



TO COUNCILLOR:

N Alam
L A Bentley
G A Boulter
J W Boyce
Mrs L M Broadley
F S Broadley

M H Charlesworth (Chair)
Mrs H E Darling JP
D A Gamble
Mrs S Z Haq
Miss P V Joshi
J Kaufman

Mrs L Kaufman
K J Loydall
D W Loydall
Mrs S B Morris
Dr I K Ridley (Vice-Chair)

I summon you to attend the following meeting for the transaction of the business in the agenda below.

Meeting: Policy, Finance and Development Committee
Date and Time: Tuesday, 13 September 2022, 7.00 pm
Venue: Council Offices, Bushloe House, Station Road, Wigston, Leicestershire, LE18 2DR
Contact: Democratic Services
t: (0116) 257 2775
e: democratic.services@oadby-wigston.gov.uk

Yours faithfully

Council Offices
Wigston
05 September 2022

Mrs Anne E Court
Chief Executive



Meeting ID: 2255



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ITEM NO.

AGENDA

PAGE NO'S

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1. Apologies for Absence

To receive apologies for absence from Members to determine the quorum of the meeting in accordance with Rule 7 of Part 4 of the Constitution.

2. Appointment of Substitutes

To appoint substitute Members in accordance with Rule 26 of Part 4 of the Constitution and the Substitution Procedure Rules.

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

4 - 10

To read, confirm and sign the minutes of the previous meeting in accordance with Rule 19 of Part 4 of the Constitution.

5. Action List Arising from the Previous Meeting

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To read, confirm and note the Action List arising from the previous meeting.

6. Petitions and Deputations

To receive any Petitions and, or, Deputations in accordance with Rule(s) 11 and 12 of Part 4 of the Constitution and the Petitions Procedure Rules respectively.

7. Budget Monitoring (Q1 2022/23)

12 - 24

Report of the Finance Manager

8. Medium-Term Financial Strategy (MTFS) (2022 - 2027)

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Report of the Strategic Director / Section 151 Officer

9. Maximising the Council's Income (September 2022)

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Report of the Strategic Director / Section 151 Officer

10. Budget Setting Approach (2023/24)

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Report of the Strategic Director / Section 151 Officer

11. Corporate Policies: Corporate Debt and Collection of Business Rates and Council Tax (September 2022)

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Report of the Revenues & Benefits Manager
Report of the Finance Manager

12. Volunteering Policy (September 2022)

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Report of the Community Safety & Youth Officer

13. Ethical Standards and Indicators (Q1 2022/23)

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Report of the Head of Law & Democracy / Monitoring Officer

14. Local Government and Social Care Ombudsman Annual Review Letter (2021/22) 120 - 126

Report of the Head of Law & Democracy / Monitoring Officer

15. Local Government Pension Scheme (LGPS) Discretionary Pension Statement 127 - 138

Report of the Head of Law & Democracy / Monitoring Officer

16. Exclusion of the Press and Public

The press and public are likely to 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(s) below on the grounds that it involves the likely disclosure of exempt information, as defined in the respective paragraphs 1 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) outweighs the public interest in disclosing the information.

17. Proposed Public Consultation on Disposal of Council-Owned Land in Oadby (Exempt) 139 - 141

Exempt Report of the Legal & Democratic Services Manager / Deputy Monitoring Officer

18. Leisure Centre Contract Update (September 2022) (Exempt) 142 - 143

Exempt Report of the Head of Law & Democracy / Monitoring Officer

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Policy, Finance and Development Committee
Tuesday, 13 September 2022, 7.00 pm

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Agenda Item 4

**MINUTES OF THE MEETING OF THE POLICY, FINANCE AND DEVELOPMENT COMMITTEE
HELD AT THE COUNCIL OFFICES, BUSHLOE HOUSE, STATION ROAD, WIGSTON,
LEICESTERSHIRE, LE18 2DR ON TUESDAY, 28 JUNE 2022 COMMENCING AT 7.00 PM**

PRESENT

M H Charlesworth Chair
Mrs S B Morris Vice-Chair, Acting



Meeting ID: 2235

COUNCILLORS

N Alam
L A Bentley
G A Boulter
Mrs H E Darling JP
Mrs S Z Haq
Miss P V Joshi
J Kaufman
Mrs L Kaufman
K J Loydall
D W Loydall

OFFICERS IN ATTENDANCE

S J Ball Legal & Democratic Services Manager / Deputy Monitoring Officer
T Bingham Strategic Director / Section 151 Officer
J Owst Revenues & Benefits Manager
R Sohal Finance Manager
J Wells Senior Strategic Development Manager
S Wheeliker Democratic & Electoral Services Officer

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from the Vice-Chair, Councillor Dr I K Ridley, and Councillors J W Boyce, D A Gamble, F S Broadley and Mrs L M Broadley.

It was moved by Councillor G A Boulter, seconded by Councillor K J Loydall and

UNANIMOUSLY RESOLVED THAT:

Councillor Mrs S B Morris be appointed the Vice-Chair for the duration of the meeting.

2. APPOINTMENT OF SUBSTITUTES

None.

3. DECLARATIONS OF INTEREST

Councillors J Kaufman and Mrs S Z Haq declared a non-pecuniary interest with regard to the exempt item 16 of the agenda, insofar as they had been included in correspondence previously exchanged with a prospective lessee. Both Members confirmed that they attended the meeting with an open mind.

4. MINUTES OF THE PREVIOUS MEETING

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The minutes of the previous meeting held on 22 March 2022, be taken as read, confirmed and signed.

5. ACTION LIST ARISING FROM THE PREVIOUS MEETING

None.

6. PETITIONS AND DEPUTATIONS

None.

7. WASTE STORAGE & COLLECTION - GUIDE FOR DEVELOPERS (JUNE 2022)

The Committee gave consideration to the report and appendix (as set out at pages 8 – 19 of the agenda reports pack) which asked it to adopt a new planning guidance document to establish clear and concise guidance for future waste management provision for all new development.

It was moved by Councillor G A Boulter, seconded by Councillor Mrs L Kaufman and

UNANIMOUSLY RESOLVED THAT:

The document (as set out at Appendix 1 to the report) as a planning guidance document for all future planning development be approved, subject to the following amendments:

- i) The sentence 'This may change in the future' in Appendix 1 at point 5 be removed; and**
- ii) Reference to '240 litre bins' at point 4a and Table A of Appendix 1 be removed.**

8. ETHICAL STANDARDS AND INDICATORS (Q4 2021/22)

The Committee gave consideration to the report and appendix (as set out at pages 20 – 30 of the agenda reports pack) which asked it to note the figures for local determination of complaints and ethical indicators for Q4 2021-22.

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The contents of the report and appendix be noted.

9. VOLUNTEERING POLICY (JUNE 2022)

The Committee gave consideration to the report and appendix (as set out at pages 31 – 43 of the agenda reports pack) which asked it to approve and adopt a revised Volunteering Policy (2022-25).

The Committee requested further information on various aspects of the report and Policy, such as the performance of the previous policy, Disclosure and Barring Service (DBS) checks, community safety initiatives, safety procedures for volunteers and training.

It was moved by the Chair, seconded by the acting Vice-Chair and

UNANIMOUSLY RESOLVED THAT:

The item of business be deferred to a subsequent meeting of the Committee pending the further information as requested.

10. MAXIMISING THE COUNCIL'S INCOME (JUNE 2022)

The Committee gave consideration to the report (as set out at pages 44 – 48 of the agenda reports pack) which sought to consult Members on proposed principles for adoption as part of a new Corporate Charging Policy and provided Members with an update in respect of progress against new areas of income generation.

The Committee provided constructive feedback in relation to the Council's ability to maximise income and requested further details into various aspects of paragraph 4 of the report regarding new income generating opportunities. The Committee specially queried the nature of the redundant equipment and raised concerns over financial procedures and marketing plans, requesting further market research.

It was moved by the Chair, seconded by the acting Vice-Chair and

UNANIMOUSLY RESOLVED THAT:

- i) The content of the report be noted; and**
- ii) Feedback on the proposed principles for the new Corporate Charging Policy be provided accordingly.**

11. REVIEW AND APPROVAL OF HOUSING POLICIES (JUNE 2022)

The Committee gave consideration to the report and appendices (as set out at pages 49 - 98 of the agenda reports pack) which asked it to approve three updated housing policies in respect of Income Management, Council Tenant Recharge and Aids and Adaptations.

The Committee was advised that, in response to a query as to whether candidates are asked if they have any assets either in the UK or abroad as part of the allocation process relating to the Aids and Adaptations Policy, that the policy was to be reviewed and that will be a key area for consideration.

The Committee emphasised the importance of providing support to all those who need it. Members were advised on the procedures followed when dealing with vulnerable persons, including referral to the Financial Inclusion Officer who would work with persons on maximising their benefits entitlement, budget management and refer them onto other people and organisations to provide further support.

It was moved by Councillor G A Boulter, seconded by the Chair and

UNANIMOUSLY RESOLVED THAT:

- i) The Income Management Policy (as set out in Appendix 1) be approved;**

- ii) **The Recharge Policy (as set out in Appendix 2) be approved; and**
- iii) **The Aids and Adaptations Policy (as set out in Appendix 3) be approved.**

12. BUDGET MONITORING (Q4 2021/22)

The Committee gave consideration to the report and appendix (as set out at pages 3 - 16 of the agenda update reports pack) which asked it to note the overall Council outturn position for the financial year 2021/22 and approve the creation of new reserves from the surplus achieved on the General Fund of £140,000.

The Committee requested that further clarification be provided to Members outside the meeting and prior to the next meeting of the Committee, regarding the figurework and calculations relating to the deficit on the Housing Revenue Account.

It was moved by the Chair, seconded by the acting Vice-Chair and

UNANIMOUSLY RESOLVED THAT:

- i) **The contents of the report and appendix be noted; and**
- ii) **The creation of new reserves from the Surplus achieved on the General Fund of £140k for the purpose of resourcing the recommendations as set out in the Corporate Peer Challenge and £10k for undertaking a feasibility study on the refurbishment and reopening of public toilets across the borough be approved.**

The meeting adjourned at 8:40 pm and reconvened at 8:45 pm.

13. COVID-19 ADDITIONAL RELIEF FUND (CARF) POLICY

The Committee gave consideration to the report (as set out at pages 98 - 101 of the agenda reports pack) which briefed Members on the COVID-19 Additional Relief Fund, consulted Members on its design and sought delegated approval for the policy.

The Committee was advised that, in relation to Members' queries regarding certain types of businesses eligibility to the fund (e.g. home businesses), only businesses subject to the business rates regime would be eligible for support, and that other funding streams had previously been made available to other types of businesses.

The Committee suggested types of businesses that ought not be eligible for support.

It was moved by the Chair, seconded by the acting Vice-Chair and

UNANIMOUSLY RESOLVED THAT:

- i) **The contents of the report be noted;**
- ii) **Officers be provided with the feedback on the key principles for the delivery of the fund provided by Members at the meeting accordingly; and**
- iii) **Authority be delegated to the Strategic Director / Section 151 Officer to approve a final policy.**

14. SPECIAL SEVERANCE PAYMENTS BY LOCAL AUTHORITIES

The Committee gave consideration to the report and appendices (as set out at pages 102 - 118 of the agenda reports pack) which asked it to approve certain amendments to the Constitution following the issuing of statutory guidance on the making of special

severance payments by local authorities.

The Committee requested that details of any Special Severance Payments made to date by the Council be provided to Members at the next meeting of the Committee.

It was moved by Councillor G A Boulter, seconded by the Chair and

UNANIMOUSLY RESOLVED THAT:

- (i) That the content of the report be noted;**
- (ii) The Committee recommend to Council the amendments to the Constitution as set out in paragraphs 5.7, 5.8 and 5.9 of the report.**

15. EXCLUSION OF THE PRESS AND PUBLIC

It was moved by the Chair, seconded by the Acting Vice-Chair and

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(s) below on the grounds that it involved the likely disclosure of exempt information, as defined in the respective paragraphs 1 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.

16. LEASE OF COMMUNITY FACILITIES TO EXTERNAL ORGANISATIONS [EXEMPT]

The Committee gave consideration to the exempt report (as set out at pages 119 - 125 of the private agenda reports pack).

The Committee requested further information regarding recommendation B before a decision was to be made.

It was moved by Councillor G A Boulter, seconded by Councillor K J Loydall and

UNANIMOUSLY RESOLVED THAT:

- i) Recommendation A be approved;**
- ii) Recommendation B be deferred to a subsequent meeting of the Committee;**
- iii) Recommendation C be approved; and**
- iv) Recommendation D be approved.**

17. REVISED 2022/23 CAPITAL PROGRAMMES [EXEMPT]

The Committee gave consideration to the exempt report and appendix (as set out at pages 124 - 135 of the private agenda reports pack).

It was moved by Councillor G A Boulter, seconded by Councillor L A Bentley and

UNANIMOUSLY RESOLVED THAT:

The recommendation be approved.

18. APPLICATION TO EXERCISE A PENSION DISCRETION [EXEMPT]

The Committee gave consideration to the exempt report and appendix (as set out at pages 136 - 143 of the private agenda reports pack).

It was moved by Councillor G A Boulter, seconded by Councillor Mrs S Z Haq and

UNANIMOUSLY RESOLVED THAT:

The recommendation be approved.

THE MEETING CLOSED AT 9.46 pm



Chair / Vice-Chair

Tuesday, 9 August 2022

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POLICY, FINANCE AND DEVELOPMENT COMMITTEE

ACTION LIST

Arising from the Meeting held on Tuesday, 28 June 2022

No.	Minute Ref. / Item of Business	*Action Details / Action Due Date	Responsible Officer(s)' Initials	Action Status
1.	9. – Volunteering Policy (June 2022)	Further information on various aspects of the report and policy, including performance of the previous policy, DBS checks, community safety initiatives, safety procedures, training etc. <i>Due by Sep-22</i>	MaSm	Report Update (Agenda Item 12)
2.	10. – Maximising the Council's Income (June 2022)	Further market research requested in relation to the nature of redundant equipment, financial procedures and marketing plans etc. <i>Due by Sep-22</i>	TaBi	Report Update (Agenda Item 9)
3.	12. – Budget Monitoring (Q4 2021/22)	Clarification be provided to regarding the figurework and calculations relating to the deficit on the Housing Revenue Account. <i>Due by Jul-22</i>	TaBi	Complete
		E-mail sent by Section 151 Officer to all Committee Members with the subject 'HRA presentational query' on 3 July 2022.		
4.	14. – Special Severance Payments by Local Authorities	Requested details of any Special Severance Payments made to date by the Council. <i>Due by Sep-22</i>	DaGa	Verbal Update

* | All actions listed are those which are informally raised by Members during the course of debate upon a given item of business which do not form part of - but may be additional, incidental or ancillary to - any motion(s) carried. These actions are for the attention of the responsible Officer(s).

Agenda Item 7



Policy, Finance and Development Committee	Tuesday, 13 September 2022	Matter for Information and Decision
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Report Title: **Budget Monitoring Report (Q1 2022/23)**

Report Author(s): **Rashpal Sohal (Finance Manager)**

Purpose of Report:	To provide the Committee with an update on the forecast financial position for the Council for the financial year 2022/23, as at the end of the first quarter.
Report Summary:	The Q1 forecast position for the year on the General Fund is a deficit of £644k compared to a budgeted balance position. Actions to address and mitigate the overspend position are presented within the report. The Q1 forecast for the HRA is a deficit of £22k, compared to a budgeted balanced position. Spending on the Council's HRA and General Fund Capital Programmes are making good progress.
Recommendation(s):	That the Committee notes: A. The contents of the report and appendix; and B. That the Council Senior Leadership Team will carry out actions to mitigate inflationary-linked and other pressures on the General Fund.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 257 2690 tracy.bingham@oadby-wigston.gov.uk Tony Gwam (Interim Head of Finance / Deputy Section 151 Officer) (0116) 257 2713 tony.gwam@oadby-wigston.gov.uk Rashpal Sohal (Finance Manager) (0116) 257 2705 rashpal.sohal@oadby-wigston.gov.uk
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	"A Stronger Borough Together" (Vision) Accountability (V1)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	The implications are as set out throughout the report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputation Damage (CR4) 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:	Click to select comment.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	Senior Leadership Team.
Background Papers:	None.
Appendices:	1. Capital Programme (2022/23)

1. Introduction

- 1.1 In February 2021, the Council approved its revenue and capital budgets, with additional changes to the General Fund Capital Programme approved by Council in July to facilitate additional fleet requirements and the Council accommodation move to Brocks Hill.
- 1.2 Since then economic conditions have changed dramatically, with inflation continuing to increase which is putting pressure on the Council budget achieving a balanced position at the year end.

2. General Fund Summary Position

- 2.1 Across the departments as a whole, the Council, as at Quarter 1 is expecting to report a net £643K overspend which represents 10% variance of the overall Council Revenue budget (£6.408m). The majority of this forecast overspend is attributed to inflationary pressures. All local authorities are being affected by similar inflationary pressures.

3. Financial Overview

- 3.1 Inflationary pressures have affected all services across the Council such as substantially increased costs for contracts, utility costs, fuel, supplies and services, building material and repair costs. Certain key service areas have been particularly significantly affected.
- 3.2 The cost of diesel fuel for the Council's fleet of vehicles based at the Depot for refuse and recycling has increased by more than 50%, resulting in a £66K forecast overspend pressure. Staffing and agency cost for the Depot have increased with a current forecast overspend of £96k to facilitate the operation of the waste collection service.
- 3.3 Leisure Services are facing financial expenditure pressures which has an affect on the management fee payable to the Council. There is a potential forecast of £220k in additional spending, partly due to a forecast reduction in the management fee receivable, pending contract negotiations. The Council has mitigated some of this by reducing cost within the Leisure services so the net loss affect is £122k.
- 3.4 Forecast staffing cost budget pressures have also been identified at £198K above the 2% that was budgeted for Employees salaries, as a result of the National Joint Council (NJC) proposed pay award of £1,925 per full time employee. The latest position is that this offer

was rejected buy Unions. Negotiations remain ongoing and a further update is expected in October.

- 3.5 The Council has limited general fund reserves of £1.182m at 31 March 2022. The forecast Q1 2022/23 overspend would need to be resourced from the Council reserves. Low reserves would make the Council vulnerable to any future budget deficit or overspends which highlights the importance to take action to reduce the forecast overspend before the year end 31 March 2023. At the time of writing this report, a new Medium Term Financial Strategy is timetabled for review by the Committee on the same agenda as this report. The strategy presents a risk-based assessment of the Council's general fund reserves and proposes a strategy of bolstering reserves.
- 3.6 Internally within the Council, Officers are taking various actions to ensure good financial control. The Finance service continues to implement the finance business partner approach which enables greater engagement with budget holders across the Council. This result in improved financial control and enables improved service delivery with the available resources.
- 3.7 Other major service pressures include the cost of agency staff to enable the Council to provide statutory functions that have proven nationally difficult to recruit for such as in Planning. Throughout the Council there are other roles where recruiting appropriately skilled staff has proved difficult.

4. Actions

- 4.1 The Council will continue to look at ways to mitigate the forecast £643k overspend reported for Quarter 1.

5. Forecast for Each Service Area

- 5.1 **Senior Leadership Team (SLT) - Forecast Overspend (£9K).** This is mainly due to legal fees related to Bushloe Developments. The intention is recover £70k and the Court hearing is listed for November 22.

Service	Variance £'000	Reason for variance	Actions to mitigate Variances where relevant
SLT	9	Legal fees related to recovering £70k of council funds that previously were held by Bushloe Developments Ltd.	

- 5.2 **Finance and Resources – Forecast Underspend (£30K).** The main factors contributing to the department's net underspend are set out in the table below.

Service	Variance £'000	Reason for variance	Actions to mitigate Variances where relevant
Inflation - Pay	42	These are costs of the potential pay award, relating to the Finance service.	
Revenue and Benefits – salary savings	(25)	Salary savings for vacant position for Senior Revenues Officer which is due to be filled in September.	
Council Tax	(30)	This refund is for overcharged magistrate court fees paid	

		for council tax and non-domestic rate (business rate) liability orders applied for between 22 nd April 2014 and 24 th July 2018. Further work will be undertaken to credit this amount to the accounts of council tax payers who continue to reside in the Borough. Any refund that cannot be credited to an account because the council tax account no longer exists will be retained by the Council.	
HR	(13)	Salary savings as a result of vacant posts within the HR team, these are net of hired staff costs.	
	(4)	Other	
Total	(30)		

5.3 **Law & Democracy – Forecast Overspend (£9K).** The main factors contributing to the department's net overspend are set out in the table below.

Service	Variance £'000	Reason for variance	Actions to mitigate Variances where relevant
Inflation - Salary	17	These are the potential pay award costs relating to the Law and Democracy service area.	
Legal & Admin Service	25	This relates to legal fees on an ongoing litigation case, which has the potential to recover £15k of costs for works in default and £30k in legal costs. This £25k adverse position is the worse cast scenario where we may have to bear all the legal charges if we don't win.	
Health and Safety	(9)	There is vacancy saving on H&S Resilience manager. The position was filled in June.	
Licensing Service	(24)	There is a vacant position for a solicitor that still has not been filled since April therefore forecasting savings. This post is expected to be filled from 1 October.	
Total	9		

5.4 **The Built Environment – Forecast Overspend (£164K).** The main factors contributing to the department’s net overspend are set out in the table below.

Service	Variance £'000	Reason for variance	Actions to mitigate Variances where relevant
Inflation - Salary	32	These are the potential pay award costs relating to the Built Environment service area.	
Planning Control	70	There have been savings on vacant positions of (£53k) however `hired staff costs have been £104k for agency staff covering the vacant posts. There is a national shortage of experienced planning officers which is being felt widely by councils and which has significantly driven up the hourly rate required to be paid for agency staff.	During Quarter 1 and the first part of Quarter 2 we have managed to reduce the backlog of planning applications and by Quarter 3 we will be able to release one member of agency staff. We have also restructured the planning team using succession planning to make the best use of the skills of our existing staff and during Quarters 2 and 3 will be launching a recruitment campaign relating to the vacant posts. If successful, this will allow us to release the remaining agency staff.
Economic Development	(45)	There is savings here as one regeneration manager post will be capitalised to Brocks Hill Project. This post was originally included in the budget to be revenue funded and therefore there is a revenue saving.	
Homelessness	34	£66k Increase in emergency accommodation costs over recovery via housing benefit due to greater demand and price increases. We have received (£32k) Safe Accommodation Support Grant to offset this against.	
Belmont House Hostel	37	Reduction in housing benefit income unlikely to be achieved due to changes of the use of the hostel during the pandemic.	
	36	Other	
Total	164		

5.5 **Community & Wellbeing – Forecast Overspend (£444K).** The forecast overspend in this department is mainly due to the items set out in the table below.

Service	Variance £'000	Reason for variance	Actions to mitigate Variances where relevant
Inflation - Pay	79	These are the potential pay award costs relating to the Community and Wellbeing service area.	
Inflation - Diesel	66	This is the forecasted increase in costs for diesel used to run our fleet to the end of the year (Mar 23)	
SLM contractual variance	122	This includes £220K additional costs largely due to an anticipated reduction in the management fee receivable for the running of the leisure centres, offset by £100K budget for external contractors will not be spent.	An independent leisure contract specialist has been engaged to assist the Council in negotiating the most advantageous contractual position for the remainder of the leisure services contract.
Cemeteries	34	£34K loss of income due to low bookings. Budget was based on previous years income but this was already inflated due to the pandemic and increase in deaths. The service have adopted payments in advance and total income generated to date is £1,250, with more anticipated.	
Car Parks	38	Transactional fees and other running costs of scheme exceeding budget. There has been some fees relating to car parking that was estimated and the actual charges are much higher (NPU Levy £10k adverse, Metric fees to date £10k and there was no budget for this). Fees are higher than estimated due to the success of the scheme.	

Grounds Maintenance	41	Salary cost for Grounds Maintenance Operative that wasn't budgeted for.	
Domestic Refuse Collection	96	Overspend forecasts to end of year on hired staff. This has been based on previous years.	A review of the requirements for hired staff will be undertaken. This will ensure the forecast position reflects the level of staff needed to maintain service delivery.
Garden Waste Collection	(56)	Additional green waste collection income forecast for the year due to demand being better than expected.	
Recreation & Leisure	16	Mainly salaries in this area are funded by external grants. Anticipated overspend for the year is based on new grants not received to cover these costs in full.	Work to review external grant funding for post and make contact with existing funding suppliers with regards to the increased inflationary pressures of providing services, largely around the impending pay award.
Crime and Disorder Partnership	11	In the past HRA contributions used to be received in this area. Therefore income budget of £15k was cancelled down to zero.	A wider review of charges between the General Fund and HRA is planned to be undertaken to ensure that charges are appropriate, reflective of all services consumed and in line with the HRA ringfence regulations.
	(3)	Other	
Total	444		

5.6 **Customer Services and Transformation – Forecast Overspend (£47K).** This service area includes Customer Services, System Support and Transformation Services including the newly-created in-house IT team. The forecast overspend is due to the following items set out in the table below.

Service	Variance £'000	Reason for variance	Actions to mitigate Variances where relevant
Inflation - Pay	33	These are the potential pay award costs relating to the Customer Services and Transformation service area.	
Customer Services	10	£6k Software license cost increase and £5k	

		telephony costs not within budget.	
	4	Other	
Total	47		

5.7 A summary of the overall General Fund Budget and Forecast Outturn at service level is set out in **Table 2**.

Table 2 - General Fund Budget Monitoring

Service	Revised Budget 2022/23	YTD	Forecast Outturn	Variance
	£	£	£	£
Senior Leadership Team	427,730	102,542	436,913	9,183
Covid 19 Funding	0	78,076	0	0
Finance & Resources (Including Corporate Budgets)	2,517,063	2,160,207	2,486,611	(30,452)
Law & Democracy	654,170	503,170	663,118	8,948
The Built Environment 1 & 2	966,020	395,105	1,130,029	164,009
Community & Wellbeing (inc Depot)	1,039,727	86,826	1,484,178	444,451
Customer Service & Business Transformation	1,391,416	379,456	1,438,677	47,261
HRA Recharge	(1,240,435)	(1,240,435)	(1,240,435)	0
Capital Financing	720,900	720,900	720,900	0
	6,476,591	3,185,847	7,119,991	643,400

6. Housing Revenue Account (HRA)

- 6.1 The Housing Revenue Account opening balance as at 1st April 2022 on its main reserve was £1.155m. In 2022/23 the account has been forecast to have a budget deficit of £22K leaving an estimated HRA Reserve balance of £1.133m.
- 6.2 The position on the account as the end of Quarter 1 is set out in **Table 4** below.

