



TO COUNCILLOR:

E R Barr
L A Bentley
Miss A R Bond
G A Boulter
J W Boyce
Mrs L M Broadley
F S Broadley
D M Carter (Mayor)
Mrs K M Chalk

Miss M V Chamberlain
M H Charlesworth
M L Darr
B Dave
R F Eaton
Mrs L Eaton JP (Deputy Mayor)
D A Gamble
Mrs S Z Haq
J Kaufman

Mrs L Kaufman
Dr T K Khong
Mrs H E Loydall
K J Loydall JP
Mrs S B Morris
R E R Morris
R H Thakor

Dear Sir or Madam

I hereby **SUMMON** you to attend a meeting of the **FULL COUNCIL** to be held at the **COUNCIL OFFICES, STATION ROAD, WIGSTON** on **THURSDAY, 21 FEBRUARY 2019** at **7.00 PM** for the transaction of the business set out in the Agenda below.

Yours faithfully

Council Offices
Wigston
13 February 2019

Mrs Anne E Court
Chief Executive

<u>ITEM NO.</u>	<u>AGENDA</u>	<u>PAGE NO'S</u>
1.	Calling to Order of the Meeting	
	The meeting of the Council will be called to order to receive His Worship The Mayor and Deputy Mayor.	
2.	Apologies for Absence	
3.	Declarations of Interest	
	Members are reminded that any declaration of interest should be made having regard to the Members' Code of Conduct. In particular, Members must make clear the nature of the interest and whether it is 'pecuniary' or 'non-pecuniary'.	
4.	Minutes of the Previous Meeting	1 - 6
	To read, confirm and sign the minutes of the previous meeting in accordance with Rule 17 of Part 4 of the Constitution.	
5.	Action List Arising from the Previous Meeting	



There was no action list arising from the previous meeting of the Council held on Tuesday, 11 December 2018.

6. Motions on Notice

To consider any Motions on Notice in accordance with Rule 12 of Part 4 of the Constitution.

7. Petitions, Deputations and Questions

To receive any Petitions and, or, Deputations in accordance with Rule 24 of Part 4 of the Constitution and to answer any Questions by the Public or Members in accordance with Rules 10 and 11 of Part 4 of the Constitution respectively.

8. Mayor's Announcements

a) List of Official Mayoral / Deputy Mayoral Engagements **7 - 12**

9. Leader's Statement

10. Medium-Term Financial Strategy and Budget (2019/20) **13 - 35**

Report of the Director of Finance & Transformation / Section 151 Officer

11. Council Tax Setting (2019/20) **36 - 40**

Report of the Director of Finance & Transformation / Section 151 Officer

12. Pay Policy Statement (2019/20) **41 - 52**

Report of the Head of People & Performance

For more information, please contact:

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Agenda Item 4

**MINUTES OF THE MEETING OF THE FULL COUNCIL HELD AT THE
COUNCIL OFFICES, STATION ROAD, WIGSTON ON TUESDAY, 11 DECEMBER 2018
COMMENCING AT 7.00 PM**

PRESENT

Councillor David M Carter (Mayor)
Councillor Mrs Lynda Eaton JP (Deputy Mayor)

COUNCILLORS

L A Bentley
Miss A R Bond (Deputy Opposition Group Leader)
G A Boulter
J W Boyce (Leader of the Council)
Mrs L M Broadley
F S Broadley
M H Charlesworth (Deputy Leader of the Council)
M L Darr
B Dave (Leader of the Opposition)
R F Eaton
D A Gamble
Mrs S Z Haq
Mrs H E Loydall
Mrs S B Morris
R E R Morris

OFFICERS IN ATTENDANCE

Mrs A E Court (Chief Executive)
S Eyre (Interim Licensing Officer)
D M Gill (Head of Law & Governance / Monitoring Officer)
S Hinds (Director of Finance & Transformation / Section 151 Officer)
A Thorpe (Head of Planning, Development & Regeneration)
S Tucker (Democratic & Electoral Services Manager)

52. CALLING TO ORDER OF THE MEETING

The meeting of the Council was called to order to receive His Worship The Mayor and Deputy Mayor.

The meeting was led in prayer by the Reverend to the Mayor.

53. ONE MINUTE SILENCE IN MEMORY OF COUNCILLOR ROBERT (BOB) R FAHEY

A minutes' silence was respectfully observed in memory of Councillor Robert (Bob) R Fahey, who had served as the Member for Oadby Grange Ward since May 2015.

The Reverend to the Mayor delivered a message of condolence to Councillor Fahey's family, friends and colleagues.

54. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillors E R Barr, Mrs K M Chalk, Miss M V Chamberlain, J Kaufman, Mrs L Kaufman, Dr T K Khong, K J Loydall JP and R H Thakor.

55. DECLARATIONS OF INTEREST

None.

56. MINUTES OF THE PREVIOUS MEETING

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The minutes of the previous meeting of the Council held on Tuesday, 02 October 2018 be taken as read, confirmed and signed.

57. ACTION LIST ARISING FROM THE PREVIOUS MEETING

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The action list arising from the previous meeting of the Council held on Tuesday, 02 October 2018 be taken as read, confirmed and signed.

58. MOTIONS ON NOTICE

None.

59. PETITIONS, DEPUTATIONS AND QUESTIONS

None.

60. MAYOR'S ANNOUNCEMENTS

60a. LIST OF OFFICIAL MAYORAL / DEPUTY MAYORAL ENGAGEMENTS

The Mayor reminded those in attendance that the Civic Carol Service was taking place on Wednesday, 12 December 2018 at Oadby Baptist Church and all were welcome to attend. Any Members who had not yet replied to their invitation were encouraged to do so.

By affirmation of the meeting, it was:

UNANIMOUSLY RESOLVED THAT:

The list of Official Engagements attended by The Mayor and/or Deputy Mayor be noted.

61. LEADER'S STATEMENT

The Leader of the Council presented a Statement outlining his recent work, the administration's plans and an overview of recent decisions taken since the previous meeting of the Council.

In respect of the proposed unitary authority for Leicestershire, it was confirmed that despite the announcement by the County's seven MP's that in their view now was not the right time for a major reorganisation, the County Council had signalled its intention to continue to work up its plans and carry out a public consultation. The Secretary of State

had gone on record as saying that merging authorities was not the long-term solution to local government's financial difficulties, whilst Nottinghamshire had recently pulled the plug on its unitary proposals. Although the 31 March 2019 'sunset clause' meant that there was no realistic chance of a cogent Leicestershire proposal being put together and gaining collective agreement, allegedly the Leader at County Hall wishes to retain an 'off the shelf' plan for potential future usage.

In view of the apparent widespread lack of support for a unitary authority, the District/Borough Council Leaders had held initial conversations regarding a feasibility study to look at shared services across the County. However, the Leader of Oadby & Wigston was of the view that any such work could potentially validate the County Council's future 'off the shelf' solution, and therefore this authority would not be allocating any resources to participating further in this initiative.

In response to a Member question, reassurance was provided by the Chief Executive that from the outset, all Oadby & Wigston staff had been kept regularly informed through various communication channels as to what was happening with regard to the proposed unitary structure.

62. THE STRATEGIC GROWTH PLAN - "LEICESTER AND LEICESTERSHIRE 2050: OUR VISION FOR GROWTH"

The Council received the report as set out on pages 15-59 of the agenda, which asked it to consider and approve the revised Leicester and Leicestershire Strategic Growth Plan (SGP) to put in place a long-term strategy for future development and prosperity across the City and County.

There was a general consensus amongst Members that whilst it was not a perfect document, the proposed Plan represented a useful strategy to focus the mind on the major issues facing the region for the period up to 2050, as well as offering potential solutions. It was suggested that in certain areas the Plan lacked vision, whilst the inclusion of speculative housing figures was criticised on the basis that until the precise location of certain infrastructure projects had been decided, the location of most of the new homes needed could not be accurately forecast. It was however widely acknowledged that approving the Plan would protect the Borough in terms of the relatively low housing figures required when compared to neighbouring local authority areas, many of whom had five-figure projections. Whilst the figures made uncomfortable reading to some Members, it was suggested that failing to plan for the future appropriately would be irresponsible and without securing vital infrastructure improvements the Borough was likely to become gridlocked.

Some Members were less supportive of the Plan, arguing that there had been a lack of transparency in its formulation and that it required further work before it could be considered fit for approval. There was particular concern that whilst the Plan was a strategic document and not a policy document, it could tie the Council's hands and leave the authority in a position where Members might not be able to oppose future developments in the Borough, even if they were clearly inappropriate. There was also a concern expressed about the threat that meeting the housing figures would pose towards the Council's existing green spaces.

During the debate, Councillor Mrs H E Loydall proposed and the Deputy Leader of the Council seconded a motion that an amendment be made to Recommendation A to replace the words "be approved" with "be considered as a starting point".

In response to the moving of the above motion, the Head of Planning, Development &

Regeneration reassured Members that the SGP was a non-binding, non-statutory strategic document; therefore approving it would be demonstrating a commitment to collectively sharing the strategic vision, as opposed to locking the authority in to a binding series of targets or obligations. The Monitoring Officer concurred with this view, and also stated that even if it were a statutory policy document, this would still not be binding on Members as it would not override their obligation to consider cases on their own merits, without fettering their discretion. Members were also reminded that the Council has a statutory duty to cooperate with its neighbouring local authorities in the preparation of its Local Plan. The situation was made clear to Members that by failing to approve the SGP, the authority would almost certainly be putting at risk its Local Plan, through demonstrating a failure to comply with the duty of cooperation. The Chief Executive confirmed that with regard to the other City and County local authorities, each of them had given their approval to the Plan, the one remaining exception being Blaby District Council who were due to consider it at its Council meeting taking place the same evening. In addition, there was the further risk that in the event of the Local Plan being jeopardised, there would be no controls in place and the Borough may end up having unwanted developments imposed upon it. With a sound Local Plan, supported by the overarching Strategic Growth Plan, the Council would be far better placed to exercise controls and guide developments towards areas where the appropriate infrastructure exists to support them.

The motion to amend the recommendation was put to the vote and it was

DEFEATED THAT:

An amendment be made to Recommendation A to replace the words "be approved" with "be considered as a starting point".

Votes For	2
Votes Against	12
Abstentions	3

It was moved by the Leader of the Council, seconded by Councillor Mrs L M Broadley and

RESOLVED THAT:

- (i) The Strategic Growth Plan "Leicester and Leicestershire 2050: Our Vision for Growth" be approved; and**
- (ii) That the Chief Executive (or equivalent) of each SGP partner authority, following consultation with the Leader of that authority and the Joint Strategic Planning Manager, be authorised to agree, prior to publication, any final minor amendments to the Strategic Growth Plan which do not significantly change the overall content or purpose of the document.**

Votes For	15
Votes Against	0
Abstentions	2

63. PROPOSED GAMBLING ACT 2005: STATEMENT OF LICENSING PRINCIPLES (2019-2021)

The Council received the report as set out on pages 60-94 of the agenda, which asked it to approve and adopt the final proposed Gambling Act 2005 Statement of Licensing Principles (2019-21), for commencement on 31 January 2019.

It was moved by Councillor Mrs L M Broadley, seconded by Councillor M L Darr and

UNANIMOUSLY RESOLVED THAT:

The final proposed Gambling Act 2005 Statement of Licensing Principles (2019-21) be approved and adopted for commencement on 31 January 2019.

64. AMENDMENT TO POLLING PLACE AND POLLING STATION (SOUTH WIGSTON WARD)

The Council received the report as set out on pages 95-97 of the agenda, which asked it to approve St Mary's Parish Church Hall as a designated polling place and polling station in South Wigston Ward for the Borough Council election scheduled for Thursday 2 May 2019.

It was moved by the Leader of the Council, seconded by Councillor Mrs S B Morris and

UNANIMOUSLY RESOLVED THAT:

St Mary's Parish Church Hall be approved as a designated polling place and polling station in South Wigston Ward for the Borough Council election scheduled for Thursday 2 May 2019.

