



Full Council	Thursday, 22 February 2018	Matter for Information and Decision
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Title: Medium Term Financial Strategy 2018/19 and 2019/20

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1. Introduction

- 1.1. The provisional local government settlement for 2018/19 and 2019/20 was announced in late December 2017. These figures have been incorporated into the draft Medium Term Financial Strategy (MTFS) that was presented to Council on 5 December 2017.
- 1.2. For Oadby and Wigston Borough Council, the settlement resulted in a cash reduction of 30% or £0.590m over the life of the 4 year settlement.
- 1.3. This update to the MTFS outlines the General Fund Budget for 2018/19 and 2019/20. It identifies that there is a balanced budget over the two years, but also identifies that outlined savings schemes need to deliver over £400k of savings by the beginning of the 2019/20 financial year.
- 1.4. Savings proposals made to Council on 5 December 2017 looked to address these shortfalls, enabling a draft balanced budget to be produced in February 2018.

2. Recommendation(s)

- 2.1. That the General Fund net revenue budget estimates for 2018/19 totalling £6.39m be approved.
- 2.2. That the Housing Revenue Account draft estimates for 2018/19 be approved (as set out at **Appendix A**).
- 2.3. That Council approves a decrease of 1.00% in housing rents and increases in other charges as set out in Section 12 and **Appendix A**.

3. Information

- 3.1. This report contains the updated and revised General Fund Revenue Budget for 2018/19 and for 2019/20.
- 3.2. The Council faces unprecedented financial challenges with government cuts the likes of which have not been witnessed for generations, coupled with year on year increases in the demands for services as the Borough's population changes.
- 3.3. It is no longer the days where the budget process could be an annual affair confined to the winter months. Today, it is a year-round process of near constant test, challenge and refinement as funding assumptions ebb and flow as long term savings come to fruition and deliver. It is in this context that the Council must carefully manage its reserves and balances to help smooth the short-term impact of changes to funding and the delivery of long-term savings so that services are protected.

- 3.4. It is also in this context that this report updates the Council on changes to the medium term financial position since July 2017 as further information, particularly around funding that has become available and as savings proposals have been further tested and refined.
- 3.5. Council in February 2017 approved a budget for 2017/18, and identified a potential funding gap for 2018/19 and 2019/20. Further papers to Council and Policy, Finance and Development Committee in the summer outlined options for budget savings that would go some way to address this gap. This report includes the financial impacts of those options already agreed, but does not include the options that have yet to be tabled or any final decision to be taken on.

4. Objectives of the Medium Term Financial Strategy

- 4.1. The MTFS has the following objectives:
- Show how resources support the Corporate Plan over the next 2 years;
 - Provide a platform to support the decision-making framework;
 - Enable the Council to be a proactive organisation;
 - To be an enabler, giving indication to the need to revisit and revise priorities;
 - Ensure sustainable services and reserves are at sufficient levels;
 - Enable development and improvements to our customers experiences;
 - Hold a working balance to help manage unexpected occurrences;
 - To be responsive and able to manage changing risks and needs;
 - Support the Council's service and strategies; and
 - Provide indications of future local taxation levels.

Central Government Funding Settlement

- 4.2. In December 2015, the Government announced an offer to local authorities of a four year provisional settlement for 2016/17 through to 2019/20. We are currently halfway through this settlement. Pressure continues to increase on local authorities to find further savings in their expenditure on service provision and to look for alternative sources of income as funding from central government continues to reduce.
- 4.3. As part of the four year settlement, the following funding streams were included:
- Revenue Support Grant;
 - Business Rates tariff and top up payments;
 - Rural Services Delivery Grant; and
 - Transition Grant.
- 4.4. The table below sets out the settlement, as it was announced. Overall, this has resulted in an £0.59m or 30% reduction in funding over the period of the settlement. The provisional settlement indicates that 2018/19 will be the final year that the Council receives core Revenue Support Grant from the Government.