Table 4 - HRA Position Quarter. 1

	Revised Budget 2022/23	Forecast Outturn 2021/22
	£'000	£'000
Net Cost of Services on the HRA	(575)	(603)
Capital Charges	625	625
Revenue Contributions to Capital Appropriations to Earmarked Reserves	0	0
	50	22
Actual Balance b/f HRA a/c	(1,155)	(1,155)
Budget Deficit in the Year	50	22
Balance c/f HRA a/c	(1,105)	(1,133)

HRA

Service	Variance £'000	Reason for variance	Actions to mitigate Variances where relevant
Estate Management	(55)	Saving on salaries due to restructure of Housing Options post budget-setting.	
Estate Management	35	Costs of managing Housing IT system	
Communal Areas	17	Forecast inflationary linked increased in respect of Electricity	
Repairs & Maintenance	(30)	Saving in revenue staffing costs as a result of capitalisation of staff time across all appropriate schemes.	
	(1)	Other	
Total	(28)		

7. Capital Programme

- 7.1 The 2022/23 Capital Programme was set at Full Council in February 2022 and amended in June 2022. **Table 3** shows a summary of the 2022/23 capital programme and the full capital programme is shown in **Appendix 1**.

Table 3 - Capital Programme Summary

Fund	Revised Budget 2022/23	Spend To Date	Variance to Budget
	£'000	£'000	£'000
General Fund	4,344	234	(4,110)
Housing Revenue Account	6,561	1,191	(5,370)
Total	10,905	1,425	(9,480)

General Fund Capital Programme

- 7.2 At Quarter 1, £234k of the annual £4.344m budget has been spent, representing just 5%. However, a large part of these funds relates to the forecast costs of the Council office relocation which have increased to £3.61m and which will not start to be spent until the works commence in September 2022.
- 7.3 Additionally, an additional £400K was added to the capital programme in June to fund vehicle fleet replacement and these orders were not made in Q1.
- 7.4 The Laptop Renewal project (£74K) is being restructured from a standing per year budget, to a larger amount every three years. As such, the current budget will be withdrawn, and a larger bid put in for 2024/25.
- 7.5 Within the General Fund there are commitments relating to Section 106 funding, including:

- The Coombe Park Pavilion Extension project - £170K remains part of the Capital Programme, and will progress on receipt of the relevant S106 funding from the Cottage Farm development.
- Sports Facility Improvement Programme (£220k) remains part of the Capital Programme. The decision to transfer the funding was approved in November 2021 to replace Private Sector Sports Grants Scheme and Pitch Improvement Programme due to extremely poor take-up of the scheme.

HRA Capital Programme

- 7.6 At Quarter 1, good progress has been made on capital spend on the HRA, with £1.191m of the annual £6.561m spent, representing 18%.
- 7.7 The modular housing development scheme at Horsewell Lane (£2.33m) HRA is currently underway, but it is forecast that the bulk of the expenditure (£1.83m) will fall into 23/24.

OADBY AND WIGSTON BOROUGH COUNCIL CAPITAL PROGRAMME

Project Code Reference	Scheme	Budget Holder	2022-23 Total Budget	Actual to 30th June 2022	Variance	Comments
			£	£		
	Funding Available B/F Estimated Additions In Year					
	Total Funding Available					
	Housing Revenue Account					
50003	Central Heating	Chris Eyre	200,000	31,643	(168,357)	Expect to complete in-year
50006	Front & Rear Doors	Chris Eyre	75,000	5,535	(69,465)	Expect to complete in-year
50016	Decent Homes Work	Chris Eyre	300,000	141,220	(158,780)	Expect to complete in-year
50017	Major Adaptations	Chris Eyre	150,000	9,543	(140,458)	Expect to complete in-year
50019	Fire Safety	Chris Eyre	250,000	31,263	(218,737)	Expect to complete in-year
50021	Timber Window Replacement incl external entrance / fire doors Kings Drive Area	Chris Eyre	75,000	0	(75,000)	Expect to complete in-year
50024	Heating Ventilation Insulation	Chris Eyre	0	0	0	
50029	New Housing Initiatives	Chris Eyre	120,000	0	(120,000)	Expect to complete in-year
50030	Communal Heating System William Peardon Court	Chris Eyre	0	0	0	
50046	Kitchen Replacements Decent Homes, incl Bathrooms 2018/19	Chris Eyre	0	11,317	11,317	Residual costs of last year's scheme
50047	Housing Block Improvements	Chris Eyre	300,000	0	(300,000)	Expect to complete in-year
50048	Asset Management System Upgrades	Chris Eyre	30,000	3,334	(26,666)	Expect to complete in-year
	Decarbonisation of Housing Stock	Chris Eyre	514,142	0	(514,142)	To be used for carbon reduction scheme in 23/24
	Horsewell Lane housing development, Modular Build	Chris Eyre	2,330,000	0	(2,330,000)	Unlikely to spend in full in 22/23. Expect bulk of scheme to slip into 23/24
	Total - HRA		4,344,142	233,854	(4,110,288)	
	General Fund - Service Delivery					
52002	Disabled Facilities Grant	Adrian Thorpe	0	300,148	300,148	Purchase orders should be raised on revenue code for Lightbulb Project
52092	Oadby Pool Housing Project	Adrian Thorpe	110,013	108,219	(1,794)	Awaiting final pre-planning report to determine course of action with respect to site/
52093	Railway Corridor	Adrian Thorpe	0	5,927	5,927	Residual costs
53905	Local Authority Delivery 2	David Gill	301,484	1,119	(300,365)	Expenditure on revenue code. Move to capital.
54010	Play Area Refurbishments	Margaret Kind	8,400	0	(8,400)	Progressing 22/23
54012	Wigston Cemetery Memorial	Margaret Kind	0	(5)	(5)	Cancelled PO
54017	Xmas Decoration Infrastructure	Adrian Thorpe	9,330	0	(9,330)	Expect to spend in full.
54055	Brocks Hill Car Park Drainage	Margaret Kind	4,000	0	(4,000)	Project complete
54114	Car Park Resurfacing	Margaret Kind	27,975	1,875	(26,100)	Ongoing
54147	Recycling Wheelie Bins	Trish Hatton	0	13,195	13,195	Additional recycling wheelie bins
54150	Redeployable CCTV Camera Upgrade	David Gill	30,000	31,860	1,860	Complete
54151	Air Monitoring Equipment	David Gill	0	5,481	5,481	36 month subscription for operation of air monitoring station. Eligible for capitalisation.
54154	Kilby Bridge Canal & Towpath	Adrian Thorpe	15,328	10,850	(4,478)	Expect to complete soon
54161	E-Bikes	Adrian Thorpe	0	6,576	6,576	E-bikes for site visits within the borough. Funded by £5K LCC smarter travel grant.
54533	Treescape Fund	Adrian Thorpe	0	101	101	Residual cost
54566	Brocks Hill Additional Play Equipment	Margaret Kind	82,000	0	(82,000)	Work has gone to tender. Progressing in 22/23
54568	Coombe Park Pavilion Extension	Adrian Thorpe	170,000	0	(170,000)	Remove from program until S106 funds actually received.
54570	Blaby Park Footpath	Margaret Kind	9,000	0	(9,000)	Project will not be happening. To be removed from programme.
54574	Pitch Improvement Programme	David Gill	0	0	0	Funding transferred to new range of schemes agreed at Service Delivery committee in November.
54575	Private Sports Grants	David Gill	0	0	0	Funding transferred to new range of schemes agreed at Service Delivery committee in November.
54576	Repairs to play area surface various play areas	Margaret Kind	12,730	0	(12,730)	Progressing 22/23
54578	Town Centre Wi-Fi	Adrian Thorpe	73,058	14,250	(58,808)	Expected to complete this year.
54581	Wigston Town Centre Car Parks	Adrian Thorpe	100,000	0	(100,000)	Match funding to levelling up fund bid submitted 2nd August. Awaiting outcome of bid.
54582	Blaby Road Pavilion Sewage Pumping System	Margaret Kind	5,500	5,954	454	Expect to complete in September
54583	Oadby Cemetery – Bierie House structural repairs	Margaret Kind	20,000	22,600	2,600	Complete
54584	Uplands Park Pavilion – replacement boiler and floor repairs	Margaret Kind	12,695	13,215	520	Possible overspend due to issues found during survey
54585	Wigston Cemetery – entrance drive resurfacing and disabled parking	Margaret Kind	12,000	0	(12,000)	Expected to complete in-year
56001	Council Office Refurbishment	Margaret Kind	22,800	0	(22,800)	Project will not be happening. To be removed from programme.
56003	Customer Services	Trish Hatton	0	(146)	(146)	Cancelled PO
56010	IT Replacement Programme	Trish Hatton	26,799	(78)	(26,877)	Residual budget from old ICT arrangements. Will be used for members' devices, around 25k
56037	PARIS Upgrade	Rashpal Sohal	0	20,000	20,000	Opayo gateway Migration Services & Licence
56044	New Income Management System	Rashpal Sohal	0	895	895	Miscoded stationery. Move to revenue.
56055	Document Management System Software	Trish Hatton	6,954	500	(6,454)	Final requirements of Idox implementation under review. Possible saving.
56056	Server / Network Hardware Replacements	Trish Hatton	8,158	990	(7,168)	Replacement of end-of-life network components prior to Brocks Hill move.
56069	Licensing Service Software Review	David Gill	8,900	0	(8,900)	Project complete
56070	Envelope Folding Machine	Trish Hatton	0	1,215	1,215	Maintenance costs. Should be in revenue.

Project Code Reference	Scheme	Budget Holder	2022-23 Total Budget	Actual to 30th June 2022	Variance	Comments
			£	£		
56072	South Wigston Shop Fronts	Adrian Thorpe	6,100	0	(6,100)	Contingent on demand.
56076	Windows server migrations	Trish Hatton	5,000	0	(5,000)	Done as part of the transition in 21/22.
56081	IT Transition	Trish Hatton	0	267,722	267,722	Transition now complete. PO's raised to date shdn't be in this cost centre but in appropriate revenue codes
56082	Bushloe House Car Park Surface repairs and lining	Margaret Kind	28,000	0	(28,000)	Project will not be happening. To be removed from programme.
56083	Remote Working - Regulatory Services	David Gill	3,968	0	(3,968)	Project complete
56085	New Council Offices	Comie Campbell	3,276,010	354,833	(2,921,177)	
56087	Oadby Depot Reburishment	Margaret Kind	10,000	3,636	(6,364)	Ongoing
	William Gunning Park Drainage	Margaret Kind	20,000	0	(20,000)	Project will not be happening. To be removed from programme.
	Replacement of Grounds Maintenance Dennis bowling green mower	Trish Hatton	6,000	0	(6,000)	Procurement exercise underway.
	Replacement of Grounds Maintenance Vehicle FE09 XOT	Trish Hatton	30,000	0	(30,000)	Procurement exercise underway.
	Replacement of Grounds Maintenance Vehicle FG12 MVN	Trish Hatton	33,000	0	(33,000)	Procurement exercise underway.
	Sports Facility Improvement Programme	David Gill	0	0	0	Funding transferred to new range of schemes agreed at Service Delivery committee in November.
	Peace Memorial Park Bowls Green- replace steps to bowling green	Margaret Kind	5,000	0	(5,000)	Start at end of September
	Invest to Save	Trish Hatton	350,000	0	(350,000)	To be determined.
	Transformation	Trish Hatton	0	0	0	Funding transferred to New Council Offices project
	Vehicle Refurbishment	Trish Hatton	460,000	0	(460,000)	Procurement exercise underway.
	Flude's Lane	Margaret Kind	20,000	0	(20,000)	Scope of work being assessed. Expect to spend in-year
	HR Software	Trish Hatton	10,000	0	(10,000)	Obsolete budget
	Data Centre	Trish Hatton	16,500	0	(16,500)	Increased server capacity for resilience purposes.
	Website accessibility	Trish Hatton	5,000	0	(5,000)	
	Finance System Upgarde	Comie Campbell	80,000	0	(80,000)	
	New Internal Website	Trish Hatton	10,000	0	(10,000)	Research into design currently underway
	Provision of Energy Efficiency Technologies at Brocks Hill	Adrian Thorpe	200,000	0	(200,000)	
	Laptop Renewal	Trish Hatton	74,000	0	(74,000)	Will need to Laptops on a 3 year cycle. BW to make a large bid for 24/25 instead of c/f budget amount year by year.
	Miscellaneous Equipment and New Starters	Trish Hatton	20,000	0	(20,000)	Miscellaneous equipment and replacement of non-functional hardware.
	New Facility at Uplands Park	David Gill	145,000	0	(145,000)	Out for consultation, expect to complete by end February
	Cricket Nets at Uplands Park	David Gill	40,000	0	(40,000)	Out for consultation, expect to complete by end December
	Football Goals	David Gill	7,221	0	(7,221)	Expected to spend by end December
	Pitch Improvement Equipment	David Gill	30,000	0	(30,000)	Expected to spend by end December
	Skatepark and Parkour or BMX facilities	David Gill	220,000	0	(220,000)	Expected to spend by end February
	Residue of reassigned sports budgets held as hedge against cost inflation.	David Gill	52,779	0	(52,779)	
	Housing Projects	Adrian Thorpe	320,000	0	(320,000)	Schemes still under development
	Total - Policy, Finance and Development		6,560,703	1,190,931	(5,369,772)	
	PLANNED EXPENDITURE GRAND TOTAL		10,904,845	1,424,785	(9,480,060)	

Unsuported Borrowing	3,958,666	
Supported Borrowing	0	
Grants & Contributions	425,848	
Revenue Funding GF	0	
Revenue Funding HRA	0	
Open Spaces S106	635,000	
South Wigston Regeneration	0	
Usable S106 Interest Reserve	558	
Usable Capital Receipts - FORUM	0	
Usable Capital Receipts - OTHER	3,419,500	
Capital Reserve	0	
Contributions Unapplied Reserve	0	
Software Implementation Reserve	0	
Major Repairs Reserve	1,949,473	
Regeneration Reserve	0	
1-4-1 Reserve	500,000	
EDRF Matched Funding Reserve	15,800	
Greening the Borough	0	
Asset Management Reserve	0	
	10,904,845	1,424,785

50001 Sale of Council Houses	2,403
51901 Council House Sales	(95,700)
55950 Sale of Equipment	(2,166)

Project Code Reference	Scheme	Budget Holder	2022-23 Total Budget	Actual to 30th June 2022	Variance	Comments
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£

£

1,329,322

0

Agenda Item 8



Policy, Finance and Development Committee	Tuesday, 13 September 2022	Matter for Information and Decision
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Report Title: **Medium-Term Financial Strategy (MTFS) (2022 - 2027)**

Report Author(s): **Tracy Bingham (Strategic Director / Section 151 Officer)**

Purpose of Report:	To present the draft Medium Term Financial Strategy to the Committee ahead of Council approval on 27 September 2022.
Report Summary:	This report presents the draft Medium-Term Financial Strategy (MTFS) to the Committee for review, comment and recommendation to Council for approval. The MTFS is a five year assessment of the resources required to deliver the Council's services over that period. It sets out the projected budget gaps over the period and a Sustainability Plan for delivering savings to mitigate these gaps.
Recommendation(s):	A. That the contents of the report be noted; and B. That the Medium-Term Financial Strategy (2022 - 2027) be reviewed and recommended to Council for approval.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 257 2690 tracy.bingham@oadby-wigston.gov.uk Rashpal Sohal (Finance Team Manager) (0116) 2572 705 rashpal.sohal@oadby-wigston.gov.uk
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	Accountability (V1) Respect (V2) Teamwork (V3) Innovation (V4) Customer Focus (V5)
Report Implications:-	
Legal:	There are no implications directly arising from this report.
Financial:	Budget gaps are estimated to occur within the current financial year and forthcoming financial years. The Medium Term Financial Strategy sets out a Sustainability Plan to address these gaps through savings.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1)
Equalities and Equalities Assessment (EA):	There are no implications directly 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:	Report entitled 'Budget & Medium Term Financial Strategy 2022/23' to Full Council on 24 February 2022
Appendices:	1. Draft Medium-Term Financial Strategy (MTFS) (2022 - 2027)

1. Background

- 1.1 During the Summer of 2021, the Local Government Association (LGA) undertook a Financial Health Check of the Council, after identifying that the Council's capital programme and reserves position presented as an anomaly when compared to councils of a similar size and nature.
- 1.2 Amongst other recommendations, was that the Council needed to take a more strategic approach to Financial Planning and the delivery of savings.
- 1.3 In February 2022, a new 2022 – 2027 Medium Term Financial Plan was approved alongside the 2022/23 budget. At the time, the plan projected a deficit on the General Fund of £125,000 for the 2022/23 year, with reserves needed to balance the budget. Projected deficits were then evenly spread over the forthcoming 4 years that were in excess of reserves available (circa £300,000 per year).
- 1.4 Building on further feedback from the LGA provided as part of their Corporate Peer Challenge, undertaken in January 2022, the General Fund medium term financial plan has been reviewed and a financial strategy for how the Council will respond and a Sustainability Plan for the delivery of savings have been developed.
- 1.5 The Medium Term Financial Strategy, included in Appendix 1, presents a high level five year assessment of the financial resources required to deliver the Council's strategic priorities and essential services over this period. The strategy promotes the need to manage spending in line with funding and generate new income from existing and potentially new income streams.
- 1.6 The sustainability plan in the strategy at this stage presents high-level savings targets that will be refined over the forthcoming 2023/24 budget setting timetable. Both the medium term financial plan and the sustainability plan will be rebased and updated to reflect revised forecasts and assumptions, as part of developing the budget for 2023/24.
- 1.7 The new MTFS now provides reference to the Housing Revenue Account and projections included in the HRA business plan cashflow model.
- 1.8 The strategy also introduces a new monitoring cycle so that members will more regularly review the Council's holistic financial position on an ongoing basis.
- 1.9 The Strategy can be found in **Appendix 1**.

2. Member Engagement

- 2.1. As part of developing the MTFS and Sustainability Plan, an informal member engagement workshop was held in August. The feedback from members in this session has been used to scope the Sustainability Plan themes and estimated level of savings that will be delivered over the life of the plan.
- 2.2. PFD feedback is now sought on the draft MTFS as set out in **Appendix 1**, ahead of the final draft being presented to Council for approval in September.
- 2.3. Enhanced member engagement and scrutiny will remain a key principle in the way that the council manages its finances, with regular reports on the progress of the Sustainability Plan to be delivered as part of routine quarterly budget monitoring and greater involvement in the earlier stages of budget setting to be taken forward also.

3. The Financial Outlook

- 3.1. Section 2 of the report provides the outlook the council faces. This includes the current Political, economic and regulatory outlook, the council's own strategic outlook, the local government funding regime and the makeup of the council's funding in this regard and the makeup of council spend.
- 3.2. Section 3 of the strategy sets out the financial outlook for the General Fund. The projected budget gaps over the period are:

Year	Budget Gap
2022/23	£650,000
2023/24	£250,000
2024/25	£260,000
2025/26	£420,000
2026/27	£450,000
Total	£2,030,000

4. Managing our Finances and Risk-Based Assessment of Reserves

- 4.1. Section 5 of the MTFS sets out how the council will manage its finances. This includes the general approach, the adherence to the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code and how decisions that have financial implications will be standardised to aid understanding and financial effectiveness (section 5.2).
- 4.2. Section 5.3 considers the Council's reserves and a risk assessment of these against the plan, in response to the LGA's Financial Health Check feedback on taking a risk-based approach. The assessment concludes that the Council should seek to minimise its use of reserves and adopt a strategy to bolster reserves through savings over the life of the plan.

5. Sustainability Plan

- 5.1. The Sustainability Plan for delivering savings is set out in section 5.4 of the MTFS. It describes the approach that will be taken to explore, identify and deliver savings over the life of the plan.
- 5.2. Savings totalling £976,000 over the 5 years are included. At this stage the savings are prudent and cautious. These values will be tested and refined as the Council sets its budget for 2023/24.

6. The Housing Revenue Account (HRA)

- 6.1. The outlook on the HRA remains stable despite some changes in assumptions in respect of inflation.
- 6.2. At the time of writing the report, announcements had just been published around a consultation for capping social housing rents. Further work is therefore required on the HRA to determine the impact of this on rents over the life of the plan.
- 6.3. In line with information reported as part of setting the budget for 2022/23, further work around HRA borrowing is required and this is planned to be taken forward as part of a refresh of the HRA business plan.

7. Monitoring, Delivery and Review

- 7.1. The new strategy encourages members to look beyond the current planning period in considering actions to address future deficit years and how decisions may impact finances and how savings will be made on the General Fund.
- 7.2. It is not intended that the full strategy is reviewed on an annual basis, but instead that this strategy will remain fit for purpose for some time. However, the MTFP and the Sustainability Plan will both become "living" documents and will be reviewed twice a year generally, including:
 - Before budget setting – to inform the parameters to which the next years budget must be set; and
 - Alongside budget setting – to present to members the ongoing impact of the next year's budget, in line with the Government's annual finance settlement and budget announcement.
- 7.3. Section 6 of the MTFP outlines the intended approach.

Medium Term Financial Strategy

2022 - 2027



Oadby & Wigston
BOROUGH COUNCIL

Section 1 - Context

Aims and purpose of the Medium Term Financial Strategy

The purpose of the Council's Medium Term Financial Strategy (MTFS) is to provide a robust strategic framework and approach to achieve long term financial sustainability. It is core to the ongoing delivery of priority outcomes in the Corporate Plan and aids robust and methodical planning as it forecasts the council's financial position, considering the most likely and other potential scenarios surrounding known pressures, major national policy and economic issues and local priorities and factors. Sound strategic financial planning helps the council to respond to pressures and changes as a result of many internal and external influences.

An overarching MTFS is good practice – it provides the strategic financial framework for the authority at a time of considerable pressure and change and supports the delivery of key priorities and ongoing efficiency gains and closer member engagement and budget scrutiny. The key overriding aim of the MTFS is it provides a high-level assessment of the financial resources required to deliver Oadby and Wigston Borough Council's strategic priorities and essential services over the next five years.

The key objectives of the MTFS are to:

- Provide financial parameters within which budget and service planning should take place;
- Ensure the council sets a balanced budget;
- Focus and re-focus the allocation of resources so that, over time, priority areas receive additional resources;
- Maximise the use of resources available to the council
- Review our reserves policy to make sure the council has protection against unforeseen events and takes a sensible approach to funding a sustainable financial position
- Respond to external pressures
- Highlight any financial risks and put mitigating controls in place.
- Ensure services are defined on the basis of a clear alignment between priority and affordability;
- Ensure the council manages and monitors its financial resources effectively so that spending commitments do not exceed resources available;
- Ensure that the council's long term financial health and viability remain sound.

1.1 Key strategies and plans

Capital Strategy

The capital programme sets out the capital plans for the next four year period, taking account of any capital investment required to deliver outcomes, transformational change and Council priorities. The programme is reviewed annually to ensure projects are still in line with outcomes, and that the programme is affordable.

The Capital Programme Strategy details the priorities of the council in terms of capital expenditure and provides a framework for the council's capital plans to be agreed and delivered within. The Capital Programme Strategy and supporting capital programme are approved each year in February by Council.

Treasury Management Strategy

The Treasury Management Policy and Strategies is reviewed annually and provides the framework within which authority is delegated to the Strategic Director and Section 151 Officer to make decisions on the management of the council's investment of surplus funds.

The Council defines its Treasury Management activities as: "The management of the local authority's Investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks"

Part of the Treasury Management operation is to ensure that the cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Councils low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the Treasury Management service is the funding of the Council's Capital Programme. The Capital Programme provides a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations.

This management of longer term cash may involve arranging long or short term loans or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet the Council risk or cost objectives.

External debt relating to the General Fund is expected to be £14.5 million in 2022/23, rising to £15.4 million in 2023/24 and £16.3 million in 2024/25.

The self financing settlement involved the Council taking on £18.114 million of PWLB borrowing. The HRA business plan provides the repayment of HRA debt over its life. The initial borrowing was commenced to repayment in 2020, however due to changes in government legislation which has impacted detrimentally on the financial position of the HRA, this debt repayment plan is now likely to need restructuring with a new plan being drawn up.

Corporate Plan

The Council's policy drivers are the objectives as set out in the adopted Corporate Plan for the period 2019-2024 which set out the Council's Vision of: *A Stronger Borough Together*

"Councillors, staff, residents, businesses, partners and stakeholders will continue to create a stronger borough by working together.

A stronger borough that is inclusive and engaged and focuses on delivering effective services, balanced economic development, green and safes places resulting in better wellbeing for all".

The Corporate Plan centres around Three core Corporate Objectives and is reviewed and updated on an annual basis.

Corporate Objectives

- 1 Building, Protecting and Empowering Communities**
"Be Proud of your borough as a place to live"
- 2 Growing the Borough Economically**
"Realise the aspirations of the borough, benefiting those who live and work here"
- 3 Providing Excellent Services**
"Delivering those services needed to the highest standard whilst providing value for money"

The Council has a range of other key strategic documents, which include:

- **The Local Plan** - The Council's Local Plan was adopted in 2019. It sets out a Vision for how the Council would like the Borough to look in 2031 and allocates land to provide at least 2,960 new homes and 8 hectares of employment use development. Whilst development on the strategic sites is being delivered by the private sector, the Council is currently looking to make use of opportunities presented by the UK Social Prosperity Fund and Levelling Up to play its part in leading the regeneration of the town centres.

- **Environment Strategy and Action Plan** - The Council's Environment Strategy and Action Plan was adopted in 2019. It set out that the Borough Council is committed to making a positive impact to improve the environmental sustainability of the Borough sets out how Oadby and Wigston Borough Council will contribute towards reducing carbon emissions.
- **Procurement Strategy** – The Corporate Procurement Strategy sets out the Council's strategic approach to procurement and is currently under review.
- **People Strategy** – The Council is currently developing a People Strategy, which it is expected to present to members for sign off in 2023. The document will set out how the Council will attract, retain and develop its workforce.
- **Customer Experience Strategy** –The Council is also developing a Customer Experience Strategy. This document will set out how the Council will engage with residents and businesses, including different demographic groups. The strategy will be brought forward for approval in 2023.

Section 2 – Outlook

2.1 Political, economic and regulatory outlook

The national fiscal and economic situation is an important consideration for the Council. Currently there are a number of significant financial challenges for the sector including: the COVID-19 Pandemic; the shift in funding from Central Government Grant to local taxation (council tax and retained business rates receipts) and uncertainty on the future funding of local government; increasing service pressures; restrictions on activity to generate income (in particular the limitation imposed on councils to make commercial property investments); and future fluctuations in inflation.

The system of funding for local government has significantly changed since 2010, with Councils now increasingly reliant on localised funding sources, principally council tax and business rates. It is widely understood that in the future, all local authorities will face a reduction in core funding from the Government once changes to the current funding regime (in particular New Homes Bonus and Business Rates) are introduced – particularly against the backdrop of recovering from the impact of COVID-19 which also has the potential to affect the council's spending. We continue to monitor the progress of the Review of Needs and Resources, the Government's departmental multi-year Spending Review and the redesign of the national Business Rates Retention System. The Council's current projections within the Medium Term Financial Plan (MTFP) make prudent and robust assumptions around the likely level of funding in light of these government reviews.