65. MEMBER CONDUCT UPDATE (VERBAL UPDATE)

The Council received a verbal update from the Monitoring Officer in relation to an alleged breach of the Code of Conduct by Councillor Miss A R Bond, which had been adjudicated upon by a Determination Sub-Committee on Thursday 29 November 2018.

The Council were advised that on the balance of probabilities, the Determination Sub-Committee was satisfied that Councillor Bond's actions had been contrary to the standards required under the Member Code of Conduct, and unanimously resolved that the following sanctions should be applied:

- a.** In respect of a complaint from a member of the public, Councillor Bond should be required to make a written apology to the complainant, approved by the Monitoring Officer, by the end of December 2018. This was currently being progressed, and Councillor Bond had been made aware that should she fail to apologise within the time limit set by the Sub-Committee then a further sanction of Censure would be applied. The Sub-Committee also recommended that Councillor Bond should attend training on Communication Skills and Equality & Diversity Awareness, and Officers were in the process of identifying suitable courses to fit this brief.
- b.** In respect of a complaint from the Leader of the Council, Councillor Bond should be required to make a verbal and written apology, approved by the Monitoring Officer, to all Members at the Full Council meeting on Tuesday 11 December 2018.

The Monitoring Officer then invited Councillor Bond to verbally deliver her apology in respect of the complaint from the Leader of the Council.

A copy of the apology verbally delivered by Councillor Bond is filed together with these minutes at **Appendix 1**.

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The contents of the verbal update from the Monitoring Officer and the verbal and written apology from Councillor Bond be noted by Members.

66. EXCLUSION OF THE PRESS AND PUBLIC

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The press and public be excluded from the remainder of the meeting in accordance with Section 100(A)(4) of the Local Government Act 1972 (Exempt Information) during consideration of the item on the grounds that it involved the disclosure of exempt information, as defined in the respective paragraph(s) 1, 2 and 3 of Part 1 of Schedule 12A of the Act and, in all the circumstances, the public interest in maintaining the exempt item(s) outweighed the public interest in disclosing the information.

67. FACING THE FUTURE (VERBAL UPDATE)

The Council received a verbal update from the Chief Executive in closed session.

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The contents of the verbal update be noted by Members.

THE MEETING CLOSED AT 8.45 PM



Mayor

Thursday, 21 February 2019

*Printed and published by Democratic Services, Oadby and Wigston Borough Council
Council Offices, Station Road, Wigston, Leicestershire, LE18 2DR*

Events attended by the Mayor (May 2018 – February 2019)

MAY

20	Royal Air Force	Celebrate RAF 100 Parade & Service
22	1st Oadby Girl Guides	Award Evening
24	Leicester Children's Holiday Centre	Gala Drinks & Reception

JUNE

7	Lady Gretton	Final Fling
9	Oadby Wigston Swimming Club	OWSC Mayors Swimming Gala
11	1st Oadby Boy's Brigade	Awards Evening
20	OWBC	Forryan Brothers Memorial
21	Leicester Community Concert Band	Music Concert
21	Wigston Academy	School Council
21	Lord Mayor of Leicester	Civic Service
23	Leicestershire County Council	Armed Forces Day Parade
24	Bishop of Leicester	Summer Garden Party
24	Oadby & Wigston Lions	Bardi Concert
25	O&W Lions Club	Presentation Night
26	Wigston Academy	Student Awards Evening

JULY

4	Wigston College	Summer Madness Performance
11	Midlands in Bloom	Peace Memorial Park
11	Muslim School	Awards Evening
12	Rutland High Sheriff	Rutland Water Cruise
17	University of Leicester	Summer Degree Concert , De Montfort Hall
19	High Sheriff of Leicester Race Day	Leicester Racecourse
19	Leicester & Rutland Heritage Forum	Heritage Awards, Coalville
21	University of Leicester	Summer Celebration, Knighton Hall
23	Age UK	Glamorous Grandma Competition

24 Deli France UK
26 Leicester CC Chairman

Business Open Day
Summer Evening at Beaumanor Hall

AUGUST

4 OWBC
4 Aylestone Lane Allotment Association
10 Blaby DC
29 OWBC

WW1 Memorial Bench Dedication
Allotment Day
Chairman's Twilight Walk
WW1 Bench Dedication Ellis Park

SEPTEMBER

3 OWBC
7 Harborough DC
7 Manor High School
8 Framework Knitters Museum
8 Colin Robertson
8 Wigston Magna Methodist Church
12 ABF Soldiers Charity
15 Lady Mayoress
15 Leicester Children's Holidays
16 Royal Air Forces Association
17 Leicestershire CC Chairman
19 Mayor Charnwood
20 Curtis Weston House
21 Blaby DC
27 Lidl Stores
29 Sikh Welfare & Cultural Society

Merchant Navy Flag Day
Chairman's Charity Lunch
50th Celebrations
Sock Day
Pinfold Opening
Wigston Manga Show
Sounding Retreat Ceremony
Coffee Morning
Civic Lunch
Battle of Britain Memorial Service
Charity Curry Evening
Civic Service
Residents 100th Birthday
Chairman's At home Welcome
Opening of new store in Wigston
Multi Faith RAF 100 event

OCTOBER

1 OWBC
4 Pride of the Borough
5 Cedar Court Care Home

Recycling Competition Winner
Awards Evening
Harvest Festival

6	Royal Air Force Air Cadets	Annual Dining in Night
7	Leicestershire County Council	County Service @ Cathedral
7	Melton BC	Civic Service
11	Rural Community Council	Rural Achievement Awards
12	Leicester Grammar School	Foundation Day Service
12	O&W Hindu Community	Navrati Celebrations
13	Wigston Civic Society	40th Anniversary Reception
23	Magistrates Association	Autumn Event & AGM
28	Oadby & Wigston Lions	Charter Lunch
29	Leicester Cathedral	That they may have life

NOVEMBER

2	Gateway Club	Make a Guy competition
3	Leicester Progressive Jewish Community	Memorial Service
4	Blaby DC	Civic Service
6	OWBC	Remembrance Shop Front Window Competition
9	Thythorn Field Primary School	Remembrance Assembly
10	Oadby Town Centre Association (Chris Swan)	Oadby Festive Lights Switch on
10	Alderman Duncan Lucas	WW1 concert
11	Oadby Royal British Legion	Remembrance Sunday Parade
11	Dean of Leicester	Remembrance Service
11	OWBC	Lighting of Beacon
12	Locality Manager - Leicester County Council	Tea and Cake (Library 10 Year Anniversary on The Parade)
13	Leicestershire Police	Intercultural Evening
15	OWBC	Inter Faith Week
17	Brocks Hill	Christmas Craft Fair
17	Leicester Festival of Music and Drama	Annual Festival
18	SSAFA	President's Luncheon
20	Warning Zone	Children's Life Skill Centre Visit
21	O&W 2018 Awards Evening	Parklands Leisure Centre
24	AV Innovate Ltd	2018 Charity Box Appeal
24	Oadby & Wigston Lions	Oadby Christmas Light Switch on
25	Hinckley & Bosworth	Civic Carol Service

27 OWBC

Remembrance Service Shop Window Awards

DECEMBER

1 South Wigston Chamber of Trade
2 O&W Fundraising Group Marie Curie
3 Royal Mail Group
3 LOROS
4 Richard III Centre
5 Wigston Academy
6 Lord Mayor Leicester
8 University of Leicester
9 Harborough DC
11 Senior Citizens Action Group
13 Bluebird Care
13 Blaby DC
15 South Wigston Chamber of Trade
15 Salvation Army
18 NW Leicestershire
19 Leicester Community Concert Band

Christmas Capers
Lights to Remember
Visit local sorting office
Christmas Concert
Drinks reception
Christmas Concert
Christmas Concert
Christmas Drinks Reception
Civic Carol Service
Christmas Concert
Launch of Homecare Service
Christmas Carol Service
Over 60's Christmas Dinner
Christmas Event
Chairman's Civic Carol Service
Christmas Concert

JANUARY

23 Hinckley & Bosworth Mayor
27 Leicester HMD Committee
28 OWBC

Beauty & The Beast Pantomime
Holocaust Memorial
Holocaust Memorial

FEBRUARY

1 Wickes
7 Rotary Club of Oadby
7 Blaby BC
15 University of Leicester
19 Blaby District Council

Open of new store in Wigston
Talk at their lunch
Chairman's Charity Quiz & Nibbles
Annual Court Meeting
Chairman's Charity Curry Night

Events attended by the Deputy Mayor (May 2018 – February 2019)

MAY

19 The Royal Yeomanry Frezenberg Dinner

JUNE

4 Harborough DC Thanksgiving Event
11 28th Leicester Scout Group Annual Summer Fete
18 Leicestershire CC 30th Anniversary Celebrations Schuan
22 DICE The Enemy Within?

JULY

1 Wigston Magna Dog Training Club Summer Dog Show
2 Leicestershire Scouts AGM
4 Parklands Leisure Centre South Leicestershire School Sports Awards
6 Thythorn Field Primary School Presentation Assembly
10 Wigston College Students Awards Evening
12 Headway Brain Injury Association Opening new shop in Wigston

AUGUST

8 Harborough Chairman 100 Years Women's vote
9 Girlguiding Escape Camp VIP Day
18 Leicestershire CC Chairman's Charity Brass Band Concert
26 ABF & Lord Lieutenant Family Day Hog Roast Luncheon

OCTOBER

4 KUKU Connect Annual Birthday Reception
6 O&W Lions Annual Sponsored Swim
20 Mayor Hinckley & Bosworth Charity Luncheon

20 The Royal Society of St George
23 Sea Cadets
27 Royal British Legion
28 High Sheriff Leicester
31 Wigston Academy

Trafalgar Dinner
Royal Navy Parade
Festival of Remembrance
Justice Service
Dance Showcase

NOVEMBER

3 Severn Pharmacy
3 All Saints Church
4 Leicestershire Rugby Union
11 St Thomas Church
11 OWBC
26 North Warwickshire & Leicestershire College

Grand opening of new pharmacy
Armistice Commemoration Evening Concert
Memorial Rugby Match
Remembrance Sunday Service (Cllr Samia Haq)
Remembrance Sunday Parade
Annual Awards Ceremony

DECEMBER

1 O&W Scout & Guide Band
2 Mr Terry Toone
4 OWBC
6 Melton BC
7 Menphys
19 OWBC

Christmas Concert
Light's Switch on at home
CE Forum Disability Confident Event
Candles by Candlelight
Carol Concert
Christmas Concert

JANUARY

25 Brookside Primary School, Oadby (Kevin Loydall)

Award Presentation

FEBRUARY

4 All Saints Primary School

Wings of Peace Memorial Service



Full Council	Thursday, 21 February 2019	Matter for Information and Decision
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Report Title: **Medium-Term Financial Strategy and Budget (2019/20)**

Report Author(s): **Stephen Hinds (Director of Finance &
Transformation / Section 151 Officer)**

Purpose of Report:	The purpose of the report is to advise the Committee of the projected General Fund base budget position for 2019/20 based upon Local Government Finance Settlement. The report also asks for consideration of a Capital Programme for 2019/20 (excluding carry forwards from 2018/19).
Report Summary:	<p>The report outlines the financial position for the final year of the multi-year local government settlement that ends in March 2020. The Council is proposing to produce a balanced budget.</p> <p>The report also highlights some of the risks that the authority may encounter in a post-2020 environment with particular reference to the future of Local Government funding.</p> <p>Due to the significant risks regarding funding post 2019/20, the strategy for this period will only relate to costs, rather than anticipating Central Government funding mechanisms.</p>
Recommendation(s):	<p>A. That Council approves the Medium-Term Financial Strategy and Budget for 2019/2020 (as set out in the report and at Appendix 1);</p> <p>B. That Council approve the levels of reserves (as set out at paragraph 7 of the report);</p> <p>C. That Council approves the Capital Programme (as set out in Appendix 2);</p> <p>D. That the Housing Revenue Account estimates for 2019/20 be approved (as set out in Appendix 2);</p> <p>E. That Council approves a decrease of 1% in housing rents and increases in other charges of 3.2% (as set out in Appendix 2).</p>
Responsible Strategic Director, Head of Service and Officer Contact(s):	<p>Stephen Hinds (Director of Finance & Transformation) (0116) 257 2681 stephen.hinds@oadby-wigston.gov.uk</p> <p>Chris Raymakers (Head of Finance, Revenues & Benefits) (0116) 257 2891 chris.Raymakers@oadby-wigston.gov.uk</p>
Corporate Priorities:	<p>An Inclusive and Engaged Borough (CP1) Effective Service Provision (CP2) Balanced Economic Development (CP3) Green & Safe Places (CP4) Wellbeing for All (CP5)</p>

