

HARBOROUGH DISTRICT COUNCIL
MINUTES OF THE CABINET MEETING

held at
Council Chamber
The Symington Building
Adam and Eve Street
Market Harborough
LE16 7AG

10th January 2022

commencing at 5.30pm

Present:

Cllr King (Chair)

Councillors: Bateman, Dann, Hallam and Whelband

Officers: D. Atkinson, R. Chew, L. Elliott, J. Evans, S. Green, S. Hamilton, C. Mason, N. Proudfoot
and R. Smith

INFORMATION EXCHANGE FROM PORTFOLIO HOLDERS

Strategy

Councillor King reported that he had held and taken part in a number of meetings with Council Officers; the District Council's Network; the Strategic Planning Members Advisory Group in December 2021; Arriva on the 10th December 2021; with the three Members of Parliament who represent parts of the Harborough District, namely, Alicia Kearns M.P, Neil O'Brien M.P. and Alberto Costa M.P. regarding funding and other areas of common interest; and a stakeholder meeting with the Minister of Justice regarding their proposals for Gartree prison on the 10th December.

TOPICAL ISSUES

There were none.

APOLOGIES FOR ABSENCE

There were none.

MINUTES

RESOLVED that the minutes of the meeting of the Cabinet held on the 29th November 2021 be approved as a correct record.

DECLARATION OF MEMBERS' INTERESTS

There were none.

BUDGET 2022/23 AND MEDIUM-TERM FINANCIAL STRATEGY (2023/24 TO 2026/27 MTFS)

The Cabinet considered the draft Budget 2022/23 and the Medium Term Financial Strategy (2023/24 to 2026/27 (MTFS), including potential budgetary implications of the government's provisional settlement, implications for Council Tax and consequential application of reserves.

In February 2021, the Council approved the 2021/22 Budget and MTFS. In respect of the 2021/22 Budget the key points to note are that this included: service net expenditure of £13.1m; budget requirement of £13.8m; Council Tax (Band D) of £172.97; and to balance the budget, a net contribution from revenue reserves of £1.9m.

During 2020, it was established that the Council was facing a circa £4m annual budget gap. To help to close this gap, the Council undertook a budget review programme, based on the principles of zero-based budgeting, called Budget Challenge 2025 (BC25). The programme started in early Autumn 2020, closed in the summer of 2021, and reported to Cabinet in September 2021. Every Council service was reviewed and by 2024/25 the annual saving will be £3.1m. The Portfolio Holder commented on the remarkable achievements which had been made and asked for thanks to be passed on to everyone involved.

In addition to the budget challenge process, the Council has continued to be impacted by the Coronavirus pandemic (CV19); this has included delivering services in new and innovative ways to ensure that it remains at the centre of serving its local community. In addition, the Council has also continued to deliver all "business as usual" activity, commence a review of its Corporate Plan and operating model and start the development of both a Young Persons and Rural Strategies.

The Financial Performance 2021/22 report had been recently discussed and is showing a net overspend of £107k. This overspend is due to a number of both positive and negative variances, but the main negative variances are in relation to the pay award and underachievement in Car Parking income. This demonstrates that the Council continues to face a significant financial challenge to meet its ambitions of financial resilience and sustainability over the medium-term.

When the Council approved the 2021/22 budget and MTFS; the 2021/22 "Net Direct Cost of Services" was £12.2m. During the last year there have been some minor budget adjustments and the Updated 2022/23 Base Budget is £12m.

However, the 2022/23 draft budget has been based on the Budget Setting Principles report agreed by Cabinet in November 2021 and other subsequent changes. This gives the following key budgetary items in respect of 2022/23:

- Net Direct Cost of Services of £10.9m
(a net saving of £1.2m compared to the 2022/23 budget approved in February 2021)
- Capital financing of £506k
(a net saving of £406k compared to the 2022/23 budget approved in February 2021)
- which gives a 2022/23 Draft Budget Net Expenditure is £11.4m.