The Office of Budget Responsibility (OBR) expect CPI inflation to peak in the fourth quarter of 2022 at its highest rate in around 40 years (April 2022 forecast). They state that the increase is driven primarily by higher gas prices feeding into sharp rises in domestic energy bills, alongside

higher fuel prices and global goods inflation. It is anticipated that inflation will return to target at the end of 2025 as the large swings in energy prices fall out of the annual CPI calculation and output grows broadly in line with the economy's productive potential. Concerns around pay, utilities and fuel in particular are now starting to become more certain and indeed crystallise and is putting significant further budget pressures for the Council – expediting the financial challenges that were originally forecast to hit the Council from 2023. Inflationary pressures contributing to the cost of living crisis are expected to impact residents and businesses in the borough, which will increase service pressures further. Service spending is likely to be further affected as key partners seek to increase their contract fees and this is starting to play out in at least one of the Council's major contracts.

Against this economic context, the independent Redmond Review of 2020 that looked into the effectiveness of local authority reporting and external audit made 23 recommendations some of which require primary legislation. The likely implications of the recommendations made include initially an increase in audit fees and likely revised timetables for the production of accounts. Further implications are expected around a requirement for the auditor to present an annual report to Full Council, consideration of the appointment of at least one suitably qualified independent member to Audit Committee, the impact of a new audit regulator (ARGA) and an additional requirement to produce a standardised statement of service information and costs. It is expected that these new arrangements will put further reporting pressure on the organisation.

2.2 The Council's own Strategic Outlook

The infographics below provide a useful snapshot of our local resident and business population.

Population 57,055



Number of young people age under 15 is:
10,365 (18.2%)



Number of people aged over 65 is:
12,265 (21.5%)

Health



Average life expectancy for men
80 years



Average life expectancy for women
85 years

Vulnerable groups



11% of children are living in poverty in Oadby and Wigston compared with 17% across England

Business/Investment



£16.8m redevelopment to take place to provide **15 industrial/warehousing units** at Genesis Park, creating around **100** new jobs.

Area



The Borough is contained within an area of around **9 square miles** of which approximately two thirds is urban.

Education



23% of people have no qualifications in Oadby and Wigston compared with 22% across England

Employment



There are around **22,000** jobs in the borough.

38% people aged 16-74 are in full time employment compared with 39% across England

Largest employment sector is **Retail**

Crime & Safety



The overall **crime rate is lower** than the average across England **07 per 1,000** population (England average = 09)

Housing



23,270 residential properties

1,200 council housing properties



17,400 owner occupiers

£232,736 average house price



Lower quartile house price, Affordability gap

-£25,852

England average **-£39,328**

Welfare & Benefits



1310 claimants in receipt of Housing Benefit (end of 2021)

2672 claimants in receipt of Council Tax Reduction support (end of 2021)

£97,482.76 amount of DHP paid (end of 2021)

Community & Environment



82.5% of people are **satisfied with their neighbourhood** compared to the average across England which is 79.3%

2.3 Local Government Funding

2022/23 Local Government Finance Settlement

Like all councils, the one-year 2022/23 local government finance settlement provided means that understanding our funding post 2022/23 is extremely difficult. The Council's ability to offset any reduction in its funding through growth, and thereby new homes bonus and additional council tax, is limited. However, the council performs well compared to peers in respect of the level of council tax per head, having taken advantage of the flexibility to increase council tax year on year.

Proposed Changes to the Local Government Funding Regime

The changes to the funding regime anticipated as part of the Review of Needs and Resources and Business Rates Reform remain delayed with no clear timetable from government communicated.

No papers were published as part of the local government finance settlement 2022/23 regarding the Review of Needs and Resources looking at relative needs and locally available resources.

A review of Business Rates Retention (BRR) was announced in 2013/14. The call for evidence on the fundamental review of Business Rates closed in December 2020 but there is still no resolution on how this should be taken forward. Further consultation and technical working groups are expected in 2022/23 although it seems unlikely that this will be implemented by 2023/24. This will be alongside further consideration of a possible reset of accumulated business rates growth and how this might be applied.

Similarly, there have been various consultations concerning the future of the New Homes Bonus, but no detail has been confirmed.

In 2021/22 and 2022/23, the Council received a new source of grant funding, the Lower-Tier Services Grant. In 2022/23, an additional new grant, the Services Grant, was also received. Although these funding streams were confirmed to be one-off as part of the 2022/23 finance settlement, there is now uncertainty over the longevity of these funding streams as the Needs and Resources and business rates system reviews remain to be concluded.

2.4 The makeup of Council funding

Funding for the Council has altered dramatically in recent years, with the loss of Revenue Support Grant from 2019. As recent as 2016/17, this level of funding was over £700,000.

Like all other district councils, Oadby & Wigston has seen its net general fund annual budget reduce over a number of years, from £8.5 million in 2010/11 to £7.0 million in 2021/22 which reduces to £6.5million in 2022/23. The Council has managed to achieve this without cutting

any front line services, recently turning to income generation as a means of balancing the books but will need to review alternative ways of delivery such as sharing resources with other local authorities to reduce costs.

Unlike many others, the Council has not been able to capitalise on growth within the borough. This is because the area is dense and there is limited opportunity for housing or employment land growth. This has meant the Council has not seen dramatic increases in council tax and new homes bonus from housing growth or additional retained business rates achieved through business growth.

As detailed above, the conclusion of the Needs and Resources review is perceived to be beneficial to the Council as the system in respect of perceived council “spending need” would be reset and associated funding adjusted in line with this.

Ignoring the effect of additional grant funding received in 2020/21 and 2021/22 relating to COVID-19 support, the level of grant funding in 2022/23 has reduced by almost half of the level received in 2017/18.

Chart 1 – Sources of Funding

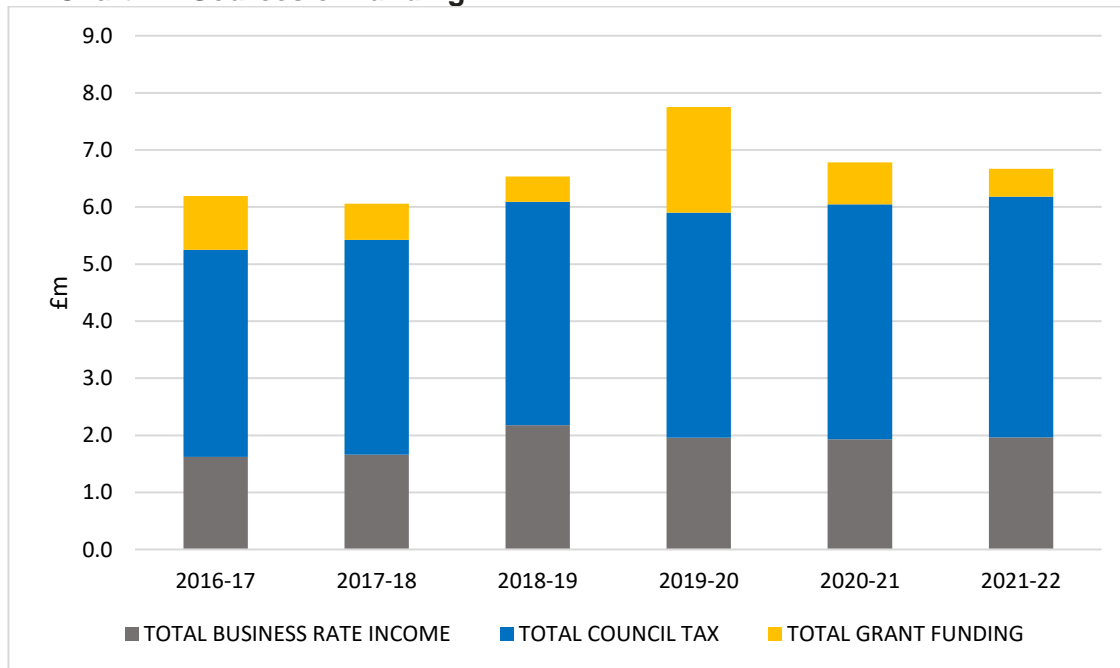
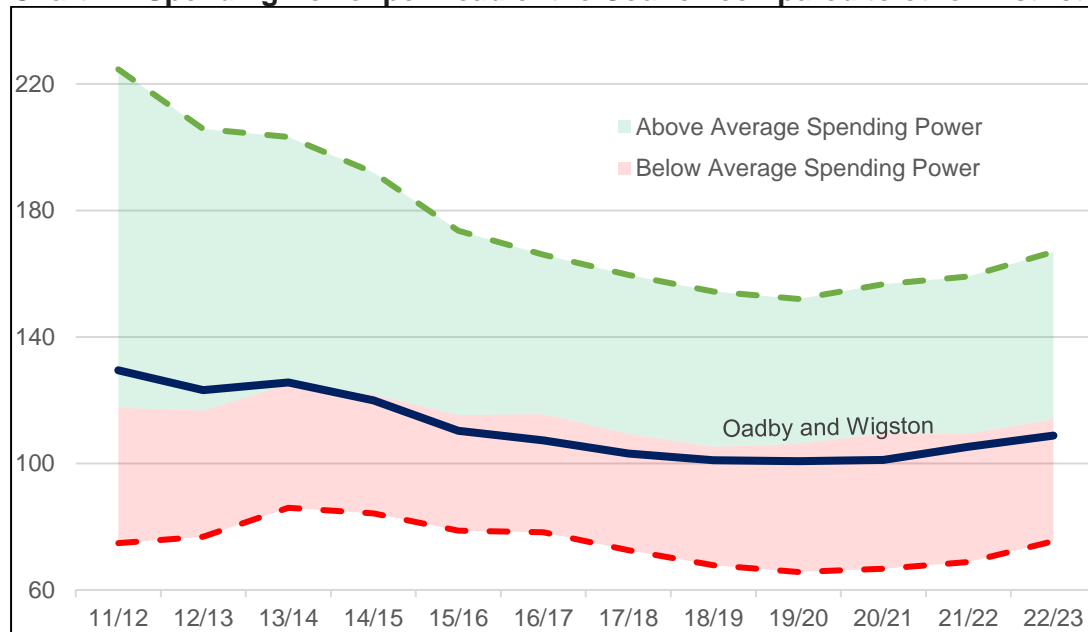


Chart 2 – Spending Power per head of the Council compared to other Districts



Council Tax

The level of Council Tax funding assumed in a budget year is based on the “tax base”, a measure of the relative taxable capacity of the borough expressed as the equivalent number of Band D properties in each area, multiplied by the Band D Council Tax.

Compared to peers, the Council has a high level of Band D. However, the Oadby and Wigston area is unparished, and as such, this level of Council Tax will also be funding spending that for other Councils may be funded and delivered by a parish or town council.

Whilst the Council’s level of Band D is high, proportionately across the borough, the Council has a heavier weighting of properties in a lower band (bands A – C) which generate less in council tax income compared to properties in higher bandings.

Additionally, since housing growth is restricted, the Council’s tax base is towards the lower quartile when compared to other Councils.

Chart 3 – Council Tax Income per head

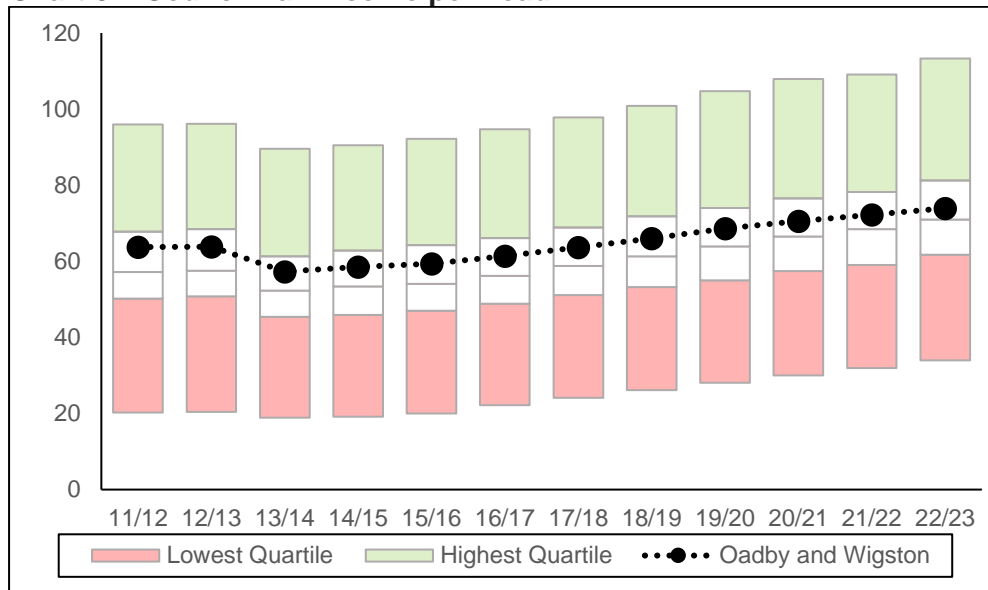


Chart 4 – Taxbase per head

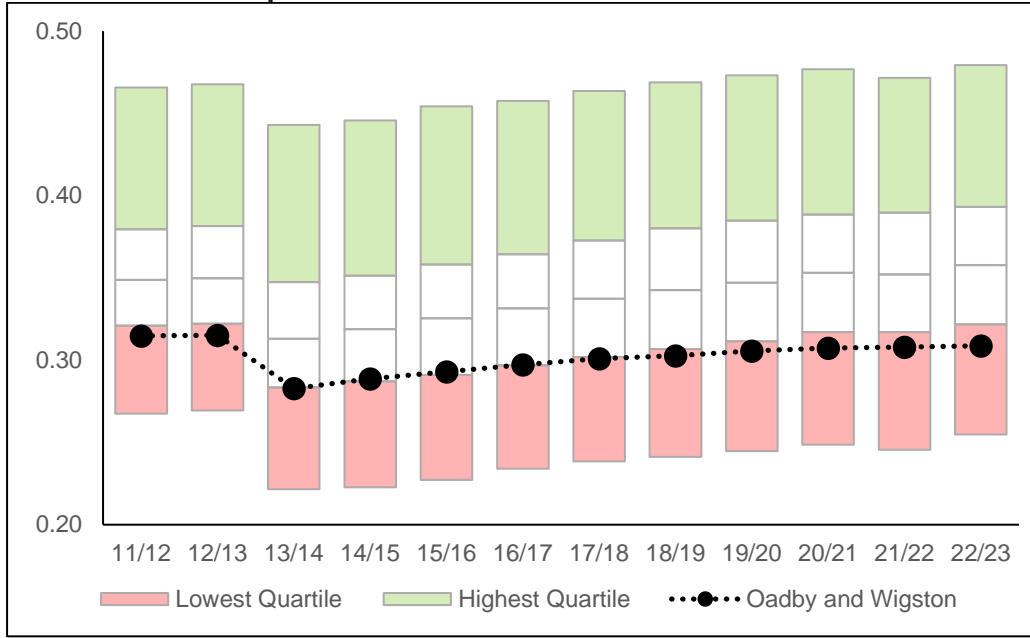
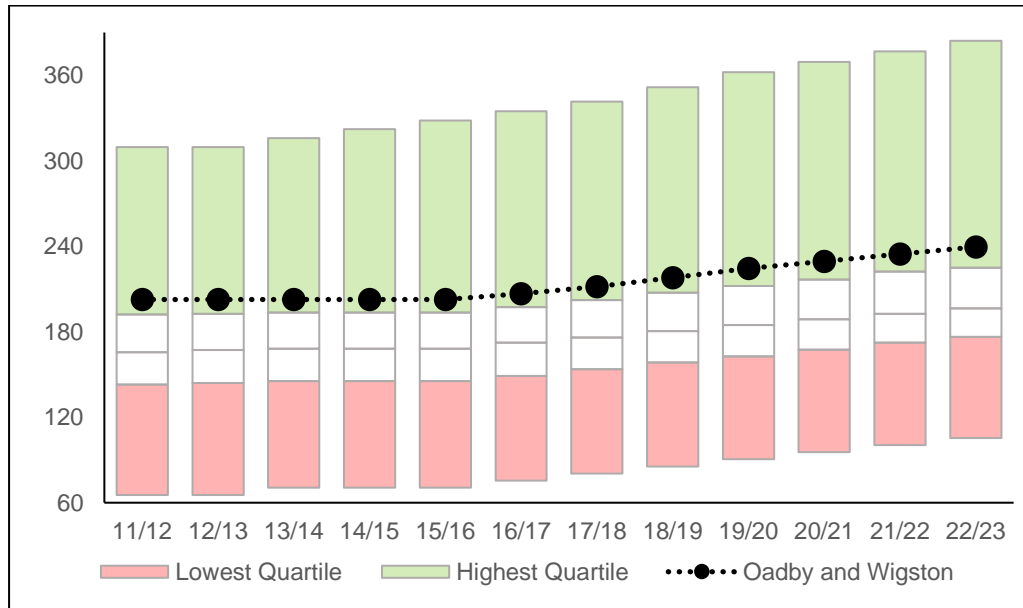


Chart 5 – Band D Council Tax

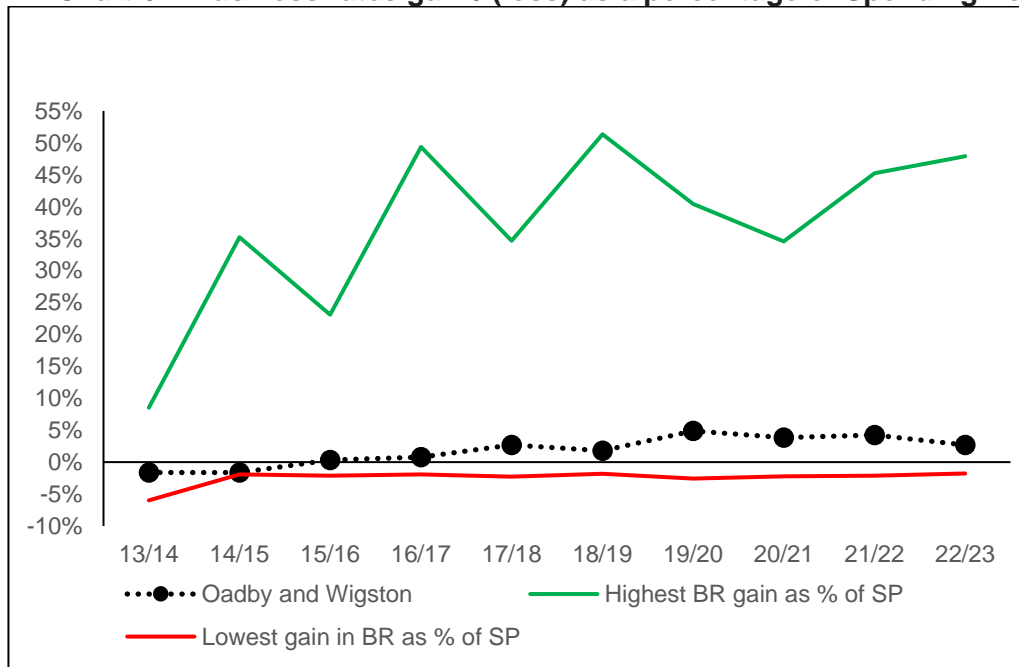


Business Rates

The Council has benefitted very little from business rates growth above the baseline – the level at which the government expect business rates to be generated. This is in contrast to some Councils who have been able to retain significant amounts of rates, meaning greater opportunity to bolster reserves and remain financially sustainable.

Whilst the Council cannot expect to retain any substantial additional rates once the business rates baseline reset is determined and implemented, it is expected that there will be some upside benefit of rates.

Chart 6 – Business rates gain / (loss) as a percentage of Spending Power



Locally generated income

Compared to peers, the CIPFA Financial Resilience “Fees and Charges Ratio” (which shows the proportion of income against the council’s total service expenditure) is at the lower end of benchmarks.

The Council has started to shift this position and focus on new income generation, recently introducing two new significant income streams which have made a positive contribution in 2021/22:

- The Council introduced a Selective Licensing scheme in May 2020 to address the poor standards of housing in the South Wigston rental market. To date the council has issued 698 licenses and total income of £520K, of which £230K was collected in 2021/22. The budgeted level of income for 2022/23 is £150K.
- Charges for Car Parking were introduced in 21/22 across all 8 of council-owned car parks around the Borough. £209K was collected in 2021/22. Charges are forecast to recover £550K for the Council in 2022/23.

Aside from car parking and selective licencing, the Council’s other largest income streams relate to garden waste collections (£494,000), planning application fees (£210,000), cemeteries (£177,250), taxi hack licences (£131,600) and taxi driver (£33,500) licences.

A new Corporate Charging policy to guide services in setting its level of fees and charges for both existing and new income streams is now in place. This new policy seeks to ensure that the cost of providing a service is fully understood and taken into account when determining fees and charges for services to ensure the cost of the service is fully recovered and where the Council is able to do so, a surplus generated.

2.5 Council spending

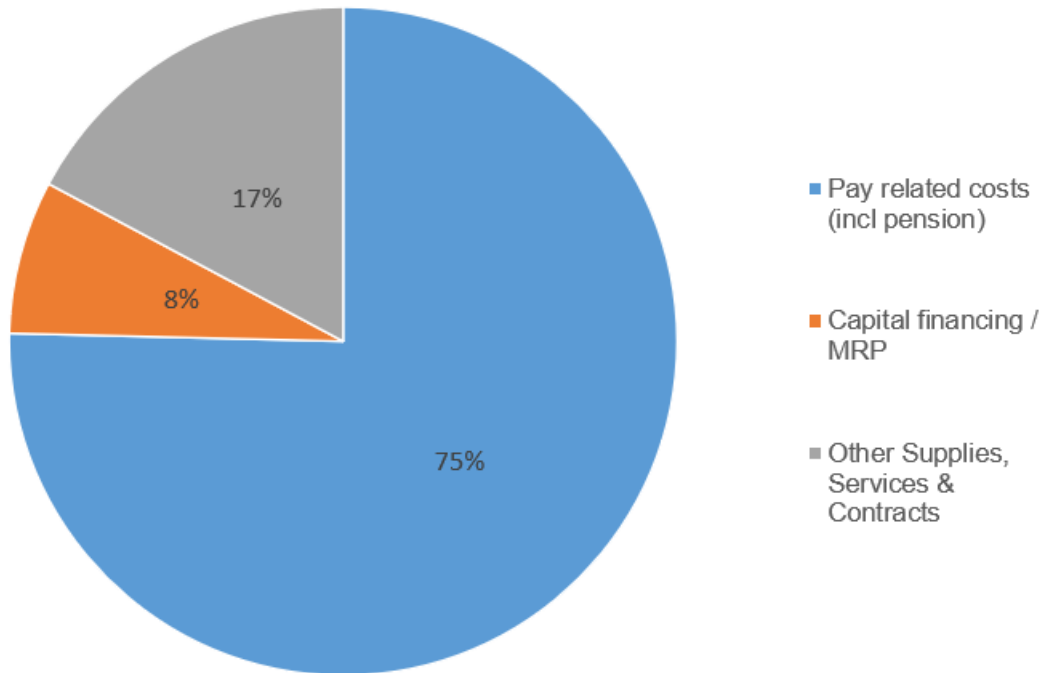
Like most Councils, the largest area of revenue spend is on pay and pay related costs. For 2022/23 this is forecast at well over £7 million for 2022/23 and includes all relevant on-costs such as national insurance and employers pension, as well the additional lump sum pension contributions the Council is required to make to the Leicestershire Local Government Pension Scheme.

The second largest area of Council spend relates to supplies, services and contracts (circa £1.5 million for 2022/23). This broad category of spend includes spending for all services and all contracts. It includes income received in the form of a management fee from the Council’s major contract with Everyone Active (Sports and Leisure Management) for the running of it’s two leisure centres, which is netted off to reduce overall spend. Other key areas of spend in this category include the running costs associated with Council-owned assets such as utilities, NDR and insurance. In general, this area of spend is expected to be the most volatile over the course of the medium term financial plan as it is more likely to be subject to inflationary-linked pressures.

Capital financing, which refers to the revenue cost of borrowing and the Minimum Revenue Provision we are required to make. Locally generated income in the form of fees and charges for services is in the region of £1.5 million per year (at 2022/23 levels) and is netted off from revenue spending. The HRA recharge, a charge from the General Fund to the HRA levied to cover the consumption of corporate services (£1.2 million for 2022/23) also reduces expenditure.

Corporate and democratic costs relate to the allowances paid to elected members (£173,000 at 2022/23 level).

Chart 7 – Key areas of Council Spend



2.6 Reserves and Reserves Level Risk Assessment

Since 2012, the Council's reserves have reduced in comparison to its spending. Whilst the position has stabilised since 2016, the Council now needs to bolster its reserves to ensure it is equipped to manage changes to the local government funding regime, the current economic conditions and any unforeseen financial challenges.

The table below sets out the reserves position for the General Fund. As well as maintaining a general balance the council can also set aside Earmarked Reserves for specific items.

The charts below show how the Council, compared to peers, is at the lower end of benchmarks when considering its level of useable revenue reserves in the context of its budget size.