(Continued overleaf)

Year	Grant	Baseline £m	£m	%
2016/17	0.72	1.41		
2017/18	0.36	1.44	0.330	(15%)
2018/19	0.14	1.49	0.170	(9%)
2019/20	0	1.54	0.090	(6%)
Totals	1.22	5.88	0.590	(30%)

4.5. The Government has assumed that local authorities will increase their Band D Council Tax by the maximum amount possible. For 2017/18, this increase was 3%, and for the figures in this report, these are based upon the maximum increase also.

5. New Homes Bonus Scheme

5.1. In addition to the aforementioned funding, we also see a continuation of the New Homes Bonus (NHB) Scheme. This is a non-ring-fenced grant which is based on the number and type of housing properties brought on to the ratings list each year. The amount of NHB's generated is split in two tier areas on an 80/20 basis in the favour of Borough Councils.

5.2. The continuing reduction in NHB's saw the amount receivable to the Council during 2017/18 reduce by £0.038m compared to the previous year. The figures for 2018/19 show a decrease of around £0.069m.

5.3. There were a number of key changes made to the NHB's scheme in 2016 which were highlighted in the MTFs report to Council in February 2017. There have been no amendments to the scheme at the time of writing the report.

5.4. Due to the urban nature of the Borough, the opportunity to develop large scale housing that would increase our NHB funding is severely limited, with the Council receiving one of the lowest levels of funding in the country.

6. Business Rates Retention

6.1. The Business Rates Retention Scheme (BRR) came into effect from the 1 April 2013 and now forms a principal element of local government funding. This provides local authorities with a direct financial benefit from economic growth, coupled with exposure to financial risks should there be a lack of growth or even contraction. As highlighted earlier in the report, the financial settlement from government provides a combination of funding schemes, with the baseline funding for the BRR scheme being £1.480m for 2018/19.

6.2. Although local authorities are not able to set business rate levels, the amounts collected are a key element of the scheme. Income that is above or below anticipated levels will impact on the income retained locally. To mitigate somewhat against this, a safety net was built so that no local authority's income would fall below a pre-determined level. This level is £1.38m for Oadby and Wigston Borough Council. Equally, should there be any excessive growth above this level, a levy is payable of 50% of the additional growth, and this is paid to the Leicester and Leicestershire Enterprise Partnership (LLEP).

6.3. It is the intention of the Government that the main revenue support grant is removed and moved to a 100% retained business rates system. This was initially

mooted in 2015/16, with the planned phasing to be over the life of that parliament and to come into effect in 2019/20 or 2020/21. However, a snap general election was called in June 2017, and work on this scheme was not in the Queen's Speech, meaning there is an element of uncertainty around this.

It should be noted that as part of the Settlement Statement issued in December 2017, Government has indicated that, whilst it is still looking to move to 100% business rate retention, they are planning to implement 75% rate retention by 2020/21.

- 6.4. As previously reported in December 2017, Central Government is looking to expand its 100% business rates pilots across the country to test how such a scheme would work. The Authority, alongside the other Boroughs and Districts in Leicestershire, the City Council and the County Council applied to be a pilot scheme during 2018/19 (Business Rate Retention Paper, PFD Committee, October 2017). Unfortunately, our bid was unsuccessful and we are awaiting detailed feedback as to why this was the case – therefore as detailed in October's report, the existing pooling arrangement remains.

7. Revenue Budget

- 7.1. The General Fund Budget for the financial years 2018/19 and 2019/20 are summarised in the table below. Further details to changes to individual services' budgets will be found in the annual budget book and the MTFS report issued in February 2018. The budget takes into account key assumptions that are set out later in the report.