Vision and Values:	"A Strong Borough Together" (Vision) Innovation (V4)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	The implications are set out in the report.
Corporate Risk Management:	Decreasing Financial Resources (CR1) Effective Utilisation of Assets/Buildings (CR5) Regulatory Governance (CR6) Organisational/Transformational Change (CR8) Economy/Regeneration (CR9)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	'Medium-Term Financial Strategy 2018/19 and 2019/20' to Full Council on 22 February 2018 'Medium-Term Financial Strategy Update (July 2018)' to the Policy, Finance & Development Committee on 17 July 2018 'Medium-Term Financial Strategy Update (February 2019)' to the Policy, Finance & Development Committee on 5 February 2019 Provisional Local Government Finance Settlement: England, 2019 to 2020 (December 2018)
Appendices:	1. General Fund Budget Summary (2019/20) 2. Capital Programme (2019/20) 3. Housing Revenue Account (2019/20)

1. Introduction

- 1.1 In February 2018, the Council approved a Medium-Term Financial Strategy (MTFS) that balanced for the remaining years of the Multi-Year Local Government Settlement. This was achieved by earmarking savings and efficiency programmes within the 2019/20 budget of circa £400k.
- 1.2 Work has been carried out since then, post the MTFS update in July 2018 and February 2019, to ensure the Council can produce a balanced budget for 2019/20, without making cuts to frontline services. Officers have also worked hard to mitigate the impact of the provisional 2019/20 Local Government Finance Settlement which saw a reduction in some

of the Council's funding streams.

- 1.3 2019/20 is the final year of the Multi-Year Local Government Settlement, and as at the time of writing this report, the Government has given no indication as to how funding post March 2020 will occur, although it is known that there will be changes to Business Rate Retention and the Fairer Funding Model. It is hoped that the Council will have clarification on this by the summer of 2019.

2. Medium-Term Financial Strategy (MTFS)

2.1 The MTFS has the following objectives:

- Show how resources support the Corporate Plan;
- Provide a platform to support the decision-making framework;
- Enable the Council to be a proactive organisation;
- To be an enabler, giving indication to the need to revisit and revise priorities;
- Ensure sustainable services and reserves are at sufficient levels;
- Enable development and improvements to our customers experiences;
- Hold a working balance to help manage unexpected occurrences;
- To be responsive and able to manage changing risks and needs;
- Support the Council's service and strategies; and
- Provide indications of future local taxation levels.

2.2 In December 2015, the Government announced an offer to local authorities of a four-year provisional settlement for 2016/17 through to 2019/20. We are now in the final year of this settlement. Pressure continues to increase on local authorities to find further savings in their expenditure on service provision and to look for alternative sources of income as funding from central government continues to reduce.

2.3 The draft budget included in this report highlights the continued reduction in funding as Central Government manages the public sector deficit. It should be noted that Oadby and Wigston Borough Council, like many other Councils, no longer receives Revenue Support Grant. The table below shows the 2018/19 settlement in comparison to the 2019/20 provisional settlement:

2018/19		2019/20
£000's		£000's
360	Revenue Support Grant	0
1440	Business Rates (NNDR)	1298
1800	Provisional Settlement	1298

2.4 As previously reported, Leicester and Leicestershire were successful in their bid to be a Business Rates Pilot for 2019/20. The final allocations have not been included in this table as they have yet to be determined.

2.5 The Government has assumed that local authorities will increase their Band D Council Tax by the maximum amount possible. For 2019/20, this was 3% and for the figures in this report, these are also based upon the maximum increases.

3. New Homes Bonus Scheme (NHB)

3.1 In addition to the aforementioned funding, we also see a continuation of the New Homes Bonus (NHB) Scheme. This is a non-ring fenced grant which is based on the number and type of housing properties brought on to the ratings list each year. The amount of NHB's

generated is split in two tier areas on an 80/20 basis in the favour of Borough Councils.

- 3.2 The Council received a reduction in the level of New Homes Bonus that had been anticipated, reducing the amount of funding by circa £90k. This is due to the fact that anticipated developments that would generate growth above the Governments baseline did not materialise as had been previously expected.
- 3.3 Due to the urban nature of the Borough, the opportunity to develop large scale housing that would increase our NHB funding is severely limited, with the Council receiving one of the lowest levels of funding in the country. However, there is a perverse benefit arising from this with regards to the future of NHB. A large percentage of local authorities “mainstream” the NHB to balance their budgets, as do Oadby and Wigston Borough Council (OWBC). This means that any potential reduction in, or removal of, NHB as a funding stream would have a significant impact upon those authorities who mainstream significant amounts, whereas whilst we mainstream our NHB, the amount is small enough to not be a catastrophic funding failure if the funding were to cease. As soon as an update regarding the funding of NHB is made available, a briefing note will be issued to Members.

4. Business Rates Retention & Council Tax

- 4.1 As set out in February 2018, the Government have removed the main revenue support grant and moved to Business Rate Retention as the main funding stream for the Council. It has been made clear by the Government that a 75% retention rate will be the mechanism moving forward (2020/21 onwards), but have yet to determine how this will be distributed across Councils. This means that, along with the fairer funding review that will be announced later in the year, council’s will not be able to forecast the funding due to them until the announcements.
- 4.2 As previously reported, OWBC, along with all councils within Leicestershire, successfully bid to be a pilot for the 75% Business Rate Retention Pilots in 2019/20. The pilot is expected to bring an additional £13m/£14m into Leicestershire and Leicester City. OWBC are expecting approximately £250k of funding to assist with financial sustainability, enabling us to help meet pressure areas such as homelessness in 2019/20. There is also a large element of the funding that will assist with infrastructure and town centre improvements across the County.
- 4.3 Council Tax is a major source of funding for the Council, making up 64% of funding as a whole. Again, the authority is limited due to its geography as to the increase in the Council Tax base – indeed, the Local Plan and Strategic Growth Plan place the number of new homes in the Borough to be less than 3,000 by 2031. This budget assumes the maximum increase of 3% is applied, equating to £6.52 per Band D household, raising around £114k for the Council.
- 4.4 In relation to Council Tax, it should be noted that the decision made by the Council to take the Governments’ Council Tax Freeze Grant for a number of years has meant that the Council is over £400k worse off today.

5. Revenue Budget

- 5.1 The General Fund Budget for the financial year 2019/20 is summarised in the table below. Further details to changes to individual services’ budgets will be found in the annual budget book and the MTFS update issued in February 2019. The budget takes into account key assumptions that are set out later in the report.

(Continued overleaf)

5.2 Budget Summary

2019/20	
Budget Summary	£'000
Total Revenue Budget	6,312
Central Government Grant	0
Other Government Grants	(877)
Retained Business Rates	(1,349)
Council Tax Surplus	(10)
NNDR Surplus	100
New Homes Bonus	(264)
Net Revenue Budget	3,912
Transfers to/from Reserves	0
Savings schemes	0
Council Tax	(3,912)
Funding Gap	0

5.3 The budget shows that the authority is able to produce a balanced budget for 2019/20.

5.4 There are a number of key assumptions that were made in drafting the MTFS, being:

- Council Tax increase of 3%* at Band D;
- Council Tax base increase of 0.6% for 2019/20 and 1.5% for 2020/21 and 2021/22;
- Pay award of 2%;
- Inflation - Contractual 3.6%, General 0%;
- Interest Rates - reflect the recent increase in Bank of England Base Rates;
- Staffing turnover factor of 5%;
- Formula funding as per settlement agreement - 2019/20;
- A 98.5% Council Tax Collection Rate; and
- Fees and charges as agreed at Policy, Finance and Development Committee in September 2018.

*The non-rounded percentage Council Tax increase is 2.99582%.

5.5 In the current climate, revenue growth budgets have been restricted and constrained to areas considered unavoidable, such as changes in legislation. The table below highlights the areas of significant growth (or increased costs) that have materialised since the last MTFS was set and updated in July 2018 (£30k and above).

Description	£'000
Net Cost of Benefit (direct result of increased homelessness)	80
Payments for Homeless Accommodation Increased	45

5.6 As reported in previous MTFS reports, the scale of funding cuts and the increased pressures on local authorities meant that significant financial savings are required. It should be recognised that significant work had been carried out by Officers to ensure that these

pressure were mitigated as far as possible, however, further significant work still needs to be undertaken to ensure the Authority has a balanced budget given the continual financial uncertainty of Local Government Funding. Over those years, the focus has been on protecting front-line services, and so this remains as a key driver.

- 5.7 The aim of the Authority is to provide improved levels of service, whilst reducing the costs and this is recognised in the savings already allocated to 2019/20 and assisting in achieving a balanced budget. The table below lists all of the significant savings the Council has in place, or increased levels of income, that affect the 2019/20 budget.

Changes implemented during 2018/19		
Efficiencies through Customer Services initiatives and improvements	Through various streamlining of work through Customer Services Centre (CSC), this has enabled cashable benefits to be realised now the services have bedded in.	£30,000
Clean and Green Service Review	Utilising efficient ways of working.	£85,000
Post Review	Reviewed posts that have been vacant for over 6 months.	£223,000
Facing the Future Programme (i)	Minor reorganisation.	£215,000
New For 2019/20		
Facing the Future Programme (ii)		Cost neutral, although efficiencies are anticipated to generate savings.
Efficient Investments through active treasury management	Implementation of active treasury management.	Built into the MTFS as part of this paper. Savings total £30k.

6. Capital Budget

- 6.1 The 2019/20 Capital Budget is summarised below. New schemes for 2019/20 include the provision of a 3G Pitch in Oadby (costing around £840,000), an extension to Coombe Park Pavilion (£170,000), a sports pitch improvement programme (£80,000) and the provision to award private sports grants, funded by s106 money (£150,000).

Fund	2019/20	Est c/f from 2018/19	Total 2019/20
	£000's	£000's	£000's
Housing Revenue Account	1,500	643	2,143
General Fund	1,750	1137	2,887
Total Programme	3,250	1,780	5,030

New schemes for the year total £3.25m with approximately £1.8m carried forward from 2018/19. The carried forward schemes will include the completion of the Horsewell Lane

Pavilion and Ervins Lock projects.

A complete list of Capital Schemes is included in **Appendix 2** to this report.

6.2 Funding for the programme is likely to be as follows:

Funding	£000's
Borrowing (General Fund)	1,425
Borrowing (HRA)	803
Grants and Contributions	876
S106 Funding	436
Usable Capital Receipts	140
Major Repairs Reserve	1,340
Total	5,030

6.3 The proportion of the financing of the Capital budget is 28% or 44% of the new programme for 2019/20. The Council is currently developing a capital strategy which will be bought before Members later in the year. Schemes to be carried forward will be assessed and bought to members after year end.

7. Reserves

7.1 The Local Government Act 2003 requires the Council's Section 151 Officer to report on the robustness and sustainability of the estimates included in the budget and the adequacy of the reserves for which the budget provides. The Council's policy is to carry out an annual review of all reserves as part of the budget-setting process. This review includes identifying the reserves purpose and advising the appropriate level for each reserve. This work is being undertaken and will be completed when the draft budget is put to Council in February 2019.

7.2 Additionally, the Section 151 Officer has reviewed the level of General Fund Balances. The Council has, historically, utilised reserves to balance the budget, with a significant depletion of reserves between 2014/15 and 2017/18 and this is a trend that can no longer be continued. The 2019/20 budget also does not utilise them. Given the current financial uncertainty, the Council needs to maintain and potentially increase its reserve base to mitigate against such uncertainty, build resilience and help fund future development.

