased price for 1st item then a fixed fee for each item after								
1 Large item	2127/MZA	C	OS	N/A	N/A	£30.00	£30.00	4,7
cost for each item after up to maximum of 6	2127/MZA	C	OS	N/A	N/A	£20.00	£20.00	4,8

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Cleansing Services								
Non Statutory Litter and Dog Bin Emptying Service								
Standard bin service rate (dog and litter bins)	2126/MDR	Q	SR	£3.83	£3.19	£4.19	£3.49	
Remote bin service rate (dog and litter bins)	2126/MDR	Q	SR	£5.39	£4.49	£5.87	£4.89	
Other Services								
Non Statutory Mechanical Sweeping Service	2126/MDR	Q	SR	POA	POA	POA	POA	
Supplementary (Non Statutory) Litter Picking Service	2126/MDR	Q	SR	POA	POA	POA	POA	
Special waste clearance	2126/MDR	Q	SR	POA	POA	POA	POA	

Notes

1. Price per pack. Sold in packs of 20 sacks
2. Consistent with rates above for Wheeled Domestic refuse and Recycling Bins
3. Registered charitable organisations and schools may be eligible for a reduction on these rates in accordance with the 'Controlled Waste Regulations 2012'. Please send any enquires regarding this to the Business Waste team at business.waste@blaby.gov.uk
4. Bulky waste prices may need to change in year to ensure cost recovery due to EA rule to keep sofa's and armchair material separate as need to be shredded and incinerated resulting in requirement to be separately collected and/or disposed. Authority on price change to be delegated to Portfolio Holder and Group Manager
5. Always set to be the difference between the 140ltr and 240ltr bin price
6. Keep in line with corporate charge otp transactions
7. £30 for first item and £20 for each item thereafter
8. We will be charging residents £30 for one item and then £20 per additional item up to a maximum of 6 items. We have moved away from the previous charging structure of 1-3 items etc as it was resulting in abuses of the scheme (i.e., residents getting rid of 3 sofas at a time), was contrary to the polluter pays principle as it encourages residents to find more waste to throw to get their monies worth, and was woefully short of where the private sector are charging such as clearbee. We also needed to ensure full cost recovery from the additional cost of undertaking POPS related collections.

SCHEDULE OF CHARGES 2024/25

Environmental Health Services

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
<u>Control of Dogs</u>								
Stray Dogs - Statutory Charge	2114/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
Stray Dog Administration Fee	2114/MPF	D	SR	£36.00	£30.00	£37.20	£31.00	
Emergency Vets Fees	2114/MPH	D	SR	Actual Cost	Actual Cost	Actual Cost	Actual cost	
Pavement Stencils	2114/MCB	D	SR	Note 2	Note 2	Note 2	Note 2	
Fixed Penalty Notices:								
Public Space Protection Order Fixed Penalty Notice	2114/MCP	D	OS	£100.00	£100.00	£100.00	£100.00	
<u>Other Public Health Risks</u>								
Private Water Supplies								
Risk Assessment	2111/MRB	D	OS	Note 3	Note 3	Note 3	Note 3	
Sampling	2111/MRB	D	OS	Note 3	Note 3	Note 3	Note 3	
Investigation of Contamination	2111/MRB	D	OS	Note 3	Note 3	Note 3	Note 3	
Granting of Exceedance Authorisation	2111/MRB	D	OS	Note 3	Note 3	Note 3	Note 3	
Analysis of Domestic Supply	2111/MRB	D	OS	Note 4	Note 4	Note 4	Note 4	
Analysis Check Monitoring (Commercial)	2111/MRB	D	OS	Note 4	Note 4	Note 4	Note 4	
Analysis Audit Monitoring (Commercial)	2111/MRB	D	OS	Note 4	Note 4	Note 4	Note 4	
Section 28 - Statement of Facts	2111/MCB	D	OS	Note 3	Note 3	Note 3	Note 3	
<u>Contaminated Land</u>								
Response to enquiry relating to contaminated site								

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
- Minimum Charge	2115/MPB	A	OS	£75.00	£75.00	£78.00	£78.00	12
- Hourly Rate	2115/MPB	B	OS	Negotiable	Negotiable	Negotiable	Negotiable	
<u>Environmental Permitting Regulations</u>								
Prescribed Process Application Fee	2122/MPC	D	OS	Statutory	Statutory	Statutory	Statutory	
Prescribed Process Subsistence Payments	2122/MPC	D	OS	Statutory	Statutory	Statutory	Statutory	
Copy of Prescribed Processes Register	2122/MCB	D	OS	£335.00	£335.00	£335.00	£335.00	
Additional copy of Prescribed Process Permit	2122/MCB	D	OS	£18.00	£18.00	£18.00	£18.00	
<u>Private Sector Housing</u>								
Immigration Service Certificates								
Provision of Initial Certificate	2113/MCB	D	OS	£170.00	£170.00	£175.00	£175.00	
Subsequent Revision	2113/MCB	D	OS	£25.00	£25.00	£26.00	£26.00	
HMO Licence Fee (standard)	2113/MCB	D	OS	£580.00	£580.00	£605.00	£605.00	
HMO Licence Fee (subsequent)	2113/MCB	D	OS	£500.00	£500.00	£500.00	£500.00	
HMO Licence Renewal Fee (standard)	2113/MCB	D	OS	£450.00	£450.00	£470.00	£470.00	
HMO Licence Renewal Fee (subsequent)	2113/MCB	D	OS	£370.00	£370.00	£385.00	£385.00	
HMO licence subsistence charge	2113/MCB	D	OS	£315.00	£315.00	£330.00	£330.00	
Additional HMO Licence Related Work	2113/MCB	D	OS	Negotiable	Negotiable	Negotiable	Negotiable	
Section 49 & 50 Housing Notice	2113/MCB	D	OS	Note 3	Note 3	Note 3	Note 3	3
HMO licence application fee if property found already operating as a licensable HMO	2113/MCB	D	OS	NA	NA	£165.00	£165.00	10
<u>Food Safety</u>								
Food Premises Register (Commercial)								
Complete	2108/MCB	D	OS	£420.00	£420.00	£435.00	£435.00	
Per entry (minimum)	2108/MCB	D	OS	£13.00	£13.00	£14.00	£14.00	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Each additional entry	2108/MCB	D	OS	£8.00	£8.00	£8.00	£8.00	
Food Hygiene Rating Scheme - Revisit Inspection	2108/MCB	D	OS	£200.00	£200.00	£200.00	£200.00	9
Health Certificate - exported food	2108/MCB	D	OS	£155.00	£155.00	£160.00	£160.00	
<u>Envirocrime</u>								
Fixed Penalty Notices								
Depositing Litter	2116/MCP	D	OS	£150.00	£150.00	£150.00	£150.00	7,11
Failure to comply with:								
Waste Receptacles Notice	2116/MCP	D	OS	£80.00	£80.00	£80.00	£80.00	
Failure to Produce Waste Documents	2116/MCP	D	OS	£300.00	£300.00	£300.00	£300.00	
Failure to Produce Authority to Transport Waste	2116/MCP	D	OS	£300.00	£300.00	£300.00	£300.00	
Unauthorised Distribution of Free Printed Matter	2116/MCP	D	OS	£150.00	£150.00	£150.00	£150.00	
Waste Receptacles Offences	2116/MCP	D	OS	£80.00	£80.00	£80.00	£80.00	
Nuisance Parking	2116/MCP	D	OS	£0.00	£0.00	£0.00	£0.00	
Graffiti and Fly Posting	2116/MCP	D	OS	£150.00	£150.00	£150.00	£150.00	
Abandoned Vehicles	2116/MCN	D	OS	£200.00	£200.00	£200.00	£200.00	
Community Protection Fixed Penalty Notice	2116/MCP	D	OS	£100.00	£100.00	£100.00	£100.00	
Fly tipping Fixed Penalty Notice	2116/MCP	D	OS	£400.00	£400.00	£400.00	£400.00	
Fly Tipping Duty of Care Fixed Penalty Notice	2116/MCP	D	OS	£400.00	£400.00	£400.00	£400.00	8
Failure to display sign in Smoke free	2116/MCP	D	OS	£50.00	£50.00	£50.00	£50.00	5
Smoke free Fixed penalty notice	2116/MCP	D	OS	£200.00	£200.00	£200.00	£200.00	6

Notes

1. Statutory fee, therefore subject to revision by Government
2. According to quantity ordered
3. Contractor's hourly rate (max £45/£50)
4. Laboratory Costs
5. Reduced to £30 if paid within 15 days
6. Reduced to £150 if paid within 15 days
7. Reduced to £100 if paid within 10 days
8. Reduced to £300 if paid within 10 days
9. The food hygiene rating scheme has been in operation at Blaby District Council since 2007 issuing food businesses with a rating following their routine mandatory food inspection. In 2017 the Food Standards Agency introduced the power for local authorities to charge for a requested rescore visit to try and improve their Food Hygiene Rating score if they wish. Blaby District Council introduced the charging policy from 2017 at a cost of £150 per request for a rescore and this has not been reviewed since its introduction. The new proposed rate is £200 per request for rescore which includes a revised officer hourly rate and a more accurate representation of the time taken to process of revisiting and issuing a rescore."
10. New fee for 2024/25
11. All envirocrime FPN levels to be reviewed in 2024/25. Will require Cabinet approval at that time.
12. 4% increase on the CL enquiry rate.

SCHEDULE OF CHARGES 2024/25

Car Parking

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Weavers Court, Narborough								
Up to 1 Hour	4000/MKA	D	SR	£0.70	£0.58	£0.70	£0.58	1
Up to 2 hours	4000/MKA	D	SR	£1.00	£0.83	£1.00	£0.83	1
Up to 3 hours	4000/MKA	D	SR	£1.50	£1.25	£1.50	£1.25	1
Up to 4 hours	4000/MKA	D	SR	£3.00	£2.50	£3.00	£2.50	1
Over 4 hours	4000/MKA	D	SR	£6.00	£5.00	£6.00	£5.00	1
Residents Parking Permits	4000/MKA	L	SR	£85.00	£70.83	£85.00	£70.83	1
Narborough Station, Narborough								
All day	4000/MKA	H	SR	£6.00	£5.00	£6.00	£5.00	
Season Tickets	4000/MKA	L	SR	£500.00	£416.67	£500.00	£416.67	
Leicester Road, Narborough								
Up to 1 hour	4000/MKA	D	SR	£0.70	£0.58	£0.70	£0.58	
Up to 2 hours	4000/MKA	D	SR	£1.00	£0.83	£1.00	£0.83	
Up to 3 hours	4000/MKA	D		£1.50	£1.25	£1.50	£1.25	
Residents Parking Permits	4000/MKA	L	SR	£85.00	£70.83	£85.00	£70.83	
Enderby Road, Blaby								
Up to 1 hour	4000/MKB	D	SR	£0.70	£0.58	£0.70	£0.58	
Up to 2 hours	4000/MKB	D	SR	£1.00	£0.83	£1.00	£0.83	
Up to 3 hours	4000/MKB	D	SR	£1.50	£1.25	£1.50	£1.25	
Up to 4 hours	4000/MKB	D	SR	£3.00	£2.50	£3.00	£2.50	
Over 4 hours	4000/MKB	D	SR	£6.00	£5.00	£6.00	£5.00	
Residents Parking Permits	4000/MKB	L	SR	£85.00	£70.83	£85.00	£70.83	
Johns Court, Blaby								
Up to 1 hour	4000/MKA	D	SR	£0.70	£0.58	£0.70	£0.58	

Up to 2 hours	4000/MKB	D	SR	£1.00	£0.83	£1.00	£0.83	
Up to 3 hours	4000/MKB	D	SR	£1.50	£1.25	£1.50	£1.25	
Up to 4 hours	4000/MKB	D	SR	£3.00	£2.50	£3.00	£2.50	
Over 4 hours	4000/MKB	D	SR	£6.00	£5.00	£6.00	£5.00	
Residents Parking Permits	4000/MKB	L	SR	£85.00	£70.83	£85.00	£70.83	
Other Car Parks								
Residents Parking Permits	4000/MKC	L	SR	£55.00	£45.83	£55.00	£45.83	
Fixed Penalty Notices	4000/MCX	D	OS	Statutory	Statutory	Statutory	Statutory	
Amendments/Cancellation fee to permits	4000/MKB	L	SR	£10.00	£8.33	£10.00	£8.33	