Budget Summary	2017/18	2017/18 Revised	2018/19	2019/20
	£'000	£'001	£'000	£'000
Total Revenue Budget	6,601	6,631	6,399	6,700
Central Government Grant	(360)	(360)	(140)	0
Other Government Grants	(544)	(512)	(605)	(575)
Retained Business Rates	(1,440)	(1,440)	(1,480)	(1,540)
Council Tax Surplus	(28)	(28)	(10)	(30)
NNDR Surplus	(40)	(40)	139	140
New Homes Bonus	(408)	(408)	(339)	(352)
Net Revenue Budget	3,781	3,843	3,964	4,343
Transfers to/from Reserves	(150)	(212)	(202)	0
Savings schemes	0	0	0	(410)
Council Tax	(3,631)	(3,631)	(3,762)	(3,933)
Funding Gap	0	0	0	0

- 7.2. The budget shows that the authority is able to produce a balanced budget for both 2018/19 and 2019/20. However, whilst the budget is balanced for 2019/20, this incorporates a savings target of over £400k for 2019/20. As referenced later in paragraphs 8.6 & 8.7, the Council meeting in June will seek final approval of the 2019/20 budget given the savings options for 2019/20 will have been finalised.
- 7.3. The Council published its efficiency plan in October 2016 which established the Authority's approach to delivering the savings that are required to meet these unprecedented funding reductions. The key features of the efficiency plan included:

- Active asset management;
- Service review and redesign;
- 'Invest to save' schemes - these include capital spending that achieves continuous savings in revenue costs or increased income;
- The Council will not adopt any scheme, project or services that are not first demonstrated to be at least cost neutral; and
- Commitment to build more housing.

7.4. The budget delivered for 2017/18 illustrated significant savings from these efficiency plans. It is imperative that the Council continues to work in this manner to ensure services are delivered and our finances are sound.

7.5. The overall revised outturn for the Council is showing an increase in use of reserves of £62k. The principal reasons for this are.

Major Variations in 2017/18	£'000
Increases in Cost	
Cleaning Contract	15
Water Costs	11
Savings plans deferred to future years	100
Decrease in Income	
Recycling Sales	60
Savings Made	
Structural Maintenance	(9)
Salaries Provision	(102)
Increase in Income	
Planning Fees	(20)

For a higher level of analysis, please refer to the Revenue Out-turn papers for Service Delivery Committee and Policy, Finance and Development Committee.

7.6. As part of this continuation, the Council needs to conduct a full review of its buildings and other assets to ensure that they are fit for purpose, providing value for money and identifying how the organisation can sweat such assets to generate income. It is recommended that this work commences in early 2018. Due to the changing shape of the Council and its services, a review of the governance framework should be carried out to ensure that it is maximising both effectiveness and efficiency.

8. Changes to Budgets 2018/19 Onwards

8.1. The Council's overarching objectives are at the forefront in setting the Authority's budget for the next two years. It is clear that, in these financially prohibitive times, growth has been constrained, but these themes have been at the forefront in developing services and delivering savings.

- The Council's Vision "A Stronger Borough Together":
- An Inclusive and Engaged Borough;
- Effective Service Provision;
- Balanced Economic Development;
- Green and Safe Places; and

- Wellbeing for All.

Revenue Pressures

- 8.2. In the current climate, revenue growth budgets have been restricted to areas considered unavoidable, such as changes in legislation. The table below highlights the areas of significant growth that have materialised since the last MTFS was set and updated in December 2017 (£30k and above).

Committee	Description	£'000
Service Delivery	Cleaning Contract	30
All	Increase in superannuation charge	33
All	Correction in previously assumed savings provisions	120
Service Delivery	Increase pressure on Homelessness Service	30
All	Reduction in New Homes Bonus	69

The budget also takes into account services pressures that the Council needs to address, and these include:

- Implementing appropriate Antisocial Behaviour provision (ASB);
- Implementing project management tools and expertise to assist with the Council's ongoing transformation programme; and
- Ensuring adequate (at minimum) procurement skills on a corporate-wide level to ensure best value is achieved by the authority, whilst meeting legislative requirements.

