

# Public Document Pack



Hinckley & Bosworth  
Borough Council

**Bill Cullen** MBA (ISM), BA(Hons) MRTPI  
*Chief Executive*

**Date: 28 January 2026**

**To: Members of the Scrutiny Commission and  
Finance & Performance Scrutiny**

Cllr C Lambert (Chair)  
Cllr MJ Surtees (Vice-Chair)  
Cllr P Williams (Vice-Chair)  
Cllr RG Allen  
Cllr DS Cope  
Cllr MJ Crooks  
Cllr DT Glenville  
Cllr C Harris

Cllr J Moore  
Cllr LJ Mullaney  
Cllr A Pendlebury  
Cllr H Smith  
Cllr P Stead-Davis  
Cllr BE Sutton  
Cllr R Webber-Jones  
Cllr A Weightman

Copy to all other Members of the Council

(other recipients for information)

Dear member,

There will be a joint meeting of the **SCRUTINY COMMISSION** and **FINANCE & PERFORMANCE SCRUTINY** in the De Montfort Suite, Hinckley Hub on **THURSDAY, 5 FEBRUARY 2026** at **6.30 pm** and your attendance is required.

The agenda for the meeting is set out overleaf.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Owen'.

Rebecca Owen  
Democratic Services Manager

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- *There are two escape routes from the Council Chamber – at the side and rear. Leave via the door closest to you.*
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- **Do not** use the lifts.
- **Do not** stop to collect belongings.

## Recording of meetings

At HBBC we are open and transparent about how we make decisions. We allow recording, filming and photography at all public meetings including Council, the Executive and Planning Committee as long as doing so does not disturb or disrupt the proceedings. There may occasionally be some reports that are discussed in private session where legislation requires this to happen, but this is infrequent.

We also allow the use of social media during meetings, which helps to bring the issues discussed to a wider audience.

Members of the public, members of the press and councillors are hereby informed that, in attending the meeting, you may be captured on film. If you have a particular problem with this, please contact us so we can discuss how we may accommodate you at the meeting.

## Use of mobile phones

To minimise disturbance to others attending the meeting, please switch off your phone or other mobile device or turn it onto silent or vibrate mode.

Thank you

**SCRUTINY COMMISSION AND FINANCE & PERFORMANCE SCRUTINY  
5 FEBRUARY 2026**

**A G E N D A**

**1. APOLOGIES AND SUBSTITUTIONS**

**2. MINUTES (Pages 1 - 4)**

To confirm the minutes of the meeting held on 18 December 2025.

**3. ADDITIONAL URGENT BUSINESS BY REASON OF SPECIAL CIRCUMSTANCES**

To be advised of any additional items of business which the Chair decides by reason of special circumstances shall be taken as matters of urgency at this meeting.

**4. DECLARATIONS OF INTEREST**

To receive verbally from members any disclosures which they are required to make in accordance with the Council's code of conduct or in pursuance of Section 106 of the Local Government Finance Act 1992. **This is in addition to the need for such disclosure to be also given when the relevant matter is reached on the agenda.**

**5. QUESTIONS**

To hear any questions in accordance with Council Procedure Rule 12.

**6. SCRUTINY COMMISSION WORK PROGRAMME (Pages 5 - 10)**

Work programme attached.

**7. FORWARD PLAN OF EXECUTIVE AND COUNCIL DECISIONS (Pages 11 - 16)**

Forward plan for the period January to April 2026.

**8. BUDGET REPORTS**

To consider the following reports.

- (a) Medium term financial strategy 20225/26 to 2027/28 (Pages 17 - 64)
- (b) General fund budget 2026/27 (Pages 65 - 80)
- (c) Housing revenue account budget 2026-27 (Pages 81 - 94)
- (d) Fees and charges 2026/2027 (Pages 95 - 128)
- (e) Capital programme 2025-26 to 2028-29 and capital strategy (Pages 129 - 152)
- (f) Treasury management strategy 2025-26 to 2028-29 and prudential indicators 2025-26 to 2028-29 (Pages 153 - 190)

**9. PAY POLICY STATEMENT (Pages 191 - 208)**

To present the pay policy statement for 2026/27.

10. **ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIR DECIDES HAVE TO BE DEALT WITH AS MATTERS OF URGENCY**

As announced under item 3.



## HINCKLEY AND BOSWORTH BOROUGH COUNCIL

### SCRUTINY COMMISSION

**18 DECEMBER 2025 AT 6.30 PM**

**PRESENT:** Cllr C Lambert - Chair  
Cllr MJ Surtees and Cllr P Williams – Vice-Chair  
Cllr MJ Crooks, Cllr C Harris, Cllr J Moore, Cllr A Pendlebury, Cllr M Simmons  
and Cllr R Webber-Jones

Also in attendance: Councillor RG Allen

Officers in attendance: Chris Brown, Rebecca Owen, Madeline Shellard and  
Ashley Wilson

**290. Minutes**

It was moved by Councillor Williams, seconded by Councillor Crooks and

**RESOLVED** – the minutes of the meeting held on 6 November be  
confirmed as a correct record.

**291. Additional urgent business by reason of special circumstances**

Attention was drawn to the budget strategy report which had been accepted as a  
late item by the chair and would be considered at the end of the agenda.

**292. Declarations of interest**

No interests were declared.

**293. Scrutiny Commission Work Programme**

It was noted that the next review would be the digital poverty review and that the  
community governance review would be added to the work programme following  
the second phase of consultation.

**294. Planning appeals annual report**

Members were updated on planning appeals for 2024/25, noting that eight  
appeals had been allowed and 21 had been dismissed. Members felt that positive  
report reflected the increasing stability of the planning service.

A member asked whether the underspend on the appeals budget would lead to a  
reduced budget in future years and requested transparency in the use of the  
underspend. In response it was noted that the remaining budget had been used  
within the planning service and future projected costs were contained within the  
report.

The report was noted.

**295. Scrutiny review: housing - progress on recommendations**

The Scrutiny Commission received an update on recommendations approved by the Executive arising from the work of the task & finish group which reviewed pressures within the housing service including homelessness. During discussion, the following points were made:

- Homelessness levels were consistently high but there was a high number of families requiring temporary accommodation
- The response from MHCLG to the letter from the Executive member which lobbied for various measures was disappointing
- Council house building capacity needed to be supported by government strategy
- The additional posts requested by the review were being considered through the budget setting process
- Work was still being undertaken in relation to bringing empty properties back into use
- Homelessness prevention continued to be a key focus of the housing service.

The chair expressed disappointment in the amount of time it had taken for the letter to be sent to the government following the Executive's decision.

The update was noted.

**296. Overview & Scrutiny statutory guidance - self assessment**

A self-assessment against the Overview & Scrutiny Statutory Guidance was presented to the Scrutiny Commission. It was proposed that the next step should be to hold a further workshop to consider priorities arising from the self-assessment and creation of an action plan. It was suggested that with local government reorganisation on the horizon, the action plan should be realistic and relevant.

It was suggested that the workshop would take place on 22 January at 4pm, prior to the next scheduled meeting of the Scrutiny Commission. On the motion of Councillor Crooks, seconded by Councillor Surtees it was

RESOLVED –

- (i) The self-assessment be endorsed;
- (ii) A workshop be arranged for 22 January 2026 at 4pm.

**297. Forward plan of Executive and Council decisions**

It was noted that the housing policy items on the forward plan for November had been rescheduled to enable them to come to the Scrutiny Commission prior to decision.

A member suggested that the Scrutiny Commission should monitor the implementation and progress of the food waste collection scheme. It was agreed that this would be considered for inclusion on the work programme.

298. **Minutes of Finance & Performance Scrutiny**

The minutes of Finance & Performance Scrutiny on 10 November were noted.

299. **Budget Strategy 2026-27**

Consideration was given to the budget strategy for 2026/27 and members were updated on the fair funding review, business rates reset and government settlement. A member suggested that the capital programme and housing revenue account should be included in future budget strategy reports.

A member asked whether the impact of increasing garden waste collection charges was monitored and assessed to inform future decisions relating to increases. In response it was noted that the impact was more positive than predicted which may be due to the low charge in comparison to other local authorities.

The report and request for inclusion of the capital programme and housing revenue account in future budget strategy reports were noted.

(The Meeting closed at 7.16 pm)

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CHAIR

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Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

# Scrutiny Commission Work Programme 2023-2027

**FEBRUARY 2026**

Date	Issue (report author)	Reason	Outcomes	Supports corporate aims
5 February 2026 (budget meeting)	Budget reports (Ashley Wilson)	Normal reporting pathway	Scrutiny prior to Council decision	All
	Pay policy statement (Julie Stay)	Normal reporting pathway	Scrutiny prior to Council decision	All
12 March 2026	Review of recommendations of planning service review (2022) (Scrutiny review / Chris Brown)	Monitor implementation of recommendations	Ensure recommendations have been actioned	2
	Parish & Community Initiative Fund allocations (Paul Scragg)	Normal reporting pathway	Recommendations to SLT	2
	Young People's Strategy 2026-29 (Rachel Burgess)			1
	Economic regeneration strategy 2026 – 2030 (Daniel Britton)	Refresh of strategy	Recommendation to decision making body	2
	Affordable housing delivery (Valerie Bunting)	Annual report	Awareness of delivery	1, 2
	Housing repairs, damp & mould & asbestos policy (Maddy Shellard)	Reporting pathway / raising awareness	Scrutiny prior to Executive decision	1
	ASB policy (Maddy Shellard)	Reporting pathway / raising awareness	Scrutiny prior to Executive decision	1
	Mutual exchange policy (Maddy Shellard)	Reporting pathway / raising awareness	Scrutiny prior to Executive decision	1
	Tenancy fraud policy & compensation policy (Maddy Shellard)	Reporting pathway / raising awareness	Scrutiny prior to Executive decision	1
	Aids & adaptations policy (Maddy Shellard)	Reporting pathway / raising awareness	Scrutiny prior to Executive decision	1

Date	Issue (report author)	Reason	Outcomes	Supports corporate aims
	Tenancy Policy (TBC) (Maddy Shellard)	Reporting pathway	Recommendations to Executive	1
	Annual review of the council's constitution (Julie Kenny)	Consultation with members	Scrutiny prior to Council decision	All
	Pesticide and grassland reviews (Ian Pinfold)	Reporting pathway – requested by chair and vice-chairs	Scrutiny prior to Executive decision	
7 May 2026	Overview & scrutiny statutory guidance (Scrutiny review)	Agreement of action plan arising from workshop	Creation of action plan	All
	Voluntary & Community sector partnership update and commissioning outcomes (Rachel Burgess)	Annual update	Awareness of VCS activity	1
	Digital poverty review (Scrutiny review)	Request of members	Agree the scope of the review	1
	Estates improvement policy (Maddy Shellard)	Reporting pathway / raising awareness	Scrutiny prior to Executive decision	
	Right to buy policy (Maddy Shellard)	Reporting pathway / raising awareness	Scrutiny prior to Executive decision	
	Revised asset management strategy (Maddy Shellard)	Reporting pathway / raising awareness	Scrutiny prior to Executive decision	
	Void policy (Maddy Shellard)	Reporting pathway / raising awareness	Scrutiny prior to Executive decision	
	Vulnerability policy (Maddy Shellard)	Reporting pathway / raising awareness	Scrutiny prior to Executive decision	
	Safety policies (Maddy Shellard)	Reporting pathway / raising awareness	Scrutiny prior to Executive decision	

Date	Issue (report author)	Reason	Outcomes	Supports corporate aims
	Community governance review – Hinckley (Julie Kenny)	Request of chair	Scrutiny of recommendations prior to Council decision	All
2 July 2026	Environmental Improvement programme (Daniel Britton)	Annual report	Consult with members	2, 3
	Housing presentation & Awaab's law report (Maddy Shellard)	Reporting pathway / raising awareness	Scrutiny prior to Executive decision	1
27 August 2026	Heritage Strategy update (Paul Grundy)	Update 12 months since adoption of new strategy	Ensure successful implementation of strategy	2
	Infrastructure funding statement (Lesley Keal)	Annual report	Awareness of S106 contributions and allocations	2
	Overview & Scrutiny annual report (Becky Owen)	Annual report – good practice	Recommendations to Council	All
22 October 2026	Planning appeals update (Chris Brown)	Annual report	Monitoring of performance on appeals	2
	Housing associations: housing management practices (Scrutiny review)	Request of members: matter of importance to residents	Scoping of review	1, 2
10 December 2026				
28 January 2027 (budget meeting)	Budget reports (Ashley Wilson)	Normal reporting pathway	Scrutiny prior to Council decision	All



Date	Issue (report author)	Reason	Outcomes	Supports corporate aims
	Pay policy statement (Julie Stay)	Normal reporting pathway	Scrutiny prior to Council decision	All
11 February 2027	Affordable housing delivery (Valerie Bunting)	Annual report	Awareness of delivery	1, 2
8 April 2027	Voluntary & Community sector partnership update and commissioning outcomes (Rachel Burgess)	Annual update	Awareness of VCS activity	1
	Parish & Community Initiative Fund allocations (Paul Scragg)	Normal reporting pathway	Recommendations to SLT	2

To be programmed  
Public transport review

Key to corporate aims

- 1 – People
- 2 – Places
- 3 – Prosperity

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Hinckley & Bosworth  
Borough Council

# HINCKLEY & BOSWORTH BOROUGH COUNCIL FORWARD PLAN

## JANUARY 2026 TO APRIL 2026

Page

### ***What is the forward plan?***

The forward plan is a list of decisions to be taken by the Executive or Council during the period referred to above. The plan also identifies any key decisions to be taken by the Executive. The Council has a duty to publish notice of key decisions at least 28 days before a decision is taken.

### ***What is a key decision?***

The definition of a key decision is contained within the council's constitution and is a decision which:

- Involves expenditure (or reduction of income) of over £50,000 on any particular scheme / project
- Adopts a policy or strategy (which the Executive has the power to adopt)
- Involves the adoption or amendment to the scale of fees and charges

- Is one that affects the whole of the borough and is one of which the residents of Hinckley & Bosworth would normally expect to be notified or consulted;
- Involves a recommendation by the Executive to a partnership organisation which will take the ultimate decision.

### ***Who can make key decisions?***

Key decisions can be made by the Executive, the Leader or Executive members, or individual officers acting under delegated powers.

### ***Are only key decisions published on the plan?***

Whilst the requirement only covers inclusion of key decisions on the plan, the council has voluntarily decided to list non-key Executive decisions and decisions of Council. Key decisions will be identified on the plan.

### ***What does the plan tell me?***

The list gives information about the upcoming decision, whether it will be made in public or private, when the decision is likely to be made, who will make the decision, and who you can contact for further information.

Confidential and exempt information

This list may include items for decision which contain confidential or exempt information, such items will be identified with '(exempt)' next to the report title.

<b>Details of the Decision to be taken</b> (*denotes key decision)	<b>Portfolio/ Service</b>	<b>Decision Maker And Date(s)</b>	<b>Reporting Pathway And Dates(s)</b>	<b>Consultees and Consultation Process</b>	<b>Report Author</b>
Tenancy policy *	Housing	Executive 28 Jan 2026	Scrutiny Commission 22 Jan 2026		Madeline Shellard
Waste bin and collection policy *	Street Scene Services	Executive 28 Jan 2026			Caroline Roffey
Pesticides and grassland review	Street Scene Services	Executive 28 Jan 2026		Climate Change Member Working Group – date tbc	Caroline Roffey
Biodiversity Net Gain: Burbage Common and Woods	Street Scene Services	Executive 28 Jan 2026			Caroline Roffey
Pay Policy Statement		Council 19 Feb 2026	Scrutiny Commission 22 Jan 2026		Julie Stay
Community governance review - Witherley	Democratic Services	Council 19 Feb 2026		Full public consultation process in accordance with terms of reference	Rebecca Owen
Budget reports	Finance	Council 19 Feb 2026	Scrutiny Commission 22 Jan 2026		Ashley Wilson
Young People strategy *	Community Safety	Executive 25 Mar 2026	Scrutiny Commission 12 Mar 2026		Rachel Burgess

<b>Details of the Decision to be taken</b> (*denotes key decision)	<b>Portfolio/ Service</b>	<b>Decision Maker And Date(s)</b>	<b>Reporting Pathway And Dates(s)</b>	<b>Consultees and Consultation Process</b>	<b>Report Author</b>
Review of the council's constitution	Democratic Services	Council 14 Apr 2026	Scrutiny Commission 12 March 2026		Julie Kenny

## ***DETAILS OF COUNCIL DECISION MAKERS***

The Executive is made up of the following councillors:

Councillor SL Bray – Leader of the Council and Executive member for external relations, communications, regeneration & town centres, corporate & member services – [stuart.bray@hinckley-bosworth.gov.uk](mailto:stuart.bray@hinckley-bosworth.gov.uk)

Councillor MC Bools – Deputy Leader of the Council and Executive member for leisure, culture, tourism, arts, equalities, health & well being  
Email: [mark.bools@hinckley-bosworth.gov.uk](mailto:mark.bools@hinckley-bosworth.gov.uk)

Councillor MB Cartwright – Executive member for climate change, environment & rural affairs  
Email: [martin.cartwright@hinckley-bosworth.gov.uk](mailto:martin.cartwright@hinckley-bosworth.gov.uk)

Councillor WJ Crooks – Executive member for planning  
Email: [bill.crooks@hinckley-bosworth.gov.uk](mailto:bill.crooks@hinckley-bosworth.gov.uk)

Councillor L Hodgkins – Executive member for parks, open spaces & neighbourhood services  
Email: [lynda.hodgkins@hinckley-bosworth.gov.uk](mailto:lynda.hodgkins@hinckley-bosworth.gov.uk)

Councillor KWP Lynch – Executive member for finance, ICT & asset management  
Email: [keith.lynch@hinckley-bosworth.gov.uk](mailto:keith.lynch@hinckley-bosworth.gov.uk)

Councillor MT Mullaney – Executive member for housing & community safety  
Email: [michael.mullaney@hinckley-bosworth.gov.uk](mailto:michael.mullaney@hinckley-bosworth.gov.uk)

To find out which officer is responsible for a particular service area, view the [structure chart](#) on the council's website.

Further clarification and representations about any item included in the forward plan can be made to the appropriate Executive Member and senior officer either using the contact details above or in writing to: Hinckley and Bosworth Borough Council, Hinckley Hub, Rugby Road, Hinckley, Leicestershire, LE10 0FR. Representations should be made before noon on the working day before the date on which the decision is to be taken.

## ***DECISION MAKING ARRANGEMENTS***

The views of local people are at the heart of decision making at Hinckley & Bosworth Borough Council, because major decisions are made by councillors who are elected every four years by local people. Councillors work with the communities that they represent to ensure that local priorities are reflected in the work that the council does.

The Council is made up of 34 councillors representing 16 wards. If you want to know which councillor(s) represents your area or you would like to contact your councillor(s) concerning an issue, you will find contact details on our website ([www.hinckley-bosworth.gov.uk](http://www.hinckley-bosworth.gov.uk)) or alternatively you can contact the Council on 01455 238141.

The council is committed to the principle of open government and everyone is welcome to attend meetings (except for confidential business) and to receive details of non-confidential items. Below are further details of the Council's democratic decision making arrangements.

### **The Council**

The Council is responsible for setting the budget and the policy framework. Each year there is an annual meeting, which selects the Mayor and Deputy Mayor (who are the Chair and Vice-Chair of the Council) and decides the membership of the overview and scrutiny bodies and regulatory committees. There are approximately six ordinary meetings of the Council per year, which make strategic, policy and major budget decisions.

### **Executive functions**

Many day to day policy and operational decisions are taken by the Executive, a group of seven councillors comprising of the Leader, Deputy Leader and five Executive Members each responsible for an area of council policy and activity. The Executive members and their responsibilities are detailed in the previous table.

### **Overview and scrutiny functions**

Decisions of the Executive are subject to scrutiny by the Scrutiny Commission and Finance & Performance Scrutiny. The Scrutiny Commission and Finance & Performance Scrutiny also have a role in policy development. In addition, scrutiny panels are established to undertake ad-hoc reviews. The Scrutiny Commission publishes an annual report and a work programme; this is available on the council's website and from the council on request.

### **Regulatory functions**

In addition the Council has established committees to deal with regulatory issues, these committees are Audit Committee, Ethical Governance & Personnel Committee, Licensing Committee, and Planning Committee.

Further information about the Council's decision making arrangements can be obtained from Democratic Services on 01455 255879.





## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Scrutiny Commission and Finance & Performance	5 February 2026
Council	19 February 2026
Wards affected:	All wards

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### Medium Term Financial Strategy (MTFS) 2025/26 - 2027/28

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Report of Assistant Director Finance & Audit (Section 151 Officer)

#### 1. Purpose of report

- 1.1 To update members on the MTFS position for 2025/26-2027/28 in the context of significant change for local government, both in terms of its funding basis and structure from local government reorganisation.

#### 2. Recommendation

2.1 That Members:

- i) Note the impacts arising from the governments fair funding review and finance settlement on the council's three-year MTFS position.
- ii) Agree the update to the Medium-Term Financial Strategy (MTFS) for 2025/26-2027/28, in particular the level of reserves used, and any potential need for savings and new income required between 2026/27 to 2027/28.
- iii) Agree the use of earmarked reserves to support the general fund position required over the life of the MTFS.
- iv) Agree that all supplementary requests above £10,000 for the period of the MTFS will be tightly managed and not be agreed if not matched by savings, unless legally unavoidable or required to ensure greater costs are not incurred.