SCHEDULE OF CHARGES 2024/25

Licences

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Commercial Health Licensing								
Animal Activities Licence Application Fee	2105/MCB	A	OS	£99.00	£99.00	£105.00	£105.00	
Animal Activities Licence Grant Fee	2105/MCB	D	OS	£110.00	£110.00	£115.00	£115.00	
Animal Activities Licence Minor Variation Fee	2105/MCB	D	OS	£17.00	£17.00	£20.00	£20.00	
Animal Activities Licence Major Variation Fee	2105/MCB	D	OS	£52.00	£52.00	£55.00	£55.00	
Dangerous Wild Animals Act 1976	2105/MCB	D	OS	£225.00	£225.00	£235.00	£235.00	
Tattooists, Ear Piercing, Acupuncture, Semi- Permanent Make-up & Electrolysis								
Premises	2107/MCB	A	OS	£170.00	£170.00	£175.00	£175.00	
Personal Licence	2107/MCB	A	OS	£100.00	£100.00	£105.00	£105.00	
Hairdressers								
Premises	2107/MCB	A	OS	£115.00	£115.00	£120.00	£120.00	
Personal Licence	2107/MCB	A	OS	£65.00	£65.00	£70.00	£70.00	
Street Trading Licence	2108/MCB	A	OS	£370.00	£370.00	£390.00	£390.00	
Sex Establishments	8013/MCB	A	OS	£1,500.00	£1,500.00	£1,590.00	£1,590.00	
Zoo Licences								
New licence application	2105/MCB	A	OS	£960.00	£960.00	£1,020.00	£1,020.00	
Renewal of licence	2105/MCB	A	OS	£960.00	£960.00	£1,020.00	£1,020.00	
Transfer of licence to another person	2105/MCB	A	OS	£285.00	£285.00	£300.00	£300.00	
Copy of licence	2105/MCB	A	OS	£25.00	£25.00	£27.00	£27.00	
Change of circumstances	2105/MCB	A	OS	£50.00	£50.00	£55.00	£55.00	
Scrap Metal Licensing								
Dealers Licence	2100/MCB	D	OS	£195.00	£195.00	£205.00	£205.00	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Site Licence	2100/MCB	D	OS	£195.00	£195.00	£205.00	£205.00	
Change of Site or Site Manager	2100/MCB	D	OS	£75.00	£75.00	£80.00	£80.00	
Change of Licensee Name	2100/MCB	D	OS	£25.00	£25.00	£27.00	£27.00	
Renewal of Licence	2100/MCB	D	OS	£180.00	£180.00	£190.00	£190.00	
Hackney Carriages and Private Hire								
Operator's Licence - 1 year	2101/MCB	A	OS	£180.00	£180.00	£185.00	£185.00	
Operator's Licence - 2 year	2101/MCB	A	OS	£295.00	£295.00	£290.00	£290.00	
Operator's Licence - 3 year	2101/MCB	A	OS	£405.00	£405.00	£395.00	£395.00	
Operator's Licence - 4 year	2101/MCB	A	OS	£520.00	£520.00	£500.00	£500.00	
Operator's Licence - 5 year	2101/MCB	A	OS	£630.00	£630.00	£605.00	£605.00	
Replacement Operator Licence	2101/MZA	D	SR	£20.00	£16.67	£18.00	£15.00	
Drivers Licence - 1 year	2101/MCB	A	OS	£125.00	£125.00	£120.00	£120.00	
Drivers Licence - 2 year	2101/MCB	A	OS	£200.00	£200.00	£195.00	£195.00	
Drivers Licence - 3 year	2101/MCB	A	OS	£280.00	£280.00	£275.00	£275.00	
Replacement driver badge and licence	2101/MZA	D	SR	£20.00	£16.67	£24.00	£20.00	
Replacement driver badge	2101/MZA	D	SR	£15.00	£12.50	£18.00	£15.00	
Replacement paper licence	2101/MZA	D	SR	£10.00	£8.34	£10.00	£10.00	
Knowledge & Highway Code Test	2101/MCB	D	OS	£40.00	£40.00	£40.00	£40.00	
Hackney Carriage Licence (Vehicle)	2101/MCB	A	OS	£205.00	£205.00	£190.00	£190.00	8
Private Hire Vehicle Licence	2101/MCB	A	OS	£205.00	£205.00	£190.00	£190.00	8
Hackney Carriage Licence (Vehicle) - 6 months	2101/MCB	A	OS	£155.00	£155.00	£150.00	£150.00	8
Private Hire Vehicle Licence - 6 months	2101/MCB	A	OS	£155.00	£155.00	£150.00	£150.00	8
Electric Vehicle	2101/MCB	A	OS	£102.50	£102.50	£95.00	£95.00	8
Electric Vehicle - 6 months	2101/MCB	A	OS	£77.50	£77.50	£75.00	£75.00	8
Ultra Low Emission Vehicle	2101/MCB	A	OS	£153.75	£153.75	£142.50	£142.50	8
Ultra Low Emission Vehicle - 6 months	2101/MCB	A	OS	n/a	n/a	£112.50	£112.50	8
Wheelchair Accessible Vehicle	2101/MCB	A	OS	£153.75	£153.75	£142.50	£142.50	8

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Wheelchair Accessible Vehicle - 6 months	2101/MCB	A	OS	n/a	n/a	£112.50	£112.50	8
Replacement / Hire Vehicle Licence	2101/MCB	A	OS	£85.00	£85.00	£80.00	£80.00	8
Novelty Vehicle Licence – limousine	2101/MCB	A	OS	£205.00	£205.00	£200.00	£200.00	8
Mechanical inspection	2130/MCB	A	OS	£40.00	£40.00	£50.00	£50.00	8,9
Mechanical inspection – limousine	2130/MCB	A	OS	£60.00	£60.00	£70.00	£70.00	8,9
Mechanical re-inspection due to major fail	2130/MCB	A	OS	£20.00	£20.00	£20.00	£20.00	8,9
Failure to attend mechanical / visual inspection	2130/MCB	A	OS	£20.00	£20.00	£55.00	£55.00	8,9
Vehicle visual inspection	2130/MCB	A	OS	£5.00	£5.00	£5.00	£5.00	8,9
Vehicle MOT	2130/MCB	A	OS	£20.00	£20.00	£25.00	£25.00	8,9
Replacement vehicle plate (external)	2101/MZA	D	SR	£15.00	£12.50	£18.00	£15.00	
Replacement vehicle plate (internal)	2101/MZA	D	SR	£15.00	£12.50	£18.00	£15.00	
Replacement paper licence	2101/MZA	D	SR	£10.00	£8.34	£10.00	£10.00	
Vehicle transfer - PHV to HCV	2101/MZA	D	SR	£50.00	£41.67	£60.00	£50.00	
Trailer Licence	2101/MZA	A	OS	£50.00	£50.00	£50.00	£50.00	
Residential Park Homes & Caravan Sites								
Annual Fee								
Band 1 - 0 to 10 Pitches	2118/MCB	D	OS	£195.00	£195.00	£205.00	£205.00	
Band 2 - 11 to 40 Pitches	2118/MCB	D	OS	£245.00	£245.00	£255.00	£255.00	
Band 3 - 41+ Pitches	2118/MCB	D	OS	£300.00	£300.00	£310.00	£310.00	
New site licence								
Band 1 - 0 to 10 Pitches	2118/MCB	D	OS	£510.00	£510.00	£530.00	£530.00	
Band 2 - 11 to 40 Pitches	2118/MCB	D	OS	£540.00	£540.00	£560.00	£560.00	
Band 3 - 41+ Pitches	2118/MCB	D	OS	£560.00	£560.00	£580.00	£580.00	
Transfer of licence								
All sites	2118/MCB	D	OS	£215.00	£215.00	£225.00	£225.00	
Amendment of licence (no inspection)								
Band 1-0 to 10 Pitches	2118/MCB	D	OS	£310.00	£310.00	£320.00	£320.00	
Band 2-11 to 40 Pitches	2118/MCB	D	OS	£310.00	£310.00	£320.00	£320.00	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Band 3-41 + Pitches	2118/MCB	D	OS	£310.00	£310.00	£320.00	£320.00	
Amendment of licence (with inspection)								
Band 1 - 0 to 10 Pitches	2118/MCB	D	OS	£355.00	£355.00	£370.00	£370.00	
Band 2 - 11 to 40 Pitches	2118/MCB	D	OS	£375.00	£375.00	£390.00	£390.00	
Band 3 - 41+ Pitches	2118/MCB	D	OS	£405.00	£405.00	£420.00	£420.00	
Depositing site rules								
All sites	2118/MCB	D	OS	£155.00	£155.00	£160.00	£160.00	
Application for Fit and Proper Person register.								
All sites	2118/MCB	D	OS	£275.00	£275.00	£285.00	£285.00	
Licensing Act 2003								
Application/Annual Fees	2102/MCB	D	OS	Statutory	Statutory	Statutory	Statutory	
Gambling Act 2005								
New Small Casino								
New Application fee with provisional statement	2103/MCB	D	OS	£3,000.00	£3,000.00	£3,000.00	£3,000.00	
New Application fee	2103/MCB	D	OS	£8,000.00	£8,000.00	£8,000.00	£8,000.00	
Annual fee	2103/MCB	D	OS	£5,000.00	£5,000.00	£5,000.00	£5,000.00	
Variation fee	2103/MCB	D	OS	£4,000.00	£4,000.00	£4,000.00	£4,000.00	
Change of circumstances	2103/MCB	D	OS	£50.00	£50.00	£50.00	£50.00	
Transfer of licence	2103/MCB	D	OS	£1,800.00	£1,800.00	£1,800.00	£1,800.00	
Reinstatement fee	2103/MCB	D	OS	£1,800.00	£1,800.00	£1,800.00	£1,800.00	
Provisional Statement	2103/MCB	D	OS	£8,000.00	£8,000.00	£8,000.00	£8,000.00	
Copy of licence	2103/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
New Large Casino								
New Application fee with provisional statement	2103/MCB	D	OS	£5,000.00	£5,000.00	£5,000.00	£5,000.00	
New Application fee	2103/MCB	D	OS	£10,000.00	£10,000.00	£10,000.00	£10,000.00	
Annual fee	2103/MCB	D	OS	£10,000.00	£10,000.00	£10,000.00	£10,000.00	
Variation fee	2103/MCB	D	OS	£5,000.00	£5,000.00	£5,000.00	£5,000.00	
Change of circumstances	2103/MCB	D	OS	£50.00	£50.00	£50.00	£50.00	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Transfer of licence	2103/MCB	D	OS	£2,150.00	£2,150.00	£2,150.00	£2,150.00	
Reinstatement fee	2103/MCB	D	OS	£2,150.00	£2,150.00	£2,150.00	£2,150.00	
Provisional Statement	2103/MCB	D	OS	£1,000.00	£1,000.00	£1,000.00	£1,000.00	
Copy of licence	2103/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
Regional Casino								
New Application fee with provisional statement	2103/MCB	D	OS	£8,000.00	£8,000.00	£8,000.00	£8,000.00	
New Application fee	2103/MCB	D	OS	£15,000.00	£15,000.00	£15,000.00	£15,000.00	
Annual fee	2103/MCB	D	OS	£15,000.00	£15,000.00	£15,000.00	£15,000.00	
Variation fee	2103/MCB	D	OS	£7,500.00	£7,500.00	£7,500.00	£7,500.00	
Change of circumstances	2103/MCB	D	OS	£50.00	£50.00	£50.00	£50.00	
Transfer of licence	2103/MCB	D	OS	£6,500.00	£6,500.00	£6,500.00	£6,500.00	
Reinstatement fee	2103/MCB	D	OS	£6,500.00	£6,500.00	£6,500.00	£6,500.00	
Provisional Statement	2103/MCB	D	OS	£1,500.00	£1,500.00	£1,500.00	£1,500.00	
Copy of licence	2103/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
Bingo Club								
New Application fee with provisional statement	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
New Application fee	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Annual fee	2103/MCB	D	OS	£275.00	£275.00	£275.00	£275.00	
Variation fee	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Change of circumstances	2103/MCB	D	OS	£30.00	£30.00	£30.00	£30.00	
Transfer of licence	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Reinstatement fee	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Provisional Statement	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Copy of licence	2103/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
Tracks								
New Application fee with provisional statement	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
New Application fee	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Annual fee	2103/MCB	D	OS	£275.00	£275.00	£275.00	£275.00	
Variation fee	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Change of circumstances	2103/MCB	D	OS	£30.00	£30.00	£30.00	£30.00	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Transfer of licence	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Reinstatement fee	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Provisional Statement	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Copy of licence	2103/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
Family Entertainment Centres								
New Application fee with provisional statement	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
New Application fee	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Annual fee	2103/MCB	D	OS	£275.00	£275.00	£275.00	£275.00	
Variation fee	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Change of circumstances	2103/MCB	D	OS	£30.00	£30.00	£30.00	£30.00	
Transfer of licence	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Reinstatement fee	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Provisional Statement	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Copy of licence	2103/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
Adult Gaming Centre								
New Application fee with provisional statement	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
New Application fee	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Annual fee	2103/MCB	D	OS	£275.00	£275.00	£275.00	£275.00	
Variation fee	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Change of circumstances	2103/MCB	D	OS	£30.00	£30.00	£30.00	£30.00	
Transfer of licence	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Reinstatement fee	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Provisional Statement	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Copy of licence	2103/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
Betting Premises (Other)								
New Application fee with provisional statement	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
New Application fee	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Annual fee	2103/MCB	D	OS	£275.00	£275.00	£275.00	£275.00	
Variation fee	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Change of circumstances	2103/MCB	D	OS	£30.00	£30.00	£30.00	£30.00	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Transfer of licence	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Reinstatement fee	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Provisional Statement	2103/MCB	D	OS	£900.00	£900.00	£900.00	£900.00	
Copy of licence	2103/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
Family Entertainment Centre Gaming Machine								
New applications	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Renewal	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Application fee	2103/MCB	D	OS	£100.00	£100.00	£100.00	£100.00	
Change of name	2103/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
Copy of permit	2103/MCB	D	OS	£15.00	£15.00	£15.00	£15.00	
Prize Gaming Permit								
New applications	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Renewal	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Application fee	2103/MCB	D	OS	£100.00	£100.00	£100.00	£100.00	
Change of name	2103/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
Copy of permit	2103/MCB	D	OS	£15.00	£15.00	£15.00	£15.00	
Gaming Machines Notifications & Permits in Licensed Premises								
New applications fee	2103/MCB	D	OS	£150.00	£150.00	£150.00	£150.00	
Annual fee	2103/MCB	D	OS	£50.00	£50.00	£50.00	£50.00	
Application fee (existing S34 Operator)	2103/MCB	D	OS	£100.00	£100.00	£100.00	£100.00	
Vary application	2103/MCB	D	OS	£100.00	£100.00	£100.00	£100.00	
Transfer application	2103/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
Change of name	2103/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
Copy of permit	2103/MCB	D	OS	£15.00	£15.00	£15.00	£15.00	
Notification fee	2103/MCB	D	OS	£50.00	£50.00	£50.00	£50.00	
Club Gaming Permit								
New applications	2103/MCB	D	OS	£200.00	£200.00	£200.00	£200.00	
Annual fee	2103/MCB	D	OS	£50.00	£50.00	£50.00	£50.00	
Renewal	2103/MCB	D	OS	£200.00	£200.00	£200.00	£200.00	
Renewal (Club Premises Cert Holder)	2103/MCB	D	OS	£100.00	£100.00	£100.00	£100.00	
Application fee (fast track)	2103/MCB	D	OS	£100.00	£100.00	£100.00	£100.00	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Vary application	2103/MCB	D	OS	£100.00	£100.00	£100.00	£100.00	
Copy of permit	2103/MCB	D	OS	£15.00	£15.00	£15.00	£15.00	
Club Machine Permit								
New applications	2103/MCB	D	OS	£200.00	£200.00	£200.00	£200.00	
Annual fee	2103/MCB	D	OS	£50.00	£50.00	£50.00	£50.00	
Renewal	2103/MCB	D	OS	£200.00	£200.00	£200.00	£200.00	
Renewal (Club Premises Cert Holder)	2103/MCB	D	OS	£100.00	£100.00	£100.00	£100.00	
Application fee (fast track)	2103/MCB	D	OS	£100.00	£100.00	£100.00	£100.00	
Vary application	2103/MCB	D	OS	£100.00	£100.00	£100.00	£100.00	
Copy of permit	2103/MCB	D	OS	£15.00	£15.00	£15.00	£15.00	
Temporary Use Notice (TUN)	2103/MCB	D	OS	£300.00	£300.00	£300.00	£300.00	
Temporary Use Notice - copy	2103/MCB	D	OS	£25.00	£25.00	£25.00	£25.00	
Small Society Lottery Registration	2103/MCB	D	OS	£40.00	£40.00	£40.00	£40.00	
Small Society Lottery Registration Annual Fee	2103/MCB	D	OS	£20.00	£20.00	£20.00	£20.00	