Revenue Savings

- 8.3. As reported in previous MTFS reports, the scale of funding cuts and the increased pressures on local authorities meant that significant financial savings are required. It should be recognised that significant work had been carried out by Officers to ensure that these pressures were mitigated as far as possible; however, further significant work still needs to be undertaken to ensure the Authority has a balanced budget. Over those years, the focus has been on protecting front-line services, and so this remains as a key driver.
- 8.4. The aim of the Authority is to provide improved levels of service, whilst reducing the costs and this is recognised in the savings already allocated to 2018/19 and assisting in achieving a balanced budget. The table below lists all of the significant savings the Council has in place, or increased levels of income, that affect the 2018/19 budget. It should be noted that approximately 14 FTEs have been removed from the draft establishment list, compared to the prior year.
- 8.5. The table below lists the significant savings (£30k and above) that have enabled the authority to produce a balanced budget for 2018/19, and reduced the known pressures for 2019/20.

Changes agreed and implemented		
Brocks Hill	Agreed as part of the savings menu in 2017.	Built into the MTFS report in December 2017. Saving of approximately £100k.

Closure of MRF	Agreed as part of the savings menu in 2017.	Built into the MTFS report in December 2017. Saving of approximately £100k.
Charging for Green Waste	Agreed by Council in December 2017.	Built into the MTFS as part of this paper. Full year estimated net income generated of £325k.
Other changes to be implemented by 31 March 2018		
Efficiencies through Customer Services initiatives and improvements	Through various streamlining of work through Customer Services Centre (CSC), this has enabled cashable benefits to be realised now the services have bedded in.	Built into the MTFS as part of this paper. Savings total £85k.
Grounds Maintenance Review	Agreed as part of the savings menu in 2017.	Built into the MTFS as part of this paper. Savings total £70k.
Review of Facilities Maintenance	Agreed as part of the savings menu in 2017.	Built into the MTFS as part of this paper. Savings total £30k.
Efficient Investments through active treasury management	Implementation of active treasury management.	Built into the MTFS as part of this paper. Savings total £30k.

8.6. As mentioned earlier in the report, whilst the 2019/20 budget has been balanced, this has been achieved by identifying various schemes that can be implemented and be fully operational by April 2019. These schemes have been costed out to varying degrees, with some needing significant work to gather assurance as to their viability and efficiencies gained.

8.7. Therefore, at the Council meeting in June 2018, final decisions on the 2019/20 budget will need to be agreed to meet our current savings target and any further financial issues that have arisen in the intervening months. The list of items currently in the savings plan are identified below. It should be noted that whilst this list is estimated to provide efficiencies, savings and additional income in totality in excess of the known savings requirement, each scheme's benefits have not, in all cases, been finalised and no scheme has been ruled in or ruled out definitively.

The 2019/20 Savings Programme includes:

- Refuse and Recycling Provision;
- Council Grants and Donations;
- Structured Management Review;
- % Cut of Service Budgets;
- Further efficiencies through Channel Shift and Customer Services; and
- Implementation of Community Toilet Scheme (if not already in place).

2020 and beyond

8.8. The Council is continuing to look beyond the period of this settlement in order to not only improve the services we deliver, but to look at how we can generate further income to mitigate against any unquantifiable risks or issues that are currently

unknown. Whilst 2020 may be a couple of years away, work is currently at various stages in progressing to achieving income goals after 2020. These schemes include:

- Bushloe Developments Ltd;
- The Strategic Asset Review;
- Parishes; and
- Retail Business Models

All of which will be reported to the various Committees at their inception (or in the case of Bushloe Developments Ltd, currently reporting to the Company Board).

9. Assumptions

There are a number of key assumptions that were made in drafting the Medium Term Financial Strategy, and these were:

- Council Tax increase of 3% at Band D;
- Council Tax base increase of 0.6% for 2018/19 and 1.5% for 2019/20;
- Pay award of 2%
- Inflation - Contractual 3.6%, General 0%;
- Interest Rates - reflect the recent increase in Bank of England Base Rates;
- Staffing vacancy factor of 3%;
- Formula funding as per settlement agreement - 2018/19- 2019/20;
- A 98.5% Council Tax Collection Rate; and
- Fees and charges as agreed at Policy, Finance and Development Committee in October 2017.