Table 1 – Historic position of General Fund Reserves

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Deferred Capital Receipts	3	3	3	3	3	3	3	3	3	3
General Fund Reserve	730	891	1,014	996	616	600	600	1,015	1,127	1,182
Housing Revenue Account Reserve										
Use Capital Receipts Reserve	455	705	579	682	1,230	735	937	561	665	790
Contributions Unapplied	30	30	30	30	30	30	24	24	24	24
1-4-1 Housing Receipts Reserve										
Other Usable Reserves	1,218	1,629	1,626	1,711	1,879	1,368	1,564	1,603	1,819	1,999
Usable Earmarked Reserves	2,929	4,039	4,302	2,765	2,084	1,946	1,448	1,449	5,734	2,037
Total Usable Reserves	4,147	5,668	5,928	4,476	3,963	3,314	3,012	3,052	7,553	4,036

Chart 8 – General Fund Useable Revenue Reserves as a percentage of Spending: comparison to peers

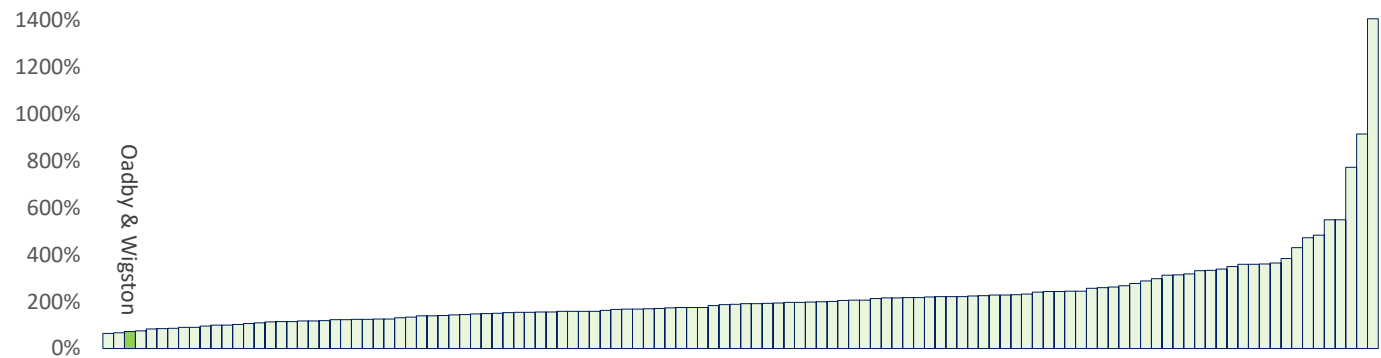


Chart 9 – General Fund Useable Revenue reserves as a percentage of Net Revenue Expenditure

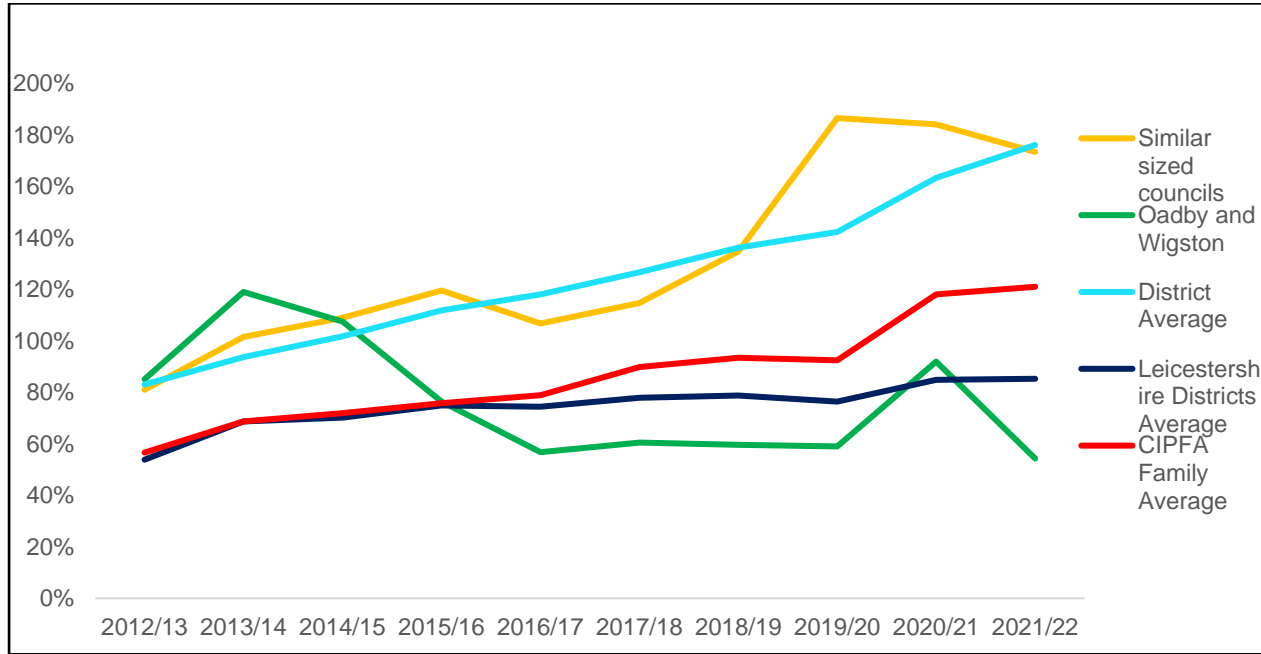
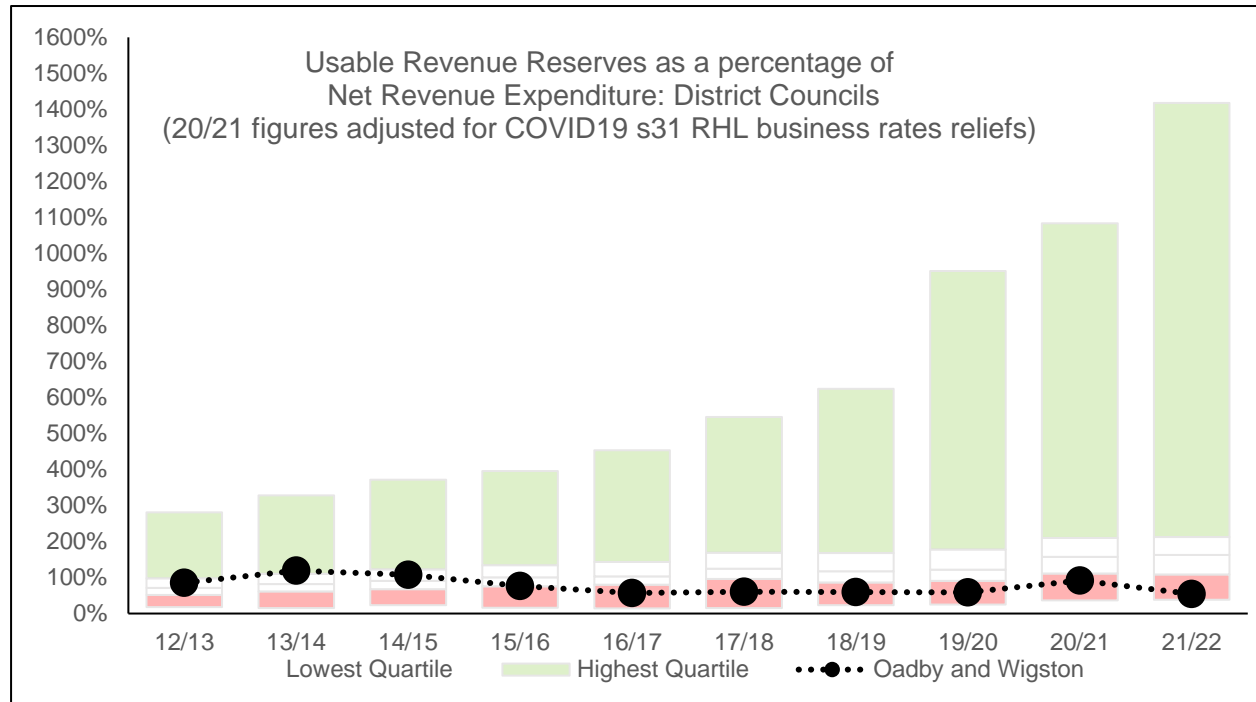


Chart 10 – General Fund Useable Revenue reserves as a percentage of Net Revenue Expenditure



It is important that the Council has sufficient reserves and balances to enable it not only to maintain its financial standing but also to ensure that the Council can realise its service provision expectations.

As set out above, the Council’s reserves are low compared to peers. Part of the feedback received from the LGA in 2021 was that the Council should use a risk-based assessment of reserves rather than a percentage. At the time of writing this strategy, the reserves on the General Fund equate to approximately 18% of the budgeted net service cost. Whilst this percentage may seem sufficient, the volatility that can occur on council spending alone could reduce reserves dramatically within a year.

The table below sets out the Council’s General Fund reserves, consisting of general reserves and earmarked reserves.

To assist local authorities the Chartered Institute of Public Finance and Accountancy (CIPFA) has published a Local Authority Accounting Practice (LAAP) bulletin that provides best practice guidance on the management of reserves and balances. In accordance with the CIPFA guidance, the relevancy and adequacy of the levels of reserves for the Council should be reviewed on an annual basis.

The financial risk assessment below considers the outcomes of a financial risk assessment, to ensure that as a minimum there are sufficient balances to support the budget requirements and adequately mitigate the risk of significant financial loss in the medium term, in the 2022/23. This exercise will be repeated when setting the forthcoming year’s budget as part of the annual financial cycle.

The risk assessment indicates that in the worst case the Council could require £1.013 million of its net service revenue budget requirement to fall back on, should all of the potential risks happen concurrently and at their most extreme.

Ideally the General Fund Reserve balance should be somewhere between the range identified in the table (£813k – £1.013 million). The current General Fund Balance level £1.182 million. Therefore, in reviewing this figure based on current net budget requirement, the Section 151 Officer considers it prudent to minimise the use of reserves and adopt a strategy to seek to bolster reserves over the life of this strategy.

Table 2 - Risk Assessment for the General Fund Balance 2022/23

Risk	Likelihood	2022/23 Value <i>(based on in-year impact only)</i>
Natural disasters and national emergencies	Low	£13,000
The Bellwin Scheme provides financial assistance to local authorities in the event of a national emergency or disaster, subject to an authority contributing to the total costs by an amount equivalent of 0.2% of its approved budget. For this Authority this would require approximately £13k.		
Business Continuity - It is difficult to anticipate the cost of such an event that would affect the Authority’s business continuity, although it is likely to be substantial. The Council’s response to the pandemic has enabled the organisation to be fully agile and more able to respond to emergencies whilst maintaining service delivery. However, for illustrative purposes, £100k is assumed.	Medium	£100,000

<p>National Economic Issues</p> <p>As we have seen through the COVID-19 pandemic and cost-of-living crises, Councils have been relied on to deliver financial assistance to businesses and residents. The New Burdens funding doctrine covers additional costs that the Council bears in delivering central government burdens.</p> <p>At the time of writing this report, the inflation crisis continues to worsen. Assessments show that the impact could be significant in respect of supplies and services. Additionally, and linked to inflation, the local government pay award is likely to be considerably in excess of the 2% built into the budget. Additional pressures in relation to service demands are expected to continue to emerge.</p> <p>In total, the Council could expect in the region of £500,000 - £700,000 of additional pressures in year.</p>	<p>High</p>	<p>£500,000 - £700,000</p>
<p>Grant Funding</p> <p>The Council sometimes seeks external funding/grants for one-off projects. In the event that the expected projected outturns are not achieved, repayment of funding or grant may be required.</p>	<p>Low</p>	<p>£50,000</p>
<p>Property Assets</p> <p>The identification of unplanned major works to the Council's property portfolio could give rise to a budget pressure. As a responsible owner and with a duty to care, the Council could be expected to fund major works at short notice. Although the initial response would be to look to re-phase the capital programme, this may not be feasible, and additional revenue funding may be required, or prudential borrowing.</p>	<p>Medium</p>	<p>£100,000</p>
<p>Legal Issues</p> <p>It would be prudent for the Authority to make provision for an unfavourable outcome of any legal action taken against it, which could be made on a range of different grounds, including compensation payments, equal pay, discrimination and corporate manslaughter.</p> <p>Where the Council provides a paid service to a third party that does not directly relate to any statutory duty, the Council may require Professional Indemnity Insurance. This insurance cover is not automatically arranged and in the event that it isn't, and a claim arises the Council could be deemed liable for resulting costs.</p>	<p>Medium</p>	<p>£50,000</p>
<p>Total Financial Risk Exposure</p>		<p>£813,000 - £1,013,000</p>

2.7 Capital Strategy and Capital Programme

The capital programme sets out the capital plans for the next four years, taking account of any capital investment required to deliver outcomes, transformational change and Council priorities. The capital programme covers the same timeframe as the medium term financial plan to ensure all plans are co-ordinated and the focus is on the medium term. The programme is reviewed annually to ensure projects are still in line with outcomes, and that the programme is affordable.

The Capital Programme Strategy details the priorities of the council in terms of capital expenditure and provides a framework for the council's capital plans to be agreed and delivered within. The Capital Programme Strategy and supporting capital programme are approved each year in February by Council.

The revenue impact of capital, including financing, interest, Minimum Revenue Provision (MRP) and impacts to revenue expenditure and income as a result of capital spend are accounted for in the revenue budget and medium term financial plan.

The Council's capital plans are set out annually in the Capital Strategy and Capital programme. For 2022/23, the General Fund Capital Programme includes £10.904M of capital projects.

Table 3 – Capital Programmes (General Fund and HRA)

Scheme	2022-23 Total Budget
	£000's
Housing Revenue Account	
Horsewell Lane housing development, Modular Build	2,330
Decarbonisation of Housing Stock	514
Decent Homes Work	300
Housing Block Improvements	300
Fire Safety	250
Central Heating	200
Major Adaptations	150
New Housing Initiatives	120
Other Projects	180
Total - HRA	4,344

General Fund	
New Council Offices	3,276
Vehicle Refurbishment	460
Invest to Save	350
Housing Projects	320
Local Authority Delivery 2	301
Skatepark and Parkour or BMX facilities	220
Provision of Energy Efficiency Technologies at Brocks Hill	200
Coombe Park Pavilion Extension	170
New Facility at Uplands Park	145
Oadby Pool Housing Project	110
Wigston Town Centre Car Parks	100
Other Projects	908
Total - General Fund	6,560
PLANNED EXPENDITURE GRAND TOTAL	10,904

Section 3 - The Council's Financial Outlook

Forecast financial position 2022/23 – 2026/27

The forecast position is detailed below and includes a range of assumptions, of which key areas are described in the preceding sections. Our projections show that our forecast net spending is not contained within anticipated funding over the life of the plan. For 2022/23, the forecast position at the time of wiring this strategy is starkly different to the budgeted position due to the emerging and intensifying inflation crises. As the inflation crises is set to escalate further, deficits are projected to occur every year going forward, with the position slightly more favourable in 2023/24 and 2024/25 than in later years, due to an assumption of continuing government grant and bonus (the Services Grant, the Lower Tier Services Grant and New Homes Bonus).

Over the life of the plan, reserves would be depleted if action were not taken.

Chart 11 – Budget Gap and Impact to Reserves

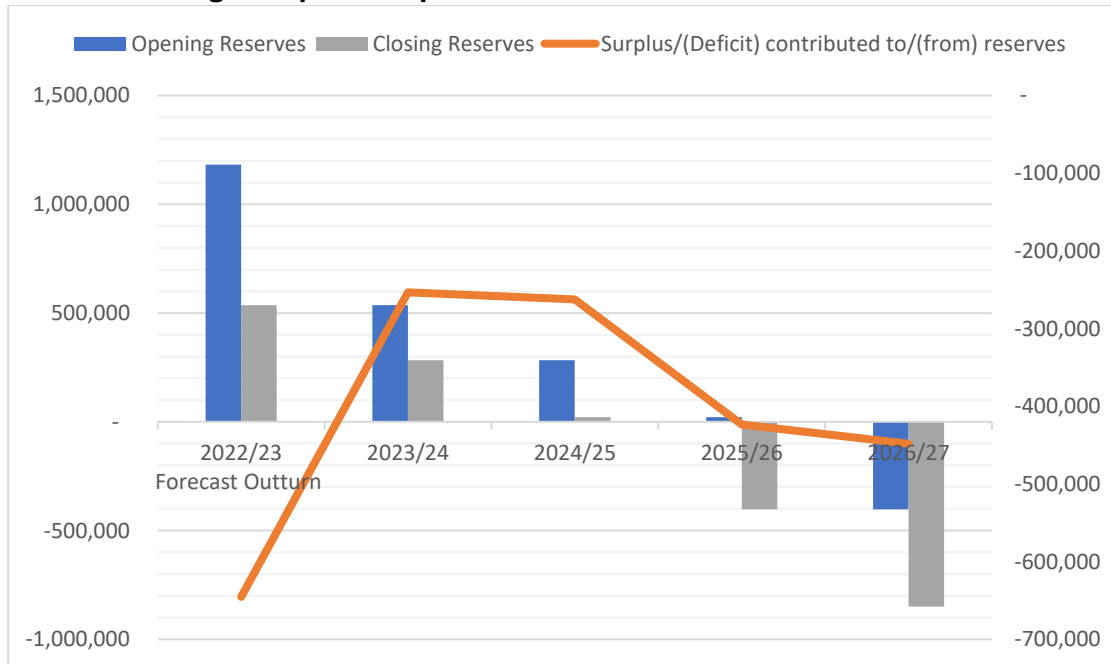


Table 3 – The General Fund Medium Term Financial Plan *

Item	2022/23 Forecast Outturn	2023/24	2024/25	2025/26	2026/27
Net Revenue Expenditure					
Locally generated income	-1,430,000	-1,460,000	- 1,490,000	-1,520,000	-1,550,000
Recharge from HRA	-1,240,000	-1,360,000	-1,380,000	-1,410,000	-1,440,000
Pay related costs (incl pension)	7,410,000	7,460,000	7,600,000	7,740,000	7,880,000
Capital financing / MRP					
730,000	730,000	840,000	890,000	940,000	940,000
Other Supplies, Services & Contracts					
1,690,000	1,690,000	1,610,000	1,490,000	1,430,000	1,620,000
Total Net Revenue Expenditure	7,160,000	7,090,000	7,110,000	7,180,000	7,450,000
Funding					
Contribution from reserves	-130,000				
Council Tax	-4,220,000	- 4,330,000	-4,440,000	-4,560,000	-4,680,000
Retained Business Rates	-2,010,000	-2,280,000	-2,220,000	-2,290,000	-2,330,000
Collection Fund (Surplus)/Deficit	150,000	100,000	150,000	100,000	
New Homes Bonus	-130,000	-170,000	-170,000		
Revenue Support Grant					
Lower Tier Services Grant	-70,000	-60,000	-60,000		
Services Grant	-110,000	-110,000	-110,000		
Total Funding	-6,520,000	-6,850,000	-6,850,000	-6,750,000	-7,010,000

Item	2022/23 Forecast Outturn	2023/24	2024/25	2025/26	2026/27
In-Year Budget Gap / (Surplus)	640,000	240,000	260,000	430,000	440,000
Cumulative Budget Gap / (Surplus)	630,000	870,000	1,130,000	1,560,000	2,000,000

**all values are subjected to rounding differences*

3.1 Key Assumptions to forecasts

Key areas of funding, expenditure and income have been identified and reviewed to determine the most realistic future position. For key areas of spend, including supplies, service and contracts, fuel, insurance and utilities inflation forecasts from the Office for Budget Responsibility forecasts (March 2022) have been used. For pay related costs, the latest offer in relation to the 2022 pay award negotiation has been used.

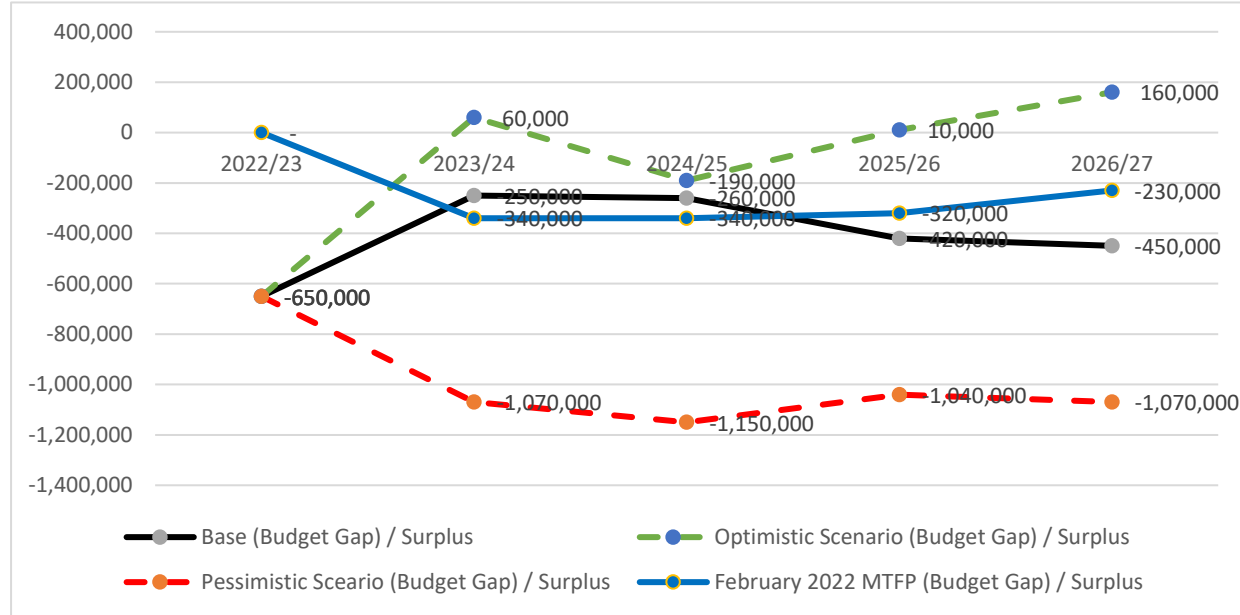
Funding estimates have been forecast using a funding model provided by the Council's funding advisors Pixel Financial Management, whose model projects business rates, new homes bonus and council tax based on local growth assumptions and the national funding formulae.

A list of all assumptions can be found in Appendix 1.

3.2 Scenario and Sensitivity Analysis

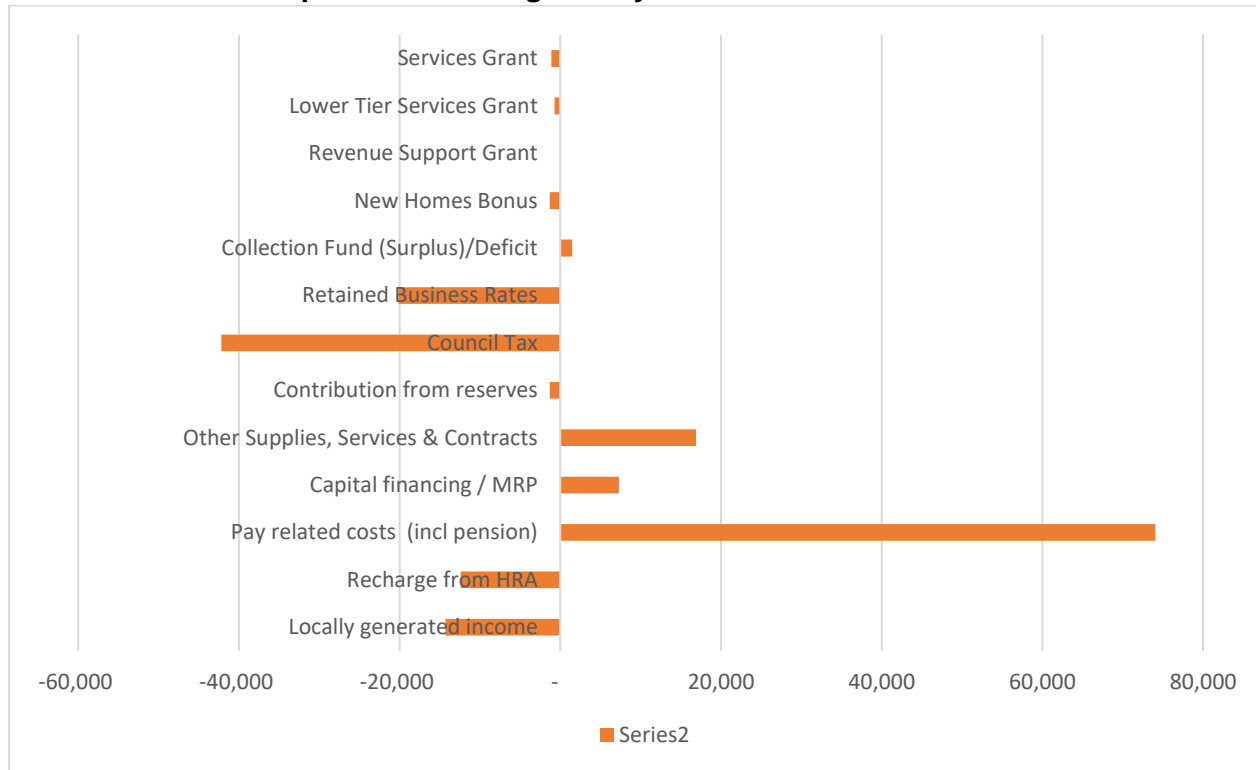
In anticipating the future financial position of the Council, it is important to determine and understand the best and worst-case scenarios – that is, an optimistic position and pessimistic position. The chart below sets out the range of outcomes for the budget gap (or surplus) based on the assumptions being either more favourable or more adverse overall.

Chart 12 – Comparison of Budget Gaps under different scenarios



Since the majority of the future years' financial strategy and model is based on a series of assumptions, the further into the future projections run, the higher the risk that these assumptions are more volatile than anticipated. As such, a relatively small change in key underlying assumptions can produce a significant change in the forecast. The key sensitivities of the financial plan are set out in below, which shows the impact of a 1% change in assumptions, based on 2022/23 levels as a starting point.

Chart 13 – Annual impact of 1% change in key sensitivities



Section 4 - The Housing Revenue Account

4.1 Forecast financial position 2022/23 – 2026/27

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.

The revenue budget for 2022/23 set 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 rent increases of no more than CPI +1%. This follows four years of rent reductions imposed by the Government which ran between 2016/17 and 2019/20.

The 2022/23 Budget was set assuming a 2% pay increase for officers with inflation built in energy bills and contracted services.

Since the Budget was set by the Council, the latest employer offer for the 2022/23 pay award of £1,925 per officer, plus a cost-of-living crisis which has seen inflation rise to around 10% by July 2022 are both well above that which was budgeted for. As a result, the updated projections for the HRA are, over the term, more favourable because of the inflation position that will impact the rent formula assumptions (CPI + 1%) for rent levels in 2023/24 and beyond.

Like the General Fund, the HRA is subject to volatility in respect of inflation, but has a greater ability to absorb impacts due to the rent formula (CPI + 1%) remaining at 1% above inflation. There are a number of other key features of the HRA which are important, given the current economic conditions and strategic outlook. These include (but are not limited to):

- Rising Interest Rates – The Bank of England is currently in the process of increasing interest rates in order to combat inflation. 2022 has seen the largest rise in interest rates for over a decade. The Council needs to refinance debt on a regular basis and is therefore exposed to further increases in this regard.
- Energy costs - The HRA is vulnerable to a spike in heating and power costs within its sheltered accommodation. Unlike energy domestic bills which are currently regulated by Ofgem and subject to a price cap, the current energy contracts of the Council run until the middle of 2023/24 after which they will be subject to price increases if the current crisis has not been abated. Current forecasts suggest that energy inflation will have settled down and returned to pre-inflation crises levels.