The final two tranches of BC25, and the resulting savings, were approved by Cabinet in September and these are incorporated into the 2022/23 Budget and MTFS (2023/24 to 2026/27).

In relation to Car Parking, the 2021/22 Quarter 2 financial performance is forecasting a net income of £775k; some £358k (31%) less than budget. Considering this, it is currently anticipated that it is unlikely that, post CV19, that car parking usage will recover any-time-soon to pre-CV19 levels.

In December 2020, Council approved a 2021/22 increase in the Garden Waste fee to £55.00. As at the end of Quarter 2 of 2021/22, the financial forecast was showing a deficit variance of £21k against a budget of £1.1m (1.1%); and the number of customers is 19,589, 2% down compared to that originally estimated.

Regarding employment related costs, the national employer was taking part in national pay bargaining in respect of the 2021/22 pay award and it was recommended that the following increases are applied in respect of pay inflation: 2022/23; 1.75%, giving a cost of £164k; 2023/24 & 2024/25; 2%, giving an annual cost of £189k and 2025/26 & 2026/27; 2.5%, giving an average annual cost of £254k.

In relation to the New Homes Bonus (NHB), in the December Provisional Settlement, a total NHB allocation of £2.3m was announced; this being made-up of: £1.8m; a 1-year allocation of NHB, with no future legacy payments; and £557k; being past years legacy payments.

The Council Tax Base (CTB) was approved by Council in December. The methodology followed allows for respective changes in property numbers based on current known properties and planning intelligence in respect of future development. For 2022/23, the approved CTB (Band D equivalent) is 37,389.4 (2021/22, 36,356.1); this is an increase of 1,033.3 (2.84%).

To provide an estimate for future years, it is recommended that the future years CTB rates reflect the planned growth rates based on the 5-Year Housing Land Supply. The estimated growth rates are: 2023/24 increase over 2022/23; 2.51%; 2024/25 increase over 2023/24; 2.17%; 2025/26 increase over 2024/25; 1.71%; and 2026/27 increase over 2025/26; 1.71%.

With regards to Council Tax (CT), Council Tax (CT); in Decembers Provisional Settlement, it was confirmed that Councils are permitted to increase their Council Tax by the higher of 1.99% or £5.

The Councils Consolidated Draft Budget 2022/23 and MTFS (2023/24 to 2026/27) is summarised in Table 5 to the report with the detailed budget and MTFS being shown at Appendix 1 to the report and the detailed service budgets being shown at Appendix 2. After reflecting the budget challenge 2025 changes (3.3), and budget principles; including: service-related changes, non-service funding and council tax and business rates, there is no forecast budget gap for 2022/23; however a £551k gap does start to appear in 2025/26 and increases to £1.6m by 2026/27. The main reasons for this gap are a combination of future years pay award, additional costs relating to the Waste/Environment contract and the expectation of a future deficit on the collection fund.

Cabinet approved a new approach to Reserves management in November 2020 that included a Reserves Strategy which included: A minimum level of reserves at 20% of net expenditure (Service Expenditure & Minimum Revenue Provision); the establishment of earmarked reserves based on strategic groupings and the reallocation of "excess" General Fund to these new strategic groupings.

The capital programme, as well as including specific projects (i.e. Welland Park toilets, Frank Whittle Monument and essential works relating to The Symington Building) also includes provisional amounts in respect of the following :-

A cemetery in Market Harborough. The Market Harborough cemetery has only 2-years capacity remaining. A project is underway to establish alternative provision and an outline capital programme bid amount of £1m has been included in case new land is needed.

A New Depot; as the Council needs a new depot for the start of the new waste/environmental contract. A project is underway to establish alternative provision and an outline capital programme bid amount of £5m has been included for land acquisition and development.

Transformation; it is anticipated that with the implementation of a new “target operating model” some significant future revenue transformation related costs may be incurred. Consequently an outline capital programme bid amounts of £1.5m has been included to meet these costs; this cost can be wholly financed from the application of the Flexible Use of Capital Receipts Strategy that was approved by Council in June 2021.