Notes

1. Plus Vet Fees
2. Plus Vet fees and Secretary of State Inspection Fee
3. Subject to statutory notice and rights of objection
4. Statutory fee therefore subject to revision by Government
5. New charges in 2022/23
6. 2022/23 includes mechanical & visual inspections

SCHEDULE OF CHARGES 2024/25

Planning Services

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Planning Applications								
Planning Application Fees	2202/MCB	D	OS	Statutory	Statutory	Statutory	Statutory	
Copies of Documents from Planning								
Application Files:								
Document Search and black & white copy thereof up to & including A3 size	2202/MZA	R	OS	£1.00	£1.00	£1.00	£1.00	
Document Search and colour copy thereof up to & including A3 size	2202/MZA	R	OS	£1.50	£1.50	£1.50	£1.50	
Document Search and colour copy thereof over A3 size	2202/MZA	R	OS	£4.00	£4.00	£4.00	£4.00	
Statutory Plans								
Blaby Neighbourhood plan (Made)	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Examiners Report	2206/MCB	D	OS	£57.00	£57.00	£57.00	£57.00	
Fosse Villages Neighbourhood plan (Made)	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Examiners report	2206/MCB	D	OS	£57.00	£57.00	£57.00	£57.00	
Fosse Villages Neighbourhood plan environmental report	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Blaby District Local Plan (Adopted)	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Inspector's Report	2206/MCB	D	OS	£57.00	£57.00	£57.00	£57.00	
Statement of Decisions on the Inspector's	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Sustainability Appraisal and Addendum	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Blaby District Local Plan (Delivery DPD) (Adopted)	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
including Policies Map	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Policies Map only	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Inspector's Report and Appendices	2206/MCB	D	OS	£57.00	£57.00	£57.00	£57.00	
Main Modifications	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Additional Modifications	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Sustainability Appraisal and Addendum	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Habitats Regulations Assessment and Addendum	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Blaby District Local Development Framework								
Blaby District Local Plan (Core Strategy) (Adopted)	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Inspector's Report	2206/MCB	D	OS	£57.00	£57.00	£57.00	£57.00	
Statement of Decisions on the Inspector's Report & Proposed Modifications	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Sustainability Appraisal and Addendum	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Blaby District Local Plan (Delivery DPD) (Adopted)	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Including Policies Map	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Policies Map only	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Inspector's Report and Appendices	2206/MCB	D	OS	£57.00	£57.00	£57.00	£57.00	
Main Modifications	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Additional Modifications	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Sustainability Appraisal and Addendum	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Habitats Regulations Assessment and Addendum	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Blaby District Local Development Framework								
Annual Monitoring Report	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Sustainability Appraisal Scoping Report	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Housing Needs Survey	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Employment Land Study	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Urban Capacity Study	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Gypsy & Travellers' Accommodation	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Assessment								
Strategic Flood Risk Assessment	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Landscape Character Assessment	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Climate Change Study	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Retail Study	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Phase 1 Vegetation & Habitat Study	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Blaby Town Centre Masterplan	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Sustainability Appraisal (Issues & Options v2)	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Sustainability Appraisal (Alternative Options)	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Local Development Scheme	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Statement of Community Involvement	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Village Services Factfile	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Settlement Hierarchy Report	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Leicester & Leicestershire Strategic Housing	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Market Area Assessment								
Leicester and Leicestershire Housing and	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Economic Development Needs Assessment								
Leicester & Leicestershire Housing Market	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Area Employment Land Study								
Strategic Housing and Employment Land	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Availability Assessment								
Open Space Audit	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Strategic Green Wedge Review	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Assessment of Transport Implications	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Affordable Housing Viability Assessment	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Sustainability Assessment (Submission)	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Key Employment Sites Assessment	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Site Selection Methodology and Papers	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Delivery DPD Summary of Reg 18 Consultations	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Local Plan (Delivery DPD) - Preferred Options	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Local Plan (Delivery DPD) - Submission Version	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Core Strategy - all other versions	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
Leicester & Leicestershire Growth	2206/MCB	D	OS	£111.50	£111.50	£111.50	£111.50	
Infrastructure Assessment								
Review of Local Plan	2206/MCB	D	OS	£39.00	£39.00	£39.00	£39.00	
<u>Other Documents</u>								
Annual Residential Land Availability Statement	2205/MCB	D	OS	£56.50	£56.50	£56.50	£56.50	
Annual Employment Land Availability Statement	2205/MCB	D	OS	£35.50	£35.50	£35.50	£35.50	
Motorway's Retail Area Information Pack	2205/MCB	D	OS	£30.00	£30.00	£30.00	£30.00	
Meridian Leisure Information Pack	2205/MCB	D	OS	£30.00	£30.00	£30.00	£30.00	
<u>Supplementary Planning Guidance</u>								
Affordable Housing	2205/MCB	D	OS	£35.50	£35.50	£35.50	£35.50	
Conservation Area Character Statement	2205/MCB	D	OS	£35.50	£35.50	£35.50	£35.50	
Planning & Noise	2205/MCB	D	OS	£35.50	£35.50	£35.50	£35.50	
Planning Obligations & Developer Contributions								
SPD	2205/MCB	D	OS	£35.50	£35.50	£35.50	£35.50	
<u>High Hedges</u>	2204/MCB	D	OS	£500.00	£500.00	£500.00	£500.00	

Notes

1. Including Appeal Decision Letters, Inspectors' Reports and Plans
2. Postage and Packaging extra

3. Subject to minimum charge of £12 if an invoice is required
4. 50% reduction to residents of Blaby District
5. Free to bona fide students
6. New policy guidance
7. A charge out rate for particular work can be obtained by application
8. No amendments following consultation
9. Transferred to 2130/MCB (the Depot)

SCHEDULE OF CHARGES 2024/25

Building Regulations

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Building Regulation Applications								
New Dwellings	5001/MCB	D	SR	Note 1	Note 1	Note 1	Note 1	
Domestic Extensions	5001/MCB	D	SR	Note 1	Note 1	Note 1	Note 1	
Other Domestic Works	5001/MCB	D	SR	Note 1	Note 1	Note 1	Note 1	
Commercial	5001/MCB	D	SR	Note 1	Note 1	Note 1	Note 1	
Demolition Application Charges	5001/MCB	D	OS	Note 1	Note 1	Note 1	Note 1	
Street Naming & Numbering	5001/MZA	D	OS	Note 1	Note 1	Note 1	Note 1	
Document Search of Building Regulation Files	5001/MCB	D	SR	£75.60	£63.00	£75.60	£63.00	
Document Search of Building Regulation Files and supplying copy of Decision Notice and Completion Certificate (if available)	5001/MCB	D	SR	£37.20	£31.00	£37.20	£31.00	
Letter re public sewer issues	5001/MZA	D	SR	£36.49	£30.41	£37.20	£31.00	
Letter re Exempt Buildings	5001/MCB	D	SR	£36.49	£30.41	£37.20	£31.00	
Letter re Exempt Buildings requiring inspection to confirm	5001/MCB	D	SR	£72.98	£60.82	£75.60	£63.00	
Copies of other documents from Building Regulation Files (to be charged in conjunction with Document Search fee detailed above):								
Black & white copy up to & including A3 size	5001/MCB	R	OS	£1.00	£1.00	£1.00	£1.00	
Colour copy up to and including A3 size	5001/MCB	R	OS	£1.00	£1.00	£1.00	£1.00	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Black & white copy over A3 size	5001/MCB	R	OS	£4.00	£4.00	£4.00	£4.00	
Street Nameplates	5001/MPO	D	SR	n/a	n/a	n/a	n/a	4

Notes

1. Fees as per the Building Control Charges Scheme.
2. Postage and packaging extra.
3. Written consent must be obtained from the originator of documents or copyright holders.
4. Delegation taken has taken place – charge removed from 2023/24.

SCHEDULE OF CHARGES 2024/25

Legal Services

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
<u>Legal Services</u>								
Planning Agreements	1370/MCB	A	OS	£2,500.00	£2,500.00	£2,750.00	£2,750.00	1
Unilateral Undertaking	1370/MCB	A	OS	£600.00	£600.00	£750.00	£750.00	1
Variation of Planning Agreement	1370/MCB	A	OS	£1,250.00	£1,250.00	£1,500.00	£1,500.00	
Lease of industrial estate unit/shop	1370/MCB	D	EX	£400.00	£400.00	£450.00	£450.00	
Non standard lease	1370/MCB	D	EX	£600.00	£600.00	£650.00	£650.00	
Deed of licence or variation of lease	1370/MCB	D	EX	£400.00	£400.00	£500.00	£500.00	
Surrender of lease	1370/MCB	D	EX	£600.00	£600.00	£750.00	£750.00	
Lease to assign	1370/MCB	D	EX	£600.00	£600.00	£750.00	£750.00	
Licence for works	1370/MCB	D	EX	£400.00	£400.00	£500.00	£500.00	
Costs in relation to sale or purchase of land	1370/MCB	A	EX	£1,000.00	£1,000.00	£1,000.00	£1,000.00	
Deed of release from restrictive covenant	1370/MCB	D	SR	£480.00	£400.00	£550.00	£440.00	
Adoption of open space	1370/MCB	A	EX	£1,200.00	£1,200.00	£1,200.00	£1,200.00	
Deed of dedication	1370/MCB	D	OS	£400.00	£400.00	£400.00	£400.00	
Deed of rectification	1370/MCB	D	SR	£600.00	£500.00	£750.00	£600.00	
Right of way (standard easement)	1370/MCB	D	OS	£500.00	£500.00	£500.00	£500.00	
Non standard easement	1370/MCB	A	OS	£600.00	£600.00	£750.00	£750.00	
Licence authorising change of use	1370/MCB	D	OS	£500.00	£500.00	£500.00	£500.00	
Grazing licence	1370/MCB	D	ZR	£250.00	£250.00	£250.00	£250.00	
JCT minor works contract	1370/MCB	D	OS	£500.00	£500.00	£600.00	£600.00	
Litigation for the recovery of debts, breaches in contract or other agreement	1370/MCB	D	OS	Note 2	Note 2	Note 2	Note 2	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Litigation costs in the event of prosecution for an offence	1370/MCB	D	OS	Note 2	Note 2	Note 2	Note 2	
Footpath Orders								
Charge for diversion/extinguishment								
Of right of way								
First path:								
- Preliminary	1370/MCB	D	OS	£1,500.00	£1,500.00	£1,750.00	£1,750.00	3
- Making order	1370/MCB	D	OS	£500.00	£500.00	£600.00	£600.00	3
- Order opposed and sent to Sec. of State	1370/MCB	D	OS	£700.00	£700.00	£800.00	£800.00	3
- Confirmation of order	1370/MCB	D	OS	£350.00	£350.00	£400.00	£400.00	3
Additional paths:								
- Preliminary	1370/MCB	D	OS	£350.00	£350.00	£400.00	£400.00	3
- Making order	1370/MCB	D	OS	£200.00	£200.00	£250.00	£250.00	3
- Order opposed and sent to Sec. of State	1370/MCB	D	OS	£200.00	£200.00	£250.00	£250.00	3
- Confirmation of order	1370/MCB	D	OS	£150.00	£150.00	£200.00	£200.00	3

Notes

1. At cost - minimum charge.
2. Cost determined by court if appropriate.
3. Plus advertising costs

SCHEDULE OF CHARGES 2024/25

Land Charges

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Local Land Charge Search Fees								
LLC1 Search:								1
- Residential/Commercial	1308/MCB	D	OS	£30.00	£30.00	£30.00	£30.00	2
CON 29 Required Search:								
- Commercial	1308/MCB	D	SR	£135.00	£112.50	£140.00	£116.67	5
- Residential	1308/MCB	D	SR	£115.00	£95.83	£120.00	£100.00	2
CON 29 Optional (Questions 4 to 22)	1308/MCB	D	SR	£21.20	£17.67	£25.00	£20.83	3
CON 29 Building Regulations (Questions 1.1 (f) - (h) and 3.8)	1308/MCB	D	SR	£7.00	£5.83	£8.00	£6.67	3
LLC1 Additional Parcel Fee	1308/MCB	D	OS	£1.00	£1.00	£1.00	£1.00	4
CON 29R Additional Parcel Fee	1308/MCB	D	SR	£18.00	£15.00	£20.00	£16.67	4
Own written questions	1308/MCB	D	SR	£40.00	£33.33	£40.00	£33.33	3

Notes

1. Delegated to Corporate Services Group Manager in consultation with the Strategic Director (S151), subject to County Council element of charge. Law Society recommendations and any revision by the Lord Chancellor's Department.
2. Full Search (LLC1 & CON 29R) total cost is £127.40. Only the CON29 element of the charge attracts the standard rate of VAT. The LLC1 remains outside scope.
3. Cost per question
4. Subject to a "Parcel Cap" – the maximum number of additional parcels which will attract a fee in any one search is 15.
5. New Commercial Search charge from 2023/24.