#### 3. Background to the report

- 3.1. The MTFS sets the financial framework for delivering the Council's Corporate Plan through to the transition to unitary status in 2028. The MTFS aims to

ensure financial sustainability, robust planning, and the ongoing delivery of priority services. The update is being made in the context of significant changes and challenges due to government funding reforms, a business rates reset in 2026/27, and local government reorganisation (LGR) by 2028.

3.2. The key financial pressures in the MTFS arising from the recent government settlement and other key impacts are noted below:

- Business Rates Reset (2026/27): The Council will lose all of its £4.6m retained business rates growth, a major risk to financial stability.
- National pay settlements and new posts for food waste have increased payroll costs sharply (from £15.6m in 2025/26 £17.7m in 2026/27).
- Temporary accommodation costs have increased, the budget was increased to £2.1m in 2025/26 and is almost £1.5m in 2026/27, but government funding is only £0.57m.
- Structural Deficit: Income and government funding does not cover expenditure, requiring significant use of reserves to balance the budget over the MTFS period. This is due to a history of the financial settlements not fully covering costs pressures, which has not been corrected for by the fair funding review.
- Government Finance Settlement - The overall impact arising from the government's fair funding review is mixed but the overriding impact is negative. Whilst the settlement has directed more resources to the council of around £2m to help cover pressures and the introduction of national waste requirements, the implementation of food waste costs alone are £1.45m. Our £1.5m temporary accommodation costs are also not being met by government support (only £573,000 are funded) and other pay pressures are adding about £1.3m.
- Overall, growths and pressures exceed savings and new income by £2.8m for 2026/27.

3.3. Key risks that may change the MTFS position:

- Government have noted in their consultation on the settlement in 2026-27 that final allocations for 2027-28 and 2028-29 will be confirmed in their respective years. Which means the amounts noted could change and be less or more than we have been notified of in this settlement.
- At the time of writing it is understood that the business rates reset also may make changes to the level of growth held in enterprise zones, with government potentially taking a share of the growth. HBBC have a forward funding agreement that depends on the previous method of business rates retention in EZ areas. The change could lead to losses on the arrangement. Further analysis will be needed once the revised position is fully clarified. Representations have been made to government officials to seek to address this risk.
- Assumptions have been made on cost increases, the largest being for pay costs that have not yet been nationally agreed. If costs increase at a higher rate than expected, then further pressure will occur and the MTFS will need to be updated, when known.

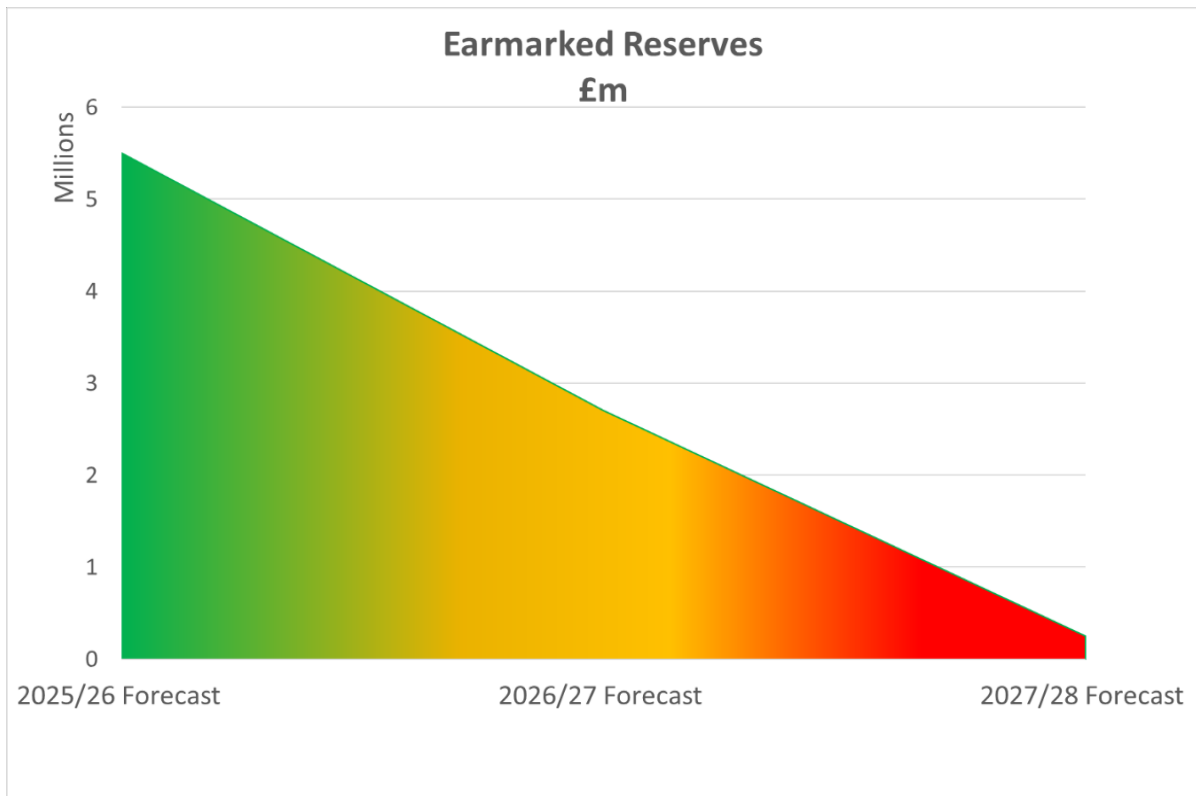
- Any savings or costs referred to do not include local government reorganisation costs, which could be significant for all authorities in Leicestershire and Rutland.
- 3.4. Government is providing transitional relief and increased RSG funding for some of the new pressures, but this is not sufficient to cover all costs which are increasing at a higher rate than can be covered by this support. This means expenditure is higher than income and to balance the MTFS all earmarked reserves will be used by the 31 March 2028.
- 3.5. The MTFS highlights a period of significant financial challenge for Hinckley and Bosworth Borough Council. The business rates reset, declining government support, and rising costs mean that reserves will be heavily used. The council is taking proactive steps, but the risks remain high, and ongoing monitoring and adaptation will be essential. The council is already taking proactive steps, such as investing £5m in general fund housing to ease temporary accommodation pressures, but the risks remain high and ongoing monitoring and adaptation will be essential. To put the overall context of pressures faced for 2026/27, there are, after adjustments, £5.9m of pressures, with reduction in costs, savings and new income actioned of £2.3m.
- 3.6. This MTFS is being updated to reflect changes announced by national government in relation to the fair funding review and business rate reset, as well as its intention for LGR by 2028/29, and is being prepared at a time of very high levels of uncertainty, due to the government's ambitions to deliver change in a relatively short period:
- a fair funding review for 2026/27, this will not be repeated during the MTFS period, but the annual settlement will be subject consultation which may lead to changes,
  - a business rates reset for 2026/27, which will see the council losing almost all its £4.6 retained business rates growth,
  - local government reorganisation (LGR) in this MTFS period, and
  - devolution for local government in England during this MTFS period.
- 3.7. The MTFS is forecast to 2027/28 on the basis that HBBC will continue for that period, even though the financial settlement covers a three year period to the end of 2028/29. Based on the assumptions in the report, the council will be able to set a balanced budget for 2026/27 and 2027/28. If, for any reason, LGR is delayed, then a balanced budget for 2028/29 will likely not be possible for 2028/29. This also appears to be the picture for other Leicestershire authorities. Due to the LGR timeline the MTFS only covers the current year, plus a two-year forecast.
- 3.8. The MTFS summary is provided in the table below, which can be delivered without savings or new income at a 15% of net expenditure target for 2026/27 and to not fall below 10% for 2027/28, with an LGR reserve of £250,000. All councils are required to set a balanced budget and confirm that reserves held are adequate.

EXPECTED (FINANCIAL FORECAST)	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast
Net Service Expenditure	14,333,957	15,947,803	18,784,264	19,638,313
Budget movements	2,524,348	2,836,461	854,049	800,890
Savings/New income needed	0	0	0	0
<b>NET Borough Budget Requirement</b>	16,858,305	18,784,264	19,638,313	20,439,203
Pension Adjustment	-1,610,720	71,000	71,000	71,000
Reserves movements	-511,132	-2,729,034	-2,353,747	0
General fund gain / loss	314,921	350,176	-667,190	-3,888,344
<b>Net Budget Forecast</b>	15,051,375	16,476,406	16,688,376	16,621,858
<b>General Fund Balance</b>	2,120,930	2,471,657	1,804,467	-2,083,877
<b>Earmarked Reserves</b>	5,504,941	2,703,747	250,000	250,000
GF performance	14.1%	15.0%	10.8%	-12.5%

## The Budget Gap

- 3.9. To close the budget gap and achieve a 15% target for the General Fund for 2026/27 and at least 10% for 2027/28, the use of reserves would be required, as set out in the table below. This would reduce the borough's earmarked reserves to £250,000 to resource a LGR reserve, and the special expenses balance of £175,000 remaining as a separate amount. This fall in reserves is noted in the table and graph below.

EXPECTED (FINANCIAL FORECAST)	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast
<b>Budget Gap</b>	196,211	2,912,825	5,136,037	7,640,616
<b>Damping Provided</b>	0	-533,966	-2,115,101	-3,752,272
<b>Unfunded Budget Gap</b>	196,211	2,378,859	3,020,936	3,888,344
<b>Savings/New Income to balance GF</b>	0	0	0	0
<b>Use of Reserves</b>	-511,132	-2,729,034	-2,353,747	0
<b>Contribution to / from General Fund</b>	314,921	350,176	-667,190	
<b>Gap not covered</b>				-3,888,344
<b>GF 15% Target performance</b>	15%	15%	11%	-13%
<b>Total Earmarked reserves</b>	5,753,166	2,915,131	424,544	424,544
<b>Net of Special Expenses</b>	5,504,941	2,703,747	250,000	250,000



### The Core Spending Power Financial Settlement (CSP)

- 3.10. CSP is the funding from government and council tax that should normally balance the budget, without need to use reserves. Government had stated that the 2026/27 settlement will be less in this year for HBBC than the prior year, by up to 5%. However, the basis for covering core spending power funding has been rebased by government to include amounts the council would previously have paid to the Leicestershire business pool of £2.6m. Therefore, whilst the amount paid directly to HBBC has increased by £2m, after adjustment for the levy there is a reduction on funding to the local area as per the table below, which is as 3.4% calculated by MHCLG.

Hinckley and Bosworth Core Funding	2025/26 CPS £000	Provisional Settlement 2026/27 £000	Difference £000
<b>Business rate BLF</b>	£2,854	£2,735	<b>-£120</b>
RSG	£242	£7,003	£6,762
Business Rates growth	£4,557	£0	<b>-£4,557</b>
Council tax requirement excluding parish precepts <sup>1</sup>	£6,393	£6,676	£283
New Homes Bonus	£526	£0	<b>-£526</b>
Employer National Insurance Contributions Grant	£127	£0	<b>-£127</b>
Domestic Abuse Safe Accommodation Grant	£36	£0	<b>-£36</b>

Hinckley and Bosworth Core Funding	2025/26 CPS £000	Provisional Settlement 2026/27 £000	Difference £000
Homelessness, Rough Sleeping and Domestic Abuse	£540	£573	£33
Funding Floor	£240	£0	-£240
Damping	£0	£534	£534
Core Spending Power as provided in 2025/26	£15,516	£17,521	£2,005
Pool Levy kept locally*	£2,752	0	0
Less Employer National Insurance Contributions Grant	-£127	0	0
Total as per MHCLG settlement	£18,141	£17,521	-£619£
Year on year fall			-3.4%

- 3.11 There is an increase in direct funding being used to help partially cover the food waste costs of £1.45m, increases in temporary accommodation costs £0.5m and other pressures, such as national pay increases of over £1.25m, not including pay costs that are already included in the food waste increase. Also, of note is that the national insurance increases of £127,000 introduced in 2025/26 that were funded are no longer included in the settlement. The actual movement year on year in terms of its impact on HBBC needs some further consideration, as the local business rates pool returned about £1m for HBBC to use, which is now lost to us as funding, and was not factored into the new settlement.

#### 4. Exemptions in accordance with the Access to Information procedure rules

- 4.1 Report is to be taken in open session.

#### 5. Financial implications [AW]

- 5.1 In the body of the report.

#### 6. Legal implications

- 6.1 The MTFS provides the foundations to allow the Council to meet its statutory obligations in accordance with Section 32 of the Local Government Finance Act 1992 and section 25 of the Local Government Act 2003. The Council has a statutory requirement to set a budget for each financial year and approve the MTFS, including a three-year capital programme.

#### 7. Corporate Plan implications

- 7.1 A robust MTFS is required to ensure that resources are effectively allocated to ensure delivery of all the aims, outcomes and targets included in the Council's Corporate Plan.

## **8. Consultation**

- 8.1 All members of the Strategic Leadership Team have been consulted in preparing this Strategy.

## **9. Risk implications**

- 9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 9.3 The following significant risks associated with these report / decisions were identified from this assessment:

Management of significant (Net Red) risks		
Risk description	Mitigating actions	Owner
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	<p>A budget strategy is produced to ensure that the objectives of the budget exercise are known throughout the organisation.</p> <p>The budget is scrutinised on an ongoing basis to ensure that assumptions are robust and reflective of financial performance.</p> <p>Sufficient levels of reserves and balances have been maintained to ensure financial resilience based on current expectations</p>	A Wilson
<p>That the Council has insufficient resources to set a balanced budget over the MTFS period due to lack of sufficient reserves and government funding to cover potential increased future pressures from areas such as LGR and temporary accommodation, or other requirements</p> <p>The Council is highly likely to transfer a deficit position to any new unitary authority in place from 1 April 2028.</p>	<p>The Council will engage with in relation to the financial position of the council MHCLG to assess if there is further support available.</p> <p>A plan of potential action will be developed for if needed should savings and new income be required</p> <p>A review of the potential for the use capital flexibilities if needed.</p>	<p>S151 Officer / SLT</p> <p>SLT</p> <p>SLT</p>

## **10. Knowing your community - equality and rural implications**

- 10.1 The budget process will impact on all areas of the borough and all groups within the population.

## **11. Climate implications**

- 11.1 The stewardship of the financial resources of the council underpins all policy actions to address the council's objectives in ensuring it manages its resources to ensure climate considerations are achieved in accordance with the corporate plan. The MTFS has schemes that will directly increase our level of CO2 emissions.

## **12. Corporate implications**



12.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

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Background papers: Corporate Plan, Capital Programme, General Fund and HRA budgets and Treasury report

Contact officer: Ashley Wilson

Executive member: Cllr K. Lynch

## Appendix 1 Reserve Balances

Expected case reserves movements detail.

Reserves (Expected) Amounts in £000	31 March 2025	Capital	To Revenue	From Revenue	31 March 2026	Capital	To Revenue	From Revenue	31 March 2027	Capital	To Revenue	From Revenue	31 March 2028
Special Expenses Reserve	294	-58	-33	45	248	-49	-33	45	211	-49	-33	45	175
Local Plan Procedure	204	0	-202	0	2	0	-2	0	0	0	0	0	0
Business Rates Equalisation Reserve	1,250	0	0	0	1,250	0	0	0	1,250	0	1,250	0	0
Economic Priorities Reserve	2,829	0	-391	81	2,519	0	2,361	500	658	0	-658	0	0
Asset Management Reserve	274	0	0	0	274	0	-100	0	174	0	-174	0	0
Election Reserve	50	0	0	25	75	0	0	25	100	0	-100	0	0
Grounds Maintenance	30	0	0	0	30	0	0	0	30	0	-30	0	0
Enforcement and Planning Appeals	100	0	-50	135	185	0	-50	0	135	0	-135	0	0
Building Maintenance costs	492	-100	0	0	392	-100	0	0	292	-100	-192	0	0
Developing Communities Fund	236	0	0	0	236	0	-236	0	0	0	0	0	0
LGR Reserve	0	0	-50	100	50	0	-50	0	0	0	0	0	0
Environmental Action Reserve	150	0	-50	0	100	0	-50	0	50	0	-50	0	0
Total	5,910	-158	-776	386	5,361	-149	2,882	570	2,901	-149	2,622	45	175
Net of Special Expenses	5,615	-100	-743	341	5,113	-100	2,849	525	2,689	-100	2,589	0	0



Hinckley & Bosworth  
Borough Council

# **Medium Term Financial Strategy 2025/26-2027/28**

**Full Basis Document**

## 1. INTRODUCTION

1.1. The MTFS sets the financial framework for delivering the council's Corporate Plan through to the transition to unitary status in 2028. The MTFS aims to ensure financial sustainability, robust planning and the ongoing delivery of priority services. The update is being made amid significant changes due to government funding reforms, a business rates reset in 2026/27 and local government reorganisation (LGR) by 2028.

1.2. The key financial pressures in the MTFS are noted below:

- Business Rates Reset (2026/27): The council will lose all its £4.6m retained business rates growth, a major risk to financial stability.
- National pay settlements and new posts for food waste have increased sharply (From £15.6m in 2025/26 £17.7m in 2026/27).
- Temporary accommodation costs have increased. The budget was increased to £2.1m in 2025/26 and is almost £1.5m in 2026/27, but government funding is only £0.57m.
- Structural Deficit: Income and government funding does not cover expenditure, requiring significant use of reserves to balance the budget over the MTFS period.

Government is providing transitional relief and RSG funding for some of the new pressures, but costs are increasing at a higher rate than can be covered by this support. This means almost all the Council's earmarked reserves will be used by 2027/28.

1.3. Key risks that may change the MTFS position:

- Government have noted in their consultation on the Settlement in 2026-27 that final allocations for 2027-28 and 2028-29 will be confirmed in their respective years. Which means the amounts noted could change and be less or more than we have been notified of in this settlement.
- At the time of writing it is understood that the business rates reset is also going to make changes to the level of growth held in enterprise zones, with government potentially taking a share of the growth. HBBC have a forward funding agreement that depends on the previous method of business rates retention in EZ areas. The change could lead to losses on the arrangement. Representations to government have been raised on this matter. Further analysis will be needed once the revised position is fully known.
- Assumptions have been made on cost increases, the largest being for national pay award costs that have not yet been nationally agreed. If costs increase at a higher rate than expected, then further pressure will occur and the MTFS will need to be updated when known.
- Any savings referred to do not include any that might be needed to cover any potential LGR costs, which could be significant.

- 1.4. The MTFS highlights a period of significant financial challenge for Hinckley and Bosworth Borough Council. The business rates reset, declining government support, and rising costs mean that reserves will be heavily used, and there remains a risk substantial new income or savings will be needed to maintain financial stability.

### **Cost reductions/Savings and new income**

- 1.5. The council is already taking proactive steps, such as investing £5m in general fund housing to ease temporary accommodation pressures by £0.6m. There are also other initiatives and new income, such as saving on fuel £0.1m, new trade waste income of £0.1m, garden waste income of £0.15m, Extended Producer responsibility income of £0.4m, planning income of £0.18m and other savings that make a total of £2.3m (Appendix 5).
- 1.6. The forecasting used sets out the Council's likely Medium Term Financial Plan but there could be issues that impact this if costs increase further or government make any changes to the proposed settlement. This MTFS includes the impact of government announcements in relation to a fair funding review and business rates reset in 2026/27, and its aims for local government reorganisation (LGR) as from the 1 April 2028. There are also other economic issues, and local priorities and factors that have been considered. This leads to effective financial management and enables the council to respond to pressures and changes.
- 1.7. The key objectives of the MTFS are to:
- Provide financial parameters within which budget and service planning should take place over the life of this strategy;
  - Ensure the council meets its commitment to deliver a balanced budget on an ongoing basis and that the council's long term financial health and viability remain sound;
  - Focus the allocation of resources so that priority service areas and Corporate Plan goals are achieved;
  - Maximise the use of resources available to the council;
  - Ensure our reserves policy is aligned with our financial duties and ambitions;
  - Enable the council to respond to external pressures, particularly funding reforms;
  - Highlight and assess financial risks and put mitigating controls in place;
  - Ensure the council manages and monitors its financial resources effectively so that spending commitments do not exceed resources available.

- 1.8. The MTFS should be read in conjunction with the Capital Programme, General Fund and HRA budgets, which are presented separately.

## **2. MTFS Summary**

2.1. The MTFS is fundamental to securing the key ambitions and objectives of the council's Corporate Plan. The MTFS refresh 2025/26-2027/28 sets the framework for continuing to deliver high quality local services to residents and businesses but comes at a very uncertain time due to wide range of changes being introduced by government over the MTFS period. This MTFS is being updated to reflect these changes, which include:

- a fair funding review for 2026/27,
- a business rates reset by 2026/27,
- local government reorganisation (LGR) in this MTFS period, and
- devolution for local Government in England during this MTFS period.

The MTFS is forecast to 2027/28 on the basis that HBBC will continue for that period before being merged into a larger unitary council. The Settlement provided is for three years, ending on 31 March 2029. Due to the LGR timeline the MTFS only covers a current year, plus a two-year forecast and does not include 2028/29.