Hybrid Democratic Virtualisation; it is not typical to include additional items for the current year, but a need has been identified to upgrade the hybrid video streaming equipment in the Council Chamber, and as it is possible to part fund this from Contain Funding, it is opportune to include this within this capital programme.

Highlights of activity over the previous year include the following :-

Delivering services for the most vulnerable in the District through various grants including the Disability Facility grants; assisted to reduce homelessness by helping to develop local temporary accommodation at Roman Way; found local housing provision for three Syrian and one Afghan family within the District; helped with enforcement planning; and taken measures to reduce environmental crime through measures such as the nationally recognised Fly Tipping initiative.

During the pandemic, £5.6 million of business support grants have been paid out to c. 14,000 businesses for the period 1st April 2021 to 31st December 2021, and 8 payments have been made to business specifically affected by the Omicron variant. It was highlighted that HDC were one of the first Councils locally to distribute grants, and ranked very highly on a national basis.

The Council has supported the company managing the District’s Leisure Centres over the pandemic period, and has maintained local parks and playgrounds. In addition, £1.5 million of funds via Section 106 funding has been put into community facilities within the District.

1. RESOLVED that the following be approved:
 - (i) Various service-related budget changes noted in paragraphs 3.5 to 3.11 to the report be included in the Draft 2022/23 Budget and MTFS (2023/24 to 2026/27).
 - (ii) Various non-service funding budget changes noted in paragraphs 3.12 – 3.17 to the report be included in the Draft 2022/23 Budget and MTFS (2023/24 to 2026/27).
 - (iii) Council Tax, Business Rates and Collection Fund related budget changes noted in paragraphs 3.18 to 3.24 to the report be included in the Draft 2022/23 Budget and MTFS (2023/24 to 2026/27).
 - a. This includes a £5 increase in Council Tax for 2023/24 and notionally for each year of the MTFS (2024/25 to 2026/27).
 - (iv) Authority be delegated to the Director, Finance, ICT & Assets, following consultation with the Portfolio Holder for Resources, to distribute the “Final” Forecast 2021/22 Collection Fund Surplus/(Deficit) to respective Preceptors by the statutory deadline (31st January 2022).

- (v) Draft Budget 2022/23 and MTFS (2023/24 to 2025/26) summarised at Table 5 (paragraph 3.25 to the report). The detailed service budgets are shown at Appendix 1 and 2 to the report.
 - (vi) Reserves allocations summarised at Table 6, Appendix 3 to the report.
 - (vii) Capital Programme for 2022/23 and for the MTFS (2023/24 to 2026/27) summarised at Table 7. The detailed capital programme is shown at Appendix 4 to the report.
2. RESOLVED that the continuation of the transformation programme and continuous improvement be endorsed, thereby ensuring that the Council remains “Committed to Financial Sustainability & Resilience to enable Community Investment”.

Summary of Reasons

To provide the opportunity for consultation on the emerging budget position for 2022/23 and the MTFS, with a focus on the revenue budget and proposals for the capital programme.

SOUTH LEICESTERSHIRE LOCAL PLAN MAKING – STATEMENT OF COMMON GROUND

The Cabinet considered the report on the South Leicestershire Local Plan Making Statement of Common Ground (SoCG) (November 2021).

In accordance with the Localism Act 2011 and the National Planning Policy Framework (NPPF), local authorities have a duty to collaborate to address strategic planning matters. The Duty to Cooperate is the mechanism for ensuring that this happens. The Duty requires ongoing constructive engagement on the preparation of development plan documents and other activities in relation to the sustainable development and use of land.

Statements of Common Ground (SoCG) are a means of demonstrating the Duty to Cooperate is met, as evidence of effective ongoing collaboration and engagement between partner authorities. A SoCG is a written record of the progress made by strategic plan-making authorities during the process of planning for strategic cross-boundary matters.

The SoCG has been prepared by jointly by Blaby District Council, Harborough District Council and Oadby and Wigston Borough Council working in collaboration. Hinckley and Bosworth Borough Council, as neighbouring authority, is identified as an additional signatory to this Statement of Common Ground. Leicestershire County Council, as Highway Authority, are also an additional signatory. Its purpose is to set out how the Duty to Cooperate has been met in relation to the following strategic issues: transport connectivity; other infrastructure requirements; and development pressures and opportunities.