SCHEDULE OF CHARGES 2024/25

Leisure Centres – Pavilion Leisure Centre

Service	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
<u>Activity Charges</u>							
Badminton Court - Adult	B	SR	£10.40	£8.66			
Badminton - Junior/Concessions	B	SR	£8.40	£7.00			
Badminton - Over 50's	B	SR	£3.47	£2.89			
Badminton Off Peak (8am - 5pm)	B	SR	£5.25	£4.38			
Table Tennis Off Peak (8am - 5pm)	B	SR	£5.25	£4.38			
Basketball (large court)	G	SR	£45.68	£38.06			
Indoor 5-a-side Football	G	SR	£45.68	£38.06			
Outdoor 5-a-side Football	G	SR	£45.68	£38.06			
Squash Court (40 minutes) - Adults	G	SR	£8.40	£7.00			
Squash - Junior/Concessions	G	SR	£7.35	£6.13			
Squash Off Peak (8am - 5pm)	B	SR	£5.15	£4.29			
Table Tennis	G	SR	£8.40	£7.00			
<u>Childrens Holiday Activities</u>							
Full day 9am-4pm (1st Child)	D	EX	£15.75	£15.75			
Full day 9am-4pm (2nd Child)	D	EX	£15.75	£15.75			
Full day 9am-4pm (Subsequent Child/ren)	D	EX	£15.75	£15.75			
Early Riser	D	EX	£2.10	£2.10			
Late Leaver	D	EX	£2.10	£2.10			
Family (min 3 children)	D	EX	£37.80	£37.80			

Service	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
<u>For existing Members only</u>							
Multi Fitness Gym							
Adult Monthly Membership Flexible	G	SR	£19.99	£16.66			
Adult Annual Membership	G	SR	£199.90	£166.58			
Start up fee - Adult	G	SR	£17.50	£14.58			
Adult Gym Session	G	SR	£7.75	£6.46			
Concession Gym Session	G	SR	£5.60	£4.67			
Junior Gym Session (selected times)	G	SR	£4.60	£3.83			
GP Referral	G	SR	Note 3	Note 3			
<u>Fitness</u>							
Existing Members no change							
New Members Pavilion Only							
Adult	G	SR	£19.99	£16.66			
Adult Concession	G	SR	£19.99	£16.66			
Junior	G	SR	£19.99	£16.66			
Adult Gym Session	G	SR	£8.30	£6.92			
Concession Gym Session	G	SR	£5.80	£4.83			
Junior Gym Session (selected times)	G	SR	£4.50	£3.75			
GP Referral	G	SR	Note 3	Note 3			
<u>Birthday Parties</u>							
Bouncy Castle Party	G	SR	£100.00	£83.33			
Football Party	G	SR	£100.00	£83.33			
Multi Activity Party	G	SR	£100.00	£83.33			

Service	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Equipment Hire							
Hire of Badminton Racket	D	SR	£2.30	£1.92			
Hire of Soccer Ball	D	SR	£2.30	£1.92			
Hire of Squash Racket	D	SR	£2.30	£1.92			
Hire of Table Tennis Bat	D	SR	£2.30	£1.92			
Deposit Charge for Hire Items	G	SR	£10.00	£8.33			
Conference & Meeting Room Hire							
Function Room	G	SR	£29.99	£24.99			
Dance Studio	B	SR	£30.00	£25.00			
Courses & Classes							
Circuit Training	G	SR	£6.35	£5.29			
Tai Chi	G	SR	£5.60	£4.67			
Zumba	G	SR	£5.60	£4.67			
Group Cycling	G	SR	£6.35	£5.29			
LBT	G	SR	£5.60	£4.67			
Boxercise	G	SR	£6.35	£5.29			
Pilates	G	SR	£5.60	£4.67			
Yoga	G	SR	£6.35	£5.29			
Kettlebells	G	SR	£6.35	£5.29			

Service	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Over 50s Circuit Training	G	SR	£3.90	£3.25			
Junior Badminton Coaching	K	SR	£5.60	£4.67			
No Strings Badminton - 1 hour	G	SR	£4.10	£3.42			
No Strings Badminton - 2 hours	G	SR	£6.00	£5.00			
Basketball Coaching (Juniors)	G	SR	£5.70	£4.75			
Squash Coaching	G	SR	£5.60	£4.67			
Personal Training							
1 x PT Session	G	SR	£25.50	£21.25			
3 x PT Sessions	G	SR	£121.15	£100.96			
10 x PT Sessions	G	SR	£229.50	£191.25			
Toddler Town							
1st Child	G	SR	£3.80	£3.17			
Sibling	G	SR	£1.80	£1.50			
Non Walker	G	SR	£1.00	£0.83			

Notes

1. Exempt from VAT if club or school block booking 10 sessions or more
2. Exempt from VAT if registered with Ofsted
3. GP referrals free for first 16 weeks

SCHEDULE OF CHARGES 2024/25

Leisure Centres – Enderby Leisure Centre

Service	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
<u>Membership</u>							
<u>Monthly Direct Debit</u>							
Adult	Monthly	SR	£37.49	£31.24			
Junior	Monthly	SR	£19.99	£16.66			
Concession	Monthly	SR	£32.49	£27.08			
Spa Add On	Monthly	SR	£5.00	£4.17			
<u>Annual Membership</u>							
Adult	L	SR	£374.90	£312.42			
Junior	L	SR	£199.90	£166.58			
Concession	L	SR	£324.90	£270.75			
Spa Add On	L	SR	£50.00	£41.67			
<u>Activity Charges</u>							
Group exercise Classes Member	G	SR	£6.25	£5.21			
Group exercise Classes Non Member	G	SR	£7.75	£6.46			
Badminton Court Member	B	SR	£9.35	£7.79			
Badminton Court Non Member	B	SR	£10.75	£8.96			
GP Referrals	G	EX	Free	Free			
Mature Movers	G	SR	£4.40	£3.67			

Service	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Hire of Badminton Racket	D	EX	£2.00	£2.00			
Hire of Soccer Ball	D	EX	£2.00	£2.00			
Hire of Main Halls	G	OS	Variable	Variable			
Indoor 5-a-side Football Etc	G	SR	£40.00	£33.33			
<u>Bowls Hall</u>							
Leisure Centre Member (2 hours)							
Peak (October to April)	D	EX	£4.00	£4.00			
Non-member	D	EX	£5.75	£5.75			
Hire of woods	G	EX	£2.00	£2.00			
<u>Pool Charges</u>							
Leisure Centre Member							
Adult	G	SR	£4.45	£3.71			
Junior	G	SR	£2.40	£2.00			
Over 60's	G	SR	£3.20	£2.67			
Non-Member							
Adult	G	SR	£5.20	£4.33			
Junior	G	SR	£3.20	£2.67			
Over 60's	G	SR	£3.20	£2.67			
Pool Hire	B	EX	Variable	Variable			
Lifeguard Hire	B	EX	Variable	Variable			
Gala	D	EX	Variable	Variable			

Service	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
Parent & Tot Sessions							
Member	G	SR	£3.80	£3.17			
Non Member	G	SR	£4.15	£3.46			
Family Swim Member	G	SR	£14.00	£11.67			
Aqua Aerobics Member	G	EX	£6.25	£6.25			
Non Member	G	EX	£7.75	£7.75			
Swimming Lessons							
Leisure Centre Member							
Adult per ½ hour lesson	A	SR	£7.50	£6.25			
Junior per ½ hour lesson	A	SR	£7.50	£6.25			
Non Member							
Adult per ½ hour lesson	A	SR	£7.50	£6.25			
Junior per ½ hour lesson	A	SR	£7.50	£6.25			
Schools (30 Minutes)	D	OS	£18.40	£18.40			
One-to-One (30 Minutes)							
Leisure Centre Member							
Adult	G	SR	£19.80	£16.50			
Junior	G	SR	£19.80	£16.50			
Non Member							
Adult	G	SR	£19.80	£16.50			
Junior	G	SR	£19.80	£16.50			

Notes

1 Rates to be negotiated

SCHEDULE OF CHARGES 2024/25

Leisure Facilities – Enderby Golf Course

Service	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
<u>Weekday</u>							
18 holes	G	EX	£12.00	£12.00			
Over 60's & Juniors	G	EX	£10.00	£10.00			
9 holes	G	EX	£10.00	£10.00			
<u>Weekend</u>							
18 holes	G	EX	£15.00	£15.00			
9 holes	G	EX	£11.00	£11.00			
<u>Monthly Ticket</u>							
5 day	A	EX	£56.00	£56.00			
7 day	A	EX	£67.00	£67.00			
<u>Season Ticket</u>							
Senior/Junior Annual - 5 day	A	EX	£165.00	£165.00			
Senior/Junior Annual - 7 day	A	EX	£205.00	£205.00			
Adult Full Annual - 7 day	A	EX	£256.00	£256.00			
Adult Limited Annual - 7 day	A	EX	£205.00	£205.00			
<u>Visit Fee</u>							
- Charge per Visit: November to April	A	EX	£1.00	£1.00			
- Charge per Visit: May to October	A	EX	£2.00	£2.00			

SCHEDULE OF CHARGES 2024/25

Other Health & Leisure Services

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
<u>Hire a Place to Grow</u>								
Community Plot	2036/MZA	L	EX	£55.00	£55.00	£60.00	£60.00	
Concession Rate	2036/MZA	B	EX	£9.00	£9.00	£9.00	£9.00	
Commercial Rate	2036/MZA	B	EX	£13.00	£13.00	£13.50	£13.50	
<u>Fitness Classes</u>								
Steady Steps Plus	2003/MCB	B	EX	£4.00	£4.00	£4.00	£4.00	
Keep Moving Count	2003/MCB	B	EX	£4.00	£4.00	£4.00	£4.00	
Easy Movers	2003/MCB	B	EX	£4.00	£4.00	£4.00	£4.00	
Fit2Dance	2003/MCB	B	EX	£4.00	£4.00	£4.00	£4.00	
Back to it Plus	2003/MCB	B	EX	£4.00	£4.00	£4.00	£4.00	
Walking Netball	2003/MCB	B	EX	£4.00	£4.00	£4.00	£4.00	
Tai Chi	2003/MCB	B	EX	£5.00	£5.00	£5.00	£5.00	
Ice House Tours	2037/MCB	D	SR	£5.50	£4.59	£5.75	£4.80	

Schedule of Charges 2024/25

Miscellaneous Fees and Charges

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
<u>Corporate Services</u>								
Photocopying (Black & White)								
A4	8000/MCB	J	SR	Note 1	Note 1	Note 1	Note 1	
To and including A3	8000/MCB	J	SR	Note 1	Note 1	Note 1	Note 1	
Sale of minutes and agendas								
Per copy	8005/MCB	J	ZR	Note 1	Note 1	Note 1	Note 1	
Annual subscription	8005/MCB	L	ZR	Note 1	Note 1	Note 1	Note 1	
Planning Committee - annual subscription	8005/MCB	L	ZR	Note 1	Note 1	Note 1	Note 1	
Environmental Information Regulations 2004	1111/MCB	D	OS	Statutory	Statutory	Statutory	Statutory	
Freedom of Information Act 2000	1111/MCB	D	OS	Statutory	Statutory	Statutory	Statutory	
<u>Finance & Assets</u>								
Rent of Glebe Drive, Countesthorpe								
Weekly rent (no.'s 16,18,20 & 32 only)	3009/MCC	L	OS	Note 2	Note 2	Note 2	Note 2	2
Weekly rent (all others)	3009/MCC	K	OS	Note 2	Note 2	Note 2	Note 2	2
Hire of Council Chamber								
- Per Hour or part thereof	8008/MCC	B	EX	POA	POA	POA	POA	
Hire of Brooks Room								
- Per Hour or part thereof	8008/MCC	B	EX	POA	POA	POA	POA	
Blaby Toilets	2124/MZA	F	SR	£0.20	£0.17	£0.20	£0.17	

Service	General Ledger Code	Basis of Charge	VAT Category	2023/24 (inc VAT)	2023/24 (exc VAT)	2024/25 (inc VAT)	2024/25 (exc VAT)	Note
<u>Council Tax Civil Penalties</u>								
- Failure to notify or provide information	1302/MZA	D	OS	£70.00	£70.00	£70.00	£70.00	4
- Subsequent failure to provide information	1302/MZA	D	OS	£280.00	£280.00	£280.00	£280.00	4
<u>Electoral Services</u>								
Sale of Register of Electors								
On paper								
base charge	1305/MCB	A	OS	£10.00	£10.00	£10.00	£10.00	
each additional 1,000 entries or part	1305/MCB	D	OS	£5.00	£5.00	£5.00	£5.00	
In computer data format								
base charge	1305/MCB	A	OS	£20.00	£20.00	£20.00	£20.00	
- each additional 1,000 entries or part	1305/MCB	D	OS	£1.50	£1.50	£1.50	£1.50	
Letter of Confirmation of Registration	1305/MCB	D	OS	Note 3	Note 3	Note 3	Note 3	
<u>Workplace Charger Tariff</u>								
Electric Vehicle Chargers (per kw)	TBC	D	SR	N/A	N/A	£0.48	£0.40	5

Notes

1. Price available upon request
2. Subject to RPI upon uplift
3. Delegated to the Customer Access and Electoral Services Manager
4. Statutory charge
5. New Charge 2024/25

Blaby District Council

Cabinet Executive

Date of Meeting	26 February 2024
Title of Report	General Fund Budget Proposals 2024/25 This is a Key Decision and is on the Forward Plan.
Lead Member	Cllr. Maggie Wright - Finance, People & Performance (Deputy Leader)
Report Author	Executive Director (Section 151 Officer)
Corporate Priority	Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 The report sets out the Council's General Fund budget proposals for the forthcoming financial year. This includes details of the financial settlement that will support service delivery, and a high-level summary of planned expenditure by portfolio. The Council holds a number of reserves that it can draw upon to fund future expenditure. The level of reserves is noted within this report, along with an update of the Medium-Term Financial Strategy (MTFS).

2. Recommendation(s) to Cabinet Executive and Council

- 2.1 To have regard to the comments of the Executive Director (Section 151 Officer) in paragraph 4.7 in respect of the requirements of the Local Government Finance Act 2003.
- 2.2 To approve the 2024/25 General Fund Revenue Account net expenditure budget of **£15.394m**.
- 2.3 That delegated authority is given to the S151 Officer in consultation with the Portfolio Holder to make amendments to the Budget should it be necessary.

3. Reason for Decisions Recommended

- 3.1 It is a requirement for the Cabinet Executive and Council to take into account the requirements of the Local Government Finance Act 2003 in relation to the robustness of the budget and the adequacy of reserves.
- 3.2 Cabinet and Council are required to consider and approve the General Fund Revenue Account budget proposals in order to set the budget and Council Tax for the forthcoming financial year

- | | |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.3 | Delegated authority is sought in order to make any amendments to the Budget should any new information become available following approval by full Council. |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------|

4. Matters to consider

4.1 Background

The Council formulates an annual budget based on our best estimates of income and expenditure for the forthcoming financial year. Officers monitor actual income and expenditure against the budget during the year, and quarterly progress reports are presented to Cabinet Executive, highlighting any significant variances against the budget.

Alongside the annual budget, the Medium-Term Financial Strategy (MTFS) provides a forecast of the Council's revenue position up to a period of five years into the future.

Perhaps the most significant strand to the budget setting process is the Local Government Finance Settlement, which sets out the amount of Government funding that will be made available to support the Council's budget for the forthcoming year, and the amount by which we are permitted to raise council tax.

Members will be aware that the settlement funding assessment for 2024/25 was announced on 18th December 2023. As has been the case in recent years, only a single year settlement was released.