2.2. The MTFS is based on achieving a 15% minimum general fund target as a share of the net budget requirement for 2026/27 with a lower target set for the final year of the MTFS in 2027/28 of at least 10%. This means the 15% enables the council to absorb unexpected pressures of around £2.4m before a deficit occurs for 2026/27. This is changed for the last year of the MTFS where a minimum of no less than 10% of net expenditure on the general fund reserves is maintained. This would mean all earmarked reserves, other than £250,000 for unforeseen LGR costs, are used. This does not include special expenses, which will have reserves of £175,000. Councils are not allowed to have deficit budgets and when there are high levels of uncertainty, as we are currently in, this general fund is needed to ensure the council remains in financial balance.

EXPECTED (FINANCIAL FORECAST)	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
Net Service Expenditure	14,333,957	15,947,803	18,784,264
Budget movements	2,524,348	2,836,461	854,049
Savings/New income needed	0	0	0
<b>NET Borough Budget Requirement</b>	16,858,305	18,784,264	19,638,313
Pension Adjustment	-1,610,720	71,000	71,000
Reserves movements	-511,132	-2,729,034	-2,353,747
General fund gain / loss	314,921	350,176	-667,190
<b>Net Budget Forecast</b>	15,051,375	16,476,406	16,688,376
<b>General Fund Balance</b>	2,120,930	2,471,657	1,804,467
<b>Earmarked Reserves</b>	5,504,941	2,703,747	250,000
GF performance	14.1%	15.0%	10.8%

2.3. Even before the potential changes of LGR and a business rates reset, there were two key factors causing the pressure in the budget position that are common to many councils nationally. These are the increased costs of

temporary accommodation and higher national pay cost settlements. This can be seen in the pressures noted below:

- The current 2026/27 forecast is £17.9m, an increase of £2.3m on 2025/26, which includes the impacts arising from food waste staffing of £0.95m.
- The costs for temporary accommodation for 2025/26 had risen to £2.1m, including a £0.9m supplementary agreed in year. Even after actions to reduce pressure the 2026/27 budget will be £1.5m, almost £0.5m higher than the original 2025/26 budget.
- The introduction of food waste has also contributed to increased costs by £1.45m (which includes about £950k of pay costs).

These pressures have been not fully covered by increased funding from Government for 2026/27.

- 2.4. Central government have changed the way Core Spending Power funding is calculated, which means the 2025/26 settlement has been recalculated. For the base year of 2025/26, which was originally a settlement of £15.5m, they have added the amount that would have been paid as a levy contribution to the local Leicestershire Business Rates Pool, leading to a revised settlement for that year of £18.1m. This is used to assess the overall funding the Government want to provide to HBBC in 2026/27 to cover all new pressures. For 2026/27 the settlement has been set at £17.5m, a reduction of £0.6m on this revised basis. However, the movement from the original 2025/26 settlement of £15.5m to the 2026/27 settlement of £17.5m is a £2m increase on the amount government consider as being directly paid to HBBC. This at a time when our unfunded cost pressures for pay, food waste, and temporary accommodation is almost £3.75m.

Hinckley and Bosworth Core Funding	2025/26 CPS + business rates growth Final	Provisional Settlement 2026/27	Difference
Business rate BLF	£2,854,270	£2,734,617	-£119,653
RSG	£241,604	£7,003,253	£6,761,649
Business Rates growth	£4,557,486	£0	-£4,557,486
Council tax	£6,392,953	£6,676,177	£283,224
New Homes Bonus	£526,141	£0	-£526,141
National Insurance Contributions Grant	£127,201	£0	-£127,201
Domestic Abuse Grant	£35,662	£0	-£35,662
Homelessness, Rough Sleeping and Domestic Abuse	£540,000	£573,188	£33,188
Funding Floor	£240,434	£0	-£240,434
Damping (Transitional support)	£0	£533,966	£533,966
Core Spending Power	£15,515,751	£17,521,202	£2,005,450

Hinckley and Bosworth Core Funding	2025/26 CPS + business rates growth Final	Provisional Settlement 2026/27	Difference
Pool Levy kept locally*	£2,752	N/A no levy	0
Less Employer National Insurance Contributions Grant	-£127	0	0
Total as per MHCLG settlement	£18,141	£17,521	-£619£
<b>Other indirect changes</b>			
Tariff on Business Rate	£12,068,872	£19,231,167	7,162,295

- 2.5. This masks the overall negative impacts arising from the government's fair funding review and settlement. Whilst on the face of it, it indicates an increase in direct funding to HBBC of £2m, to help cover the food waste costs of £1.45m, increases in temporary accommodation costs £0.5m, there are other pressures, such as pay increases of over £1.25m, not related to food waste increases. It should also be noted that the tariff has increased to a level whereby HBBC could be in a safety net payments position. The changes to the business rates position across the local area, will mean that the local business rate pool arrangement will not be financially viable and will be closed in 2026/27.
- 2.6. In 2025/26, there was a levy of £2.7m budgeted for, which went to the Leicestershire pool to be used for local investment, of which £1m was returned to HBBC in 2025/26. However, the reset of business rates means there will be no levy to pay to the pool. The settlement has included this pool income as part of HBBC 95% protection for HBBC year on year. This is explained in the table below, which demonstrate locally there is still a fall in funding, even though the amount paid direct to HBBC has increased, which will be used to partly fund increased pressures incurred by HBBC.

Changes to Funding	2025/26	2026/27	Difference
Total direct to HBBC	£15,515,751	£17,521,202	£2,005,450
Pool Levy kept locally	£2,752,037	£0	-£2,752,037
<b>Total all funds</b>	<b>£18,267,788</b>	<b>£17,521,202</b>	<b>-£746,587</b>
Change in total local funding	<b>100%</b>	<b>96%</b>	<b>-4%</b>

- 2.7. As a result of the factors identified above, the updated MTFS notes that the council, has an underlying structural deficit, meaning the income it has coming in does not cover its expenditure needs, which is not sustainable. The reset makes this position much worse, and careful budget management is needed to achieve a balanced budget during the MTFS period. The forecast positions below are possible, unless unforeseen pressures occur, but rely on significant use of earmarked reserves to achieve balance.

The last scenario is if members wish to make an earmarked reserves as a "financial shock" buffer of £1m in 2027/28.



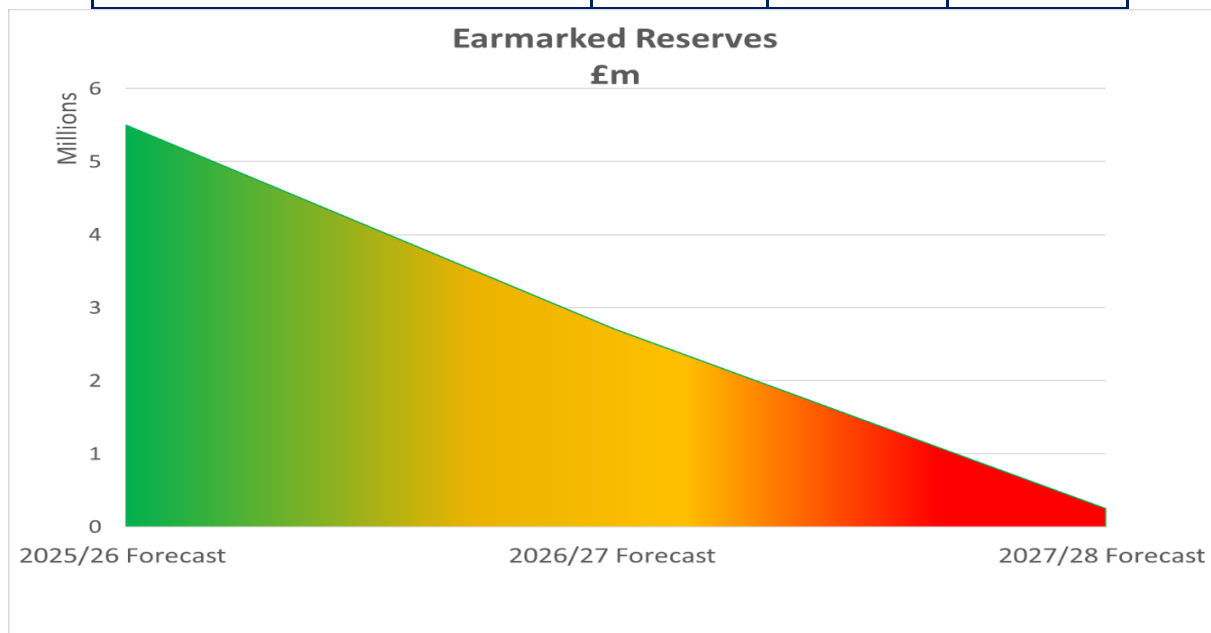
A table of potential savings targets based on the set general fund balance for 2027/28 is noted below.

15% GF target	2025/26	2026/27	2027/28
Savings			-698,789
Target	15.00%	15.00%	15.00%
GF Bal	£2,121,481	£2,471,657	£2,503,256
Earmarked Reserves balance	5,504,941	2,703,747	250,000
Minimum 10% GF	2025/26	2026/27	2027/28
Savings			
Target	15.00%	15.00%	10.81%
GF Bal	£2,121,481	£2,471,657	£1,804,467
Earmarked Reserves balance	5,504,941	2,703,747	250,000
Minimum 10% GF + Earmarked at £1m minimum	2025/26	2026/27	2027/28
Savings			-614,000
Target	15.00%	15.00%	10.00%
GF Bal	£2,121,481	£2,471,657	£1,668,467
Earmarked Reserves balance	5,504,941	2,703,747	1,000,000

- 2.8. There is an underlying budget gap on the general fund for 2026/27 and 2027/28, the following table indicates the use of reserves being used to close the gap. This incorporates almost £2m savings already built in but with no further savings shown that would be needed to fully close the gap. This would fall on the unitary authority if not achieved by HBBC before the 31 March 2028. This would reduce our reserve to zero for the borough with £175,000 remaining for special expenses.

EXPECTED (FINANCIAL FORECAST)	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
<b>Budget Gap</b>	196,211	2,912,825	5,136,037
<b>Damping Provided</b>	0	-533,966	-2,115,101
<b>Unfunded Budget Gap</b>	196,211	2,378,859	3,020,936
<b>Savings/New Income to balance GF</b>	0	0	0
<b>Use of Reserves</b>	-511,132	-2,729,034	-2,353,747
<b>Contribution to / from General Fund</b>	314,921	350,176	-667,190

EXPECTED (FINANCIAL FORECAST)	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
Gap not covered			
GF 15% Target performance	15%	15%	11%



- 2.9. Although the single most significant risk to the council's finances is the business rates reset and funding changes due to the fair funding review; it is not the only driver of pressures on the council. Other existing costs, particularly pay costs and homelessness, have been increasing at a higher rate than income.

Therefore, the financial pressure is already occurring irrespective of any business rates reset. This led to the council having to use £1m of reserves in 2023/24 to support the general fund. For 2025/26 it is expected that this support will fall to less than £0.4m due to the one-off benefit of the new waste packaging reform income, before reaching £2.25m in 2026/27.

- 2.10. The current administration will face difficult decisions in the face of uncertainty at a time of high inflation and pressure on residents in the borough. Some key decisions already taken are:
- a £5 increase in Council Tax for 2026/27-2027/28 (which is expected to still leave us in the bottom fifteen lowest charging District Councils);
  - a £5 increase in Garden Waste in 2026/27 to £52.50, and a further £5 in 2027/28;
  - significant investment in general fund properties of £5m to use for temporary accommodation;

- no recurring supplementary requests for the period of the MTFS not matched by savings, unless legally unavoidable.

2.11. Without these actions the level of savings would be significantly higher and occur at an earlier period. These actions will enable the council to be in a better position to manage the pressures faced. The remaining levels of new income and savings, if desired, is a key governance aim in the light of the announcement made by Government.

2.12. The summary below gives the overall high level MTFS position in terms of three potential scenarios:

- 15% for 2026/27 and a minimum of no less than 10% for 2027/28, with all reserves used (higher risk and will need close budget control)
- 15% general fund target for 2027/28, with savings and all reserves used
- 10% GF target with a £1m earmarked reserve for unforeseen economic pressures (safest, but highest pressure on service delivery)

<b>EXPECTED Minimum GF of 10% (Proposed)</b>	<b>2025/26 Forecast</b>	<b>2026/27 Forecast</b>	<b>2027/28 Forecast</b>
Net Service Expenditure	14,333,957	15,947,803	18,784,264
Budget movements	2,524,348	2,836,461	854,049
Savings/New income needed	0	0	0
<b>NET Borough Budget Requirement</b>	16,858,305	18,784,264	19,638,313
<b>Pension Accounting Adjustment</b>	-1,610,720	71,000	71,000
Reserves movements	-511,132	-2,729,034	-2,353,747
General fund gain / loss	314,921	350,176	-667,190
<b>Net Budget Forecast</b>	15,051,375	16,476,406	16,688,376
<b>General Fund Balance</b>	2,120,930	2,471,657	1,804,467
<b>Earmarked Reserves balance</b>	5,504,941	2,703,747	250,000
GF performance against 15% target	14.1%	15.0%	10.8%
<b>15% GF target</b>	<b>2025/26 Forecast</b>	<b>2026/27 Forecast</b>	<b>2027/28 Forecast</b>
Net Service Expenditure	14,333,957	15,947,803	18,784,264
Budget movements	2,524,348	2,836,461	854,049
Savings/New income needed	0	0	-698,789
<b>NET Borough Budget Requirement</b>	16,858,305	18,784,264	18,939,523
<b>Pension Accounting Adjustment</b>	-1,610,720	71,000	71,000
Reserves movements	-511,132	-2,729,034	-2,353,747
General fund gain / loss	314,921	350,176	31,599
<b>Net Budget Forecast</b>	15,051,375	16,476,406	16,688,376
<b>General Fund Balance</b>	2,120,930	2,471,657	2,503,256
<b>Earmarked Reserves balance</b>	5,504,941	2,703,747	250,000
GF performance against 15% target	14.1%	15.0%	15.0%

10% GF target +£1m Earmarked Reserve	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
Net Service Expenditure	14,333,957	15,947,803	18,784,264
Budget movements	2,524,348	2,836,461	854,049
Savings/New income needed	0	0	-614,000
<b>NET Borough Budget Requirement</b>	16,858,305	18,784,264	19,024,313
<b>Pension Accounting Adjustment</b>	-1,610,720	71,000	71,000
Reserves movements	-511,132	-2,729,034	-1,603,747
General fund gain / loss	314,921	350,176	-803,190
<b>Net Budget Forecast</b>	15,051,375	16,476,406	16,688,376
<b>General Fund Balance</b>	2,120,930	2,471,657	1,668,467
<b>Earmarked Reserves balance</b>	5,504,941	2,703,747	1,000,000
GF performance against 15% target	14.1%	15.0%	10.0%

- 2.13. All the forecasts indicate a complete use of almost reserves is expected at the end of the MTFS update. Any action taken to reduce costs or generate new income before then will be beneficial.
- 2.14. The business rates reset removes not only business rates growth but any benefit of being in a business rate pool. Between 2013/14 and 2025/26 business rates pools have been successful across the country, as local authorities were able to collect more business rates than the baseline target levels set by government. Local pooling allowed more of this “growth” to be retained locally, as authorities combined rates in a pool, which meant instead of paying a levy to central government it could be retained in a pool locally for reinvestment in key projects.
- 2.15. The reset of the business rates retention scheme for 2026/27 will see revised target baseline funding amounts for each authority and increased tariffs for many that will mean all past growth will be removed, which provided funding of £4.6m for HBBC in 2025/26. With no growth, there is no levy to pay and therefore no financial advantage made from pooling. There is not expected to be many viable business rates pools in England in 2026/27. This position is supported by external advisors and aligns with expectations from MHCLG, who are also expecting almost no pools to continue.
- 2.16. Leicestershire business rates pool released funds back to us which created a reserve of £2.8m by the end of 2024/25. This has been included in the MTFS and is expected to be fully used in supporting the general fund as opposed to investment in new projects or assets. This is needed to help ensure the budget is balanced over the MTFS period and give time for identifying new income and costs savings for 2027/28 if needed.
- 2.17. HBBC has a net budget requirement that is higher than the amount we get from Business Rates, Council Tax and other government funding. This gap must be covered from reserves, or from new income and savings. The expected case involves significant use of our earmarked reserves to support the general fund. This is spending our short-term reserves to cover longer term costs. There are only two ways to address the problem, which is via

increased income and cutting costs which will reduce the level of services provided.

## Changes to reserves

- 2.18. The graphs earlier in the report indicate the level of earmarked reserves used by showing the remaining balance for each year. This clearly shows the council is spending at a much higher rate than the income coming in from all sources. The council is having to use reserves to balance the general fund. This use would balance the general fund position at its agreed level of 15% for 2026/27 of the net budget requirement and no less than £10% for £2027/28.
- 2.19. On the 31 March 2026 it is expected there will be £5.8m of earmarked reserves held, but by 2027/28 the only reserves remaining will be a £250,000 LGR reserve and the special expenses balance of £175,000. This indicates the level of shortfall the council is facing in balancing its budget.
- 2.20. Appendix 3 gives the overall reserves and the detail for each reserve balance by year of the MTFS for each scenario.

## Transitional Relief (Damping)

- 2.23 The reset in 2026/27 means that the government are providing transitional relief (Damping). The table below gives the damping noted in the provisional settlement.

EXPECTED (FINANCIAL FORECAST)	2026/27 Forecast	2027/28 Forecast
Damping provided	533,966	2,115,101

- 2.24 If further support is needed, then the council can ask for further support under the "exceptional financial support" using capital flexibilities." This is the government framework that allows financially distressed local authorities to fund day-to-day (revenue) costs using borrowing or asset sales (capital funding), which is a departure from normal accounting practices. This temporary assistance helps councils set a balanced budget and avoid insolvency (a 'Section 114' notice).
- 2.25 Key Details
- Mechanism: The support is primarily provided via a "capitalisation direction", which gives a local authority permission to treat specific revenue expenditure as capital expenditure.
  - Purpose: It is intended to manage unmanageable short-term financial pressures, not as a sustainable, long-term funding solution.
  - Conditions: The support is conditional on the council undergoing an implementing a financial improvement plan. This means you need to have taken action to address the overspending before you apply, and it cannot be used to fund "business as usual".

### 3. Further detailed analysis

3.1 This MTFS update sets out the council's financial position for the current year 2025/26 and then onto 2027/28, giving a total three-year outlook.

3.2 The MTFS for 2026/27 is based on a three-year settlement to 2028/29, which is one year past the creation of new unitaries in the Leicestershire area. This gives a much higher level of certainty in the level of funding available in the medium term.

3.3 Other changes announced by government are listed below:

- Core Spending Power (CSP) will increase by £2m but this includes our £5 Council Tax increases. However, Government have adjusted the basis for calculating the protected core funding to include the business levy that was paid into the pool in prior years.
- Revenue Support Grant will increase from £0.24m to £7m due to the fair funding review.
- Baseline Funding Level on Business rates (BFL) has been reduced as part of the baseline reset by just under £200,000.
- Council Tax Band D thresholds increase as we expected for shire districts allowing increases of the higher of 3% or £5.
- New Homes Bonus (NHB) has been abolished in 2026-27, worth about £0.5m to HBBC.
- A new funding stream for transitional relief has been provided, worth £0.5m in 2026/27 increasing to £2m in 2027/28 as RSG is reduced by £1.9m.
- Note that the combined support funding of RSG and transitional relief will decrease in 2027/28, as per the table below.

Hinckley and Bosworth	2026/27	2027/28
RSG	£7,003,253	£5,095,018
Damping	£533,966	£2,115,101
<b>Total</b>	<b>£7,537,219</b>	<b>£7,210,119</b>
<b>Change year on year</b>	<b>£7,295,615</b>	<b>-£327,100</b>

- Additional income of £1.1bn from the Extended Producer Responsibility for packaging (pEPR), is being distributed nationally, our share is £1,4m, with an allowance for 10% reduction as waste generated is reduced in response to the charges levied.

#### Core Spending Power (CSP)

3.4 CSP is the funding from government and council tax that should normally balance the budget without need to use reserves. Government had stated that the 2026/27 settlement will be less in for HBBC than the prior year, by up to 5%. However, the basis for covering Core Spending Power funding has been

rebased by Government to include amounts the council would previously have paid to the Leicestershire Business Pool of £2.6m. Therefore, the amount paid directly to HBBC has increased by £2m, but after adjustment for the levy is seen by Government as a slight reduction on funding to the local area as per the table below.