7.3 It is the opinion of the Section 151 Officer that General Fund Reserves should:

- Not drop below 10% of net expenditure;
- Not be used to plug budget gaps; and
- Be used to mitigate against unforeseen risks.

7.4 Therefore, the Council's General Fund Balance should remain at £600k. Members will note that it is best practice to only use reserves in support of one-off revenue items and support capital expenditure. Reserves are not used to support ongoing revenue expenditure.

7.5 Officers are investigating options that would allow for debt provision to be reorganised and generate funds that would supplement our reserves table, giving added stability to the organisation. This work will be undertaken by the summer of 2019.

7.6 General Fund Reserves Summary Table

1 April 2018	Type of Reserve	1 April 2019	1 April 2020
£000's		£000's	£000's
615	General Fund Reserve	615	615
1,169	Other General Reserves	970	970
579	Earmarked Revenue Reserves	490	350
2,363	Total Revenue Reserves	2,075	1,935
1,218	Capital Reserves	703	925
1,550	Capital Grants Unapplied	1,086	525
5,131	Total Usable Reserves	3,864	3,385

8. 2020 and Beyond

- 8.1 As mentioned earlier in the report, Local Government is in the dark with respect to funding post the 19/20 financial year. Recent information regarding "Fairer Funding" indicated that OWBC could be better of proportionately in the 2020/21 financial settlement due to the removal of the deprivation factor from the funding formula blocks, which has traditionally reduced our funding requirement. Whilst this has yet to be confirmed, this could be viewed as positive financially. However, the key to this is that Local Government does not know the size of the funding pot, so even if the Council were to receive an increased share of the funding, this is likely to be from a smaller funding pot, meaning there is a likelihood that our funding would still be reduced, albeit on a much smaller scale than other Leicestershire authorities.
- 8.2 It would be remiss to issue a report that did not acknowledge that the Council would have funding pressures irrespective of the potential settlement. It is therefore prudent to outline the 2020/21 – 2021/22 budget at cost, utilising a "standstill" funding regime.
- 8.3 Utilising this methodology, and the general lack of direction given currently regarding funding, the authority based upon the following criteria would have a budget shortfall of circa £250k/£300k in 2020/21, and a further £300k in 2021/22.
- A 98.5% Council Tax Collection Rate
 - Council Tax increase of 3% at Band D;
 - Council Tax base increase 1.5% for 2020/21 and 2021/22;
 - Pay award of 2%;
 - Inflation - Contractual 3.6%, General 0%;
 - Interest Rates - reflect the recent increase in Bank of England Base Rates;
 - Staffing turnover factor of 5%;
- 8.4 This "standstill" model allows for us to identify further areas of work to address these issues, particularly surrounding income generation and this is an area that the authority will work on to ensure balanced budgets for both of these years.

9. Risk Assessment and Management

- 9.1 Oadby and Wigston Borough Council has a commitment to managing risk and its exposure to the various risks it faces. Key to the management of this risk is identifying operational risk when we are developing our service plans, as well as taking a holistic and strategic view when considering the risks at a corporate level. The Council has a strong record of financial

management, but further improvements were recommended by both our Internal and External Auditors to continue in this manner, and to reduce the impact of financial risks to the Authority. Therefore, changes have been made to the budget setting process (including regular and detailed updates throughout the year) but also changes need to be made as to how we monitor and manage risks.

- 9.2 The more fundamental financial risks over the next two years have been highlighted below and have been ranked (Red/Amber/Green) according to their likelihood of occurrence and the potential scale of their impact. The first square indicates the risk rating in 2018; the second square indicates the current risk rating.

9.3 **Formula Central Government Funding** 2018 2019

As detailed earlier in the report, whilst we have relative certainty for 2019/20 in the provisional settlement, it still remains unclear as to exactly how funding will work from 2020/21 and beyond. The details surrounding the removal of deprivation from the funding block is positive news for the Council, there is no indication that this will show an increase in our "real" cash funding levels. Obviously, the factors that impact on the amount of monies available to local authorities depends on the Treasury's decision on how much Local Government is funded in total, and then how that funding is allocated to pressures and priorities such as Social Care.

9.4 **New Homes Bonus** 2018 2019

The continuing changes to the delivery of funding regarding the New Homes Bonus scheme can provide troublesome forecasting. However, due to the Authority's size and nature of its geography, the limited amount of development eases the ability to forecast. However, the inability to deliver significant numbers of new homes reduces our income generation ability with regards to this. As this report highlights, the authority received a lesser amount than last year, but also a lesser amount than our most likely scenario had planned for. Therefore the authority is taking a prudent approach to forecasting future NHB income. The future of NHB is also under threat as part of the Fairer Funding review. A number of local authorities mainstream a significant value into their budgets through NHB and if this were to disappear, then this would cause significant issues for those authorities. Whilst OWBC mainstreams the full amount of NHB into its budget, the amount is not one that would be deemed catastrophic if it were to disappear. It should be noted that indication from Central Government is that the "legacy" payment elements of NHB will continue, meaning there would be little impact upon OWBC.

9.5 **Business Rate Retention Scheme** 2018 2019

The Authority is exposed to an element of risk of reduced income levels if the amount of business rates contracts. There are also a number of other risks associated with this scheme. Firstly the ability to generate new income - as with NHB, the geography of the Borough means that the ability to generate new business rate income is limited, but work within economic regeneration and local plans is going some way to address this. Another significant risk relates to the factors that can impact on the amount of business rates collected. For example, mandatory relief that can be back dated. Business rates revaluation came into effect from April this year, and a centrally held reserve held by the LLEP is set aside to help mitigate any risks arising from this.

In addition to this element of the risk, the government has announced that they are looking to move to a 75% retention scheme by 2020/21 (as opposed to the 100% retention scheme initially indicated). However, there is still no detail as to how such a scheme would operate, but consensus across local authority treasurers is that District Councils would be no better off than in the current scheme.

9.6 **Income Generation** 2018 2019

The Authority currently has limited streams of income generation. Work is being carried out to identify ways of maximising our income streams - ranging from the potential for charging for discretionary services to generating new business streams to supplement income. Local authorities need to become more commercial in their thinking and operating as the creation of income will enable service protection and improvement. The authority has been successful with the implementation of its Garden Waste Scheme, and other areas of income generation should be investigated for implementation post April 2020.

9.7 **Homelessness** 2018 2019

The increase in the homeless population across the country has put an increasing pressure on local authorities and their resources given the changes in legislation over the previous years. The Authority is actively managing the issue, and is in receipt of minor government grants to assist with this. The authority has ring-fenced reserves specifically to support this issue, and allocated additional revenue funding to the 2018/19 budget to continue to support this area and manage this increasing pressure. The Council will also, as part of the "Facing the Future" programme of work, increase the capacity within the housing team to aid those who find themselves at risk or actually homeless.

This work is looking at purchasing appropriate properties and increasing service capacity within the borough to ensure families stay within the Borough, standards of living remain relatively good and savings are afforded to the authority.

9.8 **Brexit** 2018 2019

In the two years since Brexit was confirmed, the country has seen various changes. Whilst exports have increased sharply due to the devaluation of the pound, issues linked to the economy are still to be addressed. These issues range from the long term implications on pension funds to capital funding resources that were available from Europe as members of the European Union (EU).

We are now but weeks away from the 29 March and there is still no agreement in place to transition from being members of the European Union. The authority, like all local authorities, has assessed the risks the Council may face, and on a financial basis, the risk of a "No Deal" Brexit poses a moderate financial risk to our Borough, given we are unlikely to see major movement of businesses from the Borough, reducing the amount of monies collected through business rates.

9.9 **Interest Rate Movements** 2018 2019

Interest rates rose in 2018 due to the expected increase in inflation that is above the Bank of England's expectations. However, the inflation levels didn't reach their anticipated levels, and the latest inflation figures are close to the Bank of England's target. To that regard, the Authority takes a prudent approach when setting interest budgets.

9.10 **Universal Credit** 2018 2019

The Universal Credit (UC) programme went live in the Borough in June 2018. Since then, there have been delays to the transfer of existing claims from existing benefits to Universal Credit (managed migration). The revised timetable is for testing in small numbers to start in July 2019 (originally planned from January 2019) and then testing larger numbers from November 2020 (originally planned from late 2019/early 2020) with completion of managed migration by December 2024 (originally planned during 2023). There have been no details provided on how this will happen or exactly when it will happen yet, making it difficult for

planning and preparation in the Borough (and all other Councils).

The Government has also highlighted possible changes to help claimants moving to UC, and these changes would be beneficial for claimants (and indirectly to Oadby and Wigston). Whilst the Council has both an active and a watching brief, the implications of a full UC rollout are unknown, and the Council is taking action to both mitigate the risks to the Council, but also to the service users who receive or are moving on to UC.

10. Housing Revenue Account (HRA)

Since to 2016/17, the Council have reduced housing rents by 1% on a year on year basis in line with government rent policy. The Council has seen its rent base reduce by around £200,000 during this period, however, despite this the HRA will reach 2020/21 in a relatively healthy state with its general balance over the £300,000 agreed in its original business plan and with rents set to increase again by CPI +1% from 2020/21.

This combined with the scrapping of the High Value Voids Levy and a relaxation of borrowing restrictions gives the HRA a generally optimistic outlook. Further details are contained in **Appendix 3**.

10.1 HRA Operational Budget

	2018/19 Budget	2018/19 Rev Budget	2019/20 Proposed Budget
	£	£	£
EXPENDITURE			
Management	1,543	1,815	1,757
Repairs and maintenance	1,414	1,289	1,256
Council Tax	9	9	15
Debt Management	10	10	10
Depreciation (MRA cont.)	1,273	1,273	1,305
Provision for Bad Debts	109	109	109
Gross Expenditure	<u>4,358</u>	<u>4,505</u>	<u>4,452</u>
INCOME			
Rents - Dwelling	(4,699)	(4,699)	(4,620)
Rents - Non Dwellings	(87)	(87)	(89)
Charges for Services and Facilities	(198)	(198)	(202)
Gross Income	<u>(4,984)</u>	<u>(4,984)</u>	<u>(4,911)</u>
Interest payable	579	556	562
Interest Receivable	(5)	(10)	(12)
Revenue Contribution to Capital	0	0	0
Transfers to/(from) Reserves	52	0	0
Total Capital Charges and Appropriations	626	546	550
(Surplus)/Deficit for the Year	<u>0</u>	<u>67</u>	<u>91</u>
Opening Balances			
Housing Revenue Account	(645)	(645)	(578)
Major Repairs Reserve	0	0	0
Regeneration Reserve	(361)	(361)	(361)
Housing Levy	(192)	(192)	(140)
Universal Credit Reserve	(140)	(140)	(140)
Bad Debt Provision	(141)	(141)	(250)
Closing Balances			
Housing Revenue Account	(645)	(578)	(487)
Major Repairs Reserve	0	0	0
Regeneration Reserve	(361)	(361)	(361)
Housing Levy	(244)	(140)	(140)
Universal Credit Reserve	(140)	(140)	(140)
Bad Debt Provision	(250)	(250)	(359)

Appendix 1

GENERAL FUND BUDGET SUMMARY 2019/20

	Budget
	£
Service	
Planning, Development & Regeneration	1,249,250
Customer Service & Business Transformation	1,184,260
Finance, Revenues & Benefits (inc Recharge to HRA)	241,300
Leisure & Wellbeing	(52,100)
Law & Governance	835,900
Operational Services & Street Scene	1,594,900
People & Performance	373,000
Senior Management Team	148,785
Net Service Expenditure	5,575,295
Capital Financing	880,000
Total Expenditure	6,455,295
Contributions to / (from) :	
Use of Earmarked Reserves	(143,600)
Net Expenditure	6,311,695
Financed By	
Settlement Funding Assessment	1,349,000
S31 Grant	767,000
Other General Fund Grants	110,000
Council Tax Surplus / (Deficit)	10,300
NNDR Surplus / (Deficit)	(99,913)
New Homes Bonus	263,800
Precept on Local Tax Payers	3,911,508
General Reserves	0
	6,311,695
General Fund Reserve	
Balance as at 1st April	615,900
Changes in Reserves	0
Balance as at 31st March	615,900

CAPITAL PROGRAMME 2019/20

In total, 28 individual schemes were included in the bidding process. Each scheme supports one or more of the Council's corporate priorities, which are the delivery of:

- An Inclusive and Engaged Borough (IEB)
- Effective Service Provision (ESP)
- Balanced Economic Development (BED)
- Green and Safe Places (GSP)
- Wellbeing for All (WA)

All of the 2019/20 project bids are listed below, together with the capital cost and a brief narrative explanation of the scheme, highlighting which Council priorities they support and any ongoing revenue implications.