Unusually additional funding was announced in the Final Local Government Settlement on 5th February 2024. Whilst the majority of this funding was provided to upper tier authorities to support the costs of social care, the Council did benefit from a further £111k compared to the Settlement levels announced in December. As has been the case in recent years, only a single year settlement has been announced.

A single year settlement makes it difficult to gauge the level of funding in future financial years, as a number of the funding streams for 2024/25 are either one-off grants or are funding streams that may end after the next financial year.

On top of this, there remains a great deal of uncertainty over how changes to Business Rates Retention and the Fair Funding Review will impact our financial position. Neither of these measures are expected to be implemented until 2026/27 at the earliest. The updated MTFS, at Appendix C, therefore, assumes that the Business Rates Baseline will be re-based from 1st April 2026, and this is expected to lead to the loss of any growth in business rates that have accumulated since 2013/14.

4.2 Proposed Budget

The General Fund Revenue Account net expenditure budget of **£15.394m** has been prepared by:

- Including an estimate of the costs associated with the annual pay settlement which is yet to be agreed by the National Joint Council for Local Government.
- Incorporating increases in employer's pension in line with the triannual review.
- Including changes in external funding.
- Updating both income and expenditure forecasts to reflect inflationary pressures and any review of charges, particularly in respect of some of our key income streams.
- Utilising earmarked reserves where applicable to do so to support services to continue to be delivered.
- Estimating the amount of business rates receivable based on properties on the rating list, entitlement to various reliefs, expected growth, and the likelihood of appeals.

Contingent events such as planning appeals are not included within the budget requirement, but expenditure will be funded from balances if it is necessary.

Funding the Budget Requirement

Service expenditure is presented net of fees and charges, and other specific grant income, to arrive at the net budget requirement of £15.394m.

The net budget requirement is met through a combination of council tax, business rates, and government grants.

Council Tax – proposals for Council Tax are included in a separate report on this agenda. The budget proposals include an assumption that the Band D Council Tax is increased by 2.99%; an increase of £5.49 per annum in 2024/25. Applying this to the Council Tax Base of 34,504.83 Band D equivalents, generates estimated Council Tax income of £6,526,402 in 2024/25.

Business Rates – during the pandemic income from Business Rates was significantly impacted, mainly due to the expanded retail relief introduced by the Government to support businesses that were affected by the lockdown, but also in terms of an increase in empty properties, reduced growth, and an increase in the number of appeals against rating assessments. However, this position was mitigated by the receipt of Section 31 Grant paid by the Government in compensation for expanded retail relief losses and other similar measures. Furthermore, local authorities were permitted to spread the impact of the unusual deficit arising from these measures across three years from 2021/22 to 2023/24.

Whilst the impact of the pandemic has reduced now, there are still several measures in place to support businesses, including small business rate relief, retail and hospitality relief, and the freezing of the rate multiplier for small businesses. All these factors combine to reduce the amount of business rates

collectable, although Section 31 compensation is still in place to mitigate the impact.

Appeals submitted by businesses seeking a reduction in their rateable value, still represents a risk to the business rates base. A provision is in place against which successful appeals can be offset, and this has been factored into the forecast of business rates receivable in 2024/25 and beyond.

At the time when Scrutiny was presented with the draft budget proposals, Members were advised that income from Business Rates was expected to remain broadly the same as in 2023/24, around £6.3m. Further work has been undertaken to refine the budget estimates in line with completion of the statutory NNDR1 return, and this has enabled us to increase the estimated business rates receivable to £6.6m, including a contribution of £0.3m from the NNDR Income Reserve. This increase has been achieved by reducing the allowance for empty property relief, and the amount set aside to cover appeals, both in line with latest information available and actual data from the last financial year.

New Homes Bonus Grant – New Homes Bonus Grant has again been extended for a further year but has reduced considerably compared with the current financial year. As a result, we will receive just £14,280 in 2024/25 (a reduction of almost £416,000 compared to 2023/24). This reflects the decline in new properties coming on stream in the last 12 months. The future of New Homes Bonus continues to be uncertain, and no provision has been built into the MTFs from 2025/26 onwards.

Funding Guarantee Grant - A new grant introduced in 2023/24 to ensure every authority had an increase in Core Spending Power (CSP) of at least 3%. This has been funded from the discontinuation of the Lower Tier Services Grant and the reduction in the payment nationally of New Homes Bonus. At the end of January, the Department for Levelling Up, Housing and Communities (DLUHC) announced an additional £600m funding for local government. Although the majority of this (£500m) is directed at social care, the remaining £100m included an increase in the funding guarantee from 3% to 4%. The final settlement included an additional £111,000 for Blaby, taking the total receivable to £2.246m in 2024/25.

Services Grant – the Council has received £15,571 as part of the final settlement, a slight increase compared to the figure reported as part of the budget scrutiny process in January.

Balances and Reserves

The adequacy of the Councils balances and reserves are essential factors to be taken into consideration when preparing the annual budgets. The Council maintains a General Fund working balance and a number of specific earmarked reserves and provisions to meet liabilities.

In 2024/25 it is proposed that the Council makes a contribution from the General Fund Balance of £464k to support the budget and contributions from earmarked reserves are proposed to be utilised as follows:

- £54,500 from the Blaby District Plan reserve to support the Capital Grant Scheme.
- £39,815 from the IT Reserve Fund to support capital schemes.
- £300,000 released from the Business Rate Pool Reserve to support the expenditure incurred to support Economic Development of the District.
- £290,204 from the NNDR Income Reserve that is being utilised to support the overall Business Rates income stream in 2024/25.

It should also be noted that an additional £45,000 is to be made to the Property Fund Reserve. This reflects income that is expected to be received from the investment in the property fund. Since investment was made none of the income has been utilised within the Council's budget, but instead is being placed in a reserve to mitigate against any potential reductions in value which may have to be recognised by the Council in the future.

Information relating to specific Balances and Reserves are set out below:

General Fund Balance

The Council's General Fund balance plays an important part in maintaining the financial stability of the authority primarily by:-

- Meeting unforeseen additional expenditure and reductions in income during the course of the financial year.
- Meeting the cost of one-off items of expenditure.
- Supporting the stability of the Council's finances by providing a source of funding in times of uncertainty.

In 2024/25 there is a requirement to make a contribution of **£463k** from the General Fund to support expenditure. This is on the basis that Cabinet Executive and Council approve the Council Tax increase that is the subject of the following report and that Council have approved the recommendations in the exempt report to be discussed at the Council meeting of the 27th February.

The estimated balance at 31st March 2025 would, therefore, be **£4.719m** representing **30.7%** of the proposed net revenue budget for 2024/25. This is below the current limit within the Council's policy to hold no higher than 35% of the proposed relevant annual net revenue budget.

NNDR Income Reserve

Since 2015/16 the Council has recognised and released income generated from the growth in Business Rates to support the budget.

Officers monitor Business Rates throughout the year and although appeals and unpredictability of growth rates and empty properties make it difficult to

forecast the outturn position, the Council has continued to benefit from seeing growth within the District. It is anticipated that the NNDR income reserve will have a balance of **£1.698m** by 31st March 2024 reducing to £1.409m by 31st March 2025.

S31 Grant Reserve

The balance on this reserve represents compensation received in 2020/21 towards expanded retail relief granted to businesses as part of the Government's response to COVID-19. The Government passed legislation allowing local authorities to spread any Business Rates deficit at 31st March 2021 over 3 financial years. The final year of the release of this reserve falls within 2023/24 with the remaining balance of £1.516m being released to leave a balance of **zero** on this reserve at 31st March 2024.

Huncote Major Incident Reserve

As part of the Council's response to the major incident at the Huncote Leisure Centre site, in relation to landfill gas, the Council approved that **£0.700m** be set aside towards the cost of remedial works. The expenditure on this initiative has continued to be expended over the years since the incident into the current financial year. The majority of the works have now been completed, with some of those works being capital in nature. Consideration is being given as to whether it would be more beneficial to borrow to fund the capital element of works, and thus spread the cost over a number of years rather than take a one-off hit on reserves up front. In this regard, it is expected that the accounting treatment of this expenditure is reported at the year end and the reserve position correctly reflected.

Other Earmarked Reserves

Appendix B gives details of the expected movement on earmarked reserves in 2023/24 and 2024/25. If any planned expenditure for 2023/24, backed by contributions from earmarked reserves, does not take place before 31st March 2024, consideration will be given to carrying the budget forward to 2024/25. In such cases the funding will remain in the earmarked reserve until required.

Medium Term Financial Strategy

The MTFS financial assumptions have been updated to reflect the recent Settlement and to take account of the anticipated reduction in future funding and the consequential risks that the Council faces in future financial years. A summary of the MTFS appears at Appendix C. The MTFS gives an indication of our future financial position based on the limited information we currently have regarding the changes to Business Rates and the introduction of Fairer Funding, both of which are unlikely to be implemented before 1st April 2026/27.

The main assumption contained within the MTFS is that rebasing will take place from 2026/27, based upon the level of collectable Business Rates in 2024/25. This will effectively remove any growth attained between 2013/14 and 2024/25 by increasing the tariff payable to Government out of Blaby's share of the collectable rates.

This is expected to lead to a budget deficit of around £2.276M in 2026/27 after damping. Once again, there is no certainty that the Government will introduce any form of damping, but it is thought likely that they will, in order to smooth the impact of the loss in funding across more than one financial year. The MTFS at Appendix C builds in an assumption that the loss in funding will be limited to 5% of the funding level for 2026/27. However, this is just one possibility and is by no means guaranteed.

The future of New Homes Bonus is very uncertain, and we await to hear if there will be a continuation of New Homes Bonus Grant in the future or if anything will replace it. For the purposes of the MTFS no New Homes Grant Funding has been assumed for 2025/26 onwards given that the Council has failed to generate any substantial New Homes Bonus this year and this income stream is expected to be discontinued in the years that follow.

4.3 Relevant Consultations

Cabinet Executive Members, Senior Leadership Team and the Service Managers have all been consulted in the preparation of budget proposals for the forthcoming year. The Scrutiny Commission has also had opportunity to challenge and understand the budget process and outcome.

4.4 Significant Issues

Local Government Act 2003 – Budget Calculations and Revenue Reserves

The Council's Section 151 Officer is required to report to Members about the robustness of the budget proposals and to comment on the adequacy of the reserves.

This provision is designed to strengthen the financial reporting requirements of local government and to reduce the risk of authorities getting themselves into financial difficulty. The reason for this is that there is no prospect, under normal circumstances, of levying a supplementary Council Tax once a Council sets its level of tax for the forthcoming year.

Robustness of Budget Proposals

The preparation of the 2024/25 budget has been undertaken in accordance with best practice, including individually costing each establishment post and examining each cost centre budget line against current year and prior year performance. This has produced a tight, tailored budget which will require careful monitoring throughout the forthcoming financial year. Capital charges have been calculated in accordance with the Accounting Code of Practice and

the Council's policies in relation to depreciation and the Minimum Revenue Provision.

Those specific grants known of at the time of preparation are included in the budget and the declared level, where Ministers have already confirmed the arrangements for 2024/25. Where this is not the case a similar level to that received in 2024/25 has been used for ongoing grants. Where there is uncertainty, no provision has been assumed.

No specific provision has been incorporated into the proposed revenue budgets for 2024/25 for future potential redundancy or employment tribunal costs. It is proposed that any such costs be met from the Council's balances as and when required.

Adequacy of Major Reserves and Balances

Appendix B of this report sets out in detail the Council's overall position in relation to its reserves and balances.

The Council's proposals to utilise some of these reserves throughout the year illustrate how a structured approach is being taken to balance sustainable service delivery with financial prudence.

For the purposes of the requirements of Section 25 and 26 of the Local Government Act 2003, the Executive Director (S151) considers that the estimates for 2024/25 are robust and the proposed levels of balances and reserve are adequate. This has been considered giving regard to CIPFA's Resilience Index and also taking advice utilising external expertise analysing the Council's reserve levels and trends in utilisation of reserves.

Given the uncertainty that the Fair Funding Review and particularly the Business Rate Reform and changes to New Homes Bonus presents in future years there is a question as to whether the reserves are sufficient to underpin future financial pressures. This will be something that will be monitored by the Executive Director (S151) and brought to Council's attention as soon as information allows. As a matter of course, the reserves position is reported to Cabinet Executive on a quarterly basis. Based on the Council's 2022/23 Unaudited Accounts, usable revenue reserves (including earmarked reserves) at 31st March 2023 sit at 102.89% of the 2024/25 budgeted net revenue expenditure. Whilst this puts Blaby at the lower end of the scale in terms of its level of usable revenue reserves, for the 2023/24 financial year the proposed level of balances and reserves are considered to be robust and adequate.

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

- 5.1 The financial implications are included in the main body of the report, appendices and also documented in the papers provided to the Scrutiny Commission during January 2024.

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

- 6.1 The risks to the Council in 2024/25 and future years are detailed in the Medium Term Financial Narrative document at Appendix C.

7. Other options considered

- 7.1 None – The Council is required to set its budgetary requirement and for the Council to consider the opinion of the Executive Director (S151 Officer) as to the robustness of the proposed budget and the levels of reserves and balances being adequate.

8. Environmental impact

- 8.1 This report itself has no environmental impact, although officers are required to consider environmental impacts of initiatives throughout their operations. Should further funding be required for environmental initiatives, these will be brought for consideration within independent reports and the financial implications considered at the time of bringing these reports before Cabinet and Council.

9. Other significant issues

- 9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.
- 9.2 Significant issues relating to legal matters concerned with the finances of the Council have been addressed at paragraph 4.4.

10. Appendix

- 10.1 Appendix A – Summary of Net Expenditure and Budget Requirement
- 10.2 Appendix B – Analysis of Reserves
- 10.3 Appendix C – Medium Term Financial Strategy (MTFS)

11. Background paper(s)

- 11.1 Establishment 2023/24 and 2024/25 Report to Cabinet Executive - 15th January 2024.

Detailed budget working papers held by Financial Services.

Reports provided to the Scrutiny Commission Meetings of 10th and 17th January 2024.