10. Risk Assessment and Management

10.1. Oadby and Wigston Borough Council has a commitment to managing risk and its exposure to the various risks it faces. Key to the management of this risk is identifying operational risk when we are developing our service plans, as well as taking a holistic and strategic view when considering the risks at a corporate level. The Council has a strong record of financial management, but further improvements were recommended by both our Internal and External Auditors to continue in this manner, and to reduce the impact of financial risks to the Authority. Therefore, changes have been made to the budget setting process (including regular and detailed updates throughout the year) but also changes need to be made as to how we monitor and manage risks.

10.2. The more fundamental financial risks over the next two years have been highlighted below and have been ranked (**Red** / **Amber** / **Green**) according to their likelihood of occurrence and the potential scale of their impact.

10.3. **Formula Central Government Funding**

Whilst the provisional funding settlement provided some certainty with respect to local government funding, it still remains unclear as to exactly how funding will work from 2020/21 and beyond. The snap General Election in 2017 further greyed the situation.

10.4. **New Homes Bonus**

The continuing changes to the delivery of funding regarding the New Homes Bonus scheme can provide troublesome forecasting. However, due to the Authority's size and nature of its geography, the limited amount of development eases the ability to

forecast. However, the inability to deliver significant numbers of new homes reduces our income generation ability with regards to this. As this report highlights, the Authority received a lesser amount than last year, but also a lesser amount than our most likely scenario had planned for. Therefore the Authority is taking a prudent approach to forecasting future NHB income.

10.5. **Business Rate Retention Scheme**

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

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

10.6. **Income Generation**

The Authority currently has limited streams of income generation. Work is being carried out to identify ways of maximising our income streams - ranging from the potential for charging for discretionary services to generating new business streams to supplement income. Local authorities need to become more commercial in their thinking and operating as the creation of income will enable service protection and improvement.

There are current significant risks pertaining to existing income generating programmes such as Bushloe Developments and the new Garden Waste Scheme. Whilst there are no "red flags" currently, the authority must manage these schemes carefully to mitigate any obstacles to their success.

10.7. **Pension Fund**

There is expected to be a broad 2% increase in the superannuation rate in both 2018/19 and 2019/20.

10.8. **Self-Funding Pay Awards**

Earlier this year, the Government removed the 1% public sector pay rise cap. Whilst this is a relief to workers within the public sector, whose salaries remained static for many years and in many cases decreased in real terms, the burden of coping with any pay rises has to be borne out by the organisation itself, with no additional funding forthcoming from the Government. The budget has built in the anticipated 2% pay award, but if inflation increases, it could add greater pressure to increase salaries further.

10.9. **Homelessness**

The increase in the homeless population across the country has put an increasing pressure on local authorities and their resources given the changes in legislation over the previous years. The Authority is actively managing the issue, and is in receipt of minor government grants to assist with this. The Authority has ring-fenced reserves specifically to support this issue, and has allocated additional revenue funding to the 2018/19 budget to continue to support this area and manage this increasing pressure.

Work is also beginning to address the housing issue relating to homelessness, however, this work will take a number of years to come to fruition and the Authority cannot rest on its laurels in the meantime.

10.10. **Brexit**

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

10.11. **Local Council Tax Support**

There is no change to the current scheme for 2018/19. However, it should be noted that the funding distributed by Leicestershire County Council to support the Discretionary Council Tax Support Scheme has ended. The Council will, however, continue to run the scheme and fund it itself.

10.12. **Interest Rate Movements**

Interest rates have recently risen due to the expected increase in inflation that is above the Bank of England's expectations. However, at the time of writing this report, the latest inflation figures were below that. To that regard, the Authority takes a prudent approach when setting interest budgets.