- Rent Policy – The government has a history of intervening in rent policy. With inflation running high at around 10% a substantial rent increase is due for 2023/24. Many of the Council’s poorer tenants will have their rent paid by Universal Credit and Housing Benefit however this passes the burden on to the Welfare Bill which the government will want to protect.
- Rent Collection Rates – Increases in fuel bills will put pressure on Tenants budgets and will likely impact “bad debts” provisions. The provision for uncollectible debts at 31 March 2021 was £236,000. A provision for bad debts is made in respect of both former tenant arrears and current tenants. The Council included £100,000 in each year’s original budgets for further provision against write-offs of bad debt. This is considered to be a prudent measure against a back drop of the exiting from the pandemic and the Government’s policy of Welfare Reform with Universal Credit awards for those out of work going back to pre-Covid levels.
- Right-to-Buy Sales - Assumptions are that there will be seven sales each year of the plan counterbalanced by two purchases – a net reduction of five properties from its current stock. There is a risk that stock losses do not follow the pattern assumed in the budget and forecast.
- Borrowing - In 2012 the Council borrowed £18.114million in order to finance the retaking control of its Housing Stock. Due primarily to the reduction in rents the Council has refinanced using short-term borrowing, which has been at an advantageously low interest rate for some time compared to Public Works Loans Board (PWLB) rates. The treasury position of the HRA requires further review in light of this and in light of other finance demands, such as the opportunities to de-carbonise the housing stock which will likely require additional borrowing and/or refinancing.
- HRA Capital – The Council is currently commissioning a stock condition survey which will layout the amount of work required to keep the current stock up to the ‘Decent Homes Standard’ and identify the work required to bring the housing stock to a position of ‘zero carbon’ by 2050.
- General Fund Recharges - Recharges between the General Fund and the HRA will be continuously reviewed in the light of structural changes within both the HRA and the rest of the Council. These will be proportionate and fair.
- Service Charges - Tenant’s service charges are currently increased at the same rate as tenants rent.

The HRA Business Plan is in the process of being reviewed and will outline the long-term future for a sustainable HRA. Significant developments in the plan are incorporated within this document including financial forecasts outlined in Section 1 of this document.

The tables and chart below sets out the current projections for the HRA and historic position of HRA reserves.

Table 4 – The Housing Revenue Account

	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000	£'001
EXPENDITURE						
Management	1,958	1,988	2,030	2,059	2,077	2,093
Repairs and maintenance	1,067	1,019	1,102	1,150	1,173	1,197
Council Tax	10	10	10	10	11	11
Debt Management	10	10	10	10	10	11
Depreciation (MRA cont.)	1,580	1,722	1,808	1,853	1,899	1,946
Provision for Bad Debts	75	75	100	100	100	100
Gross Expenditure	4,700	4,824	5,060	5,182	5,270	5,358
INCOME						
Rents - Dwelling	(4,985)	(4,965)	(5,439)	(5,741)	(5,859)	(5,980)
Rents - Non Dwellings	(93)	(93)	(113)	(114)	(117)	(120)
Charges for Services and Facilities	(197)	(197)	(201)	(205)	(210)	(215)
Gross Income	(5,275)	(5,255)	(5,753)	(6,060)	(6,186)	(6,315)
Interest payable	630	503	636	672	707	743
Interest Receivable	(5)	(5)	(5)	(5)	(5)	(5)
Revenue Contribution to Capital						
Transfers to/(from) Reserves	0	0	0	0	0	0
Total Capital Charges and Appropriations	625	498	631	667	702	738
(Surplus)/Deficit for the Year	50	67	(62)	(211)	(214)	(219)

Opening Balances						
Housing Revenue Account	(1,155)	(1,155)	(1,088)	(1,150)	(1,361)	(1,575)
Universal Credit Reserve	(140)	(140)	(140)	(140)	(140)	(140)
Housing Levy	(220)	(220)	(220)	(220)	(220)	(220)
Closing Balances						
Housing Revenue Account	(1,105)	(1,088)	(1,150)	(1,361)	(1,575)	(1,794)
Universal Credit Reserve	(140)	(140)	(140)	(140)	(140)	(140)
Housing Levy Reserve	(220)	(220)	(220)	(220)	(220)	(220)

Chart 14 – Contribution (from)/to HRA Reserves

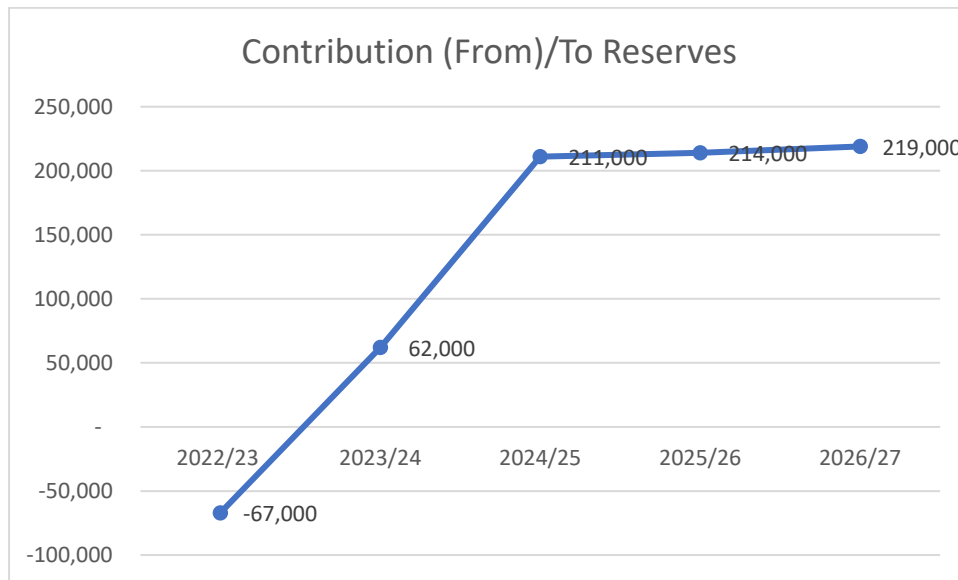


Table 5 – Historic Reserves - HRA

HRA	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Deferred Capital Receipts										
General Fund Reserve										
Housing Revenue Account Reserve	1,027	1,897	2,723	1,346	432	635	1,086	1,139	1,332	1,155
Use Capital Receipts Reserve										
Contributions Unapplied										
1-4-1 Housing Receipts Reserve	0	0	0	47	47	283	389	461	515	678
Other Usable Reserves	1,027	1,897	2,723	1,393	479	918	1,475	1,600	1,847	1,833
Usable Earmarked Reserves	945	1,512	500	376	370	730	1,177	739	1,141	1,179
Total Usable Reserves	1,972	3,409	3,223	1,769	849	1,648	2,652	2,339	2,988	3,012

Section 5 – How we will manage our finances and deliver savings through the Sustainability Plan

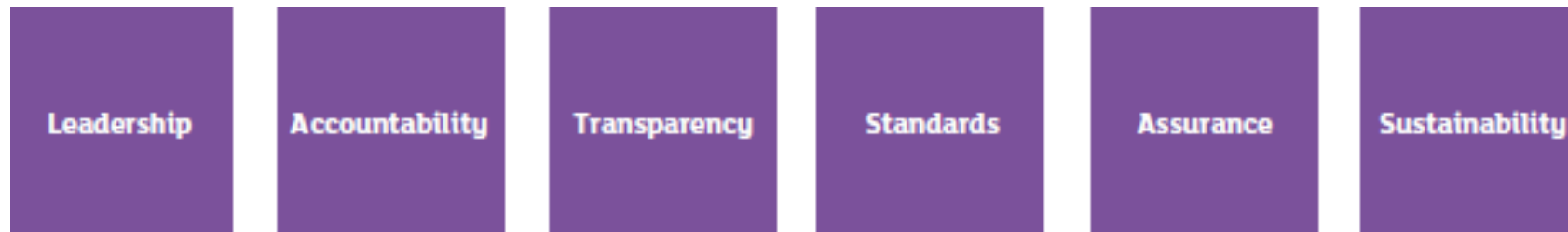
5.1 Our general approach to managing finance and adoption of the CIPFA Financial Management Code

In 2021, the Council began to adopt a new approach to managing its finances, following feedback from the LGA that the Council needed to address resourcing issues and the quality of financial reporting. The Council's response included the appointment of a new Strategic Director and Section 151 Officer and a number of new roles within the service to allow implementation of a new finance business partnering service delivery model, which allows for greater engagement between finance and service areas.

In 2020 the Chartered Institute of Public Finance and Accountancy (CIPFA) introduced a new Financial Management Code. The Code is intended to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability and sets the standards of financial management for local authorities.

By following the 6 core principles of the Code, the council will follow best practice in relation to managing finance. The Council has adopted the Code and has identified a number of improvement actions where the code requirements were not met in full, which are reported as part of the 2021/22 Annual Governance Statement.

Illustration 1 – Core principles of the CIPFA Financial Management Code



5.2 Decision making and finance – Financial Appraisal and Affordability Assessment

A specific area for the Council from the Corporate Peer Challenge in 2022 was around aligning the council's finance structure to meet the council's needs at operational and strategic levels. As part of the Council's response, actions were put in place to develop with members, a standardised approach to financially appraising projects and assessing their affordability.

In light of the financial challenges and limited financial resources set out in this strategy and to ensure decision making is as effective as possible, the Council will, where appropriate, use defined financial appraisal techniques to assess the desirability of projects and decisions. Services will work with finance to identify and scope understanding of all associated implementation and ongoing costs and any resultant cost savings and/or income generation. Where appropriate, project outcomes will also be assessed against the medium term financial plan so that members can be informed of the overall impact to the council's forecast financial position.

For projects where there is substantial financial or resource investment required, or where there are two or more mutually exclusive projects due to resource constraints, all of the following financial appraisal techniques will be used depending on the applicability of the project or decision that is being assessed:

- **Net Present Value (NPV)**

This technique identifies all the cash flows associated with a project with an adjustment to reflect the time value for money (because money today is worth more than money tomorrow). The result is expressed in pounds and either negative (loses money) or positive (makes money). It can be used for one project, or to compare various projects or scenarios. This technique is particularly useful for projects that don't make a return, but that improve a net loss position, compared to the status quo or another scenario.

- **Return on Investment (ROI)**

Return on investment describes how much return (net of costs) will be received on an annual basis because of the initial investment. It is expressed as a percentage. The technique can be easier to understand but can't be used where there is no financial return.

- **Payback**

Payback sets out how long it will take a project to repay the initial investment sum and can also be adjusted to reflect the time value for money (because money today is preferable to money tomorrow). The result is expressed in years (or months) or, if defining a time period, the result can be "does not pay back". The technique is widely used and easier to understand compared to other techniques but it can't be used where there is no financial return.

An affordability assessment against the medium term financial plan will also be undertaken – this will involve the creation of a new plan scenario that includes the revenue impact of the project.

5.3 The Sustainability Plan

The Sustainability Plan sets out how the Council will achieve savings over the life of the medium term financial plan period. Along with the MTFP, the sustainability plan will become a “living” document that will be reviewed and updated regularly. The below themes set out how savings will be identified and delivered:

- **Financial Management**

An immediate review of the reserves of the Council will be undertaken in light of the reserves position and risk assessment outlined above. It is expected that several earmarked reserves will be able to be reassigned to general reserves, allowing for greater coverage and resilience. An initial £200,000 is set out for an immediate reallocation.

Other savings on financial management may be achievable, such as reduction in borrowing costs on loans for example.

- **Service Review**

As part of the approach to ensure the Council can deliver services within its funding means, the Council will undertake a series of service reviews. This will initially likely be focussed on high-value services because these services may be more likely to be able to make savings.

The council will make use of benchmarking to identify areas of high spending services. Models of alternative delivery, including sharing with another council and outsourcing, will be considered as options to identify savings, along with service changes.

A prudent estimate of a recurring £50,000 is set out to be achieved from 2023/24.

- **Outcome Based Budgeting**

In preparing the budget for 2024 and beyond, the Council will undertake a wholesale review of its operations and costs. This will involve undertaking an outcome based budgeting exercise, where the council’s budget will be rebuilt based on member engagement of the level of service to be delivered for each statutory service and whether discretionary services continue and if so at what level. An estimate of 0.5% of council spending, equating to £47,000 per year, is included in the plan from 2024/25.

- **Asset Management**

The Council is responsible for 69 assets on the General Fund, comprising of Council offices, the Depot, Community Centres, Pavilions, Public Conveniences, Parks, Land, Allotments, Car Parks and Cemeteries. By reviewing its asset base, the Council expects

to be able to reduce its ongoing liabilities in respect of assets through divestment to reduce running costs and/or asset enhancement to improve income. A saving of £25,000 per year is included in the plan from 2024/25.

- **Income Generation**

Building on the adoption of a new approach to corporate charging, existing income streams will be enhanced to ensure all opportunities to generate income are taken forward. Additionally, new opportunities for income generation will be identified and taken forward where market research and financial appraisal suggests it is worthwhile doing so. Additional income of £15,000 per year is included in the plan from 2023/24. This is in addition to the core assumption of 2% increase in income per year that is already built into the medium term financial plan and is therefore more likely to be achieved through a new income scheme or an existing scheme where forecast demand is higher or there is a substantial increase above 2%.

- **Contracts**

The Council has a wide range of contracts for the delivery of equipment and services. Overall, the Council will refine its contract management approach so that acts commercially and achieves the best financial and service outcomes possible. This will include the monitoring of contracts to ensure supplier delivery is maintained within the contracted levels. Specific key contracts will undergo review. There is not any estimate around savings included in the sustainability plan as this areas requires further review.

The below Sustainability Plan sets out the savings the Council expects to make over the coming five year period. The plan will be reviewed as part of setting the forthcoming years budget and refined as necessary.

Table 6 - The Sustainability Plan

		2022/23	2023/24	2024/25	2025/26	2026/27
Financial Management	Review of earmarked reserves (one-off)	200,000				
Service Review	Savings achievable through review of key services and alteration of service levels		50,000	150,000	150,000	150,000
Outcome Based Budgeting	Assumed 0.5% reduction in overall service costs as a result of an outcome based budgeting exercise in 2023			47,000	47,000	47,000
Asset Management	Targeted reduction in expenditure/increase in income as a result of review of assets and rationalisation			25,000	25,000	25,000

		2022/23	2023/24	2024/25	2025/26	2026/27
Income Generation	New income schemes (assumed increase in existing already in plans)		15,000	15,000	15,000	15,000
Contracts	Pending review					
	Total	200,000	65,000	237,000	237,000	237,000

Section 6 –Monitoring, Delivery and Review

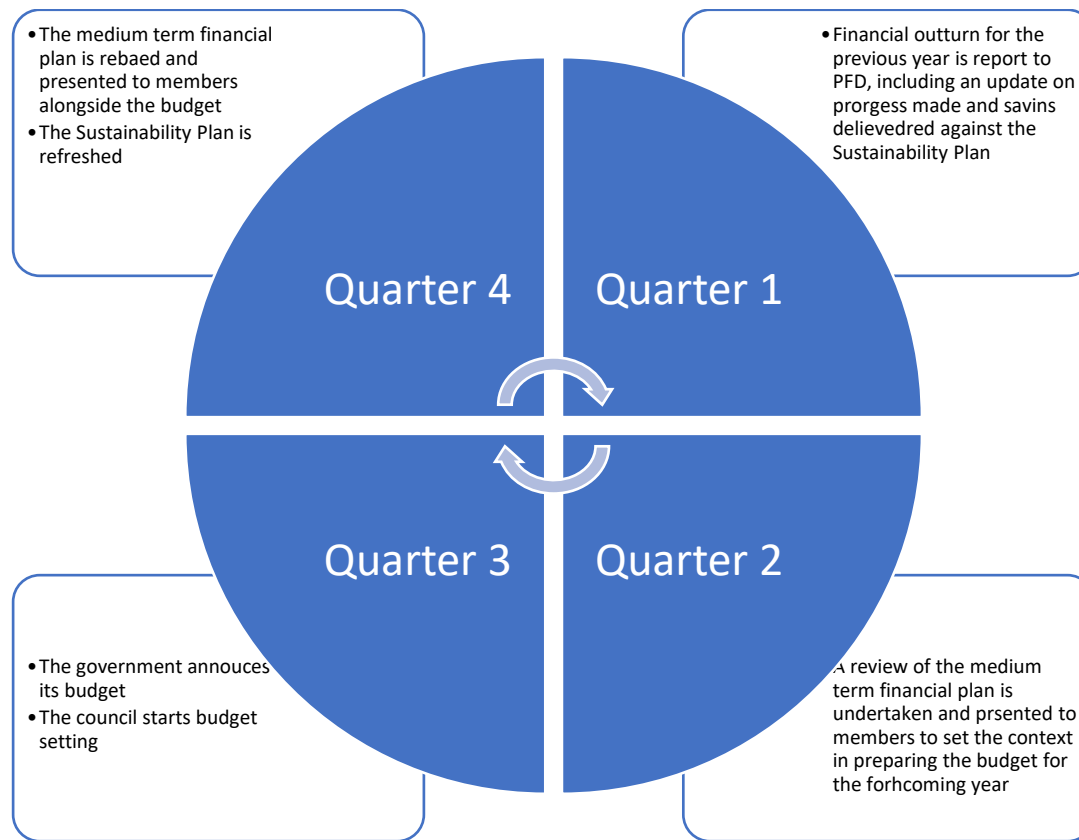
Financial planning is a continuous process and the need for constant monitoring of our current and future financial position is heightened now more than ever before because of the risks associated with the uncertain economic conditions and outlook in respect of local government funding.

There are already well established processes monitoring budgets which include regular monitoring and outturn reports to the Policy, Finance and Development Committee. This regular reporting will be extended to report on the progress of savings delivery in the Sustainability Plan.

An updated rolling five year medium term financial plan and the refreshed sustainability plan for making forthcoming savings will be presented to members annually alongside the forthcoming years' draft budget for approval.

The below sets out the financial management cycle for the Council.

Illustration 2 – The Medium Term Financial Planning cycle



Assumptions to the General Fund Medium Term Financial Plan (Base)

Item	2022/23	Future years assumptions
Utilities	Revised Q1 forecast outturn 2022/23	Gas, elec and water. Revised forecast outturn 2022/23, 2023, price stabilisation thereafter, adjusted for Bushloe House>Brocks Hill savings in 2023/24
Services Grant	As per approved 2023/24 budget	Roll forward of 2022/23 into 2yr Local Government Finance Settlement, resulting in additional funding in 2023/24 and 2024/25.
Revenue Support Grant	As per approved 2023/24 budget	
Retained Business Rates	As per Pixel model	As per Pixel funding advisors model - projects assumed growth 0.7% p.a.
Recharge from HRA	Revised Q1 forecast outturn 2022/23	9.4% inflation for 2023, 2% in line with BoE target thereafter
Other Supplies, Services & Contracts	Revised Q1 forecast outturn 2022/23	8% inflation for 2023, effect of inflation curtailed at 2% thereafter, adjusted for Bushloe House>Brocks Hill savings in 2023/24 plus additional £155k 2022/23 to reflect inflation.
Pension employer rates (attached)	Revised Q1 forecast outturn 2022/23	As per Leicestershire LGPS Pension Committee approved stabilised employer rates for 2022 and beyond
Pay costs	Revised Q1 forecast outturn 2022/23	4% 22/23 plus additional staffing costs forecast at Q1 (e.g. waste). Future years absed on establishment only: 3% 23/24, 2% thereafter. NB percentages here to reflect total organisational percentage increase, not percentage pay award for staff.
Other grant income	As per approved 2023/24 budget	9.4% inflation for 2023, 2% in line with BoE target thereafter, adjusted for Bushloe House>Brocks Hill savings in 2023/24
New Homes Bonus	As per approved 2023/24 budget	Roll forward of 2022/23 into 2yr Local Government Finance Settlement, resulting in additional funding in 2023/24 and 2024/25.
NDR	As per budget	9.4% inflation for 2023, 2% in line with BoE target thereafter, adjusted for Bushloe House>Brocks Hill savings in 2023/24
Members Allowances	Revised Q1 forecast outturn 2022/23	Remain static
Lower Tier Services Grant	As per approved 2023/24 budget	Roll forward of 2022/23 into 2yr Local Government Finance Settlement, resulting in additional funding in 2023/24 and 2024/25.
Locally generated income	As per budget	2% p.a. flat rate increase
Insurance	Revised Q1 forecast outturn 2022/23	9.4% inflation for 2023, 2% in line with BoE target thereafter
HB Payments	Revised Q1 forecast outturn 2022/23	9.4% inflation for 2023, 2% in line with BoE target thereafter

Item	2022/23	Future years assumptions
Fuel	Revised Q1 forecast outturn 2022/23	Revised forecast outturn 2022/23, OBR oil forecast % year on year change thereafter (reducing)
Council Tax	As per approved 2023/24 budget	Base growth of 0.6% p.a. (2-year average growth from 2023-24-23 onwards). Increase of maximum £5/1.99%.
Contribution from reserves	As per approved 2023/24 budget	As per approved 2023/24 budget
Collection Fund (Surplus)/Deficit	As per approved 2023/24 budget	As per approved 2023/24 budget, forecast deficits into future years as a result of Cost of Living Crises - requires further testing as part of 2023/24 budget setting
Capital financing / MRP	As per approved 2023/24 budget	As per approved 2023/24 budget

CIPFA Financial Management Code Principles

APPENDIX 2



Agenda Item 9



Policy, Finance and Development Committee	Tuesday, 13 September 2022	Matter for Information and Decision
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Report Title: **Maximising the Council's Income (September 2022)**

Report Author(s): **Tracy Bingham (Strategic Director / Section 151 Officer)**

Purpose of Report:	To seek Committee approval of a new Corporate Charging Policy for the Council to support the maximisation of Council income through existing and new areas of income generation, and to review and approve the business case for two new income generating opportunities. Subject to Committee approval, the Policy and report detailing income proposals will progress to Council for final approval.
Report Summary:	The Council collects in the region of £1.5m in local sales, fees and charges. As identified by the Local Government Association, the level of locally generated income is lower when compared to peers. In addition, the Council has not previously had a policy in place to guide the setting of levels of sales, fees and charges, or indeed the charging strategy which should determine the basis of such levels. This report seeks Member approval of a policy for determining the levels of sales, fees and charges levied for services. This report also presents Members with several business cases for the generation of new income.
Recommendation(s):	<p>That Members:</p> <p>A. Approve and recommend to Council the new Corporate Charging Policy (a set out at Appendix 1); and</p> <p>B. Approve and recommend to Full Council the proposals for the provision of a Community Lottery and new approach to Events Management and to delegate authority for the Strategic Director and Section 151 Officer to make any required budgetary changes for the schemes to progress.</p>
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 257 2690 tracy.bingham@oadby-wigston.gov.uk</p> <p>Rashpal Sohal (Finance Team Manager) (0116) 2572 705 rashpal.sohal@oadby-wigston.gov.uk</p> <p>Jon Wells (Senior Strategic Development Manager) (0116) 257 2692 jon.wells@oadby-wigston.gov.uk</p>
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	<p>Accountability (V1)</p> <p>Respect (V2)</p> <p>Teamwork (V3)</p> <p>Innovation (V4)</p> <p>Customer Focus (V5)</p>

Report Implications:-	
Legal:	There are no implications directly arising from this report.
Financial:	The implications are as set out at throughout this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1)
Equalities and Equalities Assessment (EA):	There are no implications directly 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:	Report Entitled 'Maximising the Council's Income (June 2022)' to the Policy, Finance and Development Committee on 28 June 2022
Appendices:	<ol style="list-style-type: none"> 1. Draft Corporate Charging Policy (September 2022) 2. Community Lottery Presentation (September 2022) (To Follow)

1. Background

- 1.1. Following a request at its March meeting, the Strategic Director and Section 151 Officer presented an update report on the progress of the new income generating opportunities to members alongside a consultation of the Committee on a proposed new Corporate Charging Policy.
- 1.2. Currently, the Council generates over £1.5m (2020/21) in local income in return for providing a wide range of services to local residents, businesses and visitors. Local income generation presents the Council with an opportunity to maximise its financial position and, in the case of the General Fund, an opportunity to reduce its reliance on government grant. In addition, charging for services can also present opportunities to achieve the Council's corporate priorities, for example by encouraging or discouraging the use of a service or to alter the behaviour patterns of residents or businesses.
- 1.3. The current Fees and Charges to Service Expenditure ratio (a widely used ratio in the sector that measures locally generated income against council spending) for the Council is 13.47% (2020/21). This is at the lower end when compared to peers.
- 1.4. This report presents 2 income generation opportunities and the new Corporate Charging Policy for approval and provides a wider update on other income generation ideas currently under review or previously considered.

2. New Corporate Charging Policy

- 2.2 To date, the Council has not relied on a centralised member-approved policy for the setting of fees and charges and the onus to set appropriate charges has sat with service areas, which has in some cases, led to an over-reliance on inflating fees and charges in line with general annual inflation indices instead of understanding the actual position and movement in costs incurred in providing the service.
- 2.3 The intended policy at Appendix 1 sets out requirements of services to ensure the impact to customers is fully assessed and considered, building on the need for the Council, as a public sector organisation to consider circumstances where it is appropriate to subsidise charges.
- 2.4 The Committee was consulted on the draft principles and features of this new policy in June 2022 and were broadly supportive.
- 2.5 Other feedback from the Policy, Finance and Development Committee included:
- The need for the Council to have a commercial mindset – for example, services should undertake appropriate market research and evidence the ability to operate commercially when presenting existing or new fees and charges for services to members for approval. The policy includes provisions around the need for presenting a business case for varying existing or introducing new charges and this includes reference to the undertaking of market research where appropriate (see paragraphs 5.2 and 6.2).
 - The need for pragmatism when considering the recovery of corporate overheads, as at times, this can make the cost prohibitive to achieving a market share. Paragraph 3.10 of the policy includes provisions for discretion, to remove the likelihood that charges are disproportionate with the actual level of corporate or directorate support likely to be consumed in delivering a service.
 - The Council should modernise its commercial processes so that it is more geared up towards efficient income collection – for example by exploring “pay at source” options so that services can take payments before services are delivered. Currently, the policy states that where possible payments should be taken in advance of the service being delivered. (Paragraph 8.1). This will be achievable for many service areas already, but it is proposed further work is undertaken to identify the need for any technological advancements to improve this.
- 2.6 In summary, the following four fundamental principles are set out in the policy, but are summarised here:
1. Council fees and charges are consistent
 2. There is a defined Charging Strategy;
 3. The Impact to Customers is considered; and
 4. Charges are reviewed on a cyclical basis
- 2.7 At this stage, it is not possible to quantify the potential additional income that could be generated from the commercialisation of existing income streams, since this will require service areas and finance to work together to determine the net position of chargeable services and propose new charges if income is deemed out of sync with the appropriate charging strategy. However, this new approach will enable services to understand whether the income generated from providing a service cover the costs incurred and given the current position of income generation compared to peers (see 2.2 above) there is scope to better the position of existing income streams as well as new potential areas.
- 2.8 Subject to Council approval, it is intended that a revised policy will take effect at the outset of the 2023/24 budget setting process.

2.9 In order to balance the resource implications associated with this new approach and the need to raise locally generated income it is proposed that the following income generating areas are reviewed as part of the 2023/24 budget setting process, with a wider review of other income generating areas taking place in 2023 and future years:

- Selective licensing – with a view to looking at the charging position of the scheme and whether changes would need to be made. Consideration to be given as to whether the scheme could be rolled out across any other Borough areas.
- Cemeteries’ – reason for review is due to cemeteries income having been within the Councils top income generation areas and there have been some recent Q1 adverse forecasts and other scheme changes which warrant a review of charge setting; and
- Management fees – the Council charges a % management fee across various fees and charges and a review to check the appropriateness of these is required.