Hinckley and Bosworth -	2025/26 £000	Provisional Settlement 2026/27 £000	2027/28 £000
Business rate base line	£2,854	£2,735	£2,797
RSG	£242	£7,003	£5,095
Business Rates growth	£4,557	£0	£0
Council tax (Govt Estimate)	£6,393	£6,676	£6,941
New Homes Bonus	£526	£0	£0
Employer National Insurance Grant	£127	£0	£0
Domestic Abuse Safe Accommodation Grant	£36	£0	£0
Homelessness, Rough Sleeping (Domestic Abuse 2026/27)	£540	£573	£663
Funding Floor	£240	£0	£0
Damping	£0	£534	£2,115
Core Spending Power	£15,516	£17,521	£17,611
Adjusted for Pool Levy	£2,625	£0	£0
Core Spending Power (As Revised by Government)	£18,140	£17,521	£17,611

- 3.5 Our net funding requirement is the amount that needs to be covered by the CSP funds and business rates growth. Where these funds are not enough and a budget gap occurs, then it must be closed with reserves if available and then for the longer term via savings and new income achieved. However, much of the increase from council tax has been lost due to other CSP funding being reduced. A feature of recent settlements is that a greater burden appears to be placed on the local taxpayer, despite Government announcing increases in the settlement.

### **CSP longer term view and key MTFS elements**

- 3.6 Looking forward over the MTFS period 2027/28 has significant financial pressures from the fair funding review that brings with it a business rates reset. It is now known that the fair funding review has reset the baseline funding from business rates from 2026/27. This is a full reset with a tariff moving from its current £12.1m to £19.2m. At this level it is highly likely that will prevent growth form being retained by HBBC. As can be seen in the table below the funding for 2027/28 is almost unchanged form 2026/27, but our costs, such as pay and service contracts will continue to increase.



Hinckley and Bosworth - Amounts in £000	2025/26 £000	Provisional Settlement 2026/27	2027/28 £000
Core Spending Power (Revised by Government)	£18,140	£17,521	£17,611
Reduction/Increase year on year		-£619	£90

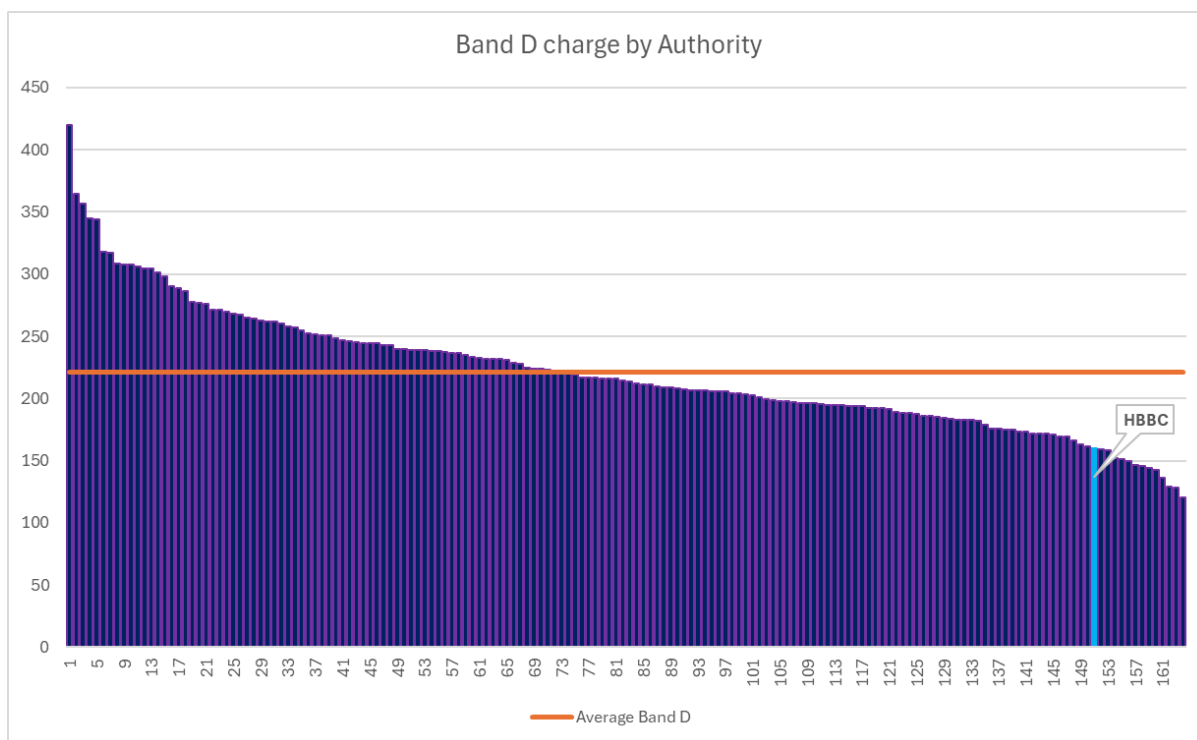
## Council Tax

- 3.7 No major changes were made by government in relation to council tax in the financial settlement, with district councils being able to increase tax by 3% or £5. The MTFS has assumed that £5 will be charged in each of the years modelled. The increase of £5 will all go to the borough, but this may need to be reviewed if the special expense area needs support as its reserves are used.
- 3.8 The table below gives the level of council tax (including special expenses) expected, with a £5 increase each year compared to a zero increase. Overall, the council would be £0.5m better off. HBBC are in the lower quartile of Band D charge rates for council tax. For 2025/26 our charge was £159.86, compared to an average of £221.23. A council on the average Band D rate would be almost £2.5m better off than HBBC in terms of council tax revenue.
- 3.9 Note, although the special expenses element is £19.37 for the purpose of calculating the average Band D per the regulation for the council, the actual charge to council tax payers in the special expense area is just under £69 as the Band D is based on the total number of Band D equivalents but the special expenses charge is paid by the population in the special expenses area only, which is 11,383 Band D equivalents.

	2025/26	2026/27	2027/28
<i>HBBC</i>	£140.50	£145.50	£150.50
<i>Special Expenses</i>	£19.37	£19.37	£19.37
<i>Band D Council tax charge</i>	£159.86	£164.86	£169.86
<i>Averaged Band D Equivalent Dwellings</i>	40,132	40,318	40,585
<b><i>Estimated Council Tax income</i></b>	<b>£6.42m</b>	<b>£6.65m</b>	<b>£6,.89m</b>

- 3.10 There is a small risk to this assumption, as the government may not retain the £5 option in later years, which would result in the loss of income.
- 3.11 HBBC have consistently been committed to a high level of efficiency, which means we remain in the bottom 15 out of 164 district councils for the level of council tax charged, which is expected to remain the same for 2025/26. HBBC are also the lowest out of the seven Leicestershire district councils.





### Damping (transitional support to councils)

3.12 The multi-year settlement has given some clarity to the way in which support will be given to councils over the next three years, and the support is split between RSG increase and transitional relief (Damping). The table below gives the detailed split provide in the settlement.

Hinckley and Bosworth	2025/26	2026/27	2027/28
RSG	£241,604	£7,003,253	£5,095,018
Damping	£0	£533,966	£2,115,101
<b>Total</b>	<b>£241,604</b>	<b>£7,537,219</b>	<b>£7,210,119</b>
<b>Change year on year</b>		<b>£7,295,615</b>	<b>-£327,100</b>

3.13 As can be seen the funding from RSG increase and the Damping is £7.2m in 2026/27 but reduces in the following years. This amount seems to be significant support, but it is not, the funding will cover losses due to fair funding and business reset changes, but does not cover other pressures, such a pay costs and temporary accommodation pressures. The losses and key pressure are noted below. In addon there will be temporary accommodation costs of above £0.5m and other pay pressure of £1.25m that are not funded.

Core Funding losses	Amount
Business rate Base line Funding	-£119,653
Business Rates growth	-£4,557,486

New Homes Bonus	-£526,141
National Insurance Contributions Grant	-£127,201
Domestic Abuse Grant	-£35,662
Funding Floor	-£240,434
<b>Losses due to Fair funding review and reset</b>	<b>-£5,606,577</b>
Increase in costs for Food Waste	-£1,450,000
<b>Total Pressure</b>	<b>-£7,056,577</b>

## Business rates

- 3.14 The timing of a business rates reset or changes to the way business rates are levied in 2026/27 is key to government policy as is stated as being to “fundamentally improve the way we fund councils and direct funding to where it is most needed, based on an up-to-date assessment of need and local resources.”
- 3.15 The reasons that damping and RSG increase required is that the business rates reset would be achieved by increasing the Tariff we pay to government on the business rates we generate. Business rates in the table below illustrate how this will work, the tariff increases by £7.2m 2026/27. The increase will be subject to inflation, which means it is highly likely new growth will not be realised in the MTFS period.

The business rates forecast include £2m of growth for 2026/27 and £2.5m for 2027/28 in the rates collected, but the higher tariff removes the gain from this growth, and the council is in a safety net position, which means throughout the MTFS period there is insufficient rates left over to cover the baseline allocation, and the government fall back on funding the safety net position.

The table below has the details of the forecast.

Expected forecast	2025-26 £000	2026-27 £000	2027-28 £000
<b>NON-DOMESTIC RATING INCOME</b>	<b>£45,939</b>	<b>£49,720</b>	<b>£51,944</b>
<b>Less Share allocations</b>			
Central Government share (50%)	-£22,970	-£24,860	-£25,972
County Council share (9%)	-£4,135	-£4,475	-£4,675
Fire Authority Share (1%)	-£459	-£497	-£519
<b>District Authority share (40%)</b>	<b>£18,376</b>	<b>£19,888</b>	<b>£20,777</b>
Add S31 grant income to cover mandated reliefs	£3,857	£1,549	£1,578
<b>Less Tariff</b>	<b>-£12,069</b>	<b>-£19,231</b>	<b>-£19,616</b>
Less the Levy paid to the local BR pool	-£2,752		
Safety net payment	£0	£529	-£34
<b>Retained Rates Income</b>	<b>£7,412</b>	<b>£2,735</b>	<b>£2,706</b>
<b>Made up of</b>			
Baseline Funding Level	£2,854	£2,735	£2,789
Growth /Loss not covered by Safety net	£4,557	£0	-£84

## Non-Core Spending MTFS elements (income and expenditure)

### Block C (The Crescent) and other rentals.

- 3.16 The expected net position is estimated on the table below. It is based on the original cost of Block C of £4.7m and includes incentives given.

Block C rental (Expected )	2025/26	2026/27	2027/28
Income	£264,765	£241,540	£303,899
MRP	-£135,333	-£135,333	-£135,333
Interest	-£120,176	-£120,176	-£120,176
Running costs (estimate at 10% of rent)	-£30,677	-£34,020	-£40,605
<b>Net</b>	<b>-£21,421</b>	<b>-£47,989</b>	<b>£7,785</b>
Yield % (net)	-0.46%	-1.02%	0.17%

*Note: when units are empty, HBBC is liable for business rates, which have not been included in the table above.*

- 3.17 For other rentals the same forecast has been used for all scenarios as the information is less susceptible to variations in forecast. The expected income is given in the table below.

Other General fund rental properties	2025/26	2026/27	2027/28
Industrial units	798,023	804,350	807,256
Miscellaneous properties	116,036	121,040	116,646
Atkins (incl. of room hire)	237,927	231,550	242,388
Hub	380,249	487,404	488,808
<b>Total</b>	<b>1,532,235</b>	<b>1,644,344</b>	<b>1,655,098</b>

### Car parking income

- 3.18 The Council operates sixteen pay and display car parks in Hinckley and one in Market Bosworth along with several other car parks which are free / permit holders only across the Borough.

- 3.19 The table below gives the income used for all scenarios.

	2025/26	2026/27	2027/28
<b>Car park income</b>	£599,760	£611,755	£623,990

- 3.20 To improve income performance consideration would need to be given to increasing the car parking fees. The table below give the comparison to fee in 2011/12 to 2024/25 in terms of if RPI inflation increments had been applied each year. If inflation increments had been applied, it would mean that potentially about £0.2m to £0.3m less income is being generated.

Car Park Fees (Examples)	2011/12	Fee if increased by RPI would be as below	2025/26	Difference £	Difference %
Short Stay Up to 1 hour	£0.70	£1.10	£0.60	-£0.50	-83%
Over 1 hour, up to 2 hours	£1.20	£1.90	£1.20	-£0.70	-56%
Over 2 hours, up to 3 hours	£1.50	£2.35	£2.00	-£0.35	-17%
Over 3 hours and up to 4 hours	£2.60	£4.20	£3.00	-£1.10	-36%
Over 4 hours	£4.80	£7.50	£6.00	-£1.50	-25%
Long Stay up to 5 hours	£1.30	£2.00	£1.30	-£0.70	-56%
Over 5 hours	£2.40	£3.75	£2.60	-£1.15	-44%
Season Tickets	£375.00	£587.10	£375.00	-£212.10	-57%
Per half year	£200.00	£313.10	£200.00	-£113.10	-57%
Per quarter	£110.00	£172.20	£110.00	-£62.20	-57%
Per month	£40.00	£62.60	£40.00	-£22.60	-57%

## Garden Waste

- 3.21 The general fund budget income from garden waste is £1.4m and the service now has 32,200 subscribers. The MTFs for all scenarios has an increase for 2026/27 of £5 (estimates an extra £143,750), and a further increase of £5 in 2027/28.

## Waste Service pressures and new income

### Waste Packaging Reform (Extended Producer Responsibility for packaging)

- 3.22 The government announced its allocations for 2025/26 for the Extended Producer Responsibility for packaging (EPR). EPR is a policy tool to reduce the environmental impact of packaging. It aims to hold producers accountable for their packaging throughout its whole life cycle. Producers must also cover the cost of collecting and recycling their packaging. This encourages the use of minimised, easier-to-recycle and reusable packaging. As the council collects the packaging, we will be given income to cover the costs of this.

	2026/27	2027/28
<b><i>EPR for packaging - income</i></b>	1,430,000	1,290,000

- 3.23 The government may change the basis of the allocations in future years, or producers may respond faster to reduce production, all of which will impact on the level of income we get. Therefore, the forecast has some risk in its estimate, and the income may end up being lower than anticipated in future years.

## Waste Fleet (non-food)

- 3.24 The current HGV fleet is operated for refuse collection, waste transfer, street cleansing and road sweeping and all vehicles are on contract hire until 31/8/25. Contract hire includes both the lease of the vehicle and the ongoing maintenance.

Government has mandated all local authorities need to provide a separate weekly food waste collection for all households from 31 March 2026. As agreed at the council meeting on 1 October 2024, the new vehicle contract will be based on an eight-year lease term compared against the current seven-year term.

This increase in term is in line with current standard practice in the industry and will still ensure that vehicles remain fit for purpose across the term of the contract. Since the previous fleet was taken on, hire costs have increased, which is reflected in the impact on the annual lease costs as noted below. The annual change is summarised in the table below and will be a pressure on the general fund.

Current financing charge	New financing charge	Current Maintenance	New Maintenance	Additional requirement
£448,781	£713,788	£246,951	£402,560	£420,616
<b><i>Budget profile of change in costs</i></b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
<b><i>Waste Fleet replacement (HGV) Total cost paid</i></b>	175,100	420,000	420,000	420,000
<b><i>Increase in year budget Pressure on GF</i></b>	175,100	244,900		

## Food Waste Collection Vehicles

### Separate food waste

- 3.25 The Environment Act 2021, introduces changes to waste collections. A separate weekly food waste collection must be introduced for all households by 31 March 2026. The new weekly food waste collection for households will be treated by government as a new burden and therefore government has committed to covering the costs of its introduction.
- 3.26 The cost of these will primary be grant funded. Capital grant funding of £1,182,585 has been received from Defra for the purchase of food waste vehicles and collection containers (bins). From this £859.368 has been set aside for the vehicle purchase cost. This should fund the purchase of eight vehicles. Currently it is estimated that nine vehicles will be required. For the

ninth vehicle the annual leasing cost will be £18,410 per annum and an annual maintenance cost of around £16,000 per annum.

- 3.27 Annual revenue funding has not been provided as separately identifiable new burdens funding, but the core spending funding has been increased. The government's view is that the increase covers the food waste pressure. The funding is included in the RSG and transitional relief funding covered earlier in the report.
- 3.28 It is also hoped that the separation of food waste will reduce the volume of residual waste, which may give the opportunity to take action to reduce costs, such as moving to three weekly residual waste collection or by reducing the bin size. This would require the approval of council to be put in place but could help reduce the cost of collection significantly. RSG is reducing each year and Damping, although increasing to offset most, but not all, of the reduction in RSG, is only included until the end of 2028/29. Any removal of this support would have to be dealt with by the new unitary authority after that financial year.

### Other Waste pressures

- 3.29 The new food waste collections, and housing growth mean the current Jubilee depot is insufficient in size. An additional depot has therefore been sourced and whilst DEFRA have indicated they will provide some funding it does not include the running costs of a new depot site for waste services that will be required to expand the current facilities. The first two years costs are lower due to rent free periods negotiated.
- 3.30 The increase in demands on the waste service from all the changes and the increase in housing growth has meant a new round is needed to meet requirements.

	2024/25	2025/26	2026/27	2027/28
<b>New Depot costs</b>	0	230,010	234,230	298,117
<b>Extra Waste Round</b>	0	139,200	274,000	274,000

### UK Shared Prosperity Fund

- 3.31 The UK Shared Prosperity Fund was shared out to every place in the UK recognising that even the most affluent parts of the country contain pockets of deprivation and need support. The Fund for the years 2022/23 to 2024/25 was £2.6 billion in total. The Council received £2,600,011 over the period to 2024/25. For 2025/26, HBBC's allocation was £850,583 (Capital - £157,045/Revenue - £693,539).
- 3.32 The UKSPF (which was originally cast as a replacement for regional funds from the European Union, such as ERDF) will no longer be available after 31 March 2026. Instead UKSPF will be replaced by two funds, the Pride in Place Programme and the new Local Growth Fund with effect from 1 April 2026. HBBC are not direct recipients of either of these funding streams.

## Levelling Up Award - Twycross Zoo

- 3.33 The Government announced a £4.8 billion Levelling Up Fund for investing in infrastructure in 2021, and the council (acting as host for this scheme run in partnership with Twycross Zoo) secured funding of £17.9m under “Round 1” of the levelling up funding available. The fund is for a transformational multi-million-pound major new Natural Science and Conservation Centre at Twycross Zoo. The overall £23.8m project is expected to be complete in 2027/28.
- 3.34 The Global Conservation Centre is set to make a significant contribution to the Midlands economy and particularly boost the £80 million that tourists already spend every year in the Hinckley and Bosworth area. As well as attracting visitors to its new orangutan facility attraction, the centre will be able to host educational programmes and events for universities and schools alongside conference facilities.
- 3.35 For the MTFS, HBBC are not allowed under the terms of the award to make a net gain, but costs are recovered making the project cost neutral. Our costs are estimated at about £100,000-£150,000 a year, but only actual costs will be charged to the scheme.

## Collection Fund Gains and Losses

- 3.36 Collection fund gains and losses are where income is higher or lower than forecast for business rates on the NNDR 1 return and when council tax collected is higher or lower than expected. Due to the way the accounting regulations work, the gain or loss is recognised in the year following its creation for NNDR. Therefore, a gain in 2024/25 will be recognised in 2025/26. The table below gives the figures used for the forecast scenarios, using the forecast gain for 2025/26 based on the 2024/25 in year monitoring, followed by the average position over the prior five years to give an expected position. This could be incorrect as there have been years with losses in the past or higher gains, therefore there is a risk based assumption and could change based on the level of appeals, empty properties or new business coming to the area.

Collection Fund Surplus/Loss	2025/26	2026/27	2027/28
Business Rates	£32,565.00	-£236,883.00	-£41,427.00
Council Tax	£49,950.00	£22,577.00	£41,678.00

## The Leisure Centre

- 3.37 The council receives an annual management fee for the provision of the leisure centre contract. This income has already been allowed for within the MTFS and is the same in all scenarios as it is fixed by contract. The annual



fee income is summarised in the table below. This may change dependent upon the inflation rate as the fee is indexed by RPI in March of each year.

	2025/26	2026/27	2027/28
Mgt Fee	£1,175,031	£1,191,481	£1,273,883

### The Enterprise Zone MIRA investment

3.38 The council working with the former LLEP has taken the initiative to invest up to £8.1m across a range of projects at the MIRA Enterprise Zone including activities that fit with the council's commitment to acting on climate change and reducing carbon emissions. The investment covers:

- the provision of a low carbon innovation hub.
- electric vehicle and hydrogen research and Development facilities,
- additional infrastructure, with new road and bridge construction to open new research and development plots on the site.

3.39 In early April 2022 the agreement to proceed was signed. The first £4.2m has already been provided to the LLEP who are managing the day-to-day release of funds to MIRA as they incur costs. The next instalment from HBBC to the LLEP was on the 14 April 2023 for £3.55m. This is a total funding position of £7.75m. To provide this forward funding a PWLB loan of £7m was taken out at the time of the first loan at an interest rate of £2.5%. Current rates are about £4.5%. This decision saved HBBC approximately £1.1m of interest costs over the life of the scheme. This investment generates a £3.1m return in additional business rates we can retain over a 17-year period. The table below gives the net return over the MTFS period for all scenarios.

EZ net position	2025/26 £	2026/27 £	2027/28 £
Additional Rates	818,314	818,314	818,314
MRP and Interest	675,349	665,133	654,658
<b>Net gain</b>	<b>142,965</b>	<b>153,181</b>	<b>163,656</b>

3.40 There is a risk that if MIRA do not deliver the growth in rates they have projected, the scheme would fail. However, based on legal advice we have an agreement with MIRA that includes a bank guarantee that protects the council. If enough growth is not generated over three years to meet the expected return required, the council can use its bank guarantee to recall the amount of investment made. This will recover all cash invested but does not include lost gains. HBBC would still have to service the loan taken out of £7m if this should occur.