10.13. **Universal Credit**

This was originally going to move to full service in March 2018. However, the Government have recently announced that this date has been deferred until July 2018. Indications from authorities who currently operate the full service are that they have experienced significant reductions in income that would normally have been passported through benefit payments.

11. **Reserves**

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

11.2. Additionally, the Section 151 Officer has reviewed the level of General Fund Balances. The Council has used approximately £300k of the general fund balances to address any budget gaps, leaving reserves at around £697k (10% of annual net expenditure). Previous reports have stated both that general fund balances would be

between 5% and 10% of net expenditure, that the reserves are used to cushion financial pressures, reserves are used to stimulate growth and reserves should not be utilised to plug budget shortfalls. Clear direction is needed with regards to reserves.

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

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

	General Fund Reserves	Earmarked Reserves
	£'000	£'000
Estimated Opening Balance 2018/19	615	1806
Estimated use during the year 2018/19	0	(484)
Estimated Closing Balance 2018/19	615	1,341
Estimated use during the year 2019/20	0	0
Estimated Closing Balance 2019/20	615	1,341

Members will note that it is best practice to only use reserves in support of one-off revenue items and to support capital expenditure. Reserves are not used to support ongoing revenue expenditure.

12. Housing Revenue Account

12.1. The Council is about to enter the fifth year of the financial regime which the government introduced in 2013/14 which was intended to give Authorities more control over their housing stock and its associated finances.

12.2. However, since 2013 the government has made a number of changes to the financial framework which impacts directly on this authority's finances. These changes announced in July 2015 have been diluted slightly in recent months but the main thrust of the changes remains the same and once again rents on dwellings will be reduced by 1% for 2018/19.

12.3. HRA Operational Budget

(Continued overleaf)

	2016/17 Actual £	2017/18 Budget £	2017/18 Budget £	2018/19 Proposed Budget £
EXPENDITURE				
Management	1,668	1,536	1,530	1,543
Repairs and maintenance	1,236	1,381	1,396	1,414
Council Tax	19	9	9	9
Debt Management	10	10	10	10
Depreciation (MRA cont.)	1,212	1,245	1,245	1,273
Provision for Bad Debts	7	119	119	109
Gross Expenditure	4,152	4,300	4,309	4,358
INCOME				
Rents - Dwelling	(4,867)	(4,783)	(4,783)	(4,699)
Rents - Non Dwellings	(74)	(87)	(87)	(87)
Charges for Services and Facilities	(186)	(190)	(190)	(198)
Gross Income	(5,127)	(5,060)	(5,060)	(4,984)
Interest payable	539	547	564	579
Interest Receivable	(7)	(7)	(5)	(5)
Revenue Contribution to Capital	1,356	0	133	0
Transfers to/(from) Reserves	0	220	192	52
Total Capital Charges and Appropriations	1,888	760	884	626
(Surplus)/Deficit for the Year	913	0	133	0
Opening Balances				
Housing Revenue Account	▼ (1,346)	(433) ▲	(433)	(300)
Major Repairs Reserve	▼ 0	0	0	0
Regeneration Reserve	▼ (361)	(361) ▲	(361)	(351)
Housing Levy	0	0	0	(192)
Bad Debt Provision	▼ (152)	(159) ▲	(159)	(278)
Closing Balances				
Housing Revenue Account	(433)	(433)	(300)	(300)
Major Repairs Reserve	▼ 0	0	0	0
Regeneration Reserve	▼ (361)	(361)	(351)	(351)
Housing Levy	0	(220)	(192)	(244)
Bad Debt Provision	(159)	(278)	(278)	(387)

Rent Levels 2018/19

- 12.4. As stated, rent levels will decrease for 2018/19. Currently a 1% decrease in all households rent will move the average rent for a property from £77.08 to £76.31 which equates to a drop in annual rental income of around £50,000. It is important to remind Members that this is a year-on-year decrease which will continue for this and a further two years. The range covered by the new rent levels are listed below:

	Weekly Rent 2017/18	Weekly Rent 2018/19	Decrease per week	Change	Property Type
	£	£	£	%	
Highest Rent	96.13	95.17	0.96	-1%	3 Bedroom House
Lowest	57.33	56.76	0.57	-1%	Bedsit

Rent					
Average Rent	77.08	76.31	0.77	-1%	

Service Charges and Garage Rents

- 12.5. Non dwelling rents are not subject to the rent reduction reflected in paragraph 12.3 of this report and as a result it is recommended that they are increased by RPI in line with other Council's charging policies.
- 12.6. It is recommended that charges are increased by 3.8% which is the CPI +1% rate of inflation for September 2017.