2.10 The intention is for these specific service areas to present proposed charges from April 2023 as part of the draft budget, along with information around the specific reason for the proposed variation in line with the charging strategy for that income stream

2.11 The proposed policy can be found in **Appendix 1**.

3. New Income Generating Opportunities - Summary

3.1. At the meeting of the PFD Committee on 16 November 2021, concepts to generate new income streams for the Council were shared with members. An update was provided to the Committee in June around the eleven concepts that were continued to be looked at and confirmed that five concepts were being worked up to full business case and that those considered viable by the Senior Leadership Team would be presented to members for decision.

3.2. For transparency reasons, all eleven of the concepts are included in the table below.

Table 1 – Current Status of New Income Stream Concepts

Concept	Position	Status
MOT testing at the Depot	A business case has been drafted which concludes the net indicative income is likely to be in the region of £21,000 per year. A business case has been drafted which concludes the net indicative income is likely to be in the region of £21,000 per year. A business case has concluded that the risk/reward is too great to take this opportunity forward at this time	Business case presented to SLT – proposal rejected. Proposal will not be taken forward. See below.
Small asset disposals	Selling redundant equipment work is underway. Items identified where there could be a resale value. Draft policy developed and currently being tested to determine final internal policy and procedure.	Implementation underway

Bulky waste	Changes with service delivery – in principle changes agreed by PFD Committee on 16 November 2021 (Refuse and Recycling Review report) but not yet implemented.	Agreed but not yet implemented
Community Lottery	Presentation given to the Senior Leadership team. Business case under development.	Business Case presented to PFD for approval at this meeting. See below.
Cemeteries	Purchase in advance proposal – now in place.	Implemented
Re-purposing of public toilets	Work has started with an officer working group to look at ideas to form part of the business plan which is anticipated by September 2022.	Proposal to undertake business engagement to determine likelihood of business occupation and provision of public toilets ongoing. See below.
Events management and asset review	Project team established, to look at revenue opportunities from our assets, land, buildings and community facilities. Full business case anticipated January 2023 due to resource commitments. In the meantime, looking at small scale selling for minimal initial input.	Business Case presented to PFD for approval at this meeting. See below.
Green and clean management and maintenance service	Limited capacity to explore further at this time. Business case anticipated January 2023.	Timetabled for development in 2023
Energy generation	Ideas and business plan scheduled for October 2022.	Initial outline business case presented to SLT for approval. More detail required before case can be presented to members. See below.
Joint service offer for community and wellbeing team	Discussions have commenced about establishing a partnership with other authorities to maximise the impact of future public health funding. Work on this will continue throughout the year.	Timetabled for development in 2023
Talent pool	Work has commenced in this area with the Council committing to employ a graduate under the LGA National Graduate Programme. Further explorative work will be linked with clarity of future apprenticeships by human resources	In progress, with remaining workload timetabled for development in 2023

3.3. In addition to the above, there was a request at the June meeting for other concepts, not included on the list above, but which were originally discussed in November 2021, to also be reported back to members. The table below sets out these concepts and the reasons why they are not being progressed.

Table 2 – New Income Concepts originally scoped (Nov 21) but which are not being progressed

Idea	Current position
Internet provision to residents	Not progressed as current priority (agreed by SLT)
Technical support for residents e.g. Wi-Fi, electronic set ups etc.	Require potential commercial arm to develop and deliver. Not progressed. Concern over data and liabilities. Not progressing (agreed by SLT).
E sports – utilising sites for games/competitions with particular focus on youth	Included with events management project
Green and clean management service – compete with management companies to maintain green spaces	Again not progressed as a priority, would need a management company setting up (agreed by SLT).
Assisted Living Shop – selling panic alarms, mobility aids, starting with tenants and then developing more commercially	Not progressed as current priority (agreed by SLT)
Housing Lettings Agency – to work with private sector landlords	Not progressed as current priority (agreed by SLT). Some work areas already being picked up through day to day work in the private sector housing team which will develop over time
Trusted Trader Scheme – working with partnership companies to offer their trades at competitive rates e.g. ice cream concessions on parks	Included with events management project
Fixed penalty notices for incorrectly placed bins	Not endorsed by members
Brocks Hill – hire of room for weddings and other events	Will be considered along with office move and future occupation/use of the building and again linked with events management project
Open spaces – rent/book out open spaces for events/dog walkers etc	Included with events management project
Wedding venues	Included with events management project
Government Delivery/Marketing – marketing and advertising to sell our services	Considered to be business as usual and therefore to progress within services
Extend IT services to schools – offer support to schools to improve links	Not progressed as current priority (agreed by SLT)
Apprentices scheme	To be progressed when HR support is in place
Community and Wellbeing Team – establishment of a partnership with Blaby and Harborough to deliver greater outcomes, reach, secure funding and deliver future savings	In progress, possible decision Q4 2022/23

Use of parks and assets to gain income	Included with events management project
Savings from Depot – use of storage areas, bulky waste changes, flexibility of staff to cover both grounds maintenance and R&R	Business as usual
Install 5G masts on our land	Not endorsed by members
Work to make Wigston Town Centre more appealing e.g. pop up stores	Progressing through economic regeneration work

3.4 The following sections set out the concepts that have been worked up and presented to SLT.

3.5 As a reminder, the Council retains Capital Programme provision for the purpose of funding potential start-up costs associated with any of these proposals (subject to presentation of a sound business case), through its £350,000 Capital Programme 2022/23 “Invest to Save” budget, which can cover capital costs for schemes which deliver expenditure reduction or income generation.

4. MOT testing at the Depot – will not progress

4.1. The business case for this income generation concept was reviewed by SLT in August. Based on the level of investment required (circa £30,000) and the estimate around the net income that could be achievable (in the region of £20,000 per annum), the leadership team considered the overall financial position to not be commensurate with the level of operational risk involved. As such this proposal will not be worked up any further for member approval.

5. Community Lottery – proposed for approval

5.1 The business case for this concept is to follow at **Appendix 2** and a representative from Gatherwell will be at the meeting to share a presentation of the scheme.

5.2. A Community Lottery is a weekly lottery that raises money for good causes across the borough and all good causes supported by the lottery will benefit the Borough and its residents. The Community Lottery operates on the principle of raising money within the community for the community, empowering local good causes to raise money in a fun and effective way. For every £1 raised, 60 pence goes to local charities. Based on assumed demand in the form of ticket sales, of approximately 6,000 tickets per year, and an initial investment of circa £10,000 in year 1, the net income achievable in year 1 is estimated at £20,000 for year 1 and £29,000 in year 2 and beyond. Given the low risk and low input required, the recommendation is that Members approve the Council signing up to the scheme.

6. Repurposing of public toilets – proposed to move forward to next stage

6.1. An initial outline business case was presented to SLT in August that identified the need for more detail before a firm case can be presented to members for approval.

6.2. To move forward, it is proposed that officers undertake a “call for business interest” process and engage the local business community to soft-market test the appetite for businesses to take on the assets to run their business (or prospective business). This would include the need for the “offer” to include the provision of public accessible toilets that are not linked to business sales. This approach is proposed as a means of gathering intelligence on what level of rental income the Council might be able to expect, but also understand the appetite of the business community for taking occupation and what capital investment requirements there might be and opportunities for meeting those.

- 6.3. It is envisaged that the exercise could identify a role for the Council in supporting businesses/potential businesses and that the UKSPF potentially funds available would form part of a package of business support. This collaborative approach could meet requirements for bringing public assets back into use and income generation and/or expenditure reduction (in the form of public convenience maintenance costs).
- 6.4. If Members are supportive of this approach, Officers will take forward and report back to a future committee on the outcome of the engagement and “call for business interest” exercise and present a final recommendation based on that outcome.

7. Events management and asset review – proposed for approval

- 7.1. Following SLT review, it is proposed that the Council use existing resources to support events in the Bourgh with a target level of income of £10,000 for the first year. The intention behind this approach was very much to “start small” and test the market and success of events so that the need for an Events Officer to support going forward could be more accurately determined.

8. Energy generation – update only

- 8.1. Finally, an initial outline case for energy generation through the Council’s assets was reviewed by SLT. It was agreed that further work was needed to scope out the potential savings further for the Depot, the Freer Centre and the Elizabeth Court buildings. Work in this area will also link in with the County wide Environmental Working Group to ensure funding opportunities for solar PV and other energy efficient technologies are captured and taken advantage of.
- 8.1. As such it is proposed that members note this position and that a further update will be brought back in due course and that the council’s own Environment Working Group is engaged in the proposal.

9. Financial Implications and Next Steps

- 9.1. As detailed above, it is difficult to quantify the financial effect the new policy will have on existing income streams without having undertaken the work to review the net cost of providing income bearing services. Additional income forecast as part of varying fees and charges will be reported clearly to members so that they understand fully the income effect of varying fees and charges through budget setting.
- 9.2. The forecast position in respect of the new income opportunities proposed to be taken forward are set out above and summarised below:

Scheme	2023/24	2024/25
Community Lottery	£20,000	£29,000
Events Management	£8,000	£8,000
	£28,000	£37,000

Oadby and Wigston Borough Council Corporate Charging Policy

DRAFT

Policy Version Number: 1.0

Policy Author: Strategic Director and Section 151 Officer

Date of Last Review: n/a

Date of Next Review: September 2024



Oadby & Wigston
BOROUGH COUNCIL

1. Introduction and Purpose

- 1.1 The Council provides a wide range of services to local residents, businesses and visitors for which it is able to make a charge either under statutory powers set by the Government or discretionary powers where charges are set by the Council.
- 1.2 Currently, the Council generates over £1.5m (2020/21) in local income in return for providing a wide range of services to local residents, businesses and visitors. Local income generation, when done in the right way, presents an opportunity for the Council to maximise its financial position and, in the case of the General Fund, an opportunity to reduce its reliance on government grant. In addition, charging for services can also present opportunities to achieve the Council's corporate priorities, for example by encouraging or discouraging the use of a service or to alter the behaviour patterns of residents or businesses.
- 1.3 This policy co-exists alongside the Council's new Medium Term Financial Strategy (September 2022) which identifies financial sustainability challenges on the General Fund as a result of increasing cost pressures, reduction in Revenue Support Grant, and, in 2022 a largely unanticipated significant impact as a result of inflation and the UK economic conditions. The introduction, implementation and ongoing monitoring and review of charges is an integral element of the medium term financial planning of the Council.
- 1.4 This policy outlines the key principles to be considered in charging for services in a transparent and consistent manner. It is not intended to be over-prescriptive, but instead provide a framework for how the Council approaches the question of charging for its services. The application of this Policy should bring greater clarity to the process for setting charges and will therefore assist the Council in achieving its Corporate Objectives. It is also intended to help guide the process of reviewing charges for existing services and setting charges for any new services that may be introduced in the future.

2. Local Authority powers to trade commercially – the statutory background

- 2.1 The Local Government Act 2000 gave local authorities a wide power to act for the economic, social and environmental well-being of their areas. The general power to charge for discretionary services was included in the Local Government Act 2003. The Council is permitted under the general power of competence to charge individuals for discretionary services. No additional legal structure is needed for this but, the Council is only permitted to recover its costs of delivering the relevant service – it cannot make profits.
- 2.2 If the Council intends to carry out commercial activities with individuals and private organisations then section 4 of the Localism Act 2011 and section 95 of the Local Government Act 2003 require those commercial activities to be carried out through a company. Such activities must relate to the Council's discretionary functions only. A business case must be prepared and approved by the Council before the activities are carried out. The cost of support provided to the company by the Council must be recovered from the company.
- 2.3 The Council may trade with public bodies listed under the Local Authorities (Goods and Services) Act 1970 and its subsequent statutory instruments. It may also make its staff available to work for certain type of public body under section 113 Local Government Act 1972. The Council may make

a profit on its activities under these Acts. No additional legal structures are required to trade under these powers although these activities do need to be identifiable in the Council's accounts.

2.4 The decision on whether to make a charge (and its level) is not always within the control of the Council and so it is critical that officers considering implementing or revising charges are aware of the statutory context in which they are delivering services

2.5 Services that we charge for are split into two areas:

a) **Chargeable Statutory Services** - These are statutory services that we must provide but are able to charge for – either the methodology in determining charges or the charges themselves are prescribed. These charges can still contribute to the financial position of the council.

b) **Discretionary Services** - Discretionary services are generally that an authority can provide but is not obliged to provide. Local authorities can make their own decisions on setting charges for discretionary services.

2.4 It is recognised that in some circumstances (such as Building Control) the approach to the use of surplus income may also be influenced by central government guidance.

3. How we will determine charges

3.1 Charges will not be limited to a level that covers the costs of providing that service, but rather levels will be set based on market conditions with reference to the Council's policy objectives, the statutory constraints surrounding the ability for all Local Authorities to make profits and the alternative models for delivery available (as outlined in section 2 above).

3.2 The implications of charging decisions taken must be fully understood. Members (or officers who have charge setting powers delegated) must have the appropriate information they need to make informed choices.

3.3 Charges may be set differentially, so that different people are charged different amounts. Authorities are not required to charge for discretionary services and may provide them for free if they decide.

3.4 Assessing the impact of charging decisions to customers is a fundamental aspect of the decision making process. Where it is appropriate to do so (for example, when a charge is payable by an individual), an Equality Impact Assessment (EIA) for a charge introduction or variation must be completed to demonstrate the impact to customers and this must be presented alongside the financial information to decision makers. Where the customer is a corporate or public sector body an EIA may not be necessary, but work to evidence the impact of proposed charges to these customers should be fully considered and presented to decision makers.

3.5 In some circumstances it may be appropriate to consider offering a subsidy to all users or certain key groups where it is consistent with achieving the Council's Corporate Priorities. Please see section 7 of this policy for further considerations around subsidising charges.

- 3.6 Charges should be set at levels that, as far as possible, do not preclude members of the public from using or benefiting from a service. Consideration should be given to the ability of individuals, including those of limited means, to meet the charges and benefit from the service available.
- 3.7 Adoption of these principles will be undertaken on both new and current charges. Where there is a disparity between the current charging position and the desired charging strategy (see Table 1), steps should be taken as part of the annual review of charges.
- 3.8 Effective charging decisions require a solid market knowledge, benchmarking of costs against other public sector bodies and sometimes the private sector, and also an understanding of the impact such charges have on the use and in some circumstances, the delivery of a service.
- 3.9 There are situations where the Council may decide not to raise income when it is empowered to do so or not to recover the full cost of providing a particular service. Members or Officers must be supplied with the information to allow them to make these decisions in a structured manner in line with the charging strategies contained within this policy. A decision to forego income or to subsidise a service is a policy decision having regard to resources and is significant as any decision made in the budget setting process.
- 3.10 Discretion around the recovery of organisational overheads will be allowed to ensure that charges are not disproportionate with the actual level of corporate or directorate support likely to be consumed in delivering a chargeable service.
- 3.11 It is recognised that it will not be appropriate to recover the full costs in all circumstances and the actual amount of charge proposed could mean that a subsidised charging strategy is adopted as a result of:
- Any relevant Council strategies or policies and any subsidy or concessions given;
 - Market conditions and prices charged by competitors and/or other local authorities;
 - The need to avoid any potential distortion of the market which might otherwise occur from pricing services below the levels charged by private sector concerns for similar services;
 - The desirability of increasing usage of a given service; and/or
 - The possibility of increasing savings for the Council
 - The need to be competitive and not recover organisational overheads.
- 3.12 Consideration should be given in all cases as to whether VAT is applicable and appropriate advice from the Council's insurer's with regards to additional insurances required should be obtained. Advice on both of these matters can be provided by the Finance Team.
- 3.13 Income that is derived from charging for services must be used to offset the cost of providing the service. Any surplus must be paid to the General Fund/Housing Revenue Account, as applicable, but must be considered in reviewing charges.

3.14 Under the Full Cost Recovery methodology, where a surplus has been generated, the estimated cost of providing the services for the next year must be assessed to ensure that a surplus is not generated over the five year period of the Medium Term Financial Plan.

3.15 In summary, there are four fundamental principles to the Council’s Corporate Charging Policy:

1. **Council fees and charges are consistent** - Services should raise income wherever there is a power or duty to do so and are best placed to determine the charge level based on the impact to customers and the fulfilment of corporate priorities;
2. **There is a defined Charging Strategy** – For any area that charges for services, the strategy for determining the level of fees or charges should be set out. For the Council to maximise its income position, charges should be set in order to generate a surplus for reinvestment in Council services, assuming it is possible to balance this position with the impact to customers and it is lawful to do so within the appropriate trading structure. If this is not possible or when it is not appropriate for profits to be generated it is proposed that charges are set to sustain a full cost recovery position. Subsidising of charges should be considered where the customer impact means it is necessary or where service take-up meets a council objective and is in line with the council’s public sector ethos. Any departures from the policy (once approved by Members) must be justified in a transparent manner with reference to the relevant charging strategy and how the charge promotes financial sustainability, manages the impact on customers and/or meets the Council’s priorities;

Charging Strategy	Objective	
Statutory	Charges are determine in line with legal requirements	
Free	The council chooses to make the service available at no charge to meet a service objective	
Subsidised	Social-Community Value	The council wishes users of the service to make a contribution to the costs of providing the service in order to meet a service objective.
	Subsidised in general	The council wishes all users of the service to make a contribution to the costs of providing the service, in order to meet a service objective, but recognises that the service users will not be able to contribute in full.
	Business Development	The council wishes users of the service to make a contribution to the costs of providing the service in order to: <ul style="list-style-type: none"> - allow competition with other providers/secure market share whilst the service is established; or - as part of a wider business strategy that sustains a better financial position with a product/service sold at a loss.
Full Cost Recovery	The council aims to recover the costs of providing the service from those who use it	
Profit Generating	The council aims to recover the cost of providing the discretionary service and make a surplus where it is able to do so	

3. **The Impact to Customers is considered** - The impact to customers in determining charges must be fully considered and an Equality Impact Assessment (EIA) (or other impact assessment for corporate or public sector bodies as necessary) must be completed; and
4. **Charges are reviewed on a cyclical basis** - Charges should be reviewed annually with members to ensure effective scrutiny and accountability of charging strategies and decisions.

4. Annual review of existing charges

- 4.1 Establishing the 'right' price for a service should not be simply a case of adding an inflationary increase to last year's charge - charges should be reviewed annually as part of budget setting for the following year, to take effect from the following April and with reference to the trading position of services. All the factors set out above should be taken into consideration in order that officers may make informed choices on the level of charge to be set.
- 4.2 The Council must calculate how much it needs to spend to provide services and how much income it can expect from charges and the amounts from specific government grants it will receive. This policy does not prescribe the format in which officers will review charges and this is a matter for the Finance team and services in applying this policy.
- 4.3 Officers reviewing charges must consider the impact to customers and complete an Equality Impact Assessment (EIA) (or other impact assessment for corporate or public sector bodies as necessary), as outlined above.
- 4.4 Budget holders must communicate the effective percentage change of proposed revised charges to Finance to be included in the proposed budget for approval. The proposed changes to charges will be submitted to the Policy, Finance and Development Committee, ahead of the approval of the budget in the following February. Where necessary, the key considerations of the customer impact via an EIA will be conveyed within the budget reports for member consideration.
- 4.5 The review will not preclude the continuous monitoring of budgets having regard to take-up of the service, market forces and achieving target income levels.
- 4.6 It is considered to be good practice that, where possible, a minimum of one month's notice should be given to customers before any new or revised charges are implemented.

5. Varying charges in year

- 5.1 Where there is a strong case for any of the following, service areas should discuss with their Head of Service and finance. If variations are in line the approved charging strategy, the Strategic Directors and Chief Executive are able to determine the level of charges. The Policy, Finance and Development Committee is required to approve Heads of Service proposals in respect of fees and charges where these are not in accordance with the approved strategy.

- Varying charges in-year
 - Proposals for short term promotions / sales in-year and/or the introduction of a concession or an amendment to an existing concession
- 5.2 Proposals must consider the impact to customers and complete an Equality Impact Assessment (or other impact assessment for corporate or public sector bodies as necessary),. This assessment must be presented alongside financial and other relevant information.
- 5.3 It is considered to be good practice that, where possible, a minimum of one month's notice should be given to customers before any new or revised charges are implemented.
- 5.4 Appropriate records must be retained in line with section 8 of this policy.

6. Introducing new charges

- 5.5 Where there is a case for introducing a new charge for an existing or new service, service areas should discuss with their Head of Service. If the introduction of a new charge is in line with an approved charging strategy, the Strategic Directors and Chief Executive are able to determine the level of charges. The Policy, Finance and Development Committee is required to approve Heads of Service proposals in respect of fees and charges where these are not in accordance with the approved strategy.
- 6.1 Before a new charge is introduced the financial and legal context for charging must be determined. A careful calculation of the costs of provision, utilising financial monitoring information for the service area, and appropriate level of charge alongside anticipated demand must be undertaken. Financial and Legal advice must be sought and the legal authority for levying the charge must be established.
- 6.2 As above, the Council must calculate how much it needs to spend to provide services and how much income it can expect from charges and the amounts from specific government grants it will receive. This policy does not prescribe the format in which officers will prepare an estimate of charges.
- 6.3 As above, proposals must carefully consider the impact to customers and an Equality Impact Assessment must be completed to demonstrate this (or other impact assessment for corporate or public sector bodies as necessary). This assessment must be presented alongside financial and other relevant information to officers or members as appropriate as part of the decision making process so that the impact to customers is fully considered.

7. Administration

- 7.1 The principles for administering charges are:
- The financial data used to set charges should be maintained by the service area on an ongoing basis and charges should be set with reference to this for the relevant service area to evidence the current/proposed charging strategy;
 - Charges should be simple to understand and administer;
 - Charges should be well promoted so that customers can clearly understand the charging structure and methods of payment before they become liable to be paid;

- Where possible methods of payment should be flexible, convenient and take into account the needs of disadvantaged groups in the community (the easier it is to pay, the more likely it is that payment will be made);
- Wherever possible and practicable, payment should be made prior to the service being received or at the point of delivery; and
- The Council's preferred payment method is Direct Debit, BACS or direct payment through the Council's website followed by PayPoint and telephone payments.
- In some circumstances it may be appropriate to consider offering a subsidy to all users or certain key groups where it is consistent with achieving the Council's corporate priorities. Recognising this, it is Council policy that when charges are reviewed, concessions where appropriate should be considered for certain groups of customer. In some circumstances concessions may not be appropriate and it will be necessary to consider the impact on income levels before introducing the concession.

(To Follow)



Policy, Finance and Development Committee	Tuesday, 13 September 2022	Matter for Information and Decision
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Report Title: **Budget Setting Approach (2023/24)**

Report Author(s): **Tracy Bingham (Strategic Director / Section 151 Officer)**

Purpose of Report:	To consult Members on the approach for setting the 2023/24 budget.
Report Summary:	The report seeks to determine, in light of the current financial outlook, the Committee's preferred approach in setting the Council's budget for 2023/24.
Recommendation(s):	That Members provide feedback accordingly.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 257 2690 tracy.bingham@oadby-wigston.gov.uk</p> <p>Rashpal Sohal (Finance Team Manager) (0116) 2572 705 rashpal.sohal@oadby-wigston.gov.uk</p> <p>Jon Wells (Senior Strategic Development Manager) (0116) 257 2692 jon.wells@oadby-wigston.gov.uk</p>
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	Accountability (V1) Respect (V2) Teamwork (V3) Innovation (V4) Customer Focus (V5)
Report Implications:-	
Legal:	There are no implications directly arising from this report.
Financial:	There are no implications directly arising from this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1)
Equalities and Equalities Assessment (EA):	There are no implications directly 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:	None.
Appendices:	None.

1. Background

- 1.1. The Local Government Act 1992 requires the councils that are billing authorities complete and approve their budgets and set a council tax before 11 March immediately prior to the start of the financial year on 1 April.
- 1.2. Given the in-year inflationary linked budget pressures identified through Quarter 1 budget monitoring and the projected and the future year recurring budget gaps in the draft Medium Term Financial Strategy (MTFS), the Council, like many others, faces a difficult financial outlook. The draft MTFS includes a Sustainability Plan, which sets out how the Council intends to make savings on its General Fund. This Sustainability Plan will be tested and refined throughout the budget setting timetable.
- 1.3. Officers have now started to consider the detailed income and expenditure budgets by service for the forthcoming 2023/24 financial year across all of its operations – the General Fund and Housing Revenue Account (HRA) revenue accounts and the General Fund and HRA Capital Programmes. Given the context relative to the Council’s financial outlook on the General Fund, the Strategic Director and Section 151 Officer has set out some early budget setting principles for services to work with (see below). Whilst the HRA continues to have a stable outlook, inflationary pressures will still impact.
- 1.4. The purpose of this report is to consult members on any further features or principles they would like to set as part of determining next year’s budget. The intention is for the feedback from this Committee to be presented to Council in September, where the MTFS will also be presented for approval.

2. Approach and Key Principles

- 2.1. Overall, the budget will be set using an “incremental budgeting” approach. This means the budget book will be taken forward into the new year, adjusted for changes presented to members and subsequently approved.
- 2.2. The three principles set out to Managers in preparing their budgets for next year are:

1. Savings should be delivered

Overall, services should look to make changes in their services that elicit savings. The intention here is to not make service cuts, but instead consider how, if they had to, would savings be made and within reason are these achievable whilst maintaining an acceptable (and member-approved) level of service.

2. Revenue growth should be self-funding

This means that any cost-pressures (such as inflation pressures on supplies, services and contracts), additional staff or reductions in income due to lower demand or

reduced fees, should, insofar as is possible, be “self-funding”. This means services should try as far as is reasonably practical to off-set increases in financial resources by making savings in other areas.

3. Capital growth should have a revenue payback OR be essential for the maintenance of service delivery

Ideally, if we are creating or enhancing an asset, it should be because it will better the council’s financial position through reducing spend or generating income, or it must be because we need to do this to maintain services.

- 2.3. To ensure effective financial scrutiny, early member engagement on the budget will be undertaken, starting with this context setting report. An additional meeting is proposed to be held with the Policy, Finance and Development Committee (PFD) on 15 November to share the early proposals and seek feedback on these and any other budget changes members would like to see.
- 2.4. A draft budget position will then be prepared and presented to PFD at its 1 December meeting. The Committee will then recommend the draft budget to Council for approval to consult. Following the Council meeting on 20 December, it is intended that the statutory consultation will run for circa 6 weeks and will be extended to include wider public consultation via the website also.

3. Timetable

3.1 The proposed timetable is as follows:



4. Summary

- 4.1 The Strategic Director and Section 151 Officer will provide a short presentation at the meeting to accompany this report.
- 4.2 Feedback from the Committee is sought on the overall approach and main features of the budget setting timetable, including but not limited to the member engagement timetable, the key principles and the proposed public consultation.