Please note that the schemes will be re-allocated to the new corporate priorities once these have been approved in March.

Housing Capital Programme £1,500,000 (IEB, ESP, GSP, BED and WA)

The councils housing capital programme covers improvements to the housing stock and works to meet the 'Decent Homes' target. The Housing Capital Programme will total £1.5million of new schemes the detail of which will be reported to members at a future committee. Any unspent balances or unfinished schemes will be determined at year end and brought to members to carry forward in the July cycle of meetings.

3G Pitch in Oadby £836,000 (WA and ESP)

Installation of FA/FIFA approved artificial 3G football pitch in Oadby to support the development and training needs of Oadby Owls FC. In terms of sports development the installation of a 3G pitch has been a very high priority for some time. The project is part of the Council's Planning Pitch Strategy Action Plan, supporting football development in the community with Oadby Owls along with the two partner schools. (Revenue costs NIL)

CCTV Cameras for Wigston Pool and Parklands - £3,700 (GSP and WA)

It has been identified by the leisure contractor, SLM/Everyone Active that a number of incidents have occurred in the car park areas of both leisure centres. This includes car tyres being slashed, (particularly mini cars and BMW's), and paint damage to cars in general. In addition to theft and damage to bicycles stored in the bike stands.

The car park areas of both centres are the Council's responsibility. However it has been agreed with SLM that if the Council agrees to the capital costs then they will take on the full maintenance and management costs moving forwards. (Revenue Costs – NIL)

Outdoor Fitness Equipment for Wigston and South Wigston Parks - £36,500 (ESP, GSP and WA)

This is in response to the recent study highlighting the disparity in life expectancy of residents who live in the Wigston and South Wigston area compared to Oadby.

Residents would benefit from access to healthy activities available in their locality and the proposed Outdoor Fitness Equipment, similar to the Uplands Park gym equipment, would be beneficial to them.

The proposed capital bid would cover two sets of equipment. One set for Blaby Road Park in South Wigston and the other for Willow Park in Wigston. The cost will pay for 8 pieces of equipment per park. (Revenue costs £2,000pa)

Brocks Hill Play Equipment - £60,000 (ESP, GSP and WA)

This bid is to purchase and install a centre piece type of play area equipment aimed at maintaining Brocks Hills' reputation as a destination play area.

It follows on the back of a 2017-18 bid for £22,000 to replace and repair some of the existing equipment which is being dealt with in 2018-19 (Revenue costs £250pa)

Christmas Lights - £6,500 (IEB & BED)

Infrastructure requirement for the Christmas lights project. New electricity points are needed to ensure the lights continue to operate, as the network of electrical points installed is at capacity. Also additional icicle lights are needed to cover areas that have not already been covered. (Revenue Costs NIL)

Coombe Park Pavilion Extension - £170,000 (ESP, IEB and WA)

The proposal is for an extension to be built on the pavilion at Coombe Park in partnership with Oadby Owls Football Club to expand the facility to increase the football offer already provided to the residents of the Borough

The project will rely wholly on external funds and an application will go forward to the appropriate organisations for a grant. Should funding not be found externally then this project would not go ahead at this point.

Replacement Flail Mower - £30,000 (ESP, GSP, WA)

The current equipment (Toro triple cylinder mower) is used for grass cutting throughout the Borough. The current vehicle is out of warranty and coming to the end of its useful life.

The council is due to take on some areas of additional land for which the current vehicle is deemed unsuitable. As the number of cuts per year of the grass has reduced the grass itself has become longer and so more difficult to cut. By replacing the current vehicle with a flail version will enable us to better meet our changed current and future needs and allow more efficient working (Revenue Costs are budgeted for in the Transport Budget)

Blaby Road Park Footpaths - £15,000 (GSP and WA)

Carry out remedial works to tarmac footpaths / brendon gravel paths / skate park surface and jumps at Blaby Road Park (Revenue Costs negligible)

Horsewell Lane Play Area - £60,000 (ESP, GSP and WA)

The existing play equipment at Horsewell Lane was installed in 2002 with an additional item of toddler equipment (funded by Wigston Forum) being installed in 2012. With Horsewell currently being rebuilt as parts of a major capital project this is an ideal opportunity to refresh the whole area with new play equipment. (Revenue Costs NIL)

Improvements to the Oadby Cemetery Entrance - £35,000 (IEB and GSP)

Work is required to upgrade the approach and there is opportunity to create parking on either side of the road in place of the current 'car park' off Chapel Street which is only large enough for 2 or 3 cars. This will solve the problem of continual complaints from cemetery visitors who are unable to access the existing car park. It will also mean the Chapel Street parking area can be used as a dedicated entrance / exit for our own cemetery and maintenance vehicles which currently have problems with access and getting blocked in by other users.

Sports Pitch Improvement Programme - £80,000 (IEB, ESP, GSP and WA)

The Council's Playing Pitch Strategy together with a Football Association Assessment have identified that the quality of the Council's playing surfaces requires upgrading. The aim is to bring sites at Blaby Road Park, Willow Park, and Horsewell Lane along with those at Coombe Park and Uplands Road Park up to 'intermediate standard'. The pitch sockets and goalposts will be upgraded at the same time. The project will require a mix of capital funding (investment in new machinery, equipment and goalposts/sockets) and revenue (day to day maintenance improvements) (Revenue Costs £25,000 funded through S106 maintenance contributions)

Private Sports Grants - £150,000 (IEB and WA)

The Council's Playing Pitch Strategy (PPS) recognises that the Council does not provide facilities for all sports within the Borough. The vast majority of sports are played on private pitches or sports facilities. In addition to investing in our own facilities therefore it is important for the Council to support the privately owned facilities which provide access to sport for Borough residents. Section 106 funding has been identified to fund a grant scheme for small projects which enhance access to sports facilities with particular focus on those used by Borough residents. Examples of this could include floodlighting to support evening training, disability sports access and adjustments to changing rooms to allow female access to facilities. (Revenue costs NIL)

Willow Park Skateboard Ramp - £15,000 (IEB, ESP, GSP, WA)

The Park Skateboard Ramp Jump requires replacement in order to bring the facility back into working order and make it available to the public once more. It is currently closed for health and safety reasons since August 2018. (Revenue Costs NIL)

Play Area Maintenance - £22,000 (GSP and WA)

A number of the play areas in the Borough are in need of maintenance particularly the wet pour safety surfaces. There are a number of sites where the current surfacing has lifted at the edges and is now a trip hazard. The current condition of Uplands Park and sections of

some other play areas would fail a safety inspection due to trip hazards. (Revenue implications negligible)

New Kitchen – Sheila Mitchell Pavilion - £4,000 (ESP, GSP and WA)

The existing kitchen at Sheila Mitchell Pavilion was installed in 2001 and now requires updating. The newly purchased (by The Friends of PMP) oven, hob, dishwasher and fridge will be retained for use in the new scheme. (Revenue Costs NIL)

Allotment Administration Software - £4,000 (ESP, GSP, IEB and WA)

The current allotment system is based around paper files and excel spreadsheets. This makes it very labour intensive and time consuming particularly around allotment year end. A new system would make time efficiencies while increasing security around personal records. (Revenue Costs £1,600)

Electronic Document and Records Management System (EDRMS) £35,000 (ESP)

The Council has an EDRMS system (IDOX) which is in use across a number of service areas; Revenues and Benefits, Planning and Building Control, Finance and HR.

EDRMS largely replaces paper filing systems, allowing services to store documents in a structured manner making retrieval simple, allows the sharing of documents where permitted, supports mobile and home working and frees up office space taken up by filing cabinets used to store paper documents. The aim is to migrate all service areas to an electronic document capability. (Revenue Costs NIL)

Corporate Folding and Enveloping Machine - £5,500 (ESP)

"The council does not currently have access internally to a folding and enveloping machine.

Initial enquiries show that in the year Oct 2017- Oct 2018 in the region of 100,000 items were posted by the Council, including council tax (bills, reminders, and enforcement correspondence), electoral services and planning. All of those items were folded by hand by staff diverted from other duties at considerable expense in terms of manpower and time. The enveloping machine will be able to handle 4 sheets of paper at a time. (Revenue Costs £800)

Licensing Software Review £35,300 (IEB, ESP, BED, GSP and WA)

Following a recent Internal Audit Report it has become apparent that the current licensing software is not fit for purpose as currently configured. The result is that the software is only being used at a fraction of its potential and that the section is heavily reliant on paper based records.

The review has identified the need to re-engineer the service to provide more public access and to streamline and automate the application process resulting in cost savings in the long term.

This will include looking at what the current software provider has to offer as well as other leading alternatives on the market. (Revenue costs around £4,300)

Mobile Working Devices - £10,000 (ESP)

In order to increase the flexibility and sustainability of the work force to enable to allow both transformation and efficiencies the Council needs to increase its ability to have mobile working both out in the field and from home. (Revenue Costs NIL)

Security infrastructure £7,000 (ESP)

The Council's IT systems store large quantities of personal and confidential data. It is important that it ensures the robustness of the security of its technology, infrastructure, data and networks. This will ensure it complies with the Data protection Act and GDPR which the council has a legal obligation to do. (Revenue Costs NIL)

Windows server migrations - £10,000 (ESP)

This is a necessary requirement to replace the Microsoft Operating systems and server infrastructures replacing the existing Windows 2008 servers which will cease to be supported by January 2020. Not taking action would leave the security of the systems in a vulnerable position with the Council unable to host third party applications. (Revenue Costs – Negligible)

Replacement of Income Management Software - £28,900 (ESP)

The Council currently uses the PARIS income management system, which it has done for a number of years. Following the purchase of the system, from Northgate, by CIVICA the Council has been informed that PARIS will no longer be developed and will eventually be de-supported after the current maintenance contract ends in May 2020. The Council has a requirement to be able to collect cash for both services and for collection of taxes and rates. It is not viable to have a system that is unsupported by the supplier. (Net Revenue Costs £17,200pa from 2020/21)

Network refresh - £10,000 (ESP)

This further supports the infrastructure of the Councils IT Network. A review will be undertaken of all the network devices and switches to establish which are at the end of their life. This will be done on a rolling 5 year programme (Revenue Costs - Negligible)

Citrix upgrade - £21,000 (ESP)

The Majority of access to business systems at the Council is done using CITRIX. This is an essential upgrade to ensure a supported desktop environment, without which, desk top services would be put at risk. (Revenue costs negligible)

ICT Replacement Programme - £20,000 (ESP)

This is a continuation of the annual replacement programme for desktop and local devices. Each year a proportion of desktop devices come to the end of their useful life. By having a

rolling programme of replacement the Council's PC network remains up to date and functioning at any given time. (On-going Revenue Costs are negligible).