12. Report author's contact details

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SUMMARY OF NET EXPENDITURE & BUDGET REQUIREMENT

APPENDIX A

	Approved 2023/24 Budget £	Revised 2023/24 Estimate £	Proposed 2024/25 Budget £
Net Direct Expenditure			
Finance, People & Performance	3,188,022	2,484,058	2,992,326
Housing, Community & Environmental Services	1,978,956	3,262,288	2,286,511
Health & Wellbeing, Community Engagement & Business Support Leader	399,359	2,038,135	(30,669)
Neighbourhood Services & Assets	1,619,061	1,886,978	1,799,347
Planning Delivery, Enforcement & Corporate Transformation	3,221,948	3,583,276	3,640,324
	3,565,377	4,288,732	4,170,542
	13,972,723	17,543,467	14,858,380
Revenue Contributions towards Capital Expenditure	100,000	200,729	94,315
Minimum Revenue Provision	478,077	484,445	748,865
Voluntary Revenue Provision	250,000	300,000	300,000
Other Appropriations & Accounting Adjustments	271,400	(1,267,990)	205,390
Net Total Expenditure	15,072,200	17,260,651	16,206,950
Contribution to/(from) Earmarked Reserves	(241,017)	(2,913,732)	(349,315)
Contribution to/(from) General Fund Balances	(166,007)	318,257	(463,856)
	14,665,176	14,665,176	15,393,779
Net Budget Requirement			
Income from Business Rates	(1,749,109)	(1,735,729)	(3,387,423)
Contributions from Business Rates Reserves	(1,955,656)	(2,271,803)	(290,204)
S31 Grant - Business Rates Compensation	(2,587,873)	(2,285,106)	(2,922,373)
Revenue Support Grant	(74,608)	(74,608)	(79,550)
New Homes Bonus Grant	(430,029)	(430,029)	(14,280)
Funding Guarantee	(1,530,635)	(1,530,635)	(2,245,863)
Services Grant	(90,200)	(90,200)	(15,571)
Council Tax (Surplus)/Deficit	64,864	64,864	87,887
Council Tax Demand on Collection Fund	(6,311,930)	(6,311,930)	(6,526,402)
Funding Envelope	(14,665,176)	(14,665,176)	(15,393,779)

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ANALYSIS OF RESERVES - REVISED BUDGET 2023/24 & BASE BUDGET 2024/25
Appendix B

	GL Code	Actual 31/03/23 £	Reallocations 2023/24 £	Movement in 2023/24 £	Estimated 31/03/24 £	Movement in 2024/25 £	Estimated 31/03/25 £
Earmarked Reserves							
Leisure Centre Renewals Fund	0001/VBA	(73,607)	0	0	(73,607)	0	(73,607)
IT Reserve Fund	0001/VBB	(140,840)	0	50,020	(90,820)	0	(90,820)
Licensing Reserve	0001/VBC	(27,868)	0	0	(27,868)	0	(27,868)
Insurance Reserve Fund	0001/VBD	(100,000)	0	0	(100,000)	0	(100,000)
Blaby District Plan Priorities Reserve	0001/VBJ	(365,824)	0	47,000	(318,824)	54,500	(264,324)
General Fund Reserve	0001/VBK	(1,612,310)	0	10,000	(1,602,310)	0	(1,602,310)
Ongoing Projects Reserve	0001/VBM	(3,762,841)	0	3,762,841	(0)	0	(0)
Elections Reserve	0001/VBQ	(141,944)	0	100,000	(41,944)	0	(41,944)
Choice Based Lettings Reserve	0001/VBR	(952)	0	0	(952)	0	(952)
New Home Bonus	0001/VBT	(41,327)	0	31,327	(10,000)	0	(10,000)
Contractual Losses Support Reserve	0001/VBU	(700,000)	445,000	0	(255,000)	0	(255,000)
Economic Development Reserve	0001/VBX	(50,000)	0	0	(50,000)	0	(50,000)
ERIE Sinking Fund	0001/VCA	(26,777)	0	0	(26,777)	0	(26,777)
Community Rights Reserve	0001/VCB	(48,724)	0	0	(48,724)	0	(48,724)
Hardship Reserve	0001/VCD	(325,000)	0	0	(325,000)	0	(325,000)
Parish New Homes Bonus Reserve	0001/VCE	(881)	0	0	(881)	0	(881)
NNDR Income Reserve	0001/VCF	(2,453,926)	0	755,011	(1,698,915)	290,204	(1,408,711)
Agile Working Reserve	0001/VCG	(162,678)	0	0	(162,678)	0	(162,678)
Local Plan Reserve	0001/V CJ	(456,306)	0	10,600	(445,706)	0	(445,706)
Lottery Reserve	0001/VCK	(26,466)	0	5,334	(21,132)	0	(21,132)
IT System Replacement Reserve	0001/VCL	(39,815)	0	0	(39,815)	39,815	0
Property Fund Reserve	0001/VCM	(128,462)	0	(45,000)	(173,462)	(45,000)	(218,462)
S31 Grant Reserve	9999/VCO	(1,516,792)	0	1,516,792	0	0	0
Huncote Major Incident Reserve	9999/VCP	(500,843)	(200,000)	0	(700,843)	0	(700,843)
Court Fees Income Reserve	9999/V CQ	(31,813)	0	0	(31,813)	0	(31,813)
Business Rates Pool Reserve	9999/V**	0	0	(1,065,210)	(1,065,210)	300,000	(765,210)
Total - All Earmarked Reserves		(12,735,996)	245,000	5,178,715	(7,312,281)	639,519	(6,672,762)
General Fund Balance	9999/ZZA	(4,619,445)	(245,000)	(318,257)	(5,182,702)	463,856	(4,718,846)

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Appendix C

Medium Term Financial Strategy

The Medium-Term Financial Strategy (MTFS) is the Council's key financial planning document.

The MTFS supports the '**Blaby District Plan**' which is our most important document clearly setting out our vision, values and strategic themes for the next four years.

The MTFS document contains a financial forecast which is updated each year to reflect the changes to funding. This update has been extended to include the years up to 2028/29 to ensure the Council continues to consider the financial picture with a longer-term strategic view and understand the financial resources available.

The future funding envelope beyond 2024/25 remains quite uncertain given there are changes to funding in future years with the Fair Funding Review and the anticipated reset of the Business Rates baseline, both of which are now expected to take effect from 2026/27. The future funding estimates within the MTFS consider any information that can be gained from the national picture and documents within the public domain on this subject although, as always, there is a high degree of risk and uncertainty around these.

Whilst the future funding levels are uncertain it is not unrealistic to assume there will continue to be funding reductions or higher demand placed upon the Council. It is important that the Council understands the potential future funding gaps and scenarios have been included to illustrate possible financial impacts of the changes.

For this latest update of the MTFS, the proposed budget for 2024/25 has been used as the baseline for projecting the future budget requirement. However, priorities and services may have to be revised to ensure the Council remains financially sustainable.

Given the future funding gaps identified in future years a high level outline plan has been developed to illustrate how the future budget gaps may be closed should the resetting of the Business Rate baseline and the Fair Funding review be introduced .

Financial Summary

Forecast Net Revenue Expenditure						
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£	£	£	£	£	£
Portfolio:						
Finance, People & Performance	2,484,058	2,992,325	3,289,058	3,623,407	3,891,513	4,133,128
Housing, Community & Environmental Services	3,262,288	2,286,511	2,340,603	2,395,778	2,452,051	2,509,459
Health & Wellbeing, Community Engagement & Business Support Leader	2,038,135	(30,669)	36,400	(166,392)	(183,701)	(166,889)
Neighbourhood Services & Assets	1,886,978	1,799,347	1,835,316	1,871,991	1,909,404	1,947,566
Planning Delivery, Enforcement & Corporate Transformation	3,583,276	3,640,324	3,725,829	3,818,072	3,906,186	3,995,772
	4,288,732	4,170,542	4,241,765	4,314,405	4,388,496	4,464,064
Net Direct Expenditure - Portfolio	17,543,467	14,858,380	15,468,971	15,857,261	16,363,949	16,883,100
RCCO	200,729	94,315	54,500	54,500	54,500	54,500
Minimum Revenue Provision	484,445	748,865	979,852	1,138,188	1,199,107	1,600,735
Voluntary Revenue Provision	300,000	300,000	250,000	0	0	(250,000)
Appropriations & Accounting Adjustments	(1,267,990)	205,390	208,670	212,016	215,429	218,910
Contribution to/(from) Earmarked Reserves	(2,913,732)	(349,315)	(379,250)	(385,370)	(491,612)	(397,979)
Net Revenue Expenditure	14,346,919	15,857,635	16,582,743	16,876,595	17,341,373	18,109,266
Funding Envelope						
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£	£	£	£	£	£
Income from Business Rates	(1,735,729)	(3,387,423)	(3,721,275)	(920,091)	(972,656)	(1,029,906)
Contribution from Business Rates Reserves	(2,271,803)	(290,204)	271,733	(560,148)	(560,148)	(560,148)
S31 Grant - Business Rates Compensation	(2,285,106)	(2,922,373)	(2,990,112)	(2,005,506)	(2,056,762)	(2,113,884)
Revenue Support Grant	(74,608)	(79,550)	(81,141)	(82,764)	(84,419)	(86,107)
Funding Guarantee	(1,530,635)	(2,245,863)	(2,072,000)	0	0	0
Services Grant	(90,200)	(15,571)	(15,571)	0	0	0
New Homes Bonus Grant	(430,029)	(14,280)	0	0	0	0
	(8,418,110)	(8,955,264)	(8,608,366)	(3,568,509)	(3,673,985)	(3,790,045)
Council Tax Deficit	64,864	87,887	0	0	0	0
Council Tax	(6,311,930)	(6,526,402)	(6,760,501)	(7,022,828)	(7,294,795)	(7,576,750)
Funding Envelope	(14,665,176)	(15,393,779)	(15,368,867)	(10,591,337)	(10,968,780)	(11,366,795)
Funding Gap/(Surplus)	(318,257)	463,856	1,213,876	6,285,258	6,372,593	6,742,471
Damping	0	0	0	(4,009,086)	(2,901,622)	(1,810,087)
Adjusted Funding Gap/(Surplus)	(318,257)	463,856	1,213,876	2,276,172	3,470,971	4,932,384

Forecast Assumptions

Set out below is a commentary relating to the key assumptions that have been made in drafting the future financial forecast.

Net Direct Expenditure

Net Direct Expenditure budgets have been compiled by rolling forward the 2024/25 draft budget numbers and applying inflationary factors where appropriate to the elements. Key areas of note are:

- Establishment – assumes a 4% increase to cover the annual pay award, increments and increases in national insurance and pension contributions. 3% being allowed within the service budgets with a further 1% held centrally.
- Other costs – increases in line with contractual arrangements or by reference to appropriate inflationary factors, dependent upon the nature of the expenditure.
- Fees and charges – non-statutory income budgets have been increased by inflation and with a view to achieving full cost recovery.

RCCO

Revenue Contributions towards Capital Outlay – this is where revenue expenditure (including earmarked reserves) is used to finance capital expenditure.

Minimum Revenue Provision (MRP)

MRP is a proxy for depreciation used in local government finance. It is charged on any capital expenditure funded through borrowing, over a period commensurate with the estimated life of the asset. Much of the current MRP relates to the purchase of fleet vehicles, investment in our leisure facilities, and historic disabled facilities grants. The increase in MRP from 2024/25 reflects the impact of new expected borrowing to fund our 5-year Capital Programme.

Voluntary Revenue Provision (VRP)

VRP is in addition to MRP and is applied to smooth the impact of introducing the Council's new MRP policy.

Contributions to/(from) Earmarked Reserves

This represents the release of reserves to support one-off expenditure items, brought forward budget or spend to save initiatives.

Net Revenue Expenditure

The Council's forecast net expenditure position prior to the application of balances, government grants and council tax.

Income from Business Rates

The Council retains 40% of the net rates collectable from businesses. However, it is also required to pay a tariff to government from its share, as well as a levy payment to the Leicestershire Business Rates Pool based on any growth above the baseline. Blaby has benefitted from considerable growth since the current Business Rates Retention Scheme was introduced in April 2013. The MTFS anticipates a reset of the business rates baseline in 2026/27 and this is likely to have a major impact on the

amount of business rates that Blaby will have to support its budget. However, there remains a great deal of uncertainty over the precise impact.

S31 Grant – Business Rates Compensation

The amount of business rates collectable is reduced by various reliefs that have been introduced by the government, for example, to freeze the business rate multiplier. This results in a loss of income to the Council, which is usually compensated by the government through Section 31 grant.

Funding Guarantee

The 3% Funding Guarantee was introduced in 2023/24 and ensures that no authority has a Core Spending Power increase of less than 3% without having to increase their Band D council tax. This helps to compensate for any loss in New Homes Bonus (below). This grant is not expected to continue after 2025/26.

Services Grant

A new grant introduced in the 2022/23 settlement. The Services Grant has been reduced significantly in 2024/25 to pay for grants elsewhere. Like the Funding Guarantee this grant is expected to end after 2025/26.

New Homes Bonus

New Homes Bonus has again been extended by a further year based on the existing distribution mechanism. Blaby's settlement is based on housing growth up to October 2023 and, due to lower growth in new housing, coupled with an increase in empty homes, has been almost completely eradicated in 2024/25.

Council Tax Deficit

The amount by which council tax due in the previous year, falls short of the expected sum collectable. The government introduced new legislation in 2020/21 enabling local authorities to spread any unusual deficit arising from the pandemic across three years. This arrangement has now come to an end so that any deficit on 31st March 2024 must be fully recovered in 2024/25.

Council Tax

The expected amount of revenue receivable from Council Taxpayers, assuming an increase of 2.99% on Band D council tax each year and an assumed increase in the tax base to reflect new build.

Damping

An assumption has been built into the MTFs in anticipation that the government will introduce some form of damping mechanism to smooth the impact of the expected reduction in funding. Until the Fair Funding review is complete and the government has made a decision in relation to the business rate baseline reset, the full extent of this impact poses a significant risk.

Financial Risks

- **New Homes Bonus (NHB)** When the New Homes Bonus commenced it was a non-ring fenced grant introduced to encourage the building of new housing. This, in effect, was top sliced from the existing funding streams for local government and therefore has provided an alternative source of funding as the core grant has been reduced. In the early years Blaby was in the position to support local housing schemes with some of the New Homes Bonus. However, in recent years it has been necessary to include the NHB as a source of funding to underpin the budget requirement.

In 2024/25, Blaby's allocation has reduced to just £14,280.

NHB is expected to be removed from the settlement from 2025/26 onwards and, as yet, there is no indication from government that it will be replaced. If it is replaced, there is a strong likelihood that any new grant will be more weighted towards upper tier authorities.

- **Business Rates Retention Reform**

The latest information suggests that this will take effect in the year 2026/27 at the same time as the result of the Fair Funding Review is expected to be implemented.