The SoCG between the south Leicestershire authorities reflects the shared geography underpinning local planning within each of the relevant local authorities. It explains how the authorities share common boundaries and a shared transport network. This means that development in one of the authorities is likely to impact upon each of the others through the strategic and local road networks and other transport routes.

RESOLVED that Cabinet and Council note the South Leicestershire Local Plan Making Statement of Common Ground (SoCG) (November 2021).

RECOMMENDED TO COUNCIL that the Council becomes a signatory to the Statement of Common Ground (as set out in Appendix A to the report).

Summary of Reasons

To become a signatory to the South Leicestershire Local Plan Making Statement of Common Ground (SoCG), together with the other local authorities within the south Leicestershire area, namely Blaby District Council and Oadby and Wigston Borough Council (“the three authorities”).

REVIEW OF THE LEICESTERSHIRE MUNICIPAL WASTE MANAGEMENT STRATEGY

The Cabinet considered the report outlining the approach to the public consultation for the review of the Leicestershire Municipal Waste Management Strategy (LMWMS).

The Leicestershire Waste Partnership have commissioned Frith Resource Management to undertake a full review of the Leicestershire Municipal Waste Management Strategy.

The national Resources and Waste Strategy (RWS) was released in 2018. The RWS focuses on known problems with effective solutions that will reduce reliance on single use plastics, cut confusion over household recycling, tackle the problems of packaging and end food waste.

The RWS outlines how the Government aims to make the UK more resource efficient and to move towards a circular economy which keeps resources in use for longer. The RWS covers the period until 2050 and includes the Circular Economy Package (CEP) target of 65% recycling rate of municipal solid waste by 2035.

Following on from the national RWS two rounds of consultations have been released. These include the forthcoming changes that are anticipated to impact on local waste services including mandatory weekly food waste collections, free garden waste collections, the introduction of a deposit return scheme for single use drinks containers, extended producer responsibility for packaging (this is in essence where the full cost of collection, recycling and disposing of packaging is met by the producers of the packaging) and a move towards consistent collections for all local authorities. The results of the consultations have not yet been published.

All partner authorities will consider the approach to the public consultation in December 21/January 22 before the public consultation is launched, and it is anticipated that the public consultation process will be launched during January 2022.

RESOLVED that:

- (i) the process of a full review of the LMWMS be supported, and a public consultation be undertaken for a period of 12 weeks.
- (ii) each authority within the Leicestershire Waste Partnership (LWP) is in the process of seeking approval to the approach for the public consultation which forms part of the process of a review of a Joint Municipal Waste Management Strategy as per Government guidelines. A consistent template report has been produced for the LWP, setting out the approach to the public consultation, including key elements to allow for all Partners to secure collective approval for the next stage of the process, please see below.

- (iii) in view of the above, delegated authority to approve the documents in recommendation (ii) above be delegated to the Director Communities and Wellbeing, following consultation with the portfolio holder.

Summary of Reasons

To create a new Waste Strategy for Leicestershire and to bring this in line with the Governments Waste Strategy proposals.

To support the process of a full review of the LMWMS, a public consultation should be undertaken for a period of 12 weeks.

SECTION 100A LOCAL GOVERNMENT ACT 1972

RESOLVED that the public and press be excluded from the following items on the grounds that the matters yet to be discussed involved the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A to the Local Government Act 1972.

ICT TRANSFORMATION PROGRAMME – PROGRAMME SUPPORT

The Cabinet considered an exempt report on the ICT Transformation Programme – Programme Support.

RESOLVED that the recommendation detailed in the report be approved.

Summary of Reasons

To support the ICT Transformation Programme. The primary implementation of the recently approved ICT Strategy.

TO CONSIDER MATTERS OF SPECIAL URGENCY

There were none.

The meeting ended at 6.15 p.m.