3.41 The Government are also changing the basis of how rates retention is calculated in the Enterprise Zone, which could impact on the return we get from the forward funding agreement.

### The Subsidiary Company



- 3.42 The Council has a dormant company that is currently being considered for investment opportunities. There are no current schemes.

### Share of business rates pool surplus

- 3.43 There are on-going discussions in relation to the level of surplus held within the business rates pooling arrangements in place across the Leicestershire area. HBBC has benefited by about £4m between 2021/22 to 2025/26 from funds being paid direct from the business rates pool to HBBC. In 2025/26 it was £1m in additional income. Due to the 2026/27 reset, this will stop as all growth will be removed via the increase in the tariff payment.
- 3.44 These amounts have been included in the MTFS as being paid into an Economic Priorities Reserve (see table below), which will be used as needed to support the general fund position to enable time to identify new income and savings needed to close the budget gap and set a balanced position. As well as the Economic Priorities Reserve, other reserves, mainly the business rates equalisation reserve have also been used to support the general fund.

Economic priorities reserve	2025/26	2026/27	2027/28
Balance B/F	£2,829,291	£2,519,291	£603,291
Amount used in year to support GF	-£310,000	-£1,916,000	-£603,291
Balance C/F	£2,519,291	£603,291	£0
Business Rates Equalisation Reserve used to Support the GF	2025/26	2026/27	2027/28
Balance	£1,250,000	£1,250,000	£1,250,000
Amount used to support GF	£0	£0	-£1,250,000
Balance C/F	£1,250,000	£1,250,000	£0

### Payroll

- 3.45 Staff costs are one of the single highest costs items for the Council as staff are key to delivering high quality services. For the MTFS it is assumed the pay award will be 3.2% in 2026/27 and then 3% thereafter. The pay settlement for 2026/27 is not yet known, therefore this could be more if a higher pay award is negotiated nationally. If the settlement is 1% higher for 2026/27, this would add about £0.5m to the pay costs over the life of the MTFS.

	£	£	£	£	£
Gross pay	15,652,160	17,698,297	18,229,246	18,776,123	70,355,826
Year on year increase		2,046,137	530,949	546,877	3,123,963
Reason for increase		£	£	£	£
Inflation rise		610,434	530,949	546,877	1,688,261
2025/26 budget exceeded forecast		168,500	0	0	168,500

<b>Staff changes (inc Food Waste)</b>		1,267,203	0	0	1,267,203
<b>Total</b>		2,046,137	530,949	546,877	3,123,963

- 3.46 Closely related to pay costs are employer pension contributions. The triennial actuary assessment has led to a 6% savings on the payments made, saving for HBBC are £575,000.

### **Inflation on contracts and on income from fees**

- 3.47 The assumptions used for general increases in fees and charges (not for where there is a known increase above the rates used) is based on inflation of 2% per year thereafter as an average for the life of the MTFS. The table below gives the net impact. Note, due to the net impact of this assumption on both costs and fees, there is marginal difference between the forecasts.

This assumes members would feel comfortable increasing fees at the same rate contractual costs are increasing, which is often linked to the CPI or RPI rate.

<b>Inflation pressures</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Costs</b>	142,272	145,117	148,020
<b>income</b>	-88,486	-90,256	-92,061
<b>Net difference</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>All Scenarios</b>	53,786	54,862	55,959

## Climate change and Biodiversity

 <b>Buildings and land use</b>	 <b>Travel</b>	 <b>Community</b>
We will seek to use our land for carbon reduction and ensure our buildings are energy efficient.	We will work to decarbonise travel across the council and borough.	We will work with the community to lead change and increase climate change engagement
 <b>Waste</b>	 <b>Economy</b>	 <b>Nature</b>
We will ensure we waste less as a borough and stop dependence on single use plastic.	We will maximise financial opportunities to support climate change work.	We will protect and improve Leicestershire's biodiversity and environment.

3.48 The Council has a vision to work towards making Hinckley & Bosworth Borough Council carbon neutral by 2030 (direct council emissions) and to ensure that the borough is net zero by 2050. As part of our Climate Change and Biodiversity Strategy we need to invest toward our aims of:

- Working towards the decarbonisation of all council buildings by 2030
- Promote the use of renewable energy/energy reduction and investigate opportunities for carbon capture and storage.

3.49 There are some new initiatives in the MTFS to show our commitments to these improvements in efficiency, which will reduce Co2 and lead to savings to the general fund from 2026/27. The table below gives estimated costs and potential savings. These have been included in the capital programme to develop a fully costs business case for members to approve at a later date.

Building	Work needed	KWh per annum	CO2 reduction Tonnes	Investment	Savings per year
Atkins Building	Solar Retro fit to Roof	200,000	2,532	£268,000	£50,079
Jubilee Depot	Solar Retro fit to Roof	369,950	4,684	£453,000	£104,083
Depot Unit	Solar Retro fit to Roof	310,200	3,927	£390,000	£87,272

3.50 The HRA is also investing in reducing Co2 as part of its decarbonisation programme as detailed below.

	2025.26 £000	2026.27 £000	2027.28 £000	2028.29 £000
Decarbonisation work	1,707	1,772	1,750	1,874

3.51 The Climate Change and Biodiversity Strategy is in place, and the budget of the council already has key actions on Biodiversity, which include:

- Not using any peat and ensuing annual bedding plants are grown using peat free compost.
- Significantly reducing the number of pesticides we use on our open spaces.
- Upkeep of our two Green Flag parks.
- Managing Burbage common for wildlife to encourage wildflowers and maintain this beautiful grassland habitat.
- Employing a tree officer to look after our tree stock and woodlands.
- Planting more than 120 extra heavy standard trees across our sites.

#### Other items

3.52 The following are the main items (over £100,000) that have been included in all MTFS scenarios as net pressures on the budget or areas of savings or new income, see appendix 5 for a full list):

<b>Budget movements (net changes)</b>	<b>2026-27</b>	<b>2027-28</b>
<i>Budget movements</i>	Forecast	Forecast
Food waste costs	£1,451,167	
Pay cost increases (all elements, NI, Pensions and increments)- excluding elements in food waste pressure	£1,243,310	£520,584
Distribution from the business rates pool (Lost on Reset)	£1,000,000	
UK Shared Prosperity Fund	£693,539	£0
Homelessness grant now included in core funding	£540,000	
Homelessness Temporary accommodation pressure	£488,000	
Interest on debt	£330,000	£275,000
Waste Fleet replacement (HGV)	£244,900	£0
Homelessness One off Grant in 2025/26	£175,000	
Capital Financing (MRP increase)	£160,000	
Legal costs increase in budget	£150,000	
Allowance for Inflationary increases on services	£145,117	£148,020
Extra Waste Round	£134,800	£0
National insurance funding withdrawn	£127,201	
Fuel savings	<b>-£117,470</b>	

<b>Budget movements (net changes)</b>	<b>2026-27</b>	<b>2027-28</b>
Trade waste income	-£120,000	
Increase Garden waste from £42.50 to £47.50, try for £52.50 in 2025/26, then £57.50 2026/27	-£143,750	-£136,563
Additional Planning income	-£175,000	
EPR for packaging - income	-£367,000	£140,000
Saving of 6% pension contribution	-£575,000	
UK Shared Prosperity Fund	-£693,539	£0
LCC Pension Lump Sum	-£1,610,720	

3.53 The figures above are the net changes in the budget. Members should note that the MTFS does not allow for the local plan reserve or enforcement and appeals reserve to be replenished. Therefore, future costs will fall on the general fund.

### Key Risks and assumptions summary

3.54 An MTFS is based on a set of key assumptions, these cover costs and income projections. The key ones have been noted in the report for the expected MTFS position, the main ones are reviewed below:

- A savings and new income plan will be developed for 2027/28 in case required.
- That pay increases are at most 3.2% in 2026/27 and 3% thereafter including spinal point increases for each year of the MTFS forecast.
- A £5 increase in council tax for all years for 2027/28-2027/28 (which is expected to still leave us in the bottom fifteen lowest charging district councils)
- A £5 increase in the garden waste charge will be action in both 2026/27 and 2027/28.
- The £8m investment in the local enterprise zone will deliver the growth in rates expected to cover the forward funding agreement position.
- There will be no recurring budget supplementary increments agreed over the MTFS period that are not matched by savings/new income. If this is not possible it will increase the savings/new income required, unless unavoidable for legal reasons. This has not been achieved in prior years.
- One off supplementaries will not be given unless matched by savings/new income, unless unavoidable for legal reasons. This has not been achieved in prior years.
- MCHLG have written to councils recently to note that Ministers will expect councils to have taken all reasonable action at a local level and that requests for support will be agreed on an exceptional basis, and usually through a capitalization directive, not additional income. Therefore, failure to achieve savings, due to any unseen circumstance, might lead to the risk of a S114 recommendation potentially being needed at some point in the future.

## 4. Other Factors

- 4.1 In addition to those risks relating to financing detailed above, this MTFS highlights several other key factors that will impact on the financial position or financial stewardship of this Council over the MTFS period. These include, but are not limited to:

### **Local Government reorganisation**

- 4.2 The Government White Paper on English Devolution, published in December 2024, has led to wide scale local government reorganisation meaning that Hinckley and Bosworth Borough Council will be merge into a larger unitary council on the 1 April 2028. A reserve of £0.25m has been set aside in the MTFS to help deal with any costs that maybe incurred due to the reorganisation. This is not based on any specific information other than it is prudent to make some provision as other areas have incurred substantial cost in terms of preparing for merger into a new unitary council.
- 4.3 The two most distinct and impactful elements of the White Paper focused on:
- Devolution Deals - Strategic Authorities and Directly Elected Mayors
  - Local Government Reform - i.e. merging districts, counties and small unitary councils into new, bigger unitaries, which has already been covered in this report.
- 4.4 A proposal has been developed collaboratively by the eight Leicestershire district and borough councils and Rutland County Council, sets out a vision for reorganising local government in Leicester, Leicestershire, and Rutland (LLR) into three unitary councils: North, City and South. The aim is to create councils that are large enough to deliver efficient services but close enough to respond to local needs.

### **Key Design Principles**

- a) **Unlocking Devolution:**  
The proposal calls for early devolution, establishing a new Mayoral Strategic Authority (MSA) with elections by May 2027, without complex boundary changes.
- b) **Economic Growth, Housing, and Infrastructure:**  
The three-unitary model aligns with economic geographies, aiming to unlock over 70 growth sites and deliver £8bn in treasury benefits by 2050. It supports targeted economic corridors and strategic regional links.
- c) **Financial Efficiency and Resilience:**  
Each council would serve around 400,000 residents, balancing demand and resources. The model projects annual savings of £44m, with surpluses expected by year five, and a focus on prevention-led redesign to reduce social care demand.
- d) **High-Quality, Prevention-Focused Public Services:**  
The approach embeds neighbourhood-level, integrated services, with dynamic Neighbourhood Partnerships involving ward members, parish councils, and service teams.

- e) **Responding to Diverse Communities:**  
The model preserves local identities, ceremonial statuses, and civic traditions, ensuring that community voices remain central.
- f) **Democratic Accountability and Community Engagement:**  
Built on extensive engagement with residents and stakeholders, the proposal ensures strong local representation and neighbourhood empowerment.

#### 4.5 Financial and Implementation Highlights

- **Savings:** £44m annual efficiency savings, mainly from workforce integration, procurement, and asset rationalisation.
- **Transition Costs:** Estimated at £30m, funded through capital receipts and borrowing.
- **Implementation:** Phased transition from 2026 to 2028, with shadow authorities and a focus on maintaining safe, legal services throughout.

#### 4.6 Community and Stakeholder Support

- 61% of residents support the North, City, South boundaries.
- Strong backing from parish councils and community groups, with concerns addressed regarding local identity and service accessibility.

- 4.7 The North, City, South model is presented as a transformative, evidence-based blueprint for local government in LLR. It promises sustainable finances, empowered communities, and a structure that is both efficient and responsive, ready to meet future challenges and opportunities.

### Capital Programme

- 4.8. The council's capital investment plans are outlined annually in the Capital Programme (the "Programme") which is approved at the same time as the revenue budget.
- 4.9. Although capital expenditure is clearly separated from revenue spend within the council's budget, the use of capital resources has an impact on revenue in the following ways:
  - The use of capital resources will result in a corresponding reduction in investment income.
  - Any borrowing will incur interest payments and minimum revenue provision which is charged as a "cost" to the Council's revenue budget.
  - The creation of new assets will require running costs that will have to be funded from revenue sources.

### Local external pressures

- 4.10. The County Council are looking for savings and renegotiating many agreements. LCC are discussing wanting to change the redistribution split of the pool contributions. This MTFs assumes the current thirds will be

maintained. If it is not a higher level of savings/new income will be needed., but any loss of rental income will lead to further savings being needed.

- 4.11. LCC have withdrawn funding from all Leicestershire billing authorities (i.e. the seven district councils) to support the administration of the Localisation of Council Tax Support schemes (LCTS) and to the Discretionary Discount Funds administered by the billing authorities. The district council will try to continue this funding, but the amount may vary in future years and lead to pressure on the General fund.

### **Income and Expenditure Levels**

- 4.12. A considerable proportion of council expenditure is financed from income from fees and charges. A number of these income streams are extremely volatile and depend on external factors such as take up, demand and local economic conditions. The most significant and sensitive changes in income levels include:

- Planning fees - this income stream is highly dependent on both the housing and commercial market and therefore large “windfalls” often occur in times of prosperity, but during an economic downturn this income may decline significantly. In addition, the council can incur significant costs for appeals against decisions taken by Planning Committee.



## Appendix 2- Detailed MTFS movements

FINANCIAL FORECAST	2025/26	2026/27	2027/28	2028/29
	Latest Position	31-Mar	31-Mar	31-Mar
		£	£	£
Net Service Expenditure	14,333,957	15,947,803	18,784,264	19,638,313
<b>Budget movements</b>	0	0	0	0
Budget changes (net)	41,000	0	0	0
Supplementary/Reversals of one off supplementaries	2,483,348	2,836,461	854,049	800,890
<b>Savings needed</b>	0	0	0	0
<b>NET Borough Budget Requirement</b>	<b>16,858,305</b>	<b>18,760,644</b>	<b>19,614,693</b>	<b>20,415,583</b>
Pension adjustments	-1,610,720	71,000	71,000	71,000
Contribution to Reserves	341,000	341,000	341,000	341,000
Contribution from Reserves	-743,292	-3,226,194	-2,353,747	0
Transfer from / to unapplied grants	-995,904	-27,840	0	0
Additional contributions to/from reserves C/Fs	-141,998	0	0	0
Contribution to/( from) Balances	433,481	350,176	-667,190	-3,888,344
<b>NET BUDGET/FORECAST EXPENDITURE</b>	<b>14,140,873</b>	<b>16,476,406</b>	<b>16,688,376</b>	<b>16,621,858</b>
<b>Performance against target</b>	<b>15.00%</b>	<b>15.00%</b>	<b>12.59%</b>	<b>-10.61%</b>
<b>15% minimum balances</b>	2,121,131	2,471,461	2,503,256	2,493,279
<b>General Fund (Balances)</b>	2,121,481	2,471,657	1,804,467	-2,083,877
<b>Amount above or below minimum balance</b>	350	196	-698,789	-4,577,156
	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>

FINANCIAL FORECAST	2025/26	2026/27	2027/28	2028/29
	£	£	£	£
	<b>14,140,873</b>	<b>16,476,406</b>	<b>16,688,376</b>	<b>16,621,858</b>
Damping income 5% loss adjusted	0	533,966	2,115,101	3,752,272
National Non Domestic Rates (Baseline)	2,854,270	2,734,617	2,797,345	2,853,777
Safety net reduction	0	0	-83,679	-213,382
National Non Domestic Rates retained above baseline	4,557,486	0	0	0
RSG	241,604	7,003,253	5,095,018	3,129,111
Funding Floor	240,434	240,434	240,434	240,434
Homelessness	0	573,188	663,297	766,400
Collection fund Deficit NNDR	32,565	-236,883	-41,427	-41,427
New Homes Bonus	526,141	0	0	0
Collection Fund Surplus - Ctax	49,950	2,091	34,849	34,849
<b>Council Tax Income</b>	<b>5,638,422</b>	<b>5,866,173</b>	<b>6,107,874</b>	<b>6,340,258</b>
<b>Council Tax Income is based on:</b>				
Estimated Tax base	40,132	40,319	40,585	40,853
<b>Estimated Band D Council Tax</b>	<b>£140.50</b>	<b>£145.50</b>	<b>£150.50</b>	<b>£155.20</b>
<b>Year on Year Increase in Council Tax</b>				
<b>(i) Amount</b>	<b>£5.00</b>	<b>£5.00</b>	<b>£5.00</b>	<b>£4.70</b>
<b>(ii) Percentage</b>	<b>3.69%</b>	<b>3.56%</b>	<b>3.44%</b>	<b>3.12%</b>
<b>SPECIAL EXPENSES</b>				
<b>Net Budget Requirement B/Fwd</b>	<b>770,629</b>	<b>777,299</b>	<b>780,905</b>	<b>786,067</b>
Increase in CTax	6,670	3,606	5,162	17,452
<b>NET BUDGET/FORECAST EXPENDITURE-Special Expenses</b>	<b>777,299</b>	<b>780,905</b>	<b>786,067</b>	<b>803,519</b>
Estimated Taxbase	40,132	40,319	40,585	40,853
<b>Special Expenses Council Tax</b>	<b>£19.37</b>	<b>£19.37</b>	<b>£19.37</b>	<b>£19.67</b>

<b>FINANCIAL FORECAST</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
<b>(ii) Percentage</b>	0.00%	0.00%	0.00%	1.55%
<b>Total Net Budget Requirement</b>	14,918,172	17,257,311	17,474,443	17,425,377
Taxbase	40,132.40	40,319.00	40,585.00	40,853.00
<b>Council Wide Council Tax</b>	£159.86	£164.86	£169.86	£174.86
<b>Percentage Increase</b>	3.23%	3.13%	3.03%	2.94%
	£5.00	£5.00	£5.00	£5.00

### Appendix 3- Reserves

	31 March 2025	31 March 2026	31 March 2027	31 March 2028	31 March 2029
Local Plan Procedure	294,400	248,224	211,384	174,544	174,544
Local Plan Procedure	204,267	1,975	0	0	0
Business Rates Equalisation Reserve	1,250,000	1,250,000	1,250,000	0	0
Economic Priorities Reserve	2,829,291	2,519,291	384,791	0	0
Year End Carry Forwards Revenue	157,418	15,420	0	0	0
ICT Reserve	161,929	161,929	37,929	0	0
Asset Management Reserve	274,258	274,258	174,258	0	0
Election Reserve	50,000	75,000	100,000	0	0
Grounds Maintenance	30,000	30,000	30,000	0	0
Enforcement and Planning Appeals	100,000	185,000	135,000	0	0
Building Maintenance costs	491,769	391,769	291,769	0	0
Enterprise Zone - Covid	214,486	214,486	0	0	0
Developing Communities Fund	235,813	235,813	0	0	0
Enterprise Zone - Covid	0	50,000	250,000	250,000	250,000
Environmental Action Reserve	150,000	100,000	50,000	0	0
<b>Total</b>	<b>6,443,631</b>	<b>5,753,166</b>	<b>2,915,131</b>	<b>424,544</b>	<b>424,544</b>
<b>Net of Special Expenses</b>	<b>6,149,231</b>	<b>5,504,941</b>	<b>2,703,747</b>	<b>250,000</b>	<b>250,000</b>

Expected Case Reserves movements detail.

Reserves	31 March 2025	Capital	To Revenue	From Revenue	31 March 2026	Capital	To Revenue	From Revenue	31 March 2027	Capital	To Revenue	From Revenue	31 March 2028
Special Expenses Reserve	294	-58	-33	45	248	-49	-33	45	211	-49	-33	45	175
Local Plan Procedure	204	0	-202	0	2	0	-2	0	0	0	0	0	0
Business Rates Equalisation Reserve	1,250	0	0	0	1,250	0	0	0	1,250	0	-1,250	0	0
Economic Priorities Reserve	2,829	0	-391	81	2,519	0	-2,385	250	385	0	-385	0	0
Year End Carry Forwards Revenue	157	0	-142	0	15	0	-15	0	0	0	0	0	0
ICT Reserve	162	0	0	0	162	0	-124	0	38	0	-38	0	0
Asset Management Reserve	274	0	0	0	274	0	-100	0	174	0	-174	0	0
Election Reserve	50	0	0	25	75	0	0	25	100	0	-100	0	0
Grounds Maintenance	30	0	0	0	30	0	0	0	30	0	-30	0	0
Enforcement and Planning Appeals	100	0	-50	135	185	0	-50	0	135	0	-135	0	0
Building Maintenance costs	492	-100	0	0	392	-100	0	0	292	-100	-192	0	0
Enterprise Zone - Covid	214	0	0	0	214	0	-214	0	0	0	0	0	0
Developing Communities Fund	236	0	0	0	236	0	-236	0	0	0	0	0	0
LGR Reserve	0	0	-50	100	50	0	-50	250	250	0	0	0	250
Environmental Action Reserve	150	0	-50	0	100	0	-50	0	50	0	-50	0	0
Total	6,444	-158	-918	386	5,753	-149	-3,259	570	2,915	-149	-2,387	45	425
Net of Special Expenses	6,149	-100	-885	341	5,505	-100	-3,226	525	2,704	-100	-2,354	0	250

#### **Appendix 4 - Strategic Financial Objectives**

- The council should allocate resources to services in line with the Corporate Aims and Ambitions
- Ensure regular monitoring of actual spend against budget to assess outcomes and inform the Performance Management Framework
- The council must search for new sources of funding to support its activities and maximise opportunities from emerging economic initiatives.
- To review the scale of fees and charges at least annually
- To optimise the financial return on assets and ensure capital receipts are obtained where appropriate opportunities arise.
- Capital expenditure is properly appraised.
- When funding the Capital Programme, all funding options are considered.
- To review levels and purpose of reserves and balances
- To maintain sustainable council tax increases
- To increase efficiency savings and generate funding through shared services and collaborative working.