Public W-Fi in Town Centres £30,000 (IEP and BED)

Free public Wi-Fi to be installed in Oadby and South Wigston town centres, which will encourage visitors to come into both towns and extend peoples stay in both towns. The Wi-Fi can also be used to track visitor numbers, through Wi-Fi enabled devices, thus giving an indication on numbers of visitors to each town. Public Wi-Fi has been installed successfully in Wigston town centre and is already being utilised by the public. If this scheme goes ahead it will be completely funded by external contributions. (Revenue Costs NIL)

Shop Front Grants - £10,000 (BED)

The provision of grant funding to assist shop owners with replacement of shop fronts in South Wigston. This will support local retail businesses in improving the shop fronts within the South Wigston District Centre. If this scheme goes ahead funding will be taken from Section 106 monies that the Council Holds. (Revenue Costs NIL)

Indicative Funding

Type of Funding	£ 000's
Borrowing	669
Major Repairs Reserve	1,305
Grants and Contributions	1,276
Total Funding	3,250

HOUSING REVENUE ACCOUNT 2019/20**1. SUMMARY**

The Housing Revenue Account includes and expenditure associated with the Council's function as a social housing landlord. The items that can be debited and credited to the account are determined by statute

	2018/19 Budget	2018/19 Rev Budget	2019/20 Proposed Budget
	£	£	£
EXPENDITURE			
Management	1,543	1,815	1,757
Repairs and maintenance	1,414	1,289	1,256
Council Tax	9	9	15
Debt Management	10	10	10
Depreciation (MRA cont.)	1,273	1,273	1,305
Provision for Bad Debts	109	109	109
Gross Expenditure	4,358	4,505	4,452
INCOME			
Rents - Dwelling	(4,699)	(4,699)	(4,620)
Rents - Non Dwellings	(87)	(87)	(89)
Charges for Services and Facilities	(198)	(198)	(202)
Gross Income	(4,984)	(4,984)	(4,911)
Interest payable	579	556	562
Interest Receivable	(5)	(10)	(12)
Revenue Contribution to Capital	0	0	0
Transfers to/(from) Reserves	52	0	0
Total Capital Charges and Appropriations	626	546	550
(Surplus)/Deficit for the Year	0	67	91
Opening Balances			
Housing Revenue Account	(645)	(645)	(578)
Major Repairs Reserve	0	0	0
Regeneration Reserve	(361)	(361)	(361)
Housing Levy	(192)	(192)	(140)
Universal Credit Reserve	(140)	(140)	(140)
Bad Debt Provision	(141)	(141)	(250)
Closing Balances			
Housing Revenue Account	(645)	(578)	(487)
Major Repairs Reserve	0	0	0
Regeneration Reserve	(361)	(361)	(361)
Housing Levy	(244)	(140)	(140)
Universal Credit Reserve	(140)	(140)	(140)
Bad Debt Provision	(250)	(250)	(359)

Service Statistics

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
Average Number of Dwellings	1,225	1,215	1,205	1,195	1,185	1,175
Housing Rent						
Rent per dwelling	77.80	77.02	76.25	75.49	78.13	80.87
Unpooled Service Charge	1.39	1.42	1.47	1.52	1.57	1.63
Total Rent	<u>79.19</u>	<u>78.44</u>	<u>77.73</u>	<u>77.01</u>	<u>79.71</u>	<u>82.50</u>

2. SPECIFIC CHARGES

In addition to Dwelling Rents the HRA makes charges for other associated services offered to tenants. It is proposed that these increase by 3.2% which is in line with the CPI+1% for September 2018.

	2018/19 Current Charge £	2019/20 Proposed Charge £
<u>Garage Spaces</u>		
48 Week Basis	3.92	4.05
52 Week Basis	3.62	3.74
<u>Lock up Garages</u>		
48 Week Basis	7.25	7.48
52 Week Basis	6.70	6.91
<u>Caretaking Charge (Lower Rate)</u>		
48 Week Basis	3.07	3.17
52 Week Basis	2.84	2.94
<u>Caretaking Charge (Higher Rate)</u>		
48 Week Basis	6.27	6.47
52 Week Basis	5.79	5.98
<u>Heating and Hot Water Charges in Sheltered Schemes</u>		Increase for 2019/20 %
Chartwell House, Oadby		3.2
Marriott House, Oadby		3.2
William Peardon Court, Oadby		3.2
Mobility Scooter Garaging		3.2

3. CAPITAL PROGRAMME

The Council's housing capital programme covers improvements to the housing stock and works to meet the 'Decent Homes' target. The Housing Capital Programme will total £1.5million of new schemes the detail of which will be reported to members for approval at a future committee. Any unspent balances or unfinished schemes will be determined at year end and brought to members to carry forward in the July cycle of meetings.

4. HOUSING REVENUE ACCOUNT BUDGET BACKGROUND CONSIDERATIONS FOR THE REVENUE BUDGET CAPITAL PROGRAMME 2019/20

BACKGROUND CONSIDERATIONS

This provides commentary on the background considerations and key issues on which the draft budget and forward forecast have been prepared. It also summarises the overall financial position. The structure of this commentary is as follows:

1. Basis for preparation of the draft budget.
2. Rent Policy
3. Changes in Stock Levels
4. Treasury Management
5. HRA Capital Programme
6. Other budget considerations

1. Basis for preparation of the draft budget and forward forecast

The revenue budget for 2019/20 sets out the costs of delivering current levels of service while taking into account the effect of current government legislations regarding changes to housing finance including an annual reduction in dwelling rent of 1% to assist in reducing the total welfare bill

The budget has been set assuming that a 2% pay award will be implemented for 2018 and that upward inflation will be 2.5%

2. Rent Policy

2016/17 saw the start of a four year annual decrease in rent levels of 1% per annum. Currently a 1% decrease in all households rent will move the average rent for a property from £76.25 to £75.49 which equates to a drop in annual rental income of around £50,000. It is important to remember that this has been a year on year decrease, however 2019/20 is the final year which is affected by this policy. From 2020/21 onwards rents will resume increasing by CPI +1%.

The table below shows how this will affect rent levels in the Borough

	Current Weekly Rent	New Rent per week	Change Rent per week	Change	Property Type
	£	£	£	%	
Highest Rent	95.17	94.22	- 0.95	-1%	3 Bed House
Lowest Rent	56.76	56.19	- 0.57	-1%	Bedsit
Average Rent	76.25	75.49	- 0.76	-1%	

3. Changes in Stock Levels

Since the raising in the discount levels for Right to Buys the Council has seen a pickup in sales to tenants over the last two years. Further changes to government policy through the Housing and Planning Bill also threaten stock levels.

There is a risk that stock losses do not follow the pattern assumed in the budget and forecast. This could mean that either savings in costs are made ahead of time or that they are not made in time. The Council's Finance and Housing teams will monitor the developments in this area very closely.

4. Treasury Management

The self financing settlement involved the Council taking on £18.114m of borrowing. The interest costs on this borrowing consume a significant proportion of the HRA's resources and the management of these is therefore critical to the HRA budget. Since then the Council has borrowed £1.5m with the HRA borrowing cap lifted last year the Council will have greater flexibility around financing capital works. It is important to remember any borrowing needs to be costed and affordable to the revenue budget.

When taking out financing the Council needs to factor the cost of borrowing into its revenue budget the UK has recently seen an unprecedented period of low interest rates. Interest rates have remained low with significant rises unlikely. Interest rate risk is fully borne by the Council and to mitigate this risk the vast majority of the HRA's borrowing is for a fixed term at a fixed rate. The finance team will keep a close eye on the likely trajectory of interest rates over the next 12 months particularly once the uncertainty surrounding 'Brexit' starts to clear.

The original 30 year business plan provides the repayment of HRA debt over its life. In the first five years of the plan resources were required to fund the demands of the asset management strategy, therefore repayment was structured to begin from 2020 onwards. However due to changes in Government Policy described in section 3 above the Council will not be able to start repaying debt as planned but instead will be forced to restructure the debt in a more beneficial way.

5. HRA Capital Programme

The capital programme will continue to balance the need to maintain decent homes and other priorities such as health and safety, aids and adaptations, sustainability, energy efficiency and meeting tenants' aspirations. The 2019/20 programme will see the original cycle of repairs coming to an end at which point a new 30 Year Asset Management Strategy will be drawn up. Work on collecting the data for the plan is now concluding with the plan being available to assist in drawing up the 2019/20 programme and beyond. The cycle of works identified in the plan will be funded by the MRA and the Regeneration Reserve. Careful planning of the capital programme will be needed, bearing in mind the uncertainty of Government Policy, to ensure that it not only meets the needs of the tenants but is also affordable and sustainable.

6. Other Budget Considerations

Provision for Uncollectible Debts and Collection Costs

The provision for uncollectible debts at 31 March 2018 was £141,000. A provision for bad debts is made in respect of both former tenant arrears and current tenants. The Council included £109,000 in the 2018/19 budget and included £109,000 in 2019/20 for further provision against write-offs of bad debt. This is considered to be a prudent measure against a back drop of the Government's policy of Welfare Reform with Universal Credit going to 'full service' in June 2018.

In order to guard against the effect of Universal Credit the Council set up a special reserve that it could draw on to take whatever corrective action was needed to keep debt under control.

General Fund Recharges

In the light of accounting practices relating to recharges in the Council's accounts, recharges to the HRA will be reassessed in 2019/20 to make sure that these are correct and fair.

Service Charges

Tenant's service charges for 2019/20 have been increased by 3.2%, which is the same increase as applied garage rents and other miscellaneous charges.

30-year HRA Business Plan

Integral to the transition from the subsidy system to the self-financing regime, and underpinning both the self-financing debt calculation and Council HRA planning, has been the development of a 30 year business plan and full update of which will be brought to Council once the '30 Year Asset Management Plan' is complete and full the impact of current changes to Government Policy is known.

Agenda Item 11



Full Council	Thursday, 21 February 2019	Matter for Information and Decision
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Report Title: **Council Tax Setting (2019/20)**

Report Author(s): **Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)**

Purpose of Report:	The purpose of this report is for Oadby and Wigston Borough Council to set and approve the amount of Council Tax for its area in accordance with section 30(2) of the Local Government Finance Act 1992 as amended by the Localism Act 2011.
Report Summary:	Approval is sought for Oadby and Wigston Borough Council's net budget requirement of £6,311,695 and an associated Band D Council Tax for 2019/20 of £224.50.
Recommendation(s):	<p>A. It be noted that under powers delegated to the Chief Financial Officer, the Council has calculated the amount of 17,423.2 as its Council Tax base for the financial year 2019/20 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.</p> <p>B. It be noted that the Council Tax requirement for the Council's own purposes for 2019/20 is £3,911,508.</p> <p>C. The following amounts be calculated by the Council for the year 2019/20 in accordance with sections 30 to 36 of the Local Government Finance Act 1992 (as amended):</p> <p>(i) £19,114,596 being the aggregate of the amounts which the Council estimates for the items set out in section 31A(2) of the Act.</p> <p>(ii) £15,203,088 being the aggregate of the amounts which the Council estimates for the items set out in section 31A(3) of the Act.</p> <p>(iii) £3,911,508 being the amount by which the aggregate at C(i) above exceeds the aggregate at C(ii) above, calculated by the Council, in accordance with section 31 A (4) of the Act, as its Council Tax Requirement for the year.</p> <p>(iv) £224.50 being the amount at C(iii) divided by the amount at A above, calculated by the Council, in accordance with section 3 B of the Act, as the basic amount of its Council Tax for the year.</p> <p>(v) Valuation Bands</p>

A	B	C	D
£	£	£	£
149.67	174.61	199.56	224.50

E	F	G	H
£	£	£	£
274.39	324.28	374.17	449.00

Being the amounts given by multiplying the amount at C(iv) 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 amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- D. It is noted that for the year 2019/20, the Police and Crime Commissioner for Leicester/shire, and the Leicester/shire and Rutland Combined Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories shown below and that Leicestershire County Council have indicated that their provisional precept will be confirmed on 20 February 2019.