Agenda Item 11



Policy, Finance and Development Committee	Tuesday, 06 September 2022	Matter for Information
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Report Title: Corporate Policies: Corporate Debt and Collection of Business Rates and Council Tax (September 2022)

Report Author(s): Jon Owst (Revenues & Benefits Manager)
Rashpal Sohal (Finance Manager)

Purpose of Report:	To provide Members with an update on the Corporate Debt Policy revision and to consult Members on areas to be considered for inclusion in the revised policy.
Report Summary:	The report sets out the current position and the work that is being undertaken to review the Corporate Debt Policy. The report then seeks feedback on the key areas that Members would like to see included or amended in the revised policy.
Recommendation(s):	A. That the content of the report be noted; and B. That feedback is given on the areas for inclusion and amendment in the Corporate Debt Recovery Policy.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 257 2690 tracy.bingham@oadby-wigston.gov.uk Jon Owst (Revenues & Benefits Manager) (0116) 288 2603 jon.owst@oadby-wigston.gov.uk Rashpal Sohal (Finance Manager) (0116) 2572 705 Rashpal.sohal@oadby-wigston.gov.uk
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	Accountability (V1) Respect (V2) Customer Focus (V5)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	OWBC collects a substantial amount of income each year, including £5m from Housing, £34m from Council Tax, and £13m from Business Rates. Of this around £13m belong to OWBC, with the remainder shared between other precepting authorities. The suggestions made in and as a result of this report will help to shape the Corporate Debt Policy which determines how this income is collected.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputation Damage (CR4)

	Failure to Respond to a Significant Incident (CR7)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report.
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:	None.
Background Papers:	Oadby and Wigston Borough Council Corporate Debt Policy (2015)
Appendices:	None.

1. Background

- 1.1 The level of income collected by OWBC on behalf of both ourselves and other precepting authorities is significant, with £34m collected in Council Tax, £13m through Business Rates, and £5m through Housing. The amount available for OWBC is around £13m.
- 1.2 The Corporate Debt Policy provides the framework for this collection within OWBC, but also impacts upon our partners. There is however no requirement to consult with other precepting authorities on this policy – it is a matter for OWBC to determine.
- 1.3 The policy was last updated in 2015.

2. Current Action

- 2.1 A Corporate Debt Recovery group has been set up including officers from Finance, Revenues and Benefits, Housing, and Environmental Health and Licensing.
- 2.2 This group has identified two categories of change required:
 - 2.2.1 Minor amendments to correct or update information; and
 - 2.2.2 Areas where the approach could be changed and improved.

3. Areas for Change and Improvement

- 3.1 It is proposed that the Corporate Debt Recovery group, which has been established to assist in the review of this policy will continue for the purpose of providing oversight and ensuring continued consistency across OWBC in the recovery of all debts.
- 3.2 Consideration will be given to charging interest on debts with lengthy arrangements. Regulations and benchmarking against other authorities will be required here and the approach is likely to depend on the stage of recovery – charging orders for example may be suitable for this whereas cases with enforcement agents may not.

- 3.3 Consideration will be given to establishing a periodic review of payment arrangements once in place so that they remain appropriate as customer circumstances change.
- 3.4 Consideration will be given to utilising repayment holidays for customers depending on their situation. This will not be suitable in housing but could be considered for Council Tax and Business Rates in certain circumstances.
- 3.5 Consideration will be given to allowing payment arrangements prior to the issue of a court summons depending on the circumstances of each case.
- 3.6 It is proposed that the use of income and expenditure forms is standardised across OWBC to provide consistency of decision making and facilitate the sharing of information between departments.
- 3.7 Consideration will be given to the inclusion of legal costs where cases proceed beyond the liability order stage to further recovery such as charging orders or liquidation proceedings.



Policy, Finance and Development Committee	Tuesday, 13 September 2022	Matter for Information and Decision
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Report Title: **Volunteering Policy (September 2022)**

Report Author(s): **Mark Smith (Community Safety & Youth Officer)**

Purpose of Report:	The purpose of this report is to seek this Committee’s approval to adopt the revised Volunteering Policy 2022-25, and answer queries raised at the previous meeting of this Committee in relation to the draft policy.
Report Summary:	This revised Volunteering Policy builds upon the policy developed in 2019 and sets out how the Council’s new Volunteering Programme, devised following the recommendations of an Internal Audit, will be administered and managed.
Recommendation(s):	That the Volunteering Policy 2022-25 (as set out at Appendix 1 to this report) be approved.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>David Gill (Head of Law & Democracy / Monitoring Officer) (0116) 257 2626 david.gill@oadby-wigston.gov.uk</p> <p>Andrew Dingley (Community & Wellbeing Manager) 07884 475 369 andrew.dingley@oadby-wigston.gov.uk</p> <p>Mark Smith (Community Safety & Youth Officer) (0116) 257 2675 mark.smith@oadby-wigston.gov.uk</p>
Corporate Objectives:	<p>Building, Protecting and Empowering Communities (CO1)</p> <p>Growing the Borough Economically (CO2)</p> <p>Providing Excellent Services (CO3)</p>
Vision and Values:	<p>“A Stronger Borough Together” (Vision)</p> <p>Accountability (V1)</p> <p>Respect (V2)</p> <p>Teamwork (V3)</p> <p>Innovation (V4)</p> <p>Customer Focus (V5)</p>
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	There are no implications arising from this report.
Corporate Risk Management:	<p>Reputation Damage (CR4)</p> <p>Increased Fraud (CR10)</p> <p>Cyber Threat / Security (CR11)</p> <p>Other corporate risk(s)</p>

Equalities and Equalities Assessment (EA):	There are no implications directly arising from this report. EA not applicable
Human Rights:	There are no implications arising from this report.
Health and Safety:	The implications are as set out in the policy.
Statutory Officers' Comments:-	
Head of Paid Service:	Click to select comment.
Chief Finance Officer:	Click to select comment.
Monitoring Officer:	Click to select comment.
Consultees:	None.
Background Papers:	Report entitled 'Volunteering Policy (June 2022)' to the Policy, Finance and Development Committee on 28 June 2022
Appendices:	1. Volunteering Policy (September 2022)

1. Information

- 1.1 The Volunteering Policy 2022-25 is attached at Appendix 1.
- 1.2 The draft document has been considered by the Senior Leadership Team of the Council and has subsequently been referred to this Committee for formal approval.
- 1.3 The Council already provides varied opportunities for volunteers in the Borough, and works with volunteering groups. The Council recognises the benefits of volunteering for individuals, organisations, and communities.
- 1.4 The Volunteering Policy has been amended from the previously adopted version to incorporate guidance on the development of the Council's Volunteering Programme, highlighting where volunteers can add value to the Council's services and workstreams, and how volunteers can be supported in personal development through training and upskilling.
- 1.5 The Volunteering Policy also seeks to continue the development of enhanced community cohesion and positive public spirit born through the Coronavirus (Covid-19) pandemic, as evidenced by the response to a request for volunteers to support the Council's Community Hub, by signposting volunteers to new activities and opportunities.
- 1.6 The Volunteering Policy also makes recommendations for how Council Officers can be afforded volunteering opportunities within the Borough, to the benefit of our communities.

2. Queries from Previous Meeting of this Committee

- 2.1 The Volunteering Policy was previously presented at June's meeting of this Committee where Members raised some queries regarding the Policy as presented.
- 2.2 A query was raised around the performance of the previous Volunteering Policy, adopted by the Council in 2019. Due to staffing changes in the Community & Wellbeing Team in recent years full knowledge of this is not available, although the previous Volunteering

Policy did form the basis of the Council's approach to the development of its Community Hub in response to the Coronavirus (Covid-19) pandemic.

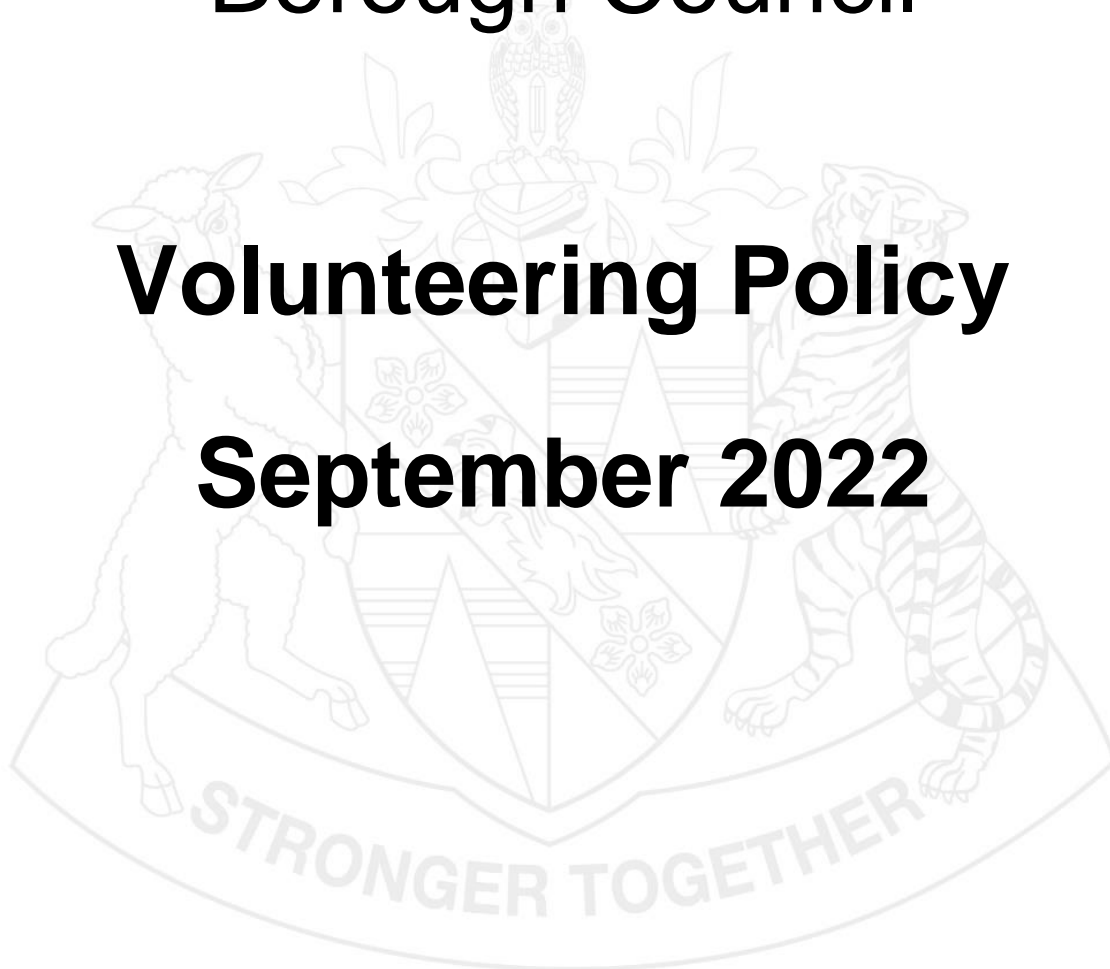
- 2.3 The Community Hub recruited 136 volunteers between March 2020 and December 2021 who undertook various tasks in support of vulnerable and shielding individuals in the Borough. The recruitment of these volunteers utilised registration forms used under the previous policy, and collected information from the volunteer via the same form presented within the draft Volunteering Policy's Appendix A to ensure suitability for the required role.
- 2.4 The 136 volunteers working on behalf of the Community Hub undertook 1,401 supportive tasks benefitting 689 individuals within the Borough across the Hub's lifetime.
- 2.5 A second query was raised around the requirement of DBS checks for volunteers recruited under the draft Volunteering Policy, and how they would be paid for.
- 2.6 The draft Volunteering Policy confirms that only specific volunteering opportunities will require an individual to undertake a DBS check, with these being identified on a case by case basis by the organisation 'hosting' the volunteering opportunity.
- 2.7 DBS checks are free of charge for volunteers, although there is a **£7.95** administration fee attached to this for the service. This charge is currently covered by the Council, with this arrangement expected to remain in place under the draft Volunteering Policy where the Council is operating as the central organisation within the volunteering process.
- 2.8 Members also sought clarification around the current engagement by the Council in the Neighbourhood Watch and Speedwatch schemes referenced within the draft Volunteering Policy.
- 2.9 At present the Community Safety Partnership, as the statutory body, provides funding to Leicestershire Police to support the development of Neighbourhood Watch and Speedwatch schemes within the Borough. This funding is provided annually as part of the Partnership's duty to deliver the Police and Crime Commissioner's Policing Plan at a local level.
- 2.10 The Police are the lead agency for the development of both the Neighbourhood Watch and Speedwatch initiatives, and provide information linked to both through the Community Safety Partnership's meetings.
- 2.11 The draft Volunteering Policy will enable the Council, and the Community Safety Partnership, to be more involved with both initiatives with a focus, highlighted through public feedback and crime and disorder data, placed on the development of a Speedwatch related project.
- 2.12 Members additionally sought clarification around training and safety procedures for volunteers. Training and safety briefings provided will be relevant to the volunteering opportunity, and reviewed on a case by case basis.
- 2.13 The standard position for training and safety briefings will be that the lead officer or organisation responsible for the volunteering opportunity will be required to provide appropriate levels of both for the specific task to the volunteer.
- 2.14 Safeguarding training for all volunteers will be delivered by Mark Smith, and will provide an equivalent to the 'bronze level' training provided to all Council staff. Any specific safeguarding processes in place with organisations utilising volunteers will remain the responsibility of the host organisation to provide training on.
- 2.15 There are no extra costs for the Council associated with the training of volunteers beyond

officer's time, and the provision of a venue for non-virtual training.

- 2.16 A final query was raised regarding whether volunteers would be classed as employees, and what safety legislation they would be covered by. The Gov.UK site on the rights of the volunteer confirms that volunteers, due to not having a contract of employment, do not have the same rights as an employee.
- 2.17 Volunteers should be provided with a volunteer agreement that explains the level of supervision and support they will receive, the training that will be provided, whether they will be covered under the host organisation's employer or public liability insurance, health and safety issues and concerns, and details of any expenses the organisation will cover.
- 2.18 The provision of a volunteer agreement is not compulsory, but is seen by the Council as being best practice. Host organisations will be expected to provide a volunteer agreement to any volunteer signposted to them under the draft Volunteering Policy.
- 2.19 The Council will be required to review its current public employer and public liability insurance policies to ensure that an appropriate level of cover is in place for volunteers working directly on behalf of, and within, the Council.

Oadby & Wigston Borough Council

Volunteering Policy September 2022



Committee Approval	Policy, Finance and Development
Policy Owner	Mark Smith
Last Review Date	
Next Review Date	



1. EXECUTIVE SUMMARY

Oadby & Wigston Borough Council's ("The Council") Volunteering Policy provides a focus for the Council in how it makes use of volunteers in providing services to the community, as well as how it can usefully encourage volunteering opportunities and the take up of those opportunities across the Borough.

This Policy is three-fold;

1.1 **Volunteers Registered with the Council for Working in the Community**

As part of the Council, the Community and Wellbeing Team will link up with partners and stakeholders in the community to identify local priorities, activities, and opportunities for volunteers registered with the Council to work on.

1.2 **Encouraging Council Staff to Volunteer in the Community**

The Council will support its employees who undertake voluntary roles, and is exploring ways in which its existing staff population can contribute to the community through volunteering.

1.3 **Volunteers Working in the Council to Support Services**

The Council seeks to encourage and facilitate volunteering to support the delivery of Local and Strategic Priorities identified within the Council's Corporate Plan 2019-24, and within its services provided to the community.

The Council recognises the benefits of volunteering for individuals, organisations, and communities. These include the individual benefits of pride and an enhanced sense of belonging in the community.

In addition, there are wider community benefits including retaining or providing services that would otherwise be financially unviable. Other Council partners are supportive of the use of volunteers and this Policy.

Volunteering can be via short term, one-off events, or attached to a more permanent scheme or services.

The Council's Corporate Plan sets out a vision of 'A Stronger Borough Together, Improving the Lives of Our Communities', as well as making specific reference to working with 'voluntary sector partners', and providing specific Council services with the support of volunteers. Volunteering has a key role to play in this.

This Policy is to encourage more people to get involved in volunteering, and give the Council a lead role in removing or reducing barriers to volunteering. The Policy recognises the challenges of the Council's ability to impact individual decisions, and therefore its focus is on making the best use of volunteers and volunteering opportunities to maximise the personal, organisational, and community benefits from volunteering.

2. Vision and Aims

The Council is committed to;

- 2.1** Overseeing, obtaining, and increasing the number of people who volunteer in the Borough, and the number of volunteering opportunities available to those people.
- 2.2** Promoting opportunities for organisations that rely on volunteers to collaborate and share best practice.
- 2.3** Making the best possible use of the time, energy, and skills that volunteers provide across the Council's services, out in the community, and with partners.
- 2.4** Keeping volunteers, those they support, and those that commission them safe.
- 2.5** Recognising the value of volunteers.

By making these commitments the Council will achieve the following;

- 2.6** Deliver more and improved services and support through volunteering to more people across the Borough than is otherwise currently possible.
- 2.7** Provide individuals with more skills and experience in order to improve their employability.
- 2.8** Provide more individuals with a sense of purpose, involvement, and passion for their community in order to help improve self-confidence, opportunities, health, and wellbeing.
- 2.9** Support the building of community cohesion by linking individuals and groups through volunteering.

3. OBJECTIVES

The Council will improve and grow volunteering within the Borough. Volunteers can be involved in supporting one-off activities, often related to one-off events or campaigns, or be involved in longer term opportunities.

The Council, as part of this Policy, will have a continuous review process concerning the use of volunteers within the Council, and policies and procedures will be updated accordingly. This will include;

- Recruitment of volunteers (including a dedicated registration form).
- Appropriate vetting of volunteers, including DBS requirements for volunteers working with the public in roles where this is a requirement, e.g. working with children or vulnerable adults.
- A suitable induction for volunteers pertinent to the role and / or service.
- The provision of relevant training, as necessary, such as safeguarding or manual handling.
- Review meetings and ongoing support and training.
- Recognising and celebrating the contributions and successes of volunteering.

A process has been developed to promote and support the use of volunteers registered with the Council working in the community, Council staff working in the community, and volunteers working in the Council. Officers and Managers will act as internal volunteering experts, and as a source of knowledge and experience to be called on for support if and when required.

Increasing the number of opportunities to volunteer will require a Council wide response as more volunteers will need to be managed within existing resources.

The Council will develop a central register of volunteers for information management and statistic purposes electronically to ensure proper volunteer management, and a safeguarding overview. This will comply with the *General Data Protection Regulations (2018)*.

All volunteering opportunities will be advertised on a single page on the Council's external facing website (www.oadby-wigston.gov.uk/volunteering) with links to further, or additional, details where appropriate.

In addition, promotion of specific opportunities will be undertaken as appropriate for that opportunity.

Volunteers will be accepted in accordance with the principles of fairness, consistency, and openness in accordance with the Council's Equal Opportunities Policy, and should aim to reflect the diversity of the Borough.

4. VOLUNTEERING OPPORTUNITIES AND OVERSIGHT

The Council currently makes use of community volunteers in the following areas;

- Local Area Boards supported by the Community & Wellbeing Team, such as;
 - Resident's Forums
 - Youth Council
 - Health and Wellbeing Board
- Physical and mental wellbeing programmes under the 'Active Oadby & Wigston' banner, such as;
 - Care to Walk
 - Let's Grow Project
 - Get Moving Together
 - Waterways Wellbeing
 - Walking Groups
- Community safety initiatives under the 'Community Safety Partnership' banner, such as;
 - Community Speedwatch
 - Neighbourhood Watch
- Greening the Borough initiatives running out of Brocks Hill Country Park.
- One-off or annual events such as;
 - The Big Lunch
 - Queen's Jubilee
 - Supersonic Boom
 - Estate Clean-Up Days

Many of the above opportunities have directly benefited from the level of volunteering, community cohesion, and public spirit fostered through now discontinued initiatives necessitated throughout the Coronavirus (Covid-19) pandemic, such as the Council's Community Hub and numerous 'mutual aid' groups set up independently within the community.

This Policy seeks to continue the development of enhanced community cohesion and a positive public spirit born through the pandemic by signposting volunteers to existing opportunities, as well as creating additional opportunities that the pandemic previously prevented. To that end the development of additional volunteering opportunities, supplementing the current offer, will be explored in the following areas;

- Housing
 - 'New Neighbour' checks
 - Estate Inspections
 - Mediation
- Community and Wellbeing
 - Further physical and mental wellbeing programmes
 - Further community safety programmes
 - Youth Provision

- Community Champions
- Communications
 - Newsletter Distribution
 - Event Development and Delivery
- The Depot
 - Further Greening the Borough programmes
 - Low-effort grounds maintenance
 - Low-effort street cleansing
- Council-wide
 - Administration Support

This list is not exhaustive, and Managers will be encouraged to look at where volunteers can add value, and support, their service areas in ways which are mutually beneficial to both the Council and the volunteer, i.e. upskilling an individual.

This Policy highlights that volunteers are a finite resource which should be deployed strategically; failure to do so may appear to be exploitative of an individual's goodwill and availability. As such care should be taken in all areas to prevent the duplication of volunteering opportunities within the Borough offered by external agencies, which may be detrimental to established services or organisations and those they support, and to ensure that volunteers are not inadvertently relied upon for the delivery of key or statutory services within the Council.

To mitigate this risk, oversight of the volunteering programme in place at the Council will be undertaken by the Community and Wellbeing Team who will maintain the following;

- The Council's Database of Registered Volunteers showing;
 - Volunteer's Details (Application Form – *Appendix A*)
 - Training Record
 - Current Assignment
 - DBS Status
- A Database of External Community Volunteering Opportunities and Organisations

Volunteers will be expected to undertake a review at the end of each volunteering 'assignment' assessing the benefit of the opportunity to the individual, where additional training opportunities may be desired, and how the opportunity may be further developed. This review will also serve to generate case studies to aid in the monitoring of Council projects, including the overall volunteering programme.

The Community and Wellbeing Team will act as the receiver for queries, questions, or concerns relating to the volunteering programme or any volunteering opportunities the Council is either responsible for, or signposting individuals to.

The Community and Wellbeing Team will also be responsible for ensuring the Council's external facing website is kept up to date with current volunteering opportunities, assisted by the Communications Team, as well as maintaining an external volunteering newsletter developed for registered volunteers.

The volunteering programme as outlined above will be defined as the following for clarity;

- A Council managed umbrella programme where registered volunteers are matched to opportunities of mutual community benefit complimentary to existing skills, or the development of new skills, with the overarching goal of improving community cohesion, engagement, and wellbeing.

The Community and Wellbeing Team, despite maintaining overall responsibility for the Council's volunteering programme, are recognised through this policy as being the facilitators of volunteer matching, and not the direct deliver of the opportunities which will fall to named individuals, or Council staff, within the community setting. E.g. Greening the Borough linked volunteering projects will be overseen and delivered by staff from the Depot or Brocks Hill Country Park, with volunteers signposted to them by the Community and Wellbeing Team.

Whilst the Community and Wellbeing Team will signpost registered volunteers to suitable opportunities, the lead officer or individual for that opportunity will have the final say as to whether the volunteer is suitable for the role or not.

Volunteering opportunities for Council staff should be managed in a similar fashion by the Community and Wellbeing Team, but coordinated with the People Team and the relevant service manager for the staff member.

This Policy recommends that Council staff are eligible to claim one paid working day off for established, and agreed, community volunteering opportunities in the Borough outside of their usual duties as an extension of the Council's Workplace Wellbeing scheme. This is to be with the express agreement of their direct line manager, and matched to an opportunity overseen by, or signposted to by, the Community and Wellbeing Team.

5. VOLUNTEER DEVELOPMENT

Upon the completion of the Volunteer Role Application Form, and acceptance on to the Council's volunteering database, but before being signposted to an opportunity, volunteers will be expected to complete the following mandatory training within two months of being registered;

- Safeguarding
- GDPR / Confidentiality
- Health and Safety

With the above three areas being complimentary to one another, a volunteer training package will be developed by the relevant Lead Officers within the Council for the above areas. This training should be designed in such a way as to be able to be delivered both in person or virtually, depending on current restrictions at the time of delivery.

Where volunteers may require specialist training to undertake a particular volunteering opportunity, such as direction in the use of certain tools, or in a particular method of working, the responsibility for ensuring this training is provided and implemented to a suitable standard will fall to the individual responsible for the delivery of the relevant activity.

Periodically offers of additional training may be made to all registered volunteers as part of an ongoing upskilling remit, and as a longer term goal to create sustainable activities and projects within the Borough. These training offers may, for example, cover subjects and skills such as;

- First Aid
- Sign Language
- Activity Leadership

Additionally, some volunteering opportunities may be reliant on the volunteer undertaking a DBS check. In these instances the application will be support by the Council's People Team, and the volunteer will be unable to participate in volunteering opportunities requiring a DBS check until an acceptable certificate is received.

APPENDIX A – VOLUNTEER ROLE APPLICATION FORM



Oadby & Wigston
BOROUGH COUNCIL



Volunteering
in Oadby and Wigston

Volunteer Role Application Form

Volunteer Role

Which role are you applying for:	
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Personal Details

Full Name:	
Title: (Mr, Mrs, Miss, Ms, etc.)	
Address:	
Home Telephone Number:	
Mobile Telephone Number:	
Email Address:	
Date of Birth:	
Please indicate your Ethnic Origin:	
Do you have any specific needs that need to be taken into account:	
Do you have access to your own vehicle for use in your voluntary work:	

Current Occupation - Current occupation (paid or unpaid) and all previous occupations over the 5 years

Occupation	Dates

Additional Information

Why are you interested in Volunteering with Oadby and Wigston Borough Council?
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Why are you interested in this particular role? What do you want to gain from the experience?

State how you think your skills and experience would be of help to you as a volunteer in this role?

Criminal Convictions

Note: A criminal conviction will not automatically disqualify you. Please give details of any criminal convictions, or cautions/ reprimands/ warnings/ fixed penalty notice which, you have had and any appearance pending (this is an excepted question under the Rehabilitation of Offenders Act 1974 and you therefore must give details of all convictions whether spent or unspent under that Act).

Offence	Penalty or order of court	Court	Date of conviction

Referees

Give details of two people who may be asked about your ability to act as a volunteer. Your referees must not be relatives, you must have known them for at least two years; and one must be a current/previous employer or other professional.

Reference 1

Title:	
Name:	
Address:	
Telephone Number:	
Position Held:	
Context in which known to you:	

Reference 2

Title:	
Name:	
Address:	
Telephone Number:	
Position Held:	
Context in which known to you:	

I have obtained consent from the above named individual to supply their contact details for the purpose of providing a reference to support my application to volunteer (Please tick) I understand that OWBC will contact the above named referees in accordance with Safer Volunteer Recruitment best practice and the relevant legislation (Please tick).