Appendix 5: Pressures and Savings, with adjustment for items that do not impact the general fund.

Major variations over £50,000	Expenditure /Pressures £000s	Income/ Savings £000s	Expenditure /Pressures £000s Adjusted	Income/ Savings £000s Adjusted
Pensions and capital charges that are reversed blow the line		-1859		
General Fund Properties	990	-990		
Additional Welfare Support Capacity	67		67	
Additional Homelessness Pressure	452		452	
Fuel Savings		-120		-120
Additional Trade Waste income		-111		-111
Garden Waste income		-144		-144
Extended Producer responsibility (offsets in year recycling costs)		-367		-367
Pension Savings		-530		-530
Additional Planning income		-175		-175
Additional Capacity Democratic Services	52		52	
General inflation pressure	55		55	
UKSPF	694	-694		
National Insurance contribution funding stopped	127		127	
Trade Waste income				
Estates cost reduced		-70		-70
Noise Abatement saving		-90		-90
NHS rental income		-95		-95
Capital financing	490		490	
Other Pension		-71		
ICT costs (AI investment and Licences)	67		67	
Other small changes (Less than £50k)	148		148	
General fund properties (Reduction in TA budget)				-600
Contractual and service changes (see table below)	4995		4455	

<b>Total</b>	<b>8137</b>	<b>-5316</b>	<b>5913</b>	<b>-2302</b>
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<b>Service and Contractual changes 2026/27</b>	<b>£000</b>	<b>£000 Adjusted</b>
homelessness grant now part of RSG	540	
LLEP Pooled distribution arrangements now finished	1000	1000
part yr impact of waste round (already allowed for)	135	135
Utility and insurance cost increases	108	108
Additional Legal Agency costs	150	150
Pay Pressure (Excluding Food Waste Staff)	1191	1191
New Food Waste Costs (Including Pay costs)	1451	1451
Waste fleet costs part year impact of vehicle replacement	245	245
homelessness jigsaw grant (one off grant 2526)	175	175





## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Scrutiny Commission & Finance & Performance Scrutiny  
Council

5 February 2026  
20 February 2026

Wards affected: All wards

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### 2026/27 GENERAL FUND BUDGET

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Report of Assistant Director Finance & Audit (Section 151 Officer)

#### 1.0 Purpose of report

- 1.1 To seek approval of the 2026/27 General Fund Revenue Budget and to note the pressures set out in the report.

#### 2.0 Recommendation

- 2.1 That Members approve the following:
- a) The General Fund budget for 2025/26 and 2026/27 shown in section 3.5-3.8.
  - b) The Special Expenses area budget for 2025/26 and 2026/27 shown in section 3.10 and 3.11
  - c) The proposed movement in General Fund balances and Earmarked Reserves for 2025/26 and 2026/27 shown in section 3.20 of this report and appendix 1.
- 2.2 Members note the material use of reserves to balance the general fund position, due to costs being higher than the income generated or government funding received by the council.

#### 3.0 Background to the report

- 3.1 The budget is being put together at a time of uncertainty due to the fair funding review, business rates reset and Local Government Reorganisation. The 2026/27 financial settlement is on a new basis, which makes year on year comparison more complex than prior years. This is because 2026/27 has seen significant changes to how the council is funded. The council's overall core government settlement, as calculated by MHCLG, is a fall of 3.4%

(£619,000), whilst CPI inflation is about 3.2%, so a real terms decrease of £1.2m.

- 3.2 The 2026/27 government calculation has used a new basis to the way in which Core Spending Power funding has been calculated. This means the 2025/26 settlement has been recalculated. For the base year of 2025/26, which was originally a settlement of £15.5m, they have added the amount that would have been paid as a levy contribution to the local Leicestershire Business Rates Pool, leading to a revised settlement for that year of £18.1m. This is used to assess the overall funding the Government want to provide to HBBC in 2026/27 to cover all new pressures. For 2026/27 the settlement has been set at £17.5m, a reduction of £0.6m on this revised basis. However, the movement from the original 2025/26 settlement of £15.5m to the 2026/27 settlement of £17.5m is a £2m increase on the amount government consider as being directly paid to HBBC. This at a time when our unfunded cost pressures for pay, food waste, and temporary accommodation is almost £3.75m.

Hinckley and Bosworth Core Funding	2025/26 CPS £000	Provisional Settlement 2026/27 £000	Difference £000
<b>Business rate BLF</b>	£2,854	£2,735	<b>-£120</b>
<b>RSG</b>	£242	£7,003	£6,762
<b>Business Rates growth</b>	£4,557	£0	<b>-£4,557</b>
<b>Council tax requirement excluding parish precepts<sup>1</sup></b>	£6,393	£6,676	£283
<b>New Homes Bonus</b>	£526	£0	<b>-£526</b>
<b>Employer National Insurance Contributions Grant</b>	£127	£0	<b>-£127</b>
<b>Domestic Abuse Safe Accommodation Grant</b>	£36	£0	<b>-£36</b>
<b>Homelessness, Rough Sleeping and Domestic Abuse</b>	£540	£573	£33
<b>Funding Floor</b>	£240	£0	<b>-£240</b>
<b>Damping</b>	£0	£534	£534
<b>Core Spending Power</b> as provided in 2025/26	£15,516	£17,521	£2,005
<b>Pool Levy kept locally*</b>	£2,752	0	0
<b>Less Employer National Insurance Contributions Grant</b>	<b>-£127</b>	0	0
<b>Total as per MHCLG settlement</b>	£18,141	£17,521	<b>-£619£</b>
<b>Year on year fall =</b>			<b>-3.4%</b>

\*about £1m was paid from the pool to HBBC in 2025/26.

- 3.3 This increase in direct funding of £2m only partially covers the food waste costs of £1.45m, increases in temporary accommodation costs £0.5m and other pressures, such as other pay increases of over £1.25m. Also, note that the national insurance increases of £127,000 introduced in 2025/26 that were

funded are no longer included in the settlement. It also ignores that £1m of funding was already being received by HBBC as pool distributions in 2025/26.

The key objectives for the General Fund Revenue budget for 2026/27 can be summarised as follows:

- To align expenditure on services to the council's Corporate Plan.
- To provide for reductions in government grant funding for 2026/27 and plan for future years.
- To encourage identification of savings and income generation opportunities across the council.
- To take decisions which will maintain acceptable and viable levels of general fund balances and reserves to make provisions for known future funding and expenditure pressures.
- To maintain an acceptable and viable level of balances in the Special Expenses Area.
- To ensure that the council has acceptable level of reserves for future pressures and development opportunities.

3.4 The general fund revenue budget has been prepared taking into consideration the capital programme and housing revenue account (HRA) budgets. The capital and HRA budgets are presented separately but should be read in conjunction with this report.

3.5 Members should note the increased pressure on 2026/27 financial years and the need to use £2,733,000 of earmarked reserves to balance the general fund position at its target level of 15% of the net revenue budget. This equates to around 50% of all estimated general fund reserve balances held at the start of the financial year.

### **Budget Summary**

3.6 Local authorities continue to face financial pressures even with this revised settlement with cost inflation pressures being over and above what can be collected from local taxpayers. The key factors causing the pressure in the budget position are common to many councils nationally as noted above. These are primarily the increased costs of temporary accommodation and higher pay cost settlements over the last two years., and food waste being introduced. These pressures have not been fully covered by increased funding from government

3.7 The original budget for the financial year 2025/26, along with the revised budget position for 2025/26 and the proposed budget for 2026/27, are set out below.

For the 2025/26 estimated outturn, the estimated net service expenditure is higher at £1.2m compared to the original budget. The major variations are summarised below:

- £1.180m Carry forward of expenditure from prior year agreed at Council in September 2025
- £0.700m Net additional Temporary Accommodation Costs additional in year budget approvals
- £(0.250m) Net additional planning income
- £(0.250m) Additional Trade Waste income and Fuel Savings
- £(0.337m) Additional Extended Producer Responsibility packing income set aside to fund recycling costs
- £0.211m Net salary pressure from pay awards
- £0.265m Additional agency costs (Primarily Legal)
- (£0.129m) Tara House and appeals cost savings

3.8 This has been covered in the September quarterly outturn report to the Finance & Performance Scrutiny Committee.

3.9 In 2026/27 service expenditure has increased to £19.4m from £17.0m. This is an increase of £2.4m. The large movements are summarised below. Other movements are summarised in tables 2 and 3.

After allowing for net contributions from reserves of £2.73m there will be transfers of £0.35m to balances. This results in an overall transfer from reserves and balances of £2.4m.

Table 1	Original Estimate 2025/26	Revised Estimate 2025/26	Original Estimate 2026/27
Corporate & Street Scenes Services	8,940,179	9,028,488	9,117,220
Community Services & Development Services	8,072,614	9,177,807	10,214,321
Growth Not on the Ledger			
<b>Total service expenditure (Net)</b>	<b>17,012,793</b>	<b>18,206,295</b>	<b>19,358,541</b>
Less:			
Special Expenses	-874,240	-882,240	-843,910
Capital Accounting Adjustment	-823,853	-823,853	-645,378
Net external interest (received)/paid	633,104	383,104	949,656
IAS19 Adjustment/ Pensions	-1,610,720	-1,540,720	71,000
Transfer to (from) Unapplied Grants Reserve	-27,840	-1,065,904	-27,840
Carry forwards from prior year	0	-141,998	
Transfer to reserves	260,000	260,000	525,000
Transfer from reserves	-743,292	-743,292	-3,226,194
Transfer to/(from) balances	314,921	489,481	350,176
<b>HBBC Budget Requirement</b>	<b>14,140,873</b>	<b>14,140,873</b>	<b>16,476,406</b>

3.10 Major variations between the 2025/26 Original Estimate and the 2026-27 Original Estimate are detailed below as well as service and contractual changes 2026/27.

<b>Table 2: Major variations over £50,000</b>	<b>Expenditure /Pressures £000s</b>	<b>Income/ Savings £000s</b>
<b>Accounting changes - Pensions and capital charges that are reversed blow the line</b>		-1859
<b>General Fund Properties</b>	990	-990
<b>Additional Welfare Support Capacity</b>	67	
<b>Additional Homelessness Pressure</b>	452	
<b>Fuel Savings</b>		-120
<b>Additional Trade Waste income</b>		-111
<b>Garden Waste income</b>		-144
<b>Extended Producer responsibility (offsets in year recycling costs)</b>		-367
<b>Pension Savings</b>		-530
<b>Additional Planning income</b>		-175
<b>Additional Capacity Democratic Services</b>	52	
<b>General inflation pressure</b>	55	
<b>UKSPF</b>	694	-694
<b>National Insurance contribution funding stopped</b>	127	
<b>Trade Waste income</b>		
<b>Estates cost reduced</b>		-70
<b>Noise Abatement saving</b>		-90
<b>NHS rental income</b>		-95
<b>Capital financing</b>	490	
<b>Other Pension</b>		-71
<b>ICT costs (AI investment and Licences)</b>	67	
<b>Other small changes (Less than £50k)</b>	148	
<b>Contractual and service changes (table 3)</b>	4995	
<b>Total</b>	<b>8137</b>	<b>-5316</b>

<b>Table 3: Service and Contractual changes 2026/27</b>	<b>£000</b>
Homelessness grant now part of RSG	540
LLEP Pooled distribution arrangements now finished	1000
Part yr impact of waste round (already allowed for)	135
Utility and insurance cost increases	108
Additional Legal Agency costs	150
Pay Pressure (Excluding Food Waste Staff)	1191
New Food Waste Costs (Including Pay costs)	1451
Waste fleet costs part year impact of vehicle replacement	245

**Special Expense Area**

- 3.11 This represents the cost of parks and cemeteries in the non-parished area of Hinckley. Whilst the cost will only fall on the residents of this area, the net expenditure is built into the service totals above and must be included in the council's overall budget requirement for council tax purposes.
- 3.12 The proposed budgets for the special expenses area have been compiled in accordance with an overall increase in the borough council tax base of 0.46%. Details of the council tax base are included in the council tax report. Due to the adequacy of balances for special expenses, the £5 increase in council tax will be allocated to the wider borough budget.

<b>Table 4</b>	<b>Estimate 2025/26</b>	<b>Revised Estimate 2025/26</b>	<b>Original Estimate 2026/27</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Expenditure	874,240	882,240	878,555
Transfer to/(from) balances	-62,275	-73,522	-66,231
Transfer to/(from) reserves	12,550	11,900	11,900
S106 Contributions	-47,150	-43,253	-43,253
<b>Budget Requirement</b>	<b>777,365</b>	<b>777,365</b>	<b>780,971</b>

- 3.13 Balances in the Special Expenses Area (SEA) are estimated as follows:

<b>Table 5</b>	<b>£</b>
<b>Balance on 1st April 2025</b>	<b>230,333</b>
Transfer to/(from) Balances 2025/26	(73,522)
Transfer to/(from) Balances 2026/27	(66,231)
<b>Estimated Balance on 31st March 2027</b>	<b>90,580</b>

**Total Council Budget for 2026/27**

- 3.14 The total overall budget for 2026/27 in the direct control of the council is therefore:

<b>Table 6</b>	<b>Original Estimate 2025/26</b>	<b>Revised Estimate 2025/26</b>	<b>Original Estimate 2026/27</b>
	<b>£</b>	<b>£</b>	<b>£</b>
HBBC Budget Requirement	14,140,873	14,140,873	16,476,406

Special Expenses Budget Requirement	777,365	777,365	780,971
<b>Total Budget Requirement</b>	<b>14,918,238</b>	<b>14,918,238</b>	<b>17,257,377</b>

### **Forecast Budget 2026/27 – assumptions and process**

- 3.15 The original budget for 2026/27 has, in accordance with the council's financial procedures, been revised during the year to take account of approved supplementary budgets and virements.
- 3.16 The budget has been created with clear links to the council's strategic and service objectives. These objectives are set out in the member approved Corporate Plan, which is agreed by Council to enable projects to be prioritised including investments included in the Capital Programme. Although the Capital Programme is the subject of a separate report, it is important to note that there are links between capital and revenue (e.g. interest from capital receipts, interest on borrowing, staffing costs etc.)
- 3.17 In order to drive efficiency savings within the cost of supplies and services, a rate of 0% has been applied to non-contract related expenditure. An average rate of 2.5% has been used for 2026/27 on costs and 3.1% for income. The application of a 0% rate for non-contracted expenditure is aimed at increasing saving on running costs as much as possible.
- 3.18 The salaries and wages budget is the most significant element of the revenue budget. For pay costs, the 2026/27 estimates have been based on the latest pension valuation, and an average forecast pay settlement of 3.2%. The council operates a disciplined process of challenging recruitment and filling of posts and therefore a salary saving rate of 5% (General Fund and HRA) has been applied to posts to reflect the savings which will result from this challenge.

In addition to the growths listed above; the following items have been included in the service budgets: -

<b>Table 7 Other pressures and savings 2026/27</b>	<b>Costs £000</b>	<b>Description</b>
MRP	152	Revenue cost of Capital financing via borrowing.
MRP EZ Loan	11	Revenue cost of financing EZ Loan

Interest	317	Impact of additional borrowing costs, drop in interest rates and a reduction in balances
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- 3.19 The Leicestershire Pension Fund is re-valued in accordance with statutory requirements. There is currently an actuarial deficit (i.e. the assets of the fund were less than those required to meet the long-term liabilities in terms of benefits due to members). Whilst action is needed to remedy this position, the timescales involved mean that there is sufficient time to recover the position in a phased manner over several years and valuations. An employer's contribution rate of 22.2% will be used with an additional 1% being included for ill health retirement insurance.
- 3.20 The projected movement of the general fund balances is detailed in the table below and indicates that balances forecast as 31 March 2027 around the 15% target for the general fund balance. However, overall earmarked reserves are being used to ensure a balanced budget position. Final movements in balances for 2025/26 will be confirmed at year end and considered as part of future review of reserves.

<b>Table 8</b>	<b>Total</b>	<b>General Fund</b>	<b>Special Expenses</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balances at 1 April 2025	1,918	1,688	230
Amount Taken to /(from) Balances 2025/26	359	433	-74
<b>Balances at 31 March 2026</b>	<b>2,277</b>	<b>2,121</b>	<b>156</b>
Amount Taken to/(from)Balances 2026/27	284	350	-66
<b>Balances at 31 March 2027</b>	<b>2,561</b>	<b>2,471</b>	<b>90</b>
Net Budget Requirement	17,257	16,476	781
Minimum Balance requirement (15%)	2,588	2,471	117
Surplus Balance	-27	0	-27

### **Earmarked Reserves**

- 3.21 Appendix 1 provides a summary of earmarked General Fund reserves together with estimated movements. The tables below summarise the changes required to ensure spend commitments are met and funds are set aside for future pressures.



Table 10 Reserve	Transfer to Revenue 2026/27	Transfer from Revenue 2026/27	Use
Local Plan Procedure	£1,975		Re-profiling of expenditure for use on local plan
Special Expenses Reserve	£33,100	-£45,000	Free Parking in 2024/25
Economic Priority Reserve	£2,384,500	-£500,000	To Support General Fund Budget Position
Election Reserve		-£25,000	Set aside funds for next Election
Year End Carry Forwards	£15,420		Write out balance on reserve
ICT	£124,000		One yr funding for ICT improvements
Asset Management	£100,000		To Support General Fund Budget Position
Enforcement and Appeals	£50,000		Part fund in year revenue costs
Developing Communities Fund	£235,813		write out reserve to support general fund
Environmental Improvement Reserve	£50,000		Reserve used to support general fund
Enterprise Zone - Covid	£214,486		
Local Government Reform	£50,000		write out reserve to support general fund
<b>TOTAL</b>	<b>£3,259,294</b>	<b>-£570,000</b>	

- 3.22 Based on these calculations, it is estimated that the council will hold £5.7 million in earmarked reserves as at 31 March 2026 and £2.9 million at 31 March 2027. This amount excludes any “unapplied grants and contributions” which are treated as earmarked reserves in accordance with accounting regulations but relate to specific grants where conditions have not yet been met.

### Local Government Finance Settlement

- 3.23 The council’s budgets are highly sensitive to changes in the finance settlement and government policy. Funding announced in the 2026/27 Local Government Finance Settlement (provisional), as detailed at the beginning of this report.

The Business Rates Growth figure is based on the NNDR1 which is finalised on the 31 January 2026. This is based on the latest available information on rateable values and reliefs. The total position as per MMHCLG is noted below

Hinckley and Bosworth Core Funding	2025/26 CPS £000	Provisional Settlement 2026/27 £000	Difference £000
<b>Total as per MHCLG settlement</b>	£18,141	£17,521	(£619)

3.24 The following points should be noted:

- The reset of business rates is allowed for in the 2026/27 settlement.
- From 2026/27 non-earmarked government funding has been consolidated within RSG. Therefore the funding for food waste is not separately identified and other previously separate grants are now within the RSG settlement or the transitional relief figures. Some other grants, although separately listed, are now part of the settlement and not provided as a separate grant, such as temporary accommodation funding of £573,000 are now including in the settlement.

Other changes are noted as:

- New Homes Bonus now ended
- Increases in national insurance contributions now ended
- Funding floor now ended
- The baseline business rate funding is reduced
- The business rate tariff has increased by £7m removing all business rates growth
- The dampening figures is an allowance for councils that have lost out financially as a result of business rates reset. The figures are based on a 95% safety margin to ensure that the net loss is not greater than 5% based on central government calculated core spending power.

### **Business Rates Retention and Pooling**

3.25 The council's NNDR1 form forecasts the level of business rates expected to be collected by the council in year, after considering discounts, collection rates and appeals estimates. The retained business rates of this council are subject to a tariff, which the government have increased from £12.1m to £19.2m 2026/27.

3.26 The reset of the business rates retention scheme for 2026/27 will see revised target baseline funding amounts for each authority, with HBBC's baseline reduced by £120,000, and increased tariffs for many that will mean all past growth will be removed. With no growth, there is no levy to pay and therefore no financial advantage made from pooling. Therefore for 2026/27 the Leicestershire business rate pool will be closed. There is not expected to be many viable business rates pools in England in 2026/27. This position is

supported by external advisors and aligns with expectations from MHCLG, who are also expecting almost no pools to continue.