Precepting Authorities - Valuation Bands

Leicestershire County Council			
A	B	C	D
£	£	£	£
861.45	1,005.03	1,148.61	1,292.18
E	F	G	H
£	£	£	£
1,579.33	1,866.48	2,153.64	2,584.36

Police and Crime Commissioner for Leicester and Leicestershire			
A	B	C	D
£	£	£	£
148.82	173.62	198.43	223.23

E	F	G	H
£	£	£	£
272.84	322.44	372.05	446.46

Leicester, Leicestershire and Rutland Combined Fire Authority			
A	B	C	D
£	£	£	£
44.43	51.83	59.24	66.64
E	F	G	H
£	£	£	£
81.45	96.26	111.07	133.28

- E. That having calculated the aggregate in each case of the amounts at C(v) and D above, the Council, in accordance with section 30(2) of the Local Government Finance Act 1992, set the following amounts as the amounts of Council Tax for the year 2019/20 for each of the categories of dwellings shown below.**

Valuation Bands

A	B	C	D
£	£	£	£
1,204.37	1,405.09	1,605.84	1,806.55

E	F	G	H
£	£	£	£
2,208.01	2,609.46	3,010.93	3,613.10

Responsible Strategic Director, Head of Service and Officer Contact(s):

Stephen Hinds (Director of Finance & Transformation)
(0116) 257 2681
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Chris Raymakers (Head of Finance, Revenues and Benefits)
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Corporate Priorities:

An Inclusive and Engaged Borough (CP1)
Effective Service Provision (CP2)
Balanced Economic Development (CP3)
Balanced Economic Development (CP3)
Green & Safe Places (CP4)
Wellbeing for All (CP5)

Vision and Values:	"A Strong Borough Together" (Vision) Accountability (V1) Customer Focus (V5)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	The implications are as set out in the report.
Corporate Risk Management:	Decreasing Financial Resources (CR1) Reputation Damage (CR4) Regulatory Governance (CR6)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	Leicestershire County Council Police and Crime Commissioner for Leicester and Leicestershire Leicester, Leicestershire and Rutland Combined Fire Authority
Background Papers:	Local Government Finance Act 1992 Medium-Term Financial Strategy (2019/20) Budget Working Papers (2019/20)
Appendices:	None.

1. Information

- 1.1 Section 30 of the Local Government Finance Act 1992 requires the Council to set amounts of Council tax at taxpayer level for each category of dwelling (i.e. Council Tax Band) before 11 March in the preceding financial year. At the time of writing, the Police and Crime Commissioner for Leicestershire and Leicester and the Leicester, Leicestershire and Rutland Combined Fire Authority had already set their Council Tax increases for 2019/20. Leicestershire County Council is due to agree its increase on 20 February 2019.
- 1.2 The increases (including the indicative increase for Leicestershire County Council) are as follows:

Preceptor	% - Age Increase
Leicestershire County Council (Provisional)	3.99%

Police and Crime Commissioner for Leicestershire and Leicester	12.05%
Leicester, Leicestershire and Rutland Combined Fire Authority	2.98%

- 1.3 The Secretary of State for Housing, Communities and Local Government has made an offer to "Adult Social Care Authorities" which are local authorities that have functions under Part 1 of the Care Act 2014, namely County Councils in England, District Councils for an area in England for which there is no County Council, London Borough Councils, the Common Council of the City of London and the Council of the Isles of Scilly.
- 1.4 The offer is the option of an adult social care authority being able to charge an additional "precept" on its Council tax for financial years from the financial year beginning in 2016 without holding a referendum, to assist the authority in meeting expenditure on adult social care. Subject to the annual approval of the Commons, the Secretary of State intends to offer the option of charging this "precept" at an appropriate level in each financial year up to and including the financial year 2019-20.
- 1.5 Leicestershire County Council has provisionally set a 1% adult social care levy in 2019/20. Their final decision will be reported to Council verbally by the Chief Financial Officer before Members are asked to vote on the recommendations above.
- 1.6 In total, the average Council Tax (Band D) for 2019/20 (assuming that Leicestershire County Council confirms its proposed precepts) will be 4.76%, comprising:

Preceptor	Band D Council Tax	% - Age Increase
Leicestershire County Council	£1,292.18	3.99%
Police and Crime Commissioner for Leicestershire and Leicester	£223.23	12.05%
Leicester, Leicestershire shire and Rutland Combined Fire Authority	£66.64	2.98%
Oadby & Wigston Borough Council	£224.50	2.99%
Total	£1,806.55	4.76%

- 1.7 Under section 65 of the Local Government Finance Act 1992, the Council is required to consult Non-Domestic Ratepayers within the area of the Borough on proposed revenue and capital expenditure for the financial year 2019/20.
- 1.8 As the Council is unable to influence the amount that the commercial sector is required to pay in business rates, it is difficult to make this consultation meaningful. By forwarding details of the proposed budget to the Leicester Chamber of Commerce and the Federation of Small Businesses for circulation amongst their members, who constitute a cross-section of all sizes and types of businesses, this obligation has been met for 2019/20. Any feedback arising will be verbally reported to the Council meeting.
- 1.9 Although the information contained in this report is accurate at the time of writing, not all the major precept bodies had formally approved their Council Tax. Should there be any changes to the figures in this report, Members will be informed verbally at the meeting.



Full Council	Thursday, 21 February 2019	Matter for Information and Decision
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Report Title: **Pay Policy Statement (2019/20)**

Report Author(s): **Karen Pollard (Head of People & Performance)**

Purpose of Report:	The Localism Act 2011 requires every local authority to produce and publish a Pay Policy Statement for each financial year from 2012/13. This report sets out the Council's draft Pay Policy Statement for the coming financial year 2019/20.
Report Summary:	The Council is committed to transparency and fairness in its pay and remuneration of all its employees. The Localism Act 2011 ("the 2011 Act") requires the Council to produce an annual policy statement that covers a number of matters concerning the pay of the Council's staff, namely its Chief Officers and its comparison to the authority's lowest paid employees.
Recommendation(s):	A. That Council approves the Pay Policy Statement for 2019/20 (as set out at Appendix 1); and B. That Council approves the continued commitment to paying the Real Living Wage.
Responsible Strategic Director, Head of Service and Officer Contact(s):	Anne Court (Chief Executive / Head of Paid Service) (0116) 257 2602 anne.court1@oadby-wigston.gov.uk Karen Pollard (Head of People & Performance) (0116) 257 2727 karen.pollard@oadby-wigston.gov.uk
Corporate Priorities:	Effective Service Provision Well Being for All
Vision and Values:	"A Strong Borough Together" (Vision) Accountability (V1) Respect (V2)
Report Implications:-	
Legal:	Adherence to pertaining legislation and polices as set out in the report will prevent challenge to the Council.
Financial:	The Council's staffing bill is budgeted for each year as part of the budget setting process
Corporate Risk Management:	Decreasing Financial Resources (CR1) Reputation Damage (CR4) Failure to apply the nationally agreed rates could affect the ability to recruit the best candidates.

Equalities and Equalities Assessment (EA):	The new pay spines have been subject to the trades unions' scrutiny, which includes a gender pay audit. EA not applicable.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	Trades Unions Local Government Association
Background Papers:	Equality Act 2010 The Localism Act 2011 "Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act" Guidance
Appendices:	1. Pay Policy Statement (2019/20) 2. Salary Pay Grades (2019/20)

1. Pay Policy Statement 2019/2020

- 1.1 The Pay Policy Statement meets the requirements of the 2011 Act, taking into account guidance issued by the Secretary of State for Housing, Communities and Local Government "Openness and accountability in local pay: Guidance under s40 of the Localism Act".
- 1.2 The Pay Policy Statement ("the Statement") for 2019/2020 is attached at **Appendix 1**.
- 1.3 The Council's current salary pay grades are attached at **Appendix 2**.
- 1.4 The Salary Pay Grades apply from the 1 April 2019. The Local Government Association has reviewed the bands from one to five to ensure that there is a minimum hourly rate in local government of £9.00 per hour. Whilst at this time, this rate is consistent with that of The Real Living Wage which the Council is committed to paying, this is due to increase in November 2019 and could result in a rate beyond £9.00 per hour.
- 1.5 The lowest hourly rate paid to Council employees this year is £9.32 per hour. This year, none of our employees will be affected by the Real Living Wage of £9.00 per hour.
- 1.6 In accordance with the Council's commitment to openness and transparency, its Senior Management Team pay is published on the Council's website, identifying those Officers whose earnings exceed £50,000. These will also be published at the end of July 2019 as part of the Council's final accounts.
- 1.7 If approved by Council, the Statement shall take immediate effect, superseding the 2018/19 Statement, and will be subject to review in accordance with the relevant legislation prevailing at that time (which is currently annually).

- 1.8 Section 77 of the Equality Act 2010 introduces limits to the enforceability of "secrecy clauses" that some employers use to restrict discussion about pay packages and differentials. This does not mean secrecy clauses are completely unlawful: instead it will make them unenforceable against employees who make a relevant pay disclosure.

Appendix 1

OADBY AND WIGSTON BOROUGH COUNCIL

Pay Policy Statement 2019/2020

1. Introduction

- 1.1 Oadby and Wigston Borough Council recognise that remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to the service of the public. However, in the context of managing scarce public resources with ever decreasing funds and further spending cuts to be made, such remuneration needs to avoid being unnecessarily generous or otherwise excessive.
- 1.2 It is important that local authorities are able to determine their own pay structures in order to address local priorities and to compete in the local labour market.
- 1.3 In particular, it is recognised that senior management roles in local government are complex and diverse functions in a highly politicised environment where often national and local pressures conflict. The Council's ability to continue to attract and retain high calibre leaders capable of delivering this complex agenda, particularly during times of financial challenge, is crucial if the Council is to retain its current high performance levels.

2. Legislation

- 2.1 Section 38(1) of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement for the financial year 2012-13 and each financial year thereafter, by the 31 March of each year.
- 2.2 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010, The Fixed Term Employment (Prevention of Less Favourable Treatment) Regulations 2002, and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006.
- 2.3 With regard to the equal pay requirements contained within the Equality Act 2010, the Council ensures there is no pay discrimination in its pay structures and that all pay differentials are objectively justified through the use of an equality-proofed job evaluation mechanism, which directly relates salaries to the requirements, demands and responsibilities of the role.
- 2.4 The Localism Act 2011 and supporting statutory guidance provides details of matters that must be included in this statutory pay policy but also emphasises that each local authority has the autonomy to take its own decisions on pay and pay policies.
- 2.5 The format of this policy statement was approved by Full Council in April 2012 and is subject to review in accordance with the relevant legislation prevailing at that time, currently annually.

3. Scope

- 3.1 This Pay Policy Statement includes a policy on:-

- (a) The level and elements of remuneration for each Chief Officer;
- (b) The remuneration of the lowest paid employees;
- (c) The relationship between the remuneration of Chief Officers and other officers; and
- (d) Other specific aspects of Chief Officer remuneration, fees and charges and other discretionary payments.

3.2 Remuneration in this context is defined widely to include not just pay but also charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements and termination payments.

4. Senior Pay

4.1 In this policy, the senior pay group covers posts in the top two tiers of the Council.

These include the Chief Executive and the Director of Finance and Transformation / Section 151 Officer.

4.2 The numbers in the above posts are as follows:-

Chief Executive (1)
Director (1)

4.3 The policy for each group is as follows:-

4.4 Chief Executive

(a) The Chief Executive's pay is locally agreed and the Pay Grade is currently in the following range:-

Chief Executive C1 - 3 £93,026 – £102,381

(b) This salary was approved by Full Council and no additional bonus, performance, honoraria or ex gratia payments have been made.

(c) Salary is subject to annual cost of living increases agreed by Joint Negotiating Committee for Chief Officers (JNC) for Local Authority Chief Executives national conditions.

4.5 Director of Finance and Transformation/151 Officer

(a) The Director's post has been evaluated externally and independently under the HAY Job Evaluation Scheme and the pay grade for the post is currently in the following range:-

Director D4 - 6 £79,563 - £84,240

(b) This salary was approved by Full Council and no additional bonus, performance, honoraria or ex gratia payments have been made.

- (c) Salary is subject to annual cost of living increases agreed by Joint Negotiating Committee for Chief Officers (JNC) for Local Authority Chief Executives national conditions.