Emergency Contact Details

Contact Name:	
Contact Number:	
Relationship to you:	

I have obtained consent from the above named individual to supply their contact details and that in the event of an accident or emergency during my volunteering they may be contacted (Please tick)

Medical Information

Please supply any further information you feel might be helpful in the event of an emergency e.g. Regular medication taken, allergies, injuries, health conditions etc.

Declaration

"I certify that the information given is true and complete to the best of my knowledge and belief."

I agree to Oadby and Wigston Borough Council processing my personal data, as well as my sensitive personal data for the purpose of processing my application; for equal opportunities monitoring; for purposes of my volunteering; for administrative purposes and for the purpose of complying with applicable laws, regulations and procedures. This will include holding this data electronically on the Volunteering Database.

We will contact you periodically to confirm that you still wish your data to be held and to check for any changes. You can ask to be removed from the database at any time by contacting the Council's Customer Service Centre on Leicester (0116) 288 8961 or email: csc@oadby-wigston.gov.uk

Signature: _____ Date: _____

Please complete and return this form to the address/email address below as soon as possible:

Ross Levy/Jennifer Mackenzie
Oadby and Wigston Borough Council
Council Offices
Bushloe House
Station Road
Wigston
LE18 2DR

Email: volunteering@oadby-wigston.gov.uk

Agenda Item 13



Policy, Finance and Development Committee	Tuesday, 13 September 2022	Matter for Information
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Report Title: Standards & Ethical Indicators (Q1 2022/23)

Report Author(s): David Gill (Head of Law & Democracy / Monitoring Officer)

Purpose of Report:	To receive the figures for local determination of complaints and ethical indicators for Q1 2022-23.
Report Summary:	The report provides information in relation to Member Complaints, Corporate and Ombudsman Complaints, Freedom of Information Requests and Anti-Social Behaviour Reports and Resolutions.
Recommendation(s):	That the content of the report and appendix be noted.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Philippa Fisher (Strategic Director) (0116) 257 2677 philippa.fisher@oadby-wigston.gov.uk</p> <p>David Gill (Head of Law & Democracy / Monitoring Officer) (0116) 257 2626 david.gill@oadby-wigston.gov.uk</p>
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	<p>Accountability (V1) Respect (V2) Customer Focus (V5) "A Stronger Borough Together" (Vision)</p>
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	There are no implications arising from this report.
Corporate Risk Management:	<p>Political Dynamics (CR3) Reputation Damage (CR4) Regulatory Governance (CR6)</p>
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:	The report is satisfactory.

Monitoring Officer:	As the author, the report is satisfactory.
Consultees:	None.
Background Papers:	None.
Appendices:	1. Standards & Ethical Indicators (Q1 2022/23)

1. Information

- 1.1. Regular reporting about the Council's activities under the Regulation of Investigatory Powers Act 2000 is a statutory requirement under the oversight regime of the Investigatory Powers Commissioner. This report to Members covers the first quarter (Q1) of 2022/23.
- 1.2 The report also contains other matters which Officers considered would be of interest to Members, including the number and disposal of Member Complaints, the number of Corporate and Ombudsman complaints, the number of Freedom of Information requests and the number of anti-social behaviour reports and resolutions.
- 1.3 The quarter one report for 2022/23 is attached at **Appendix 1** for Members' information.



OADBY AND WIGSTON BOROUGH COUNCIL

STANDARDS AND ETHICAL INDICATORS

QUARTER 1 REPORT

2022/2023

1. Introduction

This is the quarterly report to the Policy Finance and Development Committee detailing both the figures for the Ethical Indicators and the figures for the Local Determination of Complaints process for 2022/2023.

For clarification purposes the months covered by the quarters are as follows:

Quarter 1 – 1 April to 30 June
Quarter 2 – 1 July to 30 September
Quarter 3 – 1 October to 31 December
Quarter 4 – 1 January to 31 March

The report is split into two parts for ease of reference; Part 1 refers to the local determination of complaints, part 2 is the table showing the ethical indicators figures.

The report will enable the Policy Finance and Development Committee to build up a picture over time of how many complaints are received and where these are coming from. The parts of the Code of Conduct which have been breached will also be recorded to enable training to be targeted effectively.

2. Part 1 – Local Determination of Complaints

The Monitoring Officer received No complaints in Quarter 1 of 2022/2023.

2.1 Source of Complaint

Not applicable

2.2 Assessment Sub-committee Decisions

There have been No Assessment Sub-committee meetings in this quarter.

2.3 Timeliness of Decision

The Standards for England Guidance stated that the Assessment Sub-committee should complete its initial assessment of an allegation “within an average of 20 working days” to reach a decision on what should happen with the complaint. The Council has taken this standard and adapted it under the new rules to aim to hold an Assessment Sub-committee within 20 working days of notifying the parties that informal resolution is not possible.

2.4 Review Requests

There have been no review requests in this quarter. Review requests can only be made following a decision of ‘No further Action’ by the Assessment Sub-committee where there is submission of new evidence or information by the complainant.

2.5 Subsequent Referrals

None

2.6 Outcome of Investigations

There were no formal investigations concluded in this period.

2.7 Parts of the Code Breached

This section is intended to show where there are patterns forming to enable the Policy Finance and Development Committee to determine where there needs to be further training for Councillors. Targeting training in this way makes it more sustainable and, hopefully, more effective.

So far this year, the following areas of the code were found to have been breached:

Not applicable

Ref	Performance Indicator Description	Officer responsible for providing information	Q1		Q2		Q3		Q4	
			2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
LG1	Objections to the Council's Accounts	Head of Finance	0	0	0		0		0	
LG2	Follow up Action relating to reaches of the Member/Officer Protocol (Members)	Head of Law & Democracy	0	0	0		0		0	
LG3	Disciplinary Action relating to breaches of the Member / Officer Protocol (Staff)	HR Manager	0	0	0		0		0	
LG4	Number of Whistle Blowing Incidents Reported	Head of Law & Democracy	0	0	0		0		0	
LG5	No. of Recommendations made to improve Governance Procedures/Policies		0	0	0		0		0	
LG6	No. of Recommendations Implemented		0	0	0		0		0	

Corporate Complaints

Ref	Performance Indicator Description	Officer responsible for providing information	Q1		Q2		Q3		Q4	
			2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
LG7	No. Corporate Complaints received	Policy, Compliance, and Data Protection Officer	37	37	35		20		47	
	No. Corporate Complaints escalated to L2		7	9	1		5		12	
	No. Corporate Complaints escalated to Ombudsman		1	2	0		0		1	
LG7a	No. Corporate Complaints Resolved at L1		30	26	34		15		35	
	No. Corporate Complaints Resolved at L2		6	7	1		5		12	
LG7b	No. Corporate Complaints where compensation paid		0	1	0		1		2	
	Service Area		-	Licensing	-					
LG8	No. Ombudsman complaints received		0	2	0		0		1	
	Service Area		-	Revs / Planning	-		-			
LG8a	No. Ombudsman complaints resolved		0	2	0		0		1	
LG8b	No. Ombudsman complaints not yet determined by the Ombudsman		1	0	0		0		0	
LG8c	No. Ombudsman complaints where compensation paid		1	0	0		0		0	

Freedom of Information Act Indicators

Ref	Performance Indicator Description	Officer responsible for providing information	Q1		Q2		Q3		Q4	
			2020/2021	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
LG9a	No. of FOI Requests Compliant	Policy, Compliance, and Data Protection Officer	113	181	109		139		163	
LG9b	No. of Non-compliant FOI Requests		19	11	39		16		21	
LG9c	No. of FOI Requests still open and within the 20 working days		0	0	0		1		0	
LG9d	No. of FOI Requests withheld due to exemptions/fees applied		7	4	4		0		2	

Regulation of Investigatory Powers Act Indicators

Ref.	Performance Indicator Description	Officer Responsible for Providing Information	Q1		Q2		Q3		Q4	
			2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
LG10	No. of Directed Surveillance Authorisations granted during the quarter	Head of Law & Democracy	0	0	0		0		0	
LG10a	No. in force at the end of the quarter		0	0	0		0		0	
LG10b	No. of CHIS recruited during the quarter		0	0	0		0		0	
LG10c	No. ceased to be used during the quarter		0	0	0		0		0	
LG10d	No. active at the end of the quarter		0	0	0		0		0	
LG10e	No. of breaches (particularly unauthorised surveillance)		0	0	0		0		0	
LG10f	No. of applications submitted to obtain communications data which were rejected		0	0	0		0		0	
LG10g	No. of Notices requiring disclosure of communications data		0	0	0		0		0	
LG10h	No. of authorisations for conduct to acquire communications data		0	0	0		0		0	
LG10i	No. of recordable errors		0	0	0		0		0	

Anti-Social Behaviour Indicators

Ref.	Performance Indicator Description	Officer responsible for providing information	Q1		Q2		Q3		Q4	
			2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
	No. of Complaints Registered	Head of Law and Democracy	31	24	27		17		17	
	No. of Disposals		10	5	16		9		8**	
	No. of Complaints still Open		0	1	2		3		0	
	No Further Action (where suspect identified)		2	3	3		5		1	
	No Further Action (no suspect identified)		19	17	18		9		9	

* One reported incident resulted in 2 suspects being identified

*2022/2023, No Further Action (no suspect identified) – this result is due to 2 suspects being identified and receiving Disposals on 1 report

Food Safety Inspections

Ref.	Performance Indicator Description	Officer responsible for providing information	Q1		Q2		Q3		Q4	
			2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
BPE31	No. of high-risk Inspections	Head of Law & Democracy	56*	3	33*	3	93*	3	159*	1
	No. of medium inspections			N/A		0		0		57
	No. new business registered			14						
No. of high-risk Inspections Completed			16*	3	100*		33*		36*	
No. of medium risk inspections Completed				N/A						
No. of new business triaged			13							
No. of Inspections Outstanding High risk Medium risk New businesses			13	0 N/A 1	19		156		67	

* High risk before COVID was all A-D. High risk 2022-2023 is A's and B's.

- (1) We are continuing to follow, The Food Standard Agency COVID recovery plan. This set out how to deal with the backlog of inspections and prioritising inspections according to risk (High/ Medium and low)
- (2) Quarter 1. All high risk will receive a physical inspection. 10 in Total.
 Quarter 2 All non-compliant C. 0.
 Quarter 3 All non-compliant D's 0.

Outstanding and not in the recovery plan. D's
Outstanding and not in the recovery plan E's
in approach for 2023-2024.

102
256 D' & E premises are under review with the FSA for change

- (3) New businesses continue to receive a triage call to assess their activities, if High risk then a physical inspection is selected to be carried out. Low risk is not being carried out now but remain under review.



Policy, Finance and Development Committee	Tuesday, 13 September 2022	Matter for Information
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Report Title: **Local Government and Social Care Ombudsman Annual Review Letter (2021/22)**

Report Author(s): **David Gill (Head of Law & Democracy / Monitoring Officer)**

Purpose of Report:	The purpose of the report is to bring to Members’ attention the details of the Local Government and Social Care Ombudsman’s Annual Review Letter in respect of Oadby and Wigston Borough Council for the year ending 31 March 2022.
Report Summary:	The Local Government and Social Care Ombudsman publishes an Annual Review Letter containing statistical information relating to the number and type of complaints received against the Council.
Recommendation(s):	That the content of the report and appendices be noted.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Philippa Fisher (Strategic Director) (0116) 257 2677 phillipa.fisher@oadby-wigston.gov.uk</p> <p>David Gill (Head of Law and Democracy / Monitoring Officer) (0116) 257 2626 david.gill@oadby-wigston.gov.uk</p>
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	Accountability (V1) Respect (V2) Customer Focus (V5)
Report Implications:-	
Legal:	There are no implications directly arising from this report.
Financial:	There are no implications directly arising from this report.
Corporate Risk Management:	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 directly arising from this report.
Health and Safety:	There are no implications directly arising from this report.
Statutory Officers’ Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.

Monitoring Officer:	As the author, the report is satisfactory.
Consultees:	None.
Background Papers:	None.
Appendices:	<ol style="list-style-type: none"> 1. Annual Review Letter (2021/22) 2. Statistical Information (2021/22)

1. Information

- 1.1 The Local Government and Social Care Ombudsman (LGSCO) publishes an Annual Review Letter containing statistical information relating to the number and type of complaints that they have received against the Council.
- 1.2 The statistical information provides information on:
- the complaints and enquiries received in the period;
 - the decisions made in the period; and
 - compliance with the recommendations recorded during the period.
- 1.3 The Annual Review Letter for 2021/22 is attached at **Appendix 1** together with the statistical information attached at **Appendix 2**.
- 1.4 The focus of the Annual Review Letter is now no longer on the number of complaints received by the Council, but on the outcome of those complaints investigated and what can be learned from them where fault is found.
- 1.5 The LGSCO publishes an interactive map where comparisons can be made between different councils which can be found at www.lgo.org.uk/your-councils-performance.

20 July 2022

By email

Mrs Court
Chief Executive
Oadby & Wigston Borough Council

Dear Mrs Court

Annual Review letter 2022

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2022. The information offers valuable insight about your organisation's approach to complaints. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 27 July 2022. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

I know your organisation, like ours, will have been through a period of adaptation as the restrictions imposed by the pandemic lifted. While some pre-pandemic practices returned, many new ways of working are here to stay. It is my continued view that complaint functions have been under-resourced in recent years, a trend only exacerbated by the challenges of the pandemic. Through the lens of this recent upheaval and adjustment, I urge you to consider how your organisation prioritises complaints, particularly in terms of capacity and visibility. Properly resourced complaint functions that are well-connected and valued by service areas, management teams and elected members are capable of providing valuable insight about an organisation's performance, detecting early warning signs of problems and offering opportunities to improve service delivery.

I want to support your organisation to harness the value of complaints and we continue to develop our programme of support. Significantly, we are working in partnership with the Housing Ombudsman Service to develop a joint complaint handling code. We are aiming to consolidate our approaches and therefore simplify guidance to enable organisations to provide an effective, quality response to each and every complaint. We will keep you informed as this work develops, and expect that, once launched, we will assess your compliance with the code during our investigations and report your performance via this letter.

An already established tool we have for supporting improvements in local complaint handling is our successful training programme. We adapted our courses during the Covid-19 pandemic to an online format and successfully delivered 122 online workshops during the year, reaching more than 1,600 people. To find out more visit www.lgo.org.uk/training.

Yours sincerely,



Michael King
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld

The Ombudsman carried out no detailed investigations during this period

Compliance with Ombudsman recommendations

No recommendations were due for compliance in this period

Satisfactory remedy provided by the organisation

The Ombudsman did not uphold any detailed investigations during this period

Reference	Authority	Category	Decided	Decision	Decison Reason	Remedy	Service improvement recommendations
21003199	Oadby & Wigston Borough Council	Planning & Development	04/06/21	Referred back for local resolution	Premature Decision - advice given		
21008321	Oadby & Wigston Borough Council	Benefits & Tax	08/09/21	Referred back for local resolution	Premature Decision - advice given		
21014308	Oadby & Wigston Borough Council	Benefits & Tax	03/02/22	Closed after initial enquiries	26(6)(a) tribunal Other		



Policy, Finance and Development Committee	Tuesday, 13 September 2022	Matter for Information and Decision
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Report Title: **Local Government Pension Scheme (LGPS) Discretionary Pension Statement**

Report Author(s): **David Gill (Head of Law and Democracy/ Monitoring Officer)**

Purpose of Report:	For Members to approve the Discretionary Pension Statement.
Report Summary:	The LGPS regulations require every employer to: <ul style="list-style-type: none"> (i) issue a written policy statement on how it will exercise the various discretions provided by the scheme; (ii) (keep it under review; and (iii) revise it as necessary.
Recommendation(s):	A. That the content of the report be noted; and B. That the LGPS Discretionary Pension Statement (as set out at Appendix 1) be approved.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Anne Court (Chief Executive/ Head of Paid Service) (0116) 257 2602 anne.court1@oadby-wigston.gov.uk</p> <p>David Gill (Head of Law and Democracy / Monitoring Officer) (0116) 257 2626 david.gill@oadby-wigston.gov.uk</p>
Corporate Objectives:	Not applicable.
Vision and Values:	Respect (V2) Accountability (V1)
Report Implications:-	
Legal:	There are no implications directly arising from this report.
Financial:	There are no implications directly arising from this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Regulatory Governance (CR6) Organisational / Transformational Change (CR8)
Equalities and Equalities Assessment (EA):	There are no implications directly arising from this report. EA not applicable.
Human Rights:	There are no implications directly arising from this report.
Health and Safety:	There are no implications directly arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.

Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	As the author, the report is satisfactory.
Consultees:	<ul style="list-style-type: none"> • Senior Leadership Team • Human Resources
Background Papers:	None.
Appendices:	1. LGPS Discretionary Pension Statement (September 2022 - 31 March 2023)

1. Background

- 1.1. The regulations of the Local Government Pension Scheme require every employer to:
 - 1.1.1. issue a written policy statement on how it will exercise the various discretions provided by the scheme;
 - 1.1.2. keep it under review; and
 - 1.1.3. revise it as necessary.
- 1.2. This Discretionary Pension Statement meets these requirements stating the regulation requirement and the organisation decision on these (subject to Member approval).
- 1.3. These discretions are subject to change, either in line with any change in regulations or by due consideration by Oadby and Wigston Borough Council.
- 1.4. These provisions do not confer any contractual rights.
- 1.5. The LGPS Employer Discretions Policy is the Council's written policy statement detailing all mandatory employer discretions the LGPS recommend employers also publish.
- 1.6. Some of these discretions are also referred to in relevant HR policies, for example the Flexible Retirement and Early Retirement policies.
- 1.7. This statement will be published on the Council's website at www.oadby-wigston.gov.uk
- 1.8. Subject to Member approval, the Statement will be reviewed annually as part of the Pay Policy Statement unless there is an intervening change in the regulations.

Local Government Pension Scheme (LGPS) Discretionary Pension Statement

Date September 2022 – 31st March 2023

Background

The regulations of the LGPS require every employer to

- (i) issue a written policy statement on how it will exercise the various discretions provided by the scheme,
- (ii) keep it under review and
- (iii) revise it as necessary.

This document meets these requirements stating the regulation requirement and the organisation decision on these.

These discretions are subject to change, either in line with any change in regulations or by due consideration by Oadby and Wigston Borough Council.

These provisions do not confer any contractual rights.

The LGPS Employer Discretions Policy is the Council's written policy statement detailing all mandatory employer discretions the LGPS recommend employers also publish.

Some of these discretions are also referred to in relevant HR policies, for example the Flexible Retirement and Early Retirement policies.

This statement will be published on the Council's website at www.oadby-wigston.gov.uk

The Regulations referred to are:

- R:** The Local Government Pension Scheme Regulations 2013 (as amended)
- TP:** The LGPS (Transitional Provision and Savings) Regulations 2014
- A:** The Local Government Pension Scheme (**Administration**) Regulations 2008 (as amended)
- B:** The Local Government Pension Scheme (**Benefits, Membership and Contributions**) Regulations 2007 (as amended)
- T :** The Local Government Pension Scheme (**Transitional Provisions**) Regulations 2008
- L:** The Local Government Pension Scheme Regulations 1997 (as amended)
- ET:** The Local Government (**Early Termination of Employment**) (Discretionary Compensation) Regulations 2006

2013 Regulations and Transitional 2014 Regulations

Employer Discretion		Regulation	OWBC Policy
Shared Cost APC's	Whether, how much, and in what circumstances to contribute to a shared cost APC scheme	R16(2)(e) & R16(4)(d)	<p>Due to potential cost burden Oadby and Wigston Borough Council will not contribute towards the cost of the employee (purchasing additional pension).</p> <p>This will not have any effect on the existing AVC facility available where the employee only is able to make such contributions.</p>
Extension to Shared Cost APC's	Whether to extend 30 day deadline for member to elect for a shared cost APC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserved forces service leave)	R16(16)	It is not the policy of Oadby and Wigston Borough Council to extend the 30 day deadline.
Shared AVC's	Whether, how much, and in what circumstances to contribute to shared cost Additional Voluntary Contributions (AVC's) arrangements	R17(1) & definition of SCAVC in RSch 1	Under Regulation 17 of the LGPS Regulations 2013, Oadby and Wigston Borough Council will not exercise the discretion to allow LGPS members to contribute to a shared cost salary sacrifice additional voluntary contribution scheme.
Right to Return of contributions in cases of fraud or grave misconduct.	No right to return of contributions where a member left their employment due to offence of a fraudulent character or grave misconduct in connection with that employment, unless Employer directs a	R19 (2)	It is not the policy of Oadby and Wigston Borough Council to refund contributions to the member.

	total or partial refund is to be made		
Flexible Retirement	Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)	R30(6) & TP11(2)	<p>The Council has agreed to consider its discretion when, with the Council's consent, 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.</p> <p>All requests will be determined by the relevant Committee on a case by case basis before any decision is made.</p>
			<p>This does not preclude younger employees, under 55 years of age requesting flexible working but without the payment of their retirement benefits.</p> <p>Please refer to the full Flexible Retirement Policy</p> <p>The Council may review its policy at any time.</p>

	Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	R30(8)	It is not the policy of Oadby and Wigston Borough Council to waive, in whole or in part any actuarial reduction resulting from Flexible Retirement unless the actuarial reduction (arising from the pension strain) is of a de minimis amount and the request meets all other policy criteria.
Early Retirement Waive Actuarial Reduction	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member only has post 31 March 2014 membership)	R30(8)	<p>The Council have a policy on Early Retirement. Any employee from their 55th birthday can voluntarily retire and access their benefits with an actuarial reduction.</p> <p>An employee may request that Oadby and Wigston Borough Council waive in full or in part their reduction on compelling compassionate grounds only. Each case will be considered on its own merits following full consideration of all financial and service delivery implications via the relevant Committee.</p> <p>The Council may review its policy at any time</p>
85 Year Rule	Whether to 'switch on' the 85 year rule for a member voluntarily drawing benefits	TPSch 2, para 1(2) & 1(1c)	Employees can request that the Council 'switch on' the 85 year rule, if they are eligible.

	<p>on or after age 55 and before age 60 (other than on the grounds of flexible retirement)</p>		<p>To be eligible, the employee's LGPS Service (all service) and their age must equal 85 years or more, and they must have joined the pension scheme before 1st October 2006.</p> <p>Deferred members from the age of 55 can access their deferred pension benefits early without employers consent, however the pension income will reduce after the actuarial reduction is applied.</p> <p>The Council may review its policy at any time.</p>
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<p>Waiving Actuarial Reduction</p>	<p>Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1 April 2014 and post 31 March 2014 membership):</p> <p>a) on compassionate grounds (pre 1 April 2014 membership) and in whole or in part on any grounds (post 31 March 2014 membership) if the member was not in the Scheme before 1 October 2006,</p> <p>b) on compassionate grounds (pre 1 April 2014 membership) and in whole or in part on any grounds (post 31 March 2014 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will not attain 60 between 1 April 2016 and 31 March 2020 inclusive,</p>	<p>TP3(1), TPSch 2, para (2)1, B30(5) & B30A(5)</p>	<p>If it is agreed to apply the '85 year rule', Oadby and Wigston Borough Council may waive the actuarial reduction in full or in part following careful consideration of the financial implications and affordability.</p> <p>Each case will be considered on its own merits including any compelling compassionate reasons and following full consideration of all financial and service delivery implications via the relevant Committee.</p> <p>The Council may review its policy at any time.</p>
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	<p>c) on compassionate grounds (pre 1 April 2016 membership) and in whole or in part on any grounds (post 31 March 2016 membership) if the member was in the Scheme before 1 October 2006 and will be 60 by 31 March 2016,</p> <p>d) on compassionate grounds (pre 1 April 2020 membership) and in whole or in part on any grounds (post 31 March 2020 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will attain 60 between 1 April 2016 and 31 March 2020 inclusive</p>		
Grant Additional Pension	Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a. on 1 April 2014 - this figure is inflation proofed annually)	R31	It is not the policy of Oadby and Wigston Borough Council to award additional pension
Transferring in non LGPS pension rights	Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	R100(6)	It is not the policy of Oadby and Wigston Borough Council to consider extending the time limit for a transfer in of previous pension rights to proceed after twelve months.

Employee Contribution Rate	Determine rate of employees' contributions and review the pension contribution band to which an employee has been allocated following a material change which affects the member's pensionable pa	R9(1) & R9(3)	The tiered contribution rate for each employee will be based on the pensionable pay elements. Basic salary is assessed at the full time equivalent rate, in each post an employee holds at 1 April. The contribution rate will be re-assessed annually on implementation/application (regardless of when the award is made) of the annual pay award. Reassessment will take place at any point in the year where there is a material change for example:- Promotion, demotion, incremental progression.
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2018 Amended Regulations

Employer Discretion	Regulation	OWBC Policy
Deferred Benefits	Whether to grant applications for the early payment of pension benefits on or after age 50 and before age 55.	R31(2) of the LGPS Regulations 1997].
		It is not the policy of the Council to allow deferred benefit applications on or after age 50 and before age 55.

2008 Scheme (Administration) Regulations and 2007 Regulations

Employer Discretion	Regulation	OWBC Policy
Deferred Benefits	Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 (member)	B30(5), TPSch 2, para 2(1)
	Whether to 'switch on' the 85 year rule for a pensioner member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60	TPSch 2, para 1(2) & 1 (1c)
		Ordinarily The Council will not waive any actuarial reduction for deferred members on compassionate grounds.
		The Council will not "switch on" the 85 year rule.

The Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006

Employer Discretion		Regulation	OWBC Policy
Power to increase statutory redundancy payments	The Employer may decide to calculate a redundancy payment entitlement as if there had been no limit on the amount of a week's pay used in the calculation.	R5 ET	The Council has decided to adopt this discretion and base 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.

Employer Discretion		Regulation	OWBC Policy
Compensation Payment	<p>A "one off" lump sum compensation payment may be awarded to an employee up to a maximum value of 104 weeks pay, inclusive of any redundancy payment made.</p> <p>If the above Regulation is adopted, employees who are members of the LGPS can be given the option of converting compensation payments, (less the statutory redundancy payment), into additional pensionable service, in accordance with the augmentation factors provided by the authority. An employer should specify whether they intend to provide this option</p>	R6 ET	<p><u>Redundancy</u> The Council has not elected to pay any additional discretionary compensation in excess of the redundancy payment.</p> <p><u>Efficiency</u> A lump sum compensation payment will be awarded, equivalent to a redundancy payment, based on the statutory age and service related redundancy scale and on unrestricted weeks pay (See above: Regulation 5).</p>

1997 and 1995 Scheme Regulations

Employer Discretion		Regulation	OWBC Policy
Deferred Benefits	Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before NRD on compassionate grounds.	TL4, L106(1) & D11(2c)	It is not the policy of the Council to allow deferred benefit applications on or after age 50 and before age 55.

The policy in respect of each employer discretion is set out above, however, the council may give further consideration where there are exceptional circumstances and clear merit, or where the cost is not considered to be significant or material.

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Agenda Item 18

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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