- 3.27 The NNDR1 form which sets out the final budgeted position for this council will be approved by the S151 officer on the 31 January 2026.
- 3.28 The accuracy of these forecasts will be monitored on a regular basis and will be validated only at year end as part of the completion of the NNDR3 form.
- 3.29 Budgeting for business rates is difficult, given the level of volatility in the market and delays in processing of appeals and applications for relief. Ongoing monitoring will be performed of the position in year and reported to the Finance and Performance Committee quarterly. Significant levels of appeals have been lodged with the Valuation Office Agency (VOA), which if successful would have a significant impact on the council.

### **Council Tax**

- 3.30 For 2026/27 the financial settlement offered the ability to councils that have been prudent in council tax increments and find themselves in the bottom quartile for the level of council tax charged, to level a £5 increase. The general fund budget is based on a £5 average Band D increase, with no increase specific allocation of this to the special expenses area.

### **Summary of the overall 2026/27 budget position**

- 3.31 The budget proposed for 2026/27 is achieving 15.0% general fund balance excluding special expenses (15% including SEA) in relation to net expenditure against a target of 15% (£2.471m).
- 3.32 Earmarked reserves are expected to reduce from £5.8m to £2.7m by 31 March 2027. The general fund balance is forecast to be £2.12m by 31 March 2027. Therefore, the council can achieve its financial targets for 2026/27. However, given the significant changes in Local Government Financing, the 2026/27 budget should be viewed considering business rate reset in 2027/28.
- 3.33 The 2026/27 budget should be read in conjunction with the council's Fees and Charges book for 2026/27, which is also agreed by council. This document reflects the annual review of all council income streams and any variations in charging regimes. Major fee changes are summarised in the Fees and Charges report.

### **Assurance Statement of the Council's Section 151 Officer (Head of Finance and Resources)**

- 3.34 The Section 151 officer has a statutory duty to report under Section 25 of the Local Government Act 2003 to report on the robustness of the estimates made within the budget and the adequacy of the financial reserves. The following assurance can be given:

- In relation to the 2026/27 General Fund Revenue budget, I have examined the budget proposals, and I believe that, whilst the spending and service delivery proposals are challenging, they are nevertheless achievable given, good management, and the sound monitoring of performance and budgets.
- I am satisfied that sufficient management processes exist within the Council to deliver this budget and to identify and deal with any problems which may arise unexpectedly during the 2025/26 year.
- The key process risks in making the above statement are growing pressure on pay costs and temporary accommodation. Although steps have been taken to manage these risks the risk still remains if demand continues to increase.
- The commencement of the new food waste service results in additional costs of circa £1.5m on the general fund budget. Although an allowance has been made within the central government settlement for this, it is not an earmarked amount so a risk remains that funding for this will be based on future public sector settlement amounts.
- There are currently no LGR costs included in the 2026/27 budget, with no current expectations for such costs to occur. Should there be any costs for LGR then they will need to be agreed as a separate supplementary budget by members.
- My statement is conditional upon the agreement of an updated Medium Term Financial Strategy being agreed by council to ensure that the required target of 15% minimum balance for general fund can be maintained for 2026/27, it may need to fall to 10% in 2027/28, but the council can set a balanced position with a sufficient general fund balance in the medium term.

#### **4.0 Exemptions in accordance with the Access to Information procedure rules**

4.1 Report taken in open session.

#### **5.0 Financial implications [IB]**

5.1 Contained in the body of the report.

#### **6.0 Legal implications**

6.1 Section 25 of the Local Government Act (2003) requires the Section 151 officer to report on the robustness of the estimates made within the budget and the adequacy of the financial reserves.

## **7.0 Corporate Plan implications**

- 7.1 A robust General Fund Budget is required to ensure that resources are effectively allocated to ensure delivery of all the aims, outcomes and targets included in the Council's Corporate Plan.

## **8.0 Consultation**

- 8.1 None

## **9.0 Risk implications**

- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with these report / decisions were identified from this assessment:

Risk Description	Mitigating Actions	Owner
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	A budget is produced to ensure that the objectives of the budget exercise are known throughout the organisation.	Strategic Leadership Team
That decisions made for 2026/27 are made in isolation from the Medium-Term Financial Strategy and the pressures set out in that strategy.	The budget is scrutinised on an ongoing basis to ensure that assumptions are robust and reflective of financial performance.	Strategic Leadership Team
That the MTFS has no robust and costed plan to ensure sustainability, resulting in public criticism on value for money from the internal and external auditors	Decisions are made which provide costed reassurance that sufficient levels of reserves and balances are maintained to ensure financial resilience over the period of the MTFS	Council

## **10.0 Knowing your community – equality and rural implications.**

- 10.1 This budget ensures that value for money services can be delivered to all residents and communities within the Borough.

## **11.0 Climate implications**

- 11.1 There are no direct implications arising from this report. However, financial planning is a key tool for delivering the corporate priorities of the council. Included in those priorities are the climate change considerations for services. The budget decisions made by members in relation to issues such as council tax, fees, and charges, and in the longer-term asset investment directly affect the council's abilities to invest in climate change priorities. The financial pressure on the council will mean it become increasingly difficult to meet its carbon emergency targets by 2030.
- 11.2 The council currently wish to reduce the carbon emissions by a range of key initiatives as set out in the adopted Climate Change Strategy, including the program of installing electric charging points to car parks and increase biodiversity through management of our green spaces. The council also has funds ringfenced to support voluntary and community sector organisations and consider environmental impact as key criteria of where these funds are used.
- 11.3 The pressure that is in the budget poses risks for all the council's activities, including these areas.

## **12.0 Corporate implications**

- 12.1 By submitting this report, the report author has taken the following into account:
- Community Safety implications
  - Environmental implications
  - ICT implications
  - Asset Management implications
  - Procurement implications
  - Human Resources implications
  - Planning implications
  - Data Protection implications
  - Voluntary Sector
- 

Background papers: None

Contact officer: Ilyas Bham, Accountancy Manager x5924

Executive member: Cllr K Lynch

## Appendix 1 - General Fund Earmarked Reserves

	Closing Balance 31st March 2025	Capital Expenditu re Budget	To Revenue Revised Budget	From Revenue Revised Budget	Closing Balance 31st March 2026	Capital Expenditu re Budget	To Revenue Orig Budget	From Revenue Orig Budget	Closing Balance 31st March 2027
<b>Special Expenses Reserve</b>	(294,400)	58,076	33,100	(45,000)	(248,224)	48,740	33,100	(45,000)	(211,384)
<b>Local Plan Procedure</b>	(204,267)		202,292		(1,975)		1,975		0
<b>Business Rates Equalisation Reserve</b>	(1,250,000)				(1,250,000)				(1,250,000)
<b>Year End Carry Forwards</b>	(157,418)		141,998		(15,420)		15,420		0
<b>ICT Reserve</b>	(161,929)				(161,929)		124,000		(37,929)
<b>Asset Management Reserve</b>	(274,258)				(274,258)		100,000		(174,258)
<b>Election Reserve</b>	(50,000)			(25,000)	(75,000)			(25,000)	(100,000)
<b>Grounds Maintenance</b>	(30,000)				(30,000)				(30,000)
<b>Enforcement &amp; Planning Appeals</b>	(100,000)		50,000	(135,000)	(185,000)		50,000		(135,000)
<b>Building Maintenance costs</b>	(491,769)	100,000			(391,769)	100,000			(291,769)
<b>Developing Communities Fund</b>	(235,813)				(235,813)		235,813		0
<b>Environmental Improvement Reserve</b>	(150,000)		50,000		(100,000)		50,000		(50,000)
<b>Enterprise Zone - Covid</b>	(214,486)				(214,486)		214,486		0
<b>LGR</b>	0		50,000	(100,000)	(50,000)		50,000		0
<b>Economic Priorities Reserve</b>	(2,829,291)		391,000	(81,000)	(2,519,291)		2,384,500	(500,000)	(634,791)
<b>Total</b>	<b>(6,443,631)</b>	<b>158,076</b>	<b>918,390</b>	<b>(386,000)</b>	<b>(5,753,165)</b>	<b>148,740</b>	<b>3,259,294</b>	<b>(570,000)</b>	<b>(2,915,131)</b>
<b>Total Excluding Special Expenses</b>	<b>(6,149,231)</b>	<b>100,000</b>	<b>885,290</b>	<b>(341,000)</b>	<b>(5,504,941)</b>	<b>100,000</b>	<b>3,226,194</b>	<b>(525,000)</b>	<b>(2,703,747)</b>

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## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Scrutiny Commission	5 February 2026
Council	19 February 2026

Wards affected: All

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### HOUSING REVENUE ACCOUNT BUDGET 2026-27

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Report of Assistant Director Finance & Audit (Section 151 Officer)

#### 1. Purpose of report

- 1.1 To seek approval of the 2026/27 Housing Revenue Account (HRA) budget, including the Housing Repairs Account.

#### 2. Recommendation

- 2.1 That Council approve the Rent Policy for 2026/27 as set out in paragraph 3.3 to 3.5.
- 2.2 That Council approve:
- The revised Housing Revenue and Housing Repairs Account budgets for 2025/26 shown in Appendix 1 and Appendix 2.
  - The Housing Revenue and Housing Repairs Account budgets for 2026/27 shown in Appendix 1 and Appendix 2.
  - The proposed movement in reserves shown in Appendix 3.

#### 3. Background to the report

- 3.1 The budgets covered by this report relate to the Council's responsibilities as the landlord of 3,199 dwellings. The Housing Revenue Account is the ring-fenced account which presents financial performance for the following activities:

- Income from dwelling rents and associated charges, e.g., utilities.
- Supervision & Management (General), e.g. allocations, housing register, rent collection, tenant consultation.
- Supervision & Management (Special) e.g. sheltered schemes, hostel, roads, paths, fences and grounds, which are not part of an individual property.
- Housing Repairs & Maintenance, which has a separate account and deals with the maintenance of individual properties.

3.2 The Council, as landlord to properties within the HRA, is required to review rent levels and advise tenants of their rent for the forthcoming year ahead as part of the budget setting process.

### **Rent Setting**

3.3 For 2026/27 it is proposed to increase rent by 4.8%, being cpi plus 1% as at September 2025, which is the allowable amount under government rules. It is critical we use this rate to maximise income through applying this rent increase. This is required in order that service priorities can be met including:

- Meeting decent homes standard
- Meeting compliance and regulation requirements
- Continuing to provide management and support to tenants
- Continuing with decarbonisation works
- And increase housing stock through acquisition and development

3.4 Based on the above, rents for 2026/27 have been calculated on the following basis:

- Social housing and supported housing rent will increase by 4.8%
- Void loss assumption of 1.75%
- An assumption that 15 dwellings will be sold
- Peggs Close properties removed from budget
- £54,000 added to cover rent for new properties

3.5 After factoring in the above, the forecast rental income for 2026/27 is £16,507,290. This is an increase of £823,980. This increase is required to ensure ongoing investments in repairs and maintenance to the council's stock can continue.

### **Budget Summary**

3.6 The original Housing Revenue Account budget for 2025/26, revised budget for 2025/26 (based on September 2025 outturn) and the proposed budget for 2026/27 is set out in Appendix 1.

- 3.7 The original Housing Repairs Account budget for 2025/26, revised budgets for 2025/26 (based on September 2025 outturn) and the proposed budget for 2026/27 is set out in Appendix 2.

### **Revised 2025/26 Budget**

- 3.8 The original budgets for 2025/26 have, in accordance with the Council's Financial Procedures, been revised during the year to take account of approved supplementary budgets and virements. The position in Appendix 1 is based on the September outturn position and updated for the latest rent forecast.
- 3.9 Appendix 1 identifies an increase in spend for the year of £178,974. This increase is explained below:

	£
Additional employee costs	85,000
Additional rent income	(165,000)
Gas & electricity overspend	20,000
Shortfall garage rents	16,000
Shortfall in sheltered scheme service charges	33,000
Carry forwards from 2024/25	99,968
In year supplementary budgets	24,250
Premises insurance overspend	17,000
Additional contribution to repairs	50,000
Additional interest on borrowing	42,000
Additional interest receivable	(51,244)
Other minor variances	8,000
<b>TOTAL</b>	<b>178,974</b>

This will result in an estimated HRA balance as at 31 March 2026 of £1,181,847 against the original estimate of £849,053. In 2025/26, the estimated contributions to the regeneration reserve will increase to ensure that HRA balance equates to around £250 per property and resources are set aside to fund future capital expenditure.

- 3.10 In addition, Appendix 2 summarises the Housing Repairs Account to year end. The movement between the original budget and the revised budget is primary due to continued high levels of demand and price increases for responsive repairs.

### **2026/27 Budget**

#### **Service priorities and links to other documents**

- 3.11 The 2026/27 budget has been created with clear links to the Council's Corporate Plan and service objectives.

- 3.12 In addition to the Corporate Plan, the overarching strategic document for the HRA is the HRA Investment Strategy which was refreshed in 2025. The key objectives for future housing provision outlined in this document were taken into account in producing both the revenue and capital HRA budgets. These are as follows:

- Continue to invest in existing stock to maintain good quality homes
- Where affordable, invest in new build schemes/acquire affordable housing to increase the amount of affordable housing available
- Refurbishment/regeneration of stock which no longer meets needs
- Review the potential for further investment in new housing stock

### **Budget Assumptions**

- 3.13 The 2026/27 Housing Revenue Budget has been prepared following a robust process for the 2026/27 financial year.
- 3.14 In order to drive efficiency savings within the cost of supplies and services, a rate of 0% has been applied to non-contract related expenditure. For contractual commitments, an inflation rate of 2.5% has been used, unless otherwise specified within the terms of the specific contract.
- 3.15 The salaries and wages budgets form one of the most significant elements of the revenue budget. For pay costs, the 2026/27 estimates have been based on the latest pension valuation and assumes a 3.2% pay award. The council operates a disciplined process of challenging recruitment and filling of posts and therefore a salary saving rate of 5% (General Fund and HRA) has been applied to posts to reflect the savings which will result from this challenge. This rate is unchanged from that used in 2025/26.

### **Housing Revenue Account 2026/27**

- 3.16 The estimated deficit for 2026/27 for the HRA is £289,350. This will result in a forecast balance at the year-end of £892,497. After allowing for rent changes, the major changes are summarised below:

	<b>£</b>
Increase in Employee salary costs (pay award, NI, Pension)	136,610
Reduction Sheltered Scheme Service Charges	23,810
Additional Piper Alarm/Lifeline income	(37,260)
Increased electricity costs	46,400
Additional contribution to Repairs account (primary service growths)	441,250
Increase Premises Insurance costs	16,167
Increase in Depreciation. This has no net impact. The change in depreciation is offset by the change in the repairs reserve which is used to fund capital expenditure	221,000
Reduction interest receivable	15,962
Reduction in Lump Sum Pension contributions	(96,530)

Reduction Support Service Recharges	(111,454)
Service Growths*	55,000
Additional cleaning costs	12,530
Reduction Interest on Borrowing	(8,559)
Other minor variations	(3,327)
<b>TOTAL</b>	<b>£711,599</b>

\*Growths listed in the above table are detailed below:

£	
Reduced rent income for garages and plots	15,000
Potential piper alarm opt out of service by tenants	40,000

### Housing Repairs budgets 2026/27

- 3.17 The housing repairs operational budgets (planned and responsive repairs) have been prepared taking into account forecast need and the capacity for this to be delivered in 2026/27.
- 3.18 Programmed and responsive repairs budgets have been increased in line with inflation and latest demands on the service. Due to changes in legislation and additional demands, growths of £357,400 have been included within the repairs budget. The estimated operating surplus for the year is £6,440, which will mean a forecast balance of £18,961 as at 31 March 2027.

£	
Additional staffing and vehicle resource for In-house contractor (2 year fixed term contracts)	97,000
Stock condition survey work	50,000
Accelerated EPC programme	30,000
Updated electrical safety regulation	12,000
Asbestos surveys	30,000
Gas Servicing renewable heat pumps	12,000
Additional site maintenance costs associated primary with site preparation for disposal	100,000
<b>TOTAL</b>	<b>357,400</b>

## Working balances

3.19 The council has the following policies relating to levels of balances and reserves in the HRA:

- Maintain HRA balances (non-earmarked) of £250 per property by the 31 March 2027. For 2026/27, this equates to a minimum balance of £799,750 based on 3,199 properties. The estimated closing balance is £892,497.
- Maintain a breakeven position within the Housing Repairs Account with all surpluses transferred to earmarked reserves.
- Where possible, all actual service underspends and excess balances should be transferred to earmarked reserves to plan for specific future costs or financial risks.
- There should be no direct contribution from revenue to capital except for specific identified projects.

3.20 The projected movement of the Housing Revenue Account balance is detailed below and indicates that sufficient balances are forecast as at 31 March 2027 based on the minimum balance thresholds outlined in 3.19. Required transactions to achieve minimum balances for 2025/26 will be considered as part of the outturn process.

	2025/26 ORIGINAL ESTIMATE	2025/26 LATEST ESTIMATE	2026/27 ORIGINAL ESTIMATE
	£	£	£
<b>Closing Balance at 31 March</b>	(848,053)	(1,181,847)	(892,497)

3.21 The Housing Repairs Account balance is forecast as follows:

	2025/26 ORIGINAL ESTIMATE	2025/26 LATEST ESTIMATE	2026/27 ORIGINAL ESTIMATE
	£	£	£
<b>Closing Balance at 31st March</b>	(36,721)	(12,521)	(18,961)

## Reserves

3.22 Appendix 3 provides a summary of earmarked HRA reserves, together with estimated movements during 2025/26 and 2026/27. Based on these calculations, it is estimated that the council will hold £2,975,791 as at 31 March 2026 and £2,758,111 as at 31 March 2027. This amount excludes any “unapplied grants in earmarked HRA reserves and contributions” which are treated as earmarked reserves in accordance with accounting regulations but relate to specific grants where conditions have not yet been met.

The following transfers to reserves require approval by council:

Reserve	Transfer £	Use
<b>2025/26</b>		
Piper Alarm Reserve	50,000	Reserve set aside for Control Centre service enhancements.
Regeneration Reserve	2,795,000	This reserve has been set up to fund the implementation of the Housing Investment Plan.
Major Repairs Reserve	3,230,768	This amount together with the depreciation budget will be set aside to fund capital expenditure. (This entry is now required due to a change in accounting regulations).
<b>2026/27</b>		
Piper Alarm Reserve	50,000	Reserve set aside for Control Centre service enhancements.
Regeneration Reserve	3,400,000	This reserve has been set up to fund the implementation of the Housing Investment Plan. The transfer to reserves has been funded by both the HRA and the Housing Repairs Account.
Major Repairs Reserve	3,392,320	This amount together with the depreciation budget will be set aside to fund capital expenditure. (This entry is required due to a change in accounting regulations).

- 3.23 It is proposed that HRA reserves will only be used for capital purposes in 2026/27. Full details are included in the Capital Programme.
- 3.24 The HRA Business Plan outlines how the HRA business will deliver services and capital projects over a 30-year period. The plan has been updated to reflect the budget for 2026/27. Further work is being undertaken to inform a revised HRA Investment Strategy.

#### **4. Exemptions in accordance with the Access to Information procedure rules**

- 4.1 Report taken in open session.

#### **5. Financial implications [IB]**

- 5.1 Contained in the body of the report.

## **6. Legal implications [ST]**

- 6.1 This budget is drawn up and approved in accordance with the Statutory requirements as to the keeping of a Housing Revenue Account (HRA), as contained in the Local Government and Housing Act 1989 ('the Act'). It is a duty of each local authority to approve its HRA budget in the January and February immediately before the commencement of the financial year to which it relates.
- 6.2 The provisions include a duty, under Section 76 of the Act, to budget to prevent a debit balance on the HRA and to implement and review the budget. The Account must relate to the income of the authority for the year from rents and other charges in respect of houses and other property within their Housing Revenue Account and the expenditure of the authority for the year in respect of the repair, maintenance, supervision and management of such property and any other requirements of the Secretary of State.

## **7. Corporate Plan implications**

- 7.1 The proposed budgets will allocate resources to enable the council to achieve its objectives for its own housing stock.

## **8. Consultation**

- 8.1 Relevant council officers have been consulted in the preparation of the budgets.

## **9. Risk implications**

- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively. The following significant risks associated with this report/decisions were identified from this assessment:

<b>Management of Significant (Net Red) Risks</b>		
<b>Risk Description</b>	<b>Mitigating Actions</b>	<b>Owner</b>
That the council has insufficient resources to meet its aspirations and cannot set a balanced budget	<ul style="list-style-type: none"><li>• The HRA budget is produced to ensure that the objectives of the budget exercise are known throughout the organisation.</li><li>• The budget is scrutinised on an ongoing basis to ensure that assumptions are robust and reflective of financial performance.</li></ul>	S Stacey



	<ul style="list-style-type: none"> <li>• Sufficient levels of reserves and balances are maintained to ensure financial resilience</li> </ul>	
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## **10. Knowing your community - equality and rural implications**

- 10.1 The budget will allow management and maintenance of council properties throughout the borough.