If there is a full reset of the Business Rates Baseline as expected, the Council may lose the benefit of any significant growth that has been generated in recent years. This element of the changes to Business Rates provides a substantial risk to the Council which would result in growth being lost. The financial impact of this is illustrated by the considerable financial gap from 2026/27 onwards.

Blaby will benefit from any future growth in Business Rates, however quantifying the benefit is not yet possible.

- **Fair Funding Review**

It is expected that this will take effect in the year 2026/27. Whilst the historic consultation detailed considerations that may be being taken into account it is not possible to assess how Blaby District will be impacted by this change. How future changes are softened through a 'damping process' will be key as to how Blaby's financial position may change.

- **County Council and Partner Funding Reductions.** The County Council has openly illustrated the level of funding cuts that they will be required to make over the coming years. Whilst we can plan to mitigate any obvious impacts of this, some are more subtle and the increased demand that results from this is

difficult to quantify financially. This is a considerable risk to which we will put financial values to as and when we are in a position to do so.

Similarly partner organisations are also finding the financial situation a strain on their finances and we expect them to be looking for areas where they may reduce their costs. Given the level of external funding we obtain from external partners for services we provide under shared arrangements there is risk that income levels may reduce in future should partners make the decision to move away from the shared service. Measures are taken to both protect our income levels but also work with partners to take a structured approach to cost minimisation which limits the financial exposure to this Council and ensures services are sustainable.

- **New Demands from Residents.** Blaby has an ageing population which brings with it challenges such as dealing with dementia and issues such as loneliness. We have also seen considerable increase in homelessness costs and the cost of living crisis may also drive further demands. What role Blaby will play in our community to combat these challenges and what different demand this drives for services that are needed have not yet been identified. However, we have taken opportunity to reduce such costs by taking advantage of funding initiatives to support such demand e.g. the investment in properties to utilise for temporary homelessness using the Local Authority Housing Fund.

Plan to Close Future Financial Gaps

The MTFS provides an estimate of the future expenditure of the Council and also the funding envelope in which the Council will be required to operate to produce a balanced budget. Given that the 'Settlement' provides funding for one year only there is little certainty as to whether the MTFS reflects a true picture of the Council's financial position but is the best estimate that can currently be made with available information utilising advice from the Council's advisors and the current expenditure levels of the Council extrapolated into the future.

The MTFS suggests that there will be a budget gap of £1.2m in 2025/26 which rises to £4.9m in 2028/29; three years after the Business Rate baseline reset and after damping has been much reduced.

The Council has for some years operated an ongoing initiative to close the financial gaps that have been predicted within the MTFS and continues to do so. Investment has been made in resource to drive the transformation agenda and the newly adopted Transformation Strategy 'Transforming Blaby Together' includes the Council's commitment to embrace new technology, deliver affordable and efficient services in addition to embracing business-like thinking to seek new and innovative ways of maximising income. It is through these initiatives and investment in ICT that plans have been made to close the future gaps as illustrated in the table below.

FINANCIAL PLAN TO ADDRESS BUDGET GAP						
	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Budget Gap before damping	154,486	463,856	1,213,876	6,285,258	6,372,593	6,742,471
Damping	0	0	0	(4,009,086)	(2,901,622)	(1,810,087)
Budget Gap after damping	154,486	463,856	1,213,876	2,276,172	3,470,971	4,932,384
Measures to close funding gap:						
Transformational Savings			(334,840)	(344,885)	(355,232)	(365,889)
Closing the Gap Initiatives			(263,000)	(345,290)	(355,049)	(365,100)
Prioritisation and Rationalisation				(1,395,000)	(1,436,000)	(1,471,000)
Residual Budget Gap	154,486	463,856	616,036	190,997	1,324,691	2,730,395

The Council recognises that, should the introduction of the Business Rate Baseline and Fair Funding generate the budget gaps as predicted, then significant prioritisation and rationalisation will be required in order to meet the significant budget gaps. The lack of certainty of these budget gaps materialising and the potential for a change of approach does however, suggest that activating such plans might be premature. The Council will therefore not implement such plans until more certainty is gained but will continue to consider future options to close the gaps and monitor the funding situation on an ongoing basis.

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Blaby District Council

Cabinet Executive

Date of Meeting	26 February 2024
Title of Report	Council Tax 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
Corporate Priority	Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 The Council is required to set out the total amount that needs to be raised from the collection of Council Tax in the forthcoming year. This is known as the Council Tax Requirement for Blaby District Council and forms part of the funding towards the services provided by the Council. The report sets the amount of Council Tax charged to each household in the district.

2. Recommendation(s) to Cabinet Executive and Council

- 2.1 The Council Tax Requirement for 2024/25 is set at £6,526,402.
- 2.2 The District Council Band D Council Tax is set at £189.14, reflecting an increase of 2.99% (£5.49), all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended.
- 2.3 The precepts and Band D Council Tax for Leicestershire County Council*, the Office of the Police and Crime Commissioner (OPCC), the Combined Fire Authority, and the various Parish Councils within the District, be determined as set out in the following report, with all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended.

3. Reason for Decisions Recommended

- 3.1 The Council is statutorily required to determine its own Council Tax Requirement and to determine the Council Tax for the 2024/25 financial year, after considering precepts set by the other preceptors.

4. Matters to consider

4.1 Background

Setting the level of Council Tax to be charged and calculating the total amount of Council Tax to be drawn from the Collection Fund, is the final stage of the budget process. The amount of funding the Council may raise in Council Tax is limited by:

- The number and size of properties in the district on which a charge for Council Tax can be applied (referred to as the Council Tax Base), and
- The maximum increase that may be applied to the current Council Tax level (without a referendum being triggered).

Blaby's Council Tax Base for 2024/25 is 34,505.83 and this was approved at a meeting of the Cabinet Executive on 15th January 2024.

Each year the government sets out the principles that determine whether a local authority's proposed council tax increase is excessive. For 2024/25, the basic amount of council tax for a shire district council is considered excessive if:

- It is 3%, or more than 3%, greater than the basic amount of council tax in 2023/24; **and**
- It is more than £5 greater than the basic amount of council tax in 2023/24.

This means that Blaby can increase its Band D council tax by the greater of 2.99% or £5 in 2024/25 without triggering a referendum. If a referendum were to be triggered this would require the local electorate to be given an opportunity to vote to support or veto the increase in council tax.

The table below illustrates the impact on each council tax band if the council tax is increased by 2.99%:

A	B	C	D	E	F	G	H
£3.66	£4.27	£4.88	£5.49	£6.71	£7.93	£9.15	£10.98

4.2 Proposal(s)

The OPCC set its budget and Council Tax on 1st February 2024, which resulted in the Police and Crime Panel approving a £13.00 per annum for a Band D property. The Combined Fire Authority approved an increase of 2.98% to its Band D Council Tax at a meeting on 14th February 2024. Finally, Leicestershire County Council set its Council Tax requirement on 21st February 2024, approving an overall increase of 4.99% (2.99% plus 2.00% for Adult Social Care). All of these represent the maximum increase permissible under the Council Tax Referendum Principles.

The Council Tax Requirement for Blaby has been determined to be £6,526,402 and is calculated as follows:

	2023/24 £	2024/25 £
General Fund Budget Requirement	14,665,176	15,393,779
<u>Financed by:</u>		
National Non-Domestic Rates	(3,704,765)	(3,677,627)
New Homes Bonus Grant	(430,029)	(14,280)
Section 31 Grant – NNDR Compensation	(2,587,873)	(2,922,373)
Funding Guarantee	(1,530,635)	(2,245,863)
Services Grant	(90,200)	(15,571)
Revenue Support Grant	(74,608)	(79,550)
Council Tax (Surplus)/Deficit	64,864	87,887
Council Tax Requirement	6,311,930	6,526,402

The Council Tax Requirement, including all preceptors, is shown in the table below. The percentage increase takes account of both the increase in the Council Tax Base, and the increase in Band D Council Tax.

	2023/24 £	2024/25 £	Change £
Leicestershire County Council	52,429,736	55,263,868	2,834,132
Leicestershire, Leicestershire & Rutland Combined Fire Authority	2,725,175	2,817,499	92,324
Office of the Police & Crime Commissioner for Leicestershire	9,390,845	9,876,611	485,766
Blaby District Council	6,311,930	6,526,402	214,472
Parish Councils (Aggregate)	4,214,207	4,620,807	406,600
Total	75,071,893	79,105,187	4,033,294

The Average Council Tax for each household is calculated by taking the precept requirement and dividing it by the Council Tax Base. This average is always shown as a Band D equivalent.

The table below shows the resulting Band D Council Tax amount for each of the preceptors that comprise the Council Tax bill. The Parish element is not shown in this table but is added on depending on the Parish in which the household is situated. Appendix A provides details of all individual Parish precepts.

	2023/24 £	2024/25 £	Change
Leicestershire County Council			
• Main element *	1,324.31	1,369.92	2.99%
• Adult Social Care element *	201.15	231.66	2.00%
• Total	1,525.46	1,601.58	4.99%
Leicestershire, Leicestershire & Rutland Combined Fire Authority	79.29	81.65	2.98%
Office of the Police & Crime Commissioner for Leicestershire	273.23	286.23	4.76%
Blaby District Council	183.65	189.14	2.99%
Total	2,061.63	2,158.60	4.70%

* In accordance with Government guidance each percentage is calculated as an increase to the 2023/24 total of £1,525.46.

All other bands are calculated by applying a ratio to the Band D Council Tax.

The average parish Council Tax is £133.91 which, when added to the figures in the table above, gives an overall Band D average charge of £2,292.51. By way of comparison, the current year Band D average charge is £2,184.24. The relevant Council Tax for each of the bands, including the average Parish charge, is:

A	B	C	D	E	F	G	H
£1,528.35	£1,783.07	£2,037.79	£2,292.51	£2,801.97	£3,311.40	£3,820.86	£4,585.02

In accordance with Section 30-36 of the Local Government and Finance Act, 1992, the Council Tax payable for each band of property has been determined taking into account the individual precept requirement for each Parish Council. This information is set out in Appendix B.

4.3 Relevant Consultations

Major preceptors and all Parishes have been consulted to obtain their precept requirements for 2024/25.

As part of the annual budget consultation exercise, a sample selection of residents has been asked for their views on increasing the Council Tax for 2024/25. The consultation had not closed at the point of publication of this report and a verbal update will be given when the report is presented at the Cabinet Meeting.

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

- 5.1 The financial implications of this report are dealt with in the report General Fund Budget Proposals 2024/25 also included on this agenda.

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

6.1

Current Risk	Actions to reduce the risks
Not performing the calculations correctly and therefore issuing Council Tax demands to residents incorrectly	All precept amounts are formally notified to the Council by each authority or Parish. Meticulous calculations and independent checks are made to ensure accuracy

7. Other options considered

- 7.1 None – the setting of the Council Tax Requirement is a statutory requirement, and changes to Council Tax Support and discretionary liability must be approved by Full Council.

8. Environmental impact

8.1 None arising directly from this report.

9. Other significant issues

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

10. Appendix

10.1 Appendix A – Comparison of Band D Tax by Parish

10.2 Appendix B – Total Council Tax Amounts by Band 2024/25

10.3 Appendix C – Draft Resolution

11. Background paper(s)

11.1 General Fund Budget Proposals 2024/25
Council Tax Setting 2024/25 files held by Finance Services

12. Report author's contact details

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Comparison of Band D Tax by Parish:								APPENDIX A	
		Total Tax		Increase		Parish Components		Increase/(Decrease)	
		2024/25	2023/24	£	%	2024/25	2023/24	£	%
Aston Flamville		2,158.60	2,061.63	96.97	4.70	0.00	0.00	0.00	0.00
Blaby		2,345.00	2,235.87	109.13	4.88	186.40	174.24	12.16	6.98
Braunstone Town		2,358.91	2,219.87	139.04	6.26	200.31	158.24	42.07	26.59
Cosby		2,289.96	2,186.93	103.03	4.71	131.36	125.30	6.06	4.84
Countesthorpe		2,323.16	2,216.76	106.40	4.80	164.56	155.13	9.43	6.08
Croft		2,333.61	2,225.60	108.01	4.85	175.01	163.97	11.04	6.73
Elmesthorpe		2,198.82	2,099.49	99.33	4.73	40.22	37.86	2.36	6.23
Enderby		2,294.38	2,183.21	111.17	5.09	135.78	121.58	14.20	11.68
Glenfield		2,267.45	2,165.16	102.29	4.72	108.85	103.53	5.32	5.14
Glen Parva		2,308.58	2,209.91	98.67	4.46	149.98	148.28	1.70	1.15
Huncote		2,298.05	2,187.99	110.06	5.03	139.45	126.36	13.09	10.36
Kilby		2,238.50	2,138.35	100.15	4.68	79.90	76.72	3.18	4.14
Kirby Muxloe		2,267.68	2,165.58	102.10	4.71	109.08	103.95	5.13	4.94
Leicester Forest East		2,234.99	2,135.91	99.08	4.64	76.39	74.28	2.11	2.84
Leicester Forest West		2,158.60	2,061.63	96.97	4.70	0.00	0.00	0.00	0.00
Lubbesthorpe		2,213.64	2,116.94	96.70	4.57	55.04	55.31	(0.27)	(0.49)
Narborough		2,296.08	2,194.92	101.16	4.61	137.48	133.29	4.19	3.14
Potters Marston		2,158.60	2,061.63	96.97	4.70	0.00	0.00	0.00	0.00
Sapcote		2,270.04	2,161.69	108.35	5.01	111.44	100.06	11.38	11.37
Sharnford		2,245.94	2,131.54	114.40	5.37	87.34	69.91	17.43	24.93
Stoney Stanton		2,253.05	2,149.46	103.59	4.82	94.45	87.83	6.62	7.54
Thurlaston		2,261.72	2,162.30	99.42	4.60	103.12	100.67	2.45	2.43
Whetstone		2,268.82	2,168.76	100.06	4.61	110.22	107.13	3.09	2.88
Wigston Parva		2,158.60	2,061.63	96.97	4.70	0.00	0.00	0.00	0.00
Parish Average		2,292.51	2,184.24	108.27	4.96	133.91	122.61	11.30	9.22
Blaby District Council						189.14	183.65	5.49	2.99
the Office of the Police & Crime Commissioner (OPCC) for Leicestershire						286.23	273.23	13.00	4.76
Leicester, Leicestershire & Rutland Combined Fire Authority						81.65	79.29	2.36	2.98
Leicestershire County Council - includes an element for Adult Social Care Services						1,601.58	1,525.46	76.12	4.99