4.6 **Heads of Service**

- (a) The Heads of Service posts have been evaluated using the Greater London Provincial Council Job Evaluation Scheme and the Management Levels 1-4 were agreed locally and are currently within the following range:-

Heads of Service Management Levels 1 – 4 £50,335 to £70,502

- (b) Salary is subject to annual cost of living increases agreed by the National Joint Committee (NJC) for Local Authority Services.

4.7 **Additional fees**

- (a) Special fees are paid for Returning Officer duties with regards to fulfilling Borough Election duties which on average is £2.5k. This does not form part of the post holder's substantive role and these fees are payable as required and can be made to any senior officer appointed to fulfil the statutory duties of this role. The Returning Officer is an Officer of the Borough Council who is appointed under the Representation of the People Act 1983. The role of the Returning Officer involves and incurs personal responsibility and accountability and is statutorily separate from duties as an employee of the Borough Council, hence the additional remuneration which is paid. As Returning Officer, the employee is paid a separate allowance for each election for which they are responsible. There were no elections during this year.

5. **Lowest paid employees**

- 5.1 The National Living Wage to be paid from 1 April 2019 is £8.21 per hour for ages 25 and over. The National Minimum Wage to be paid from 1 April 2019 is £7.70 per hour for 21 to 24 year olds and £6.15 for 18 to 20 year olds. There are different rates that apply for those employees classed as an apprentice. It is compulsory that employers pay the National Living Wage and National Minimum Wage to employees.
- 5.2 However on 15 March 2013, Councillors resolved to implement the Real Living Wage. The Real Living Wage is distinct from the National Living Wage and National Minimum Wage and is calculated by the Centre for Research in Social Policy which is an independent third-party. The Centre for Research in Social Policy focuses on the wage rate that is necessary to provide workers and their families with a basic but acceptable standard of living. The minimum standard of living is socially-defined and is often intrinsically linked to other social goals such as the fulfilment of care responsibilities. Any increase to the Real Living Wage is announced on an annual basis within the first week of November. In November 2018, the Real Living Wage rate was set at £9.00 per hour, this is an increase of 2.8% compared to the Real Living Wage rate set in November 2017 which was £8.75 per hour.
- 5.3 The lowest pay band within the Council is Band 1 Scale Points 1 - 3, currently paid from £17,364 - £18,065 as a full time salary. The Real Living Wage is £9.00 per hour

and the Council's minimum pay is also £9.00. The Council does not currently employ any staff on Band 1.

- 5.4 The Council also operates an apprenticeship programme that is designed to give young people the opportunity to gain a relevant qualification through study and on-the-job training. The training opportunities afforded to individuals through the apprenticeship programme are not directly comparable to other positions filled by employees within the Council. These apprentices are employed under the Government's National Minimum Wage legislation dependent on their age. The apprentices at this Council are paid a minimum of £6.15 per hour or dependant on age. Apprentices over 21 years of age receive £7.70 per hour.

6. Pay Structure

- 6.1 The pay structure for all employees except the Chief Executive, Directors and Heads of Service is established using NJC for Local Authorities Services National Pay Spine. Please see **Appendix 2** for a copy of the Council's current pay structure.
- 6.2 All posts bar those of the Chief Executive and the Director are evaluated using the Greater London Provincial Council Job Evaluation Scheme, which is recognised by employers and trades unions nationally. This Scheme allows for robust measurement against set criteria resulting in fair and objective evaluations and satisfies equal pay requirements.
- 6.3 Job evaluation has been carried out in partnership with Trade Unions and in consultation with employees at all levels across the Council. Every post on the establishment has been evaluated and ranked using the Greater London Provincial Council Scheme (Green Book employees) and Hay (Chief Officers and Chief Executive). Both schemes were approved at the Full Council meeting in December 2003.
- 6.4 Following the outcome of the rank order exercise, a new pay and grading structure was designed, agreed and adopted by Full Council on 23 February 2006. Full implementation was achieved in May 2006 and backdated to 1 April 2005. Thereafter all subsequent new or altered jobs have been evaluated by the same scheme.
- 6.5 Progression within the band for all staff is subject to satisfactory performance on 1st April each year, provided that the employee has completed a minimum of 6 months service when an increment is awarded up to the maximum of the band. If the employee has not completed 6 months service, the increment will be payable in the employee's 6th month with the Council subject to satisfactory performance.

7. Payments/Charges and Contributions

- 7.1 From 1 April 2014, there have been significant changes to the Local Government Pension Scheme.
- 7.2 All employees automatically become a member of the Local Government Pension Scheme, unless they exercise the opt-out clause. They will automatically be enrolled onto the "main scheme" where they meet the qualifying criteria.

- 7.3 The level of contribution payable by an employee in the “main scheme” will depend upon their actual salary received, rather than a full time equivalent. This means that part-time employees would only pay against their actual gross salary per annum and would not be expected to pay the higher rate of their full time equivalent. The amounts which are payable are shown in the table below:-

EMPLOYEE PENSION CONTRIBUTIONS

Band	Actual pensionable pay range for an employment	Contribution rate for that employment
1	Up to £14,100	5.5%
2	£14,101 to £22,000	5.8%
3	£22,001 to £35,700	6.5%
4	£35,701 to £45,200	6.8%
5	£45,201 to £63,100	8.5%
6	£63,101 to £89,400	9.9%
7	£89,401 to £105,200	10.5%
8	£105,201 to £157,800	11.4%
9	£157,801 or more	12.5%

- 7.4 As an alternative to the “main scheme”, employees have the option to enrol onto the “50/50 scheme”. If they opt to join the “50/50 scheme” then, rather than making the full contributions as set out above, they will only have to contribute one half of what they ordinarily would in the “main scheme”; however, the Council continues to pay a full contribution as though the employee were in the “main scheme”. This will obviously reduce the amount of contributions made by the employee to their pension which will have an effect on the overall value of the benefits due to them under the Local Government Pension Scheme (LGPS) when they retire. Members of the LGPS can switch between the main scheme and 50/50 scheme at any time and the appropriate form to do so can be obtained from the Human Resources Team.
- 7.5 Under the 2014 Regulations of the LGPS, employees who meet the qualifying criteria of having a contract for a minimum of 3 months, will automatically be enrolled into the scheme and can only opt-out when they have become an active member. Employees, who elect to opt-out of the scheme, must obtain a form to opt out directly from Leicestershire County Council (the scheme providers). The Council cannot opt any employees out of the scheme under the new ruling, nor can it provide the form to do so.
- 7.6 The Council makes employer’s contributions into the Scheme; the current rate is 22.2% of the whole time salary.

- 7.7 Employees who were not automatically enrolled onto the 2014 scheme, because they did not meet the qualifying criteria, can elect to join the current scheme at any time by requesting a membership form from the Human Resources Team. The membership will be effective from the next payroll date.
- 7.8 Once an employee has become an active member of the LGPS they can still choose to opt-out as per the process set out above. There is an auto-enrolment process that is repeated every three years for any employees that are not in the pension scheme.

8. Multipliers

- 8.1 Publishing the pay ratio of the organisation's top earner to that of its lowest paid earner and median earner has been recommended to support the principles of Fair Pay (Will Hutton, 2011) and transparency.
- 8.2 From the 1 April 2019, the Chief Executive's post, which is the highest paid post at the Council, will be paid £102,381 per annum. This is 3.97 times the average earnings in the Council which is £25,801. The Chief Executive's pay is 5.90 times the lowest pay which is £17,364.

9. Discretionary Payments

- 9.1 The policy for the award of any discretionary payments is the same for all staff regardless of their pay level. The following arrangements apply: 'Redundancy payments under regulation 5 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England & Wales) Regulations 2006.'
- 9.2 The Council has based redundancy payment calculations on an unrestricted week's pay but using the statutory age and service-related redundancy scale to determine the number of weeks to be used in the calculation. This is payable to employees made redundant with two or more years local government service.
- 9.3 Severance payments under regulation 6 Redundancy - The Council has not elected to pay any additional discretionary compensation in excess of the redundancy payment.
- 9.4 Regulation 18 of the Local Government Pension Scheme (Benefits, Membership & Contributions) Regulations 2007 - Requirements as to time of payment (Flexible Retirement). The Council had agreed to consider applying discretion when a scheme member who is over 55 reduces their hours and/or grade and wishes to receive their accrued pension benefits without having retired from employment. However, under the changes to the Local Government Pension Scheme which came into effect from 1 April 2014, the employee will be advised that early retirement will have an adverse effect on their entitlement to benefits used under the Scheme, and such benefits will be significantly reduced. Under the 2014 Regulations, employees will only be entitled to full benefits under the LGPS when they have reached state pension age.
- 9.5 No additional membership for revision purposes under regulation 12 of the Local Government Pension Scheme (Benefits, Membership & Contributions) Regulations 2007 is awarded.
- 9.6 No additional pension under regulation 13 of the Local Government Pension Scheme

(Benefits, Membership & Contributions) Regulations 2007 is awarded.

10. Decision Making

- 10.1 Decisions on remuneration are made as follows:-
(a) Chief Executive Officer local pay level approved by Full Council;
Pay structure for all other posts approved by Full Council.

11. Disclosure

- 11.1 This Pay Policy Statement is published on the Council's website. In addition, details are published of all staff paid above £50,000 as defined in line with the Code of Recommended Practice for Local Authorities on Data Transparency published in September 2011. The roles of employees who earn more than £50,000 will be published as part of the Council's final accounts at the end of July each year.

The posts are as follows:-

- Chief Executive / Head of Paid Service
- Director of Finance and Transformation / Section 151 Officer
- Head of Law and Governance / Monitoring Officer
- 6 Heads of Service

12. Performance related pay

- 12.1 There are no performance related pay schemes in place.

13. Equality and Diversity

- 13.1 This Pay Policy Statement will assist the Council in monitoring remuneration across the Council and provide a fair system which avoids discrimination.

For further information please contact:-
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2019/20 SALARY PAY GRADES

		01-Apr-19	Hourly Rate	
		£	£	
N J C f o r L o c a l G o v e r n m e n t E m p l o y e e s (G r	Band 1	1	17,364	9.00
		2	17,711	9.18
		3	18,065	9.36
	Band 2	3	18,065	9.36
		4	18,426	9.55
		5	18,795	9.74
	Band 3	5	18,795	9.74
		6	19,171	9.94
		7	19,554	10.14
	Band 4	7	19,554	10.14
		8	19,945	10.34
		9	20,344	10.54
		10	20,751	10.76
		11	21,116	10.97
	Band 5	12	21,589	11.19
		13	22,021	11.41
		14	22,462	11.64
		15	22,911	11.88
		16	23,369	12.11
		17	23,836	12.35
	Band 6	18	24,313	12.60
		19	24,799	12.85
		20	25,295	13.11
		21	25,801	13.37
		22	26,317	13.64
		23	26,999	13.99
	Band 7	24	27,905	14.46
		25	28,758	14.91
		26	29,636	15.36
		27	30,507	15.81
	Band 8	28	31,371	16.26
		29	32,029	16.60
	30	32,878	17.04	
	31	33,799	17.52	
Band 9	32	34,788	18.03	

e e n B o o k)		33	35,934	18.63
		34	36,876	19.11
		35	37,849	19.62
	Band 10	36	38,813	20.12
		37	39,782	20.62
		38	40,760	21.13
		39	41,675	21.60
	40	42,683	22.12	
Locally agreed Mgt Grades	Band 11	41	43,662	22.63
		42	44,632	23.13
		43	45,591	23.63
Locally agreed Mgt Grades				
	Management Level 1	Level a	50,335	26.09
		Level b	51,361	26.62
		Level c	52,388	27.15
		Level d	53,417	27.69
Locally agreed Mgt Grades				
	Management Level 2	Level 2	59,657	30.92
	Management Level 3	Level 3	65,079	33.73
	Management Level 4	Level 4	70,502	36.54
Hay salary grades				
	Director D4-6	D4	79,563	41.24
		D5	81,901	42.45
		D6	84,240	43.66
Hay salary grades	Chief Executive	C1	93,026	48.22
		C2	97,074	50.32
		C3	102,381	53.07