## **11. Climate implications**

- 11.1 There are no direct implications arising from this report. However, budget decisions made by members in relation to issues such as rents, fees and charges, and in the longer-term asset investment directly affect the council's abilities to invest in climate change priorities. The financial pressure on the council will mean it become increasingly difficult to meet its carbon emergency targets by 2030.

There are no direct implications arising from this report.

## **12. Corporate implications**

- 12.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

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Background papers: Civica Reports

Contact officer: Ilyas Bham, Accountancy Manager Ext. 5924

Executive member: Cllr K Lynch

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## Housing Revenue ACCOUNT

## APPENDIX 1

	2025/26 ORIGINAL ESTIMATE	2025/26 FORECAST OUTTURN	2026/27 ORIGINAL ESTIMATE
	(Published) £	£	£
<b>SUMMARY HOUSING REVENUE ACCOUNT</b>			
<b>INCOME</b>			
Dwelling Rents	(15,683,310)	(15,848,310)	(16,507,290)
Non Dwelling Rents	(80,150)	(64,150)	(65,160)
	<b>(15,763,460)</b>	<b>(15,912,460)</b>	<b>(16,572,450)</b>
<b>EXPENDITURE</b>			
Supervision & Management (General)	3,236,867	3,392,585	3,201,860
Supervision & Management (Special)	1,065,997	1,197,497	933,550
Lump Sum LCC pension contribution	96,530	96,530	0
Contributions to Housing Repairs A/C	3,650,000	3,700,000	4,091,250
Depreciation	3,871,320	3,871,320	4,092,320
Capital Charges: Debt Management	1,130	1,130	1,100
Increase in Provision for Bad Debts	80,000	80,000	80,000
Interest on Borrowing	1,806,003	1,848,003	1,797,444
	<b>13,807,847</b>	<b>14,187,065</b>	<b>14,197,524</b>
<b>Net Cost of Services</b>	<b>(1,955,613)</b>	<b>(1,725,395)</b>	<b>(2,374,926)</b>
Interest Receivable	(101,686)	(152,930)	(85,724)
IAS19 Adjustment	(290,970)	(290,970)	0
<b>Net Operating Expenditure</b>	<b>(2,348,269)</b>	<b>(2,169,295)</b>	<b>(2,460,650)</b>
<b>CONTRIBUTIONS</b>			
Contribution to Piper Alarm Reserve	50,000	50,000	50,000
Transfer to/from Major Repairs Reserve	(640,552)	(640,552)	(700,000)
Transfer to Regeneration Reserve	2,900,000	2,795,000	3,400,000
<b>(Surplus) / Deficit</b>	<b>(38,821)</b>	<b>35,153</b>	<b>289,350</b>
<b>Relevant Year Opening Balance at 1st April</b>	<b>(810,232)</b>	<b>(1,217,000)</b>	<b>(1,181,847)</b>
<b>Relevant Year Closing Balance at 31st March</b>	<b>(849,053)</b>	<b>(1,181,847)</b>	<b>(892,497)</b>

## ***Housing Revenue ACCOUNT***

	<b>2025/26 ORIGINAL ESTIMATE (Published) £</b>	<b>2025/26 FORECAST OUTTURN £</b>	<b>2026/27 ORIGINAL ESTIMATE £</b>
<b>SUPERVISION &amp; MANAGEMENT (GENERAL)</b>			
Employees	1,640,422	1,728,874	1,591,670
Premises Related Expenditure	266,993	283,993	286,870
Transport Related Expenditure	15,470	15,470	17,120
Supplies & Services	343,449	393,715	367,340
Central & Administrative Expenses	1,006,053	1,006,053	974,380
<b>Gross Expenditure</b>	<b><u>3,272,387</u></b>	<b><u>3,428,105</u></b>	<b><u>3,237,380</u></b>
Revenue Income	(35,520)	(35,520)	(35,520)
<b>Total Income</b>	<b><u>(35,520)</u></b>	<b><u>(35,520)</u></b>	<b><u>(35,520)</u></b>
<b>Net Expenditure to HRA</b>	<b><u>3,236,867</u></b>	<b><u>3,392,585</u></b>	<b><u>3,201,860</u></b>
<b>SUPERVISION &amp; MANAGEMENT (SPECIAL)</b>			
Employees	911,081	976,081	808,630
Premises Related Expenditure	605,152	632,652	669,610
Transport Related Expenditure	13,450	13,450	11,510
Supplies & Services	170,343	170,343	132,690
Central & Administrative Expenses	301,971	301,971	222,190
<b>Gross Expenditure</b>	<b><u>2,001,997</u></b>	<b><u>2,094,497</u></b>	<b><u>1,844,630</u></b>
Revenue Income	(906,400)	(867,400)	(879,850)
Recharges	(29,600)	(29,600)	(31,230)
<b>Total Income</b>	<b><u>(936,000)</u></b>	<b><u>(897,000)</u></b>	<b><u>(911,080)</u></b>
<b>Net Expenditure to HRA</b>	<b><u>1,065,997</u></b>	<b><u>1,197,497</u></b>	<b><u>933,550</u></b>

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**Housing Revenue ACCOUNT**

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**APPENDIX 2**

	<b>2025/26 ORIGINAL ESTIMATE (Published) £</b>	<b>2025/26 FORECAST OUTTURN £</b>	<b>2026/27 ORIGINAL ESTIMATE £</b>
<b>HOUSING REPAIRS ACCOUNT</b>			
<b>Administration</b>			
Employee Costs	772,048	826,048	710,030
Transport Related Expenditure	10,710	10,710	16,210
Supplies & Services	171,585	276,585	180,950
Central Administrative Expenses	308,430	308,430	318,040
<b>Total Housing Repairs Administration</b>	<b>1,262,773</b>	<b>1,421,773</b>	<b>1,225,230</b>
<b>Programmed Repairs</b>	<b>836,556</b>	<b>836,556</b>	<b>849,410</b>
<b>Responsive Repairs</b>	<b>1,612,460</b>	<b>1,642,460</b>	<b>2,010,170</b>
<b>GROSS EXPENDITURE</b>	<b>3,711,789</b>	<b>3,900,789</b>	<b>4,084,810</b>
Contribution from HRA	(3,650,000)	(3,700,000)	(4,091,250)
Other Income	0	0	0
IAS19 Adjustment	(94,310)	(94,310)	0
<b>TOTAL INCOME</b>	<b>(3,744,310)</b>	<b>(3,794,310)</b>	<b>(4,091,250)</b>
Contribution from HRA Reserves	0	(105,000)	0
<b>NET EXPENDITURE</b>	<b>(32,521)</b>	<b>1,479</b>	<b>(6,440)</b>
<b>Opening Balance at 1st April</b>	<b>(4,200)</b>	<b>(14,000)</b>	<b>(12,521)</b>
<b>Closing Balance at 31st March</b>	<b>(36,721)</b>	<b>(12,521)</b>	<b>(18,961)</b>

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## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision-making

Scrutiny Commission	5 February 2026
Council	19 February 2026

Wards affected: All wards

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### Fees and Charges 2026/2027

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Report of Assistant Director Finance & Audit (Section 151 Officer)

#### 1. Purpose of report

1.1 To obtain approval of the proposed scale of Fees and Charges for 2026/2027.

#### 2. Recommendation

2.1 That council approve the Fees and Charges for 2026/2027.

2.2 If nationally set fees and charges for planning are updated, the Assistant Director Finance & Audit is given delegated authority to update fees and charges.

#### 3. Background to the report

3.1 The council charges for a number of services that are provided to the public.

3.2 The estimated income from fees and charges for 2026/27 is £8.8 million. This is an increase of £0.594m from the prior year.

#### Charging Principles

3.3 A number of principles are followed when considering fees and charges. In general terms, all applicable services should be charged for unless there is a valid reason for an exception to be made. These exemptions include, but are not limited to:

- Instances where the administrative cost of levying and recovering the charge would outweigh any potential income;
  - Where policy has been passed to fund the service from Council Tax or other dedicated funding streams (e.g. grants);
  - Circumstances where charging would significantly deter demand;
  - Where statute dictates that charges cannot be made.
- 3.4 When setting scales of charges, the following factors are taken into consideration:
- Statutory obligations;
  - Inflation and relevant indices;
  - Local market research and competition (where relevant);
  - The impact of price changes on activity level or demand;
  - Budget position and links to the MTFS and the Corporate Plan;
  - The cost of providing the service.
- 3.5 A rate comparable with Consumer Price Index (CPI), which is a measure of inflation, has been used as an index where appropriate for up-rating charges from the prior year. A rate of 3.8% has been used in line with September 2025 inflation rates (for HRA rents 3.8% + 1%).
- 3.6 The fees and charges show the 2026/27 charges, along with the percentage increases applied. Fees have either been inflated or set in accordance with relevant statutory guidance e.g. Fixed Penalty Notices and those under the Gambling and Licensing Acts have been set in line with relevant guidance.
- 3.7 Based on the current contract, leisure centre charges have been set by Places for People who operate the leisure centre.
- 3.8 Planning fees that are set nationally reflect the statutory increase that came into effect from 1 April 2025. Central government is yet to finalise any potential fee increases for 2026/27. When these are finalised, it is requested the Assistant Director Finance & Audit is given delegated authority to update the council's fees and charges.
- 3.9 In the majority of cases where discretionary charges can be made, increases have been made in line with inflation.
- 3.10 The major variances from the inflation figure of 3.8% that have an impact on the budgets are listed below:



	2025/26 £	2026/27 £	Increase %
<b>Hollycroft Park, Argents Mead, parks and open spaces</b>			
Hire of bandstand, parks and open spaces (commercial events) per day	435.00	460.00	5.75
<b>Pitch per day</b>			
Catering stalls (pitch 3m x 6m)	95.00	100.00	5.26
Other stalls (pitch 3m x 6m)	47.50	50.00	5.26
Additional pitch to above (pitch 3m x 6m)	23.75	25.00	5.26
<b>Allotments</b>			
Additional key charge	10.00	15.00	50.00
<b>Animal establishments</b>			
Pet shops	256.81	275.48	7.27
Riding establishments	315.70	338.43	7.20
Dog breeding	209.85	227.22	8.28
Keeping or training animals for exhibition	258.68	277.79	7.39
Boarding for cats and dogs	154.95	222.32	43.48
Reassessment of star rating	117.82	128.19	8.80
Variation of licence	117.82	128.19	8.80
<b>Stray dogs</b>			
Microchipping - Home visit	51.88	59.84	15.34
<b>Refuse collection</b>			
Upholstered seating (POP's) item – up to 2 items or less	40.00	42.00	5.00
General items (excluding POP's) - up to 3 items	40.00	42.00	5.00
Each additional general item (excluding POP's) max 5 per collection	12.00	13.00	8.33
Garden waste collection (annual subscription per bin)	47.50	52.50	10.53
<b>The Big Bin Clear out collection service</b>			
1110 litre wheeled bin (Business collections)	80.00	85.00	6.25
660 litre wheeled bin (Business collections)	70.00	75.00	7.14
<b>Caravan sites</b>			
New licence	343.04	362.52	5.68
Transfer	88.39	96.72	9.42
Variation with inspection	292.11	309.36	5.91
Variation without inspection	88.39	96.72	9.42
<b>Legal services Miscellaneous agreements</b>			
JCT minor works contract	200.00	300.00	50.00
Sealing fee	25.00	75.00	200.00
Notice fee (Notice of Assignment/Mortgage)	60.00	65.00	8.33
Sealing fee for mortgages (redemption)	95.00	100.00	5.26

#### **4. Exemptions in accordance with the Access to Information procedure rules**

- 4.1 Report taken in open session.

#### **5. Financial implications [MT]**

- 5.1 Contained in the body of the report

#### **6. Legal implications [ST]**

- 6.1 The council's powers to charge can arise from mandatory powers, express discretionary powers or implied or incidental powers.
- 6.2 Mandatory powers are set out in the functional legislation such as the power to charge for planning applications set out in the Town and Country Planning Act 1990.
- 6.3 Section 93 Local Government Act 2003 gives the Council power to charge for discretionary services, but not in cases where there is already power to charge under other legislation e.g. power to charge for the use of a swimming pool pursuant to the Local Government Miscellaneous Provisions Act 1976.
- 6.4 The power to charge under Section 93 can only be used for services which the Council is empowered to provide.
- 6.5 The Section 93 power is not intended to provide a new income stream; its aim is to allow the Council to recover the costs of providing services, and there is a general duty on the Council to secure that, from one year to the next, the income from charges for services does not exceed the costs of provision.

#### **7. Corporate Plan implications**

- 7.1 The budget will have an indirect impact on all other Corporate Plan aims.

#### **8. Consultation**

- 8.1 All budget holders and the Strategic Leadership Team have been consulted throughout the budget setting process.

#### **9. Risk implications**

- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

<b>Management of Significant (Net Red) Risks</b>		
<b>Risk Description</b>	<b>Mitigating Actions</b>	<b>Owner</b>
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	<ul style="list-style-type: none"> <li>• A budget strategy is produced to ensure that the objectives of the budget exercise are known throughout the organisation.</li> <li>• The budget is scrutinised on an ongoing basis to ensure that assumptions are robust and reflective of financial performance.</li> <li>• Sufficient levels of reserves and balances are maintained to ensure financial resilience</li> </ul>	J Kenny

## **10. Knowing your community – equality and rural implications**

- 10.1 The budget process will impact on all areas of the Borough and all groups within the population
- 10.2 Where concessions are made for certain groups for charging purposes these are detailed in the attached booklet.

## **11. Climate implications**

- 11.1 There are no direct implications arising from this report.

## **12. Corporate implications**

- 12.1 By submitting this report, the report author has taken the following into account:
- Community Safety implications
  - Environmental implications
  - ICT implications
  - Asset Management implications
  - Procurement implications
  - Human Resources implications
  - Planning implications
  - Data Protection implications
  - Voluntary Sector

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Background papers: Fees and Charges submissions

Contact officer: Caroline Stretton, Senior Accountant Ext 5986

Executive member: Cllr K Lynch

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Hinckley & Bosworth  
Borough Council

# Scale of fees and charges



2026 / 2027

Operative from 1 April 2026

## Scale of fees and charges 2026/27

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## Scale of Fees and Charges 2026/27

***The figures quoted in the Fees and Charges book are shown GROSS,  
i.e. including VAT where VAT is chargeable.***

### **VAT LIABILITY**

The Council's Fees and Charges booklet incorporates a guide to identify the VAT liability for individual charges and most day to day queries can be resolved by reference to the relevant sections.

If any unusual or complex queries arise they should be referred to the Accountancy Section, Extension 5609 who will help.

As VAT regulations are continually changing the book will be updated and revised accordingly.

There are three rates of VAT depending on the goods or services provided:

- Standard rate 20.0%
- Reduced rate (e.g. domestic fuel and power) 5%
- Zero rate 0%

(The standard rate of VAT rose from 17½% to 20% on 4<sup>th</sup> January 2011)

There are also some goods and services that are:

- exempt from VAT, or
- outside the UK VAT system altogether (e.g. fees that are fixed by law, known as 'statutory fees')

Where the supply of goods or services is not subject to VAT, the VAT liability will either be exempt or non-business. Supplies which are zero rated are still taxable supplies but no VAT is due. Non-business activities are those for which Public Authorities have a statutory duty or are enshrined in legislation. Exempt supplies are those which are specifically exempt from VAT by statute. Though no VAT charge arises from either categorisation, it is still important to identify correctly the type of liability involved in order to meet statutory requirements.

Category	VAT	2026/27 £	% inc
<b>Cemeteries</b>			
<b>Interments - Including natural burials</b>			
Of the body of a child up to the age of 18 yrs inclusive.	NB	No charge	-
<b>Note:-</b> Interment of the body of a child up to 18 years of age is free into a single depth grave. Where interments are required at double depth or below then single depth interment charges for over 18's will apply			
Of the body of a person whose age exceeded 18 yrs. (Inc. caskets and brick graves)			
Single depth grave	NB	600.00	3.45%
Double depth	NB	695.00	4.51%
Triple depth grave (For existing reserved graves only)	NB	800.00	3.90%
Existing Brick Grave (Turf & soil removal)	NB	130.00	4.00%
Of a cremated remains in a grave			
Casket depth / ashes scattered under turf	NB	180.00	2.86%
Scattering of cremated remains in the Garden of Rest	NB	130.00	0.00%
<b>Note:-</b> If residents outside special expense area = double fees. Except for residents who had lived within the area for at least 25 years, but who lived outside the area for health care or welfare reasons for no longer than 10 years immediately prior to their death. Or, where available, work in the cemeteries on Saturdays or Sundays will attract double fees			
<b>Exclusive rights of burial for 70 years</b>			
Casket plot 150 x 90cm (5'x3') (up to 2 caskets/ashes interment)	NB	425.00	3.66%
Casket plot 240 x 120cm (8'x 4') (Section J only, up to 4 caskets/ashes interment)	NB	810.00	3.85%
Grave plot of a child up to the age of 18yrs (appropriate plot size) special expense area	NB	No charge	-
Grave plot of a child up to the age of 18yrs (appropriate plot size) outside special expense area, but within borough	NB	270.00	3.85%
Grave plot of a child up to the age of 18yrs (appropriate plot size) outside of the borough (double fees)	NB	540.00	3.85%
<b>Note:-</b> should parents opt for a grave size greater than the size of the coffin then normal grave purchase fees will apply (single fee for special expense area, double fees for outside the borough)			
Grave plot 240 x 120cm (8'x4')	NB	810.00	3.85%
Reservation fee	NB	142.00	2.90%
Reassignment / Transfer of Deed (If to spouse 50% reduction)	NB	75.00	4.17%
Extension to EROB 30yrs (1/2, 70yrs fee)	NB	See above	-
<b>Note:-</b> If grave is being purchased for the interment of someone who was not resident in Hinckley then double fees apply			
<b>Rights to erect memorial on a grave plot</b>			
A memorial not exceeding 105cm wide (3' 6") and 120cm high (4')	NB	190.00	2.70%
A memorial not exceeding 50cm (1'8") high	NB	110.00	4.76%
Memorial kerb (In garden of rest - to include plaque & 2 inscriptions)	NB	155.00	3.33%
Install plaque on remembrance wall	NB	130.00	4.00%
Additional Inscriptions to memorials	NB	90.00	5.88%
<b>Note:-</b> Right to erect replacement memorials no charge			



Category	VAT	2026/27 £	% inc
<b>Other charges (incl. VAT)</b>			
Use of Cemetery Chapel, per service	SR	125.00	0.00%
Entries in book of remembrance per line	SR	48.00	0.00%
Exhumations	SR	POA	-
Memorial bench - subject to location availability (including single plaque & 15 years bench maintenance)	SR	1,450.00	3.57%
Memorial bench plaque to HBBC bench, subject to availability (bench maintenance and plaque for 15 years)	SR	360.00	2.86%
Memorial tree - subject to location availability (including free standing memorial plaque)	SR	390.00	4.00%
Soil removal from grave side for burial	EX	150.00	3.45%

## Green spaces and events

### Professional fees

Parks and cemetery matters / staff led activities / per hour	SR	58.00	3.57%
Lost keys	SR	45.00	2.27%

### Bowls – Hollycroft Park

Season ticket - Concession*	EX	59.50	0.00%
Season ticket - Adult	EX	84.50	0.00%
Per rink / per hour - Concession*	SR	3.95	3.95%
Per rink / per hour - Adult	SR	6.90	3.76%

**Note:-** New members - first season green fees 25% discount. Part season ticket - from July onwards 50% reduction

### Tennis – Hollycroft Park

Per court per hour	SR	7.50	0.00%
Off peak rate 11.00am - 3.00pm (Monday to Friday)	SR	4.50	0.00%

### Pitch and putt – Hollycroft Park

Adult	SR	3.50	0.00%
Concession*	SR	1.85	0.00%
Equipment Hire - Hollycroft Park (for all sports equipment)	SR	10.00	0.00%

**Note:-** \*Concession - over 60, under 18 years or students in full-time education

### Hollycroft Park, Argents Mead, parks and open spaces

Hire of bandstand, parks and open spaces (commercial events) per day	EX	460.00	5.75%
Hire of bandstand (community events, registered charities, schools) per day	EX	No charge	-
Parks and open spaces (fair and circuses) per day operating	EX	387.00	0.00%
Parks and open spaces (fair and circuses) per day non-operating	EX	65.00	0.00%
Commercial use of parks and open spaces for fitness training or dog training, leisure activities (Hourly fee)	EX	25.00	0.00%

Category	VAT	2026/27 £	% inc
<b>Events (Pitch per day)</b>			
Catering stalls (pitch 3m x 6m)	SR	100.00	5.26%
Other stalls (pitch 3m x 6m)	SR	50.00	5.26%
Additional pitch to above (pitch 3m x 6m)	SR	25.00	5.26%
Stall community / non profit making organisations / registered charities (promotion / display only)	EX	No charge	-
Licence fee, for sale of alcohol at event	SR	POA	-
<b>Football and cricket pitches - Adult</b>			
Pitch per 11 matches (per season)			
Teams in the Borough pitch only	EX	290.00	3.57%
Teams in the Borough pitch with changing room	EX	580.00	3.57%
Teams outside the Borough pitch only	EX	395.00	3.95%
Teams outside the Borough pitch with changing room	EX	725.00	3.57%
Casual lettings