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									APPENDIX B
Total Council Tax Amounts By Band 2024/25									
Parish	Precept	A	B	C	D	E	F	G	H
Aston Flamville	0	1,439.07	1,678.91	1,918.76	2,158.60	2,638.30	3,117.97	3,597.67	4,317.20
Blaby	410,061	1,563.33	1,823.88	2,084.45	2,345.00	2,866.12	3,387.21	3,908.33	4,690.00
Braunstone Town	981,884	1,572.61	1,834.71	2,096.81	2,358.91	2,883.12	3,407.31	3,931.52	4,717.82
Cosby	155,093	1,526.64	1,781.08	2,035.52	2,289.96	2,798.85	3,307.71	3,816.60	4,579.92
Countesthorpe	424,108	1,548.78	1,806.90	2,065.03	2,323.16	2,839.43	3,355.66	3,871.93	4,646.32
Croft	97,385	1,555.74	1,815.03	2,074.33	2,333.61	2,852.20	3,370.76	3,889.36	4,667.22
Elmesthorpe	12,395	1,465.88	1,710.19	1,954.51	2,198.82	2,687.46	3,176.07	3,664.71	4,397.64
Enderby	264,650	1,529.59	1,784.51	2,039.45	2,294.38	2,804.25	3,314.09	3,823.97	4,588.76
Glenfield	412,000	1,511.64	1,763.57	2,015.51	2,267.45	2,771.34	3,275.19	3,779.08	4,534.90
Glen Parva	279,768	1,539.06	1,795.56	2,052.08	2,308.58	2,821.61	3,334.61	3,847.64	4,617.16
Huncote	89,928	1,532.04	1,787.37	2,042.72	2,298.05	2,808.74	3,319.40	3,830.09	4,596.10
Kilby	10,179	1,492.34	1,741.05	1,989.78	2,238.50	2,735.95	3,233.38	3,730.83	4,477.00
Kirby Muxloe	221,459	1,511.79	1,763.75	2,015.72	2,267.68	2,771.62	3,275.53	3,779.47	4,535.36
Leicester Forest East	185,941	1,489.99	1,738.32	1,986.66	2,234.99	2,731.66	3,228.31	3,724.98	4,469.98
Leicester Forest West	0	1,439.07	1,678.91	1,918.76	2,158.60	2,638.30	3,117.97	3,597.67	4,317.20
Lubbesthorpe	50,333	1,475.77	1,721.72	1,967.69	2,213.64	2,705.58	3,197.48	3,689.41	4,427.28
Narborough	413,000	1,530.72	1,785.84	2,040.96	2,296.08	2,806.33	3,316.55	3,826.80	4,592.16
Potters Marston	0	1,439.07	1,678.91	1,918.76	2,158.60	2,638.30	3,117.97	3,597.67	4,317.20
Sapcote	139,602	1,513.36	1,765.58	2,017.81	2,270.04	2,774.50	3,278.93	3,783.40	4,540.08
Sharnford	35,000	1,497.30	1,746.84	1,996.39	2,245.94	2,745.05	3,244.13	3,743.23	4,491.88
Stoney Stanton	139,511	1,502.03	1,752.37	2,002.71	2,253.05	2,753.73	3,254.39	3,755.08	4,506.10
Thurlaston	30,088	1,507.82	1,759.12	2,010.42	2,261.72	2,764.34	3,266.92	3,769.54	4,523.44
Whetstone	268,422	1,512.55	1,764.64	2,016.73	2,268.82	2,773.01	3,277.17	3,781.37	4,537.64
Wigston Parva	0	1,439.07	1,678.91	1,918.76	2,158.60	2,638.30	3,117.97	3,597.67	4,317.20
	4,620,807								

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DRAFT RESOLUTION

COUNCIL TAX 2024/25

The Council is recommended to resolve as follows:

1. That it be noted that on 15th January 2024 the Council calculated the Council Tax Base for 2024/25
 - (a) for the whole district as 34,505.83 [Item T in the formula in Section 31B of the Local Government Finance Act 1992 (the Act), as amended by the Localism Act 2011; and
 - (b) for dwellings in those parts of its district to which a Parish precept relates as listed below:

Parish of:	Band D Equivalent Properties
Aston Flamville	120.55
Blaby	2,199.95
Braunstone Town	4,901.85
Cosby	1,180.69
Countesthorpe	2,577.26
Croft	556.45
Elmesthorpe	308.17
Enderby	1,949.15
Glenfield	3,785.10
Glen Parva	1,865.31
Huncote	644.86
Kilby	127.40
Kirby Muxloe	2,030.25
Leicester Forest East	2,434.19
Leicester Forest West	17.12
Lubbesthorpe	914.41
Narborough	3,004.17
Potters Marston	12.67
Sapcote	1,252.75
Sharnford	400.74
Stoney Stanton	1,477.15
Thurlaston	291.77
Whetstone	2,435.36
Wigston Parva	18.51

2. Calculate that the Council Tax Requirement for the Council's own purposes for 2024/25 (excluding Parish precepts) is £6,526,402.
3. That the following amounts be calculated by the Council for the year 2024/25 in accordance with new Sections 31 to 36 of the Act:
 - (a) £37,155,692 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils **(i.e., gross expenditure including parish precepts)**.
 - (b) £26,629,555 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act **(i.e., gross income including government grants)**.
 - (c) £11,147,209 being the amount by which the aggregate at 3(a) above exceeds the aggregate of 3(b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax Requirement for the year (Item R in the formula in Section 31B of the Act) **(i.e., Council Tax Requirement including parish precepts)**.
 - (d) £323.0529 being the amount at 3(c) above (Item R) divided by the amount at 1(a) above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year **(i.e., average Band D Council Tax including parish precepts)**.
 - (e) £4,620,807 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act **(i.e., Parish Council precepts)**.
 - (f) £189.1391 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its areas to which no special item relates **(i.e., District Council Band D Council Tax)**.

(g) Basic Amount of Council Tax by Parish 2024/25 (£)

Aston Flamville	189.1391
Blaby	375.5347
Braunstone Town	389.4480
Cosby	320.4970
Countesthorpe	353.6968
Croft	364.1503
Elmesthorpe	229.3604
Enderby	324.9162
Glenfield	297.9870
Glen Parva	339.1238
Huncote	329.5926
Kilby	269.0371
Kirby Muxloe	298.2188
Leicester Forest East	265.5263
Leicester Forest West	189.1391
Lubbesthorpe	244.1833
Narborough	326.6147
Potters Marston	189.1391
Sapcote	300.5755
Sharnford	276.4775
Stoney Stanton	283.5852
Thurlaston	292.2614
Whetstone	299.3577
Wigston Parva	189.1391

being the amounts given by adding to the amount at 2(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) Calculation of Basic Amounts of Council Tax by parish for Different Valuation Bands

The amounts shown in Table A attached being the amounts given by multiplying the amounts at 2(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted for the year 2024/25 the major precepting authorities have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below: -

<u>Precepting Authority</u>	<u>Valuation Bands (£)</u>			
Leicestershire County Council (Main Element)	A	913.2807	E	1,674.3479
	B	1,065.4941	F	1,978.7748
	C	1,217.7076	G	2,283.2017
	D	1,369.9210	H	2,739.8420
Leicestershire County Council (Adult Social Care)	A	154.4397	E	283.1395
	B	180.1797	F	334.6194
	C	205.9196	G	386.0993
	D	231.6596	H	463.3192
Leicestershire County Council (Total)	A	1,067.7204	E	1,957.4874
	B	1,245.6738	F	2,313.3942
	C	1,423.6272	G	2,669.3010
	D	1,601.5806	H	3,203.1612
Office of the Police & Crime Commissioner for Leicestershire	A	190.8201	E	349.8369
	B	222.6235	F	413.4436
	C	254.4268	G	477.0503
	D	286.2302	H	572.4604
Leicester, Leicestershire & Rutland Combined Fire Authority	A	54.4352	E	99.7979
	B	63.5078	F	117.9430
	C	72.5803	G	136.0881
	D	81.6528	H	163.3057

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2024/25 for each part of its area and for each of the categories of dwelling shown in Table B attached.
6. Determines that the Council's basic amount of Council Tax for 2024/25 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992.

							Appendix C - Table A	
District Council Tax Amounts By Band 2024/25								
	A	B	C	D	E	F	G	H
Aston Flamville	126.0927	147.1082	168.1236	189.1391	231.1700	273.2009	315.2318	378.2782
Blaby	250.3564	292.0826	333.8086	375.5347	458.9868	542.4390	625.8911	751.0694
Braunstone Town	259.6320	302.9040	346.1760	389.4480	475.9920	562.5360	649.0800	778.8960
Cosby	213.6646	249.2755	284.8862	320.4970	391.7185	462.9401	534.1616	640.9940
Countesthorpe	235.7978	275.0975	314.3971	353.6968	432.2961	510.8954	589.4946	707.3936
Croft	242.7668	283.2280	323.6891	364.1503	445.0726	525.9949	606.9171	728.3006
Elmesthorpe	152.9069	178.3914	203.8759	229.3604	280.3294	331.2983	382.2673	458.7208
Enderby	216.6108	252.7126	288.8144	324.9162	397.1198	469.3234	541.5270	649.8324
Glenfield	198.6580	231.7677	264.8773	297.9870	364.2063	430.4256	496.6450	595.9740
Glen Parva	226.0825	263.7630	301.4433	339.1238	414.4846	489.8455	565.2063	678.2476
Huncote	219.0617	255.5720	292.0823	328.5926	401.6132	474.6337	547.6543	657.1852
Kilby	179.3580	209.2511	239.1440	269.0371	328.8231	388.6091	448.3951	538.0742
Kirby Muxloe	198.8125	231.9480	265.0833	298.2188	364.4896	430.7605	497.0313	596.4376
Leicester Forest East	177.0175	206.5205	236.0233	265.5263	324.5321	383.5380	442.5438	531.0526
Leicester Forest West	126.0927	147.1082	168.1236	189.1391	231.1700	273.2009	315.2318	378.2782
Lubbesthorpe	162.7888	189.9204	217.0518	244.1833	298.4462	352.7092	406.9721	488.3666
Narborough	217.7431	254.0337	290.3241	326.6147	399.1957	471.7768	544.3578	653.2294
Potters Marston	126.0927	147.1082	168.1236	189.1391	231.1700	273.2009	315.2318	378.2782
Sapcote	200.3836	233.7810	267.1782	300.5755	367.3700	434.1646	500.9591	601.1510
Sharnford	184.3183	215.0381	245.7577	276.4775	337.9169	399.3564	460.7958	552.9550
Stoney Stanton	189.0568	220.5663	252.0757	283.5852	346.6041	409.6230	472.6420	567.1704
Thurlaston	194.8409	227.3144	259.7879	292.2614	357.2084	422.1553	487.1023	584.5228
Whetstone	199.5718	232.8338	266.0957	299.3577	365.8816	432.4055	498.9295	598.7154
Wigston Parva	126.0927	147.1082	168.1236	189.1391	231.1700	273.2009	315.2318	378.2782

							Appendix C - Table B	
Total Council Tax Amounts By Band 2024/25								
	A	B	C	D	E	F	G	H
Aston Flamville	1,439.07	1,678.91	1,918.76	2,158.60	2,638.30	3,117.97	3,597.67	4,317.20
Blaby	1,563.33	1,823.88	2,084.45	2,345.00	2,866.12	3,387.21	3,908.33	4,690.00
Braunstone Town	1,572.61	1,834.71	2,096.81	2,358.91	2,883.12	3,407.31	3,931.52	4,717.82
Cosby	1,526.64	1,781.08	2,035.52	2,289.96	2,798.85	3,307.71	3,816.60	4,579.92
Countesthorpe	1,548.78	1,806.90	2,065.03	2,323.16	2,839.43	3,355.66	3,871.93	4,646.32
Croft	1,555.74	1,815.03	2,074.33	2,333.61	2,852.20	3,370.76	3,889.36	4,667.22
Elmesthorpe	1,465.88	1,710.19	1,954.51	2,198.82	2,687.46	3,176.07	3,664.71	4,397.64
Enderby	1,529.59	1,784.51	2,039.45	2,294.38	2,804.25	3,314.09	3,823.97	4,588.76
Glenfield	1,511.64	1,763.57	2,015.51	2,267.45	2,771.34	3,275.19	3,779.08	4,534.90
Glen Parva	1,539.06	1,795.56	2,052.08	2,308.58	2,821.61	3,334.61	3,847.64	4,617.16
Huncote	1,532.04	1,787.37	2,042.72	2,298.05	2,808.74	3,319.40	3,830.09	4,596.10
Kilby	1,492.34	1,741.05	1,989.78	2,238.50	2,735.95	3,233.38	3,730.83	4,477.00
Kirby Muxloe	1,511.79	1,763.75	2,015.72	2,267.68	2,771.62	3,275.53	3,779.47	4,535.36
Leicester Forest East	1,489.99	1,738.32	1,986.66	2,234.99	2,731.66	3,228.31	3,724.98	4,469.98
Leicester Forest West	1,439.07	1,678.91	1,918.76	2,158.60	2,638.30	3,117.97	3,597.67	4,317.20
Lubbesthorpe	1,475.77	1,721.72	1,967.69	2,213.64	2,705.58	3,197.48	3,689.41	4,427.28
Narborough	1,530.72	1,785.84	2,040.96	2,296.08	2,806.33	3,316.55	3,826.80	4,592.16
Potters Marston	1,439.07	1,678.91	1,918.76	2,158.60	2,638.30	3,117.97	3,597.67	4,317.20
Sapcote	1,513.36	1,765.58	2,017.81	2,270.04	2,774.50	3,278.93	3,783.40	4,540.08
Sharnford	1,497.30	1,746.84	1,996.39	2,245.94	2,745.05	3,244.13	3,743.23	4,491.88
Stoney Stanton	1,502.03	1,752.37	2,002.71	2,253.05	2,753.73	3,254.39	3,755.08	4,506.10
Thurlaston	1,507.82	1,759.12	2,010.42	2,261.72	2,764.34	3,266.92	3,769.54	4,523.44
Whetstone	1,512.55	1,764.64	2,016.73	2,268.82	2,773.01	3,277.17	3,781.37	4,537.64
Wigston Parva	1,439.07	1,678.91	1,918.76	2,158.60	2,638.30	3,117.97	3,597.67	4,317.20