	£	£
Garage Spaces		
48 Week Basis	3.78	3.92
52 Week Basis	3.49	3.62
Lock up Garages		
48 Week Basis	6.98	7.25
52 Week Basis	6.45	6.69
Caretaking Charge (Lower Rate)		
48 Week Basis	2.96	3.08
52 Week Basis	2.74	2.84
Caretaking Charge (Higher Rate)		
48 Week Basis	6.04	6.27
52 Week Basis	5.58	5.79
Charges in Sheltered Schemes		
	Increase for 2017/18 %	for 2018/19 %
Chartwell House, Oadby	2.5	3.8
Marriott House, Oadby	2.5	3.8
William Peardon Court, Oadby	2.5	3.8
Mobility Scooter Garaging	2.5	NIL

Background Documents:

Report to Full Council (Extraordinary) on 6 July 2017

Reports to the Policy, Finance and Development Committee on 10 and 31 October 2017

Reports to Full Council on 5 December 2017

2017/18 Outturn - Service Delivery Committee January 2018 & Policy, Finance and Development Committee February 2018.

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Implications Medium Term Financial Strategy 2018/19 and 2019/20	
Finance Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)	The financial implications feature throughout this report.
Legal Dave Gill (Head of Law & Governance / Monitoring Officer)	Whilst this report is for noting, it should be remembered that the Section 151 Officer has a statutory duty under s 151 of the Local Government Act 1972 and s 73 of the Local Government Act 1985 to ensure that there are proper financial arrangements in place to administer the Council's financial affairs. The Council is also required by the Local Government Finance Act 1992 to produce a "balanced budget".
Corporate Risk(s) (CR) Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)	<input checked="" type="checkbox"/> Decreasing Financial Resources (CR1) This report highlights the reducing central government funding to local authorities and highlights the funding gap needed to be found by the Council over the next two years. <input checked="" type="checkbox"/> Effective Utilisation of Assets/Buildings (CR5) Whilst only mentioned in dispatches, the review of the Council's asset base is recommended to be undertaken urgently. <input checked="" type="checkbox"/> Regulatory Governance (CR6) This report is aimed to improve the level of information received by Members to ensure statutory regulations are met. <input checked="" type="checkbox"/> Organisational/Transformational Change (CR8) The financial issues raised in this report encourage the Council to continue its transformation programme to ensure improved and efficient use of resources.
Corporate Priorities (CP) Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)	<input checked="" type="checkbox"/> An Inclusive and Engaged Borough (CP1) <input checked="" type="checkbox"/> Effective Service Provision (CP2) <input checked="" type="checkbox"/> Balanced Economic Development (CP3) <input checked="" type="checkbox"/> Green & Safe Places (CP4) <input checked="" type="checkbox"/> Wellbeing for All (CP5) <input checked="" type="checkbox"/> Not Applicable
Vision & Values (V) Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)	<input checked="" type="checkbox"/> "A Strong Borough Together" (Vision) <input checked="" type="checkbox"/> Accountability (V1) <input checked="" type="checkbox"/> Respect (V2) <input checked="" type="checkbox"/> Teamwork (V3) <input checked="" type="checkbox"/> Innovation (V4) <input checked="" type="checkbox"/> Customer Focus (V5)

Equalities & Equality Assessment(s) (EA)	There are no equalities implications arising from this report.
Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)	<input checked="" type="checkbox"/> Not Applicable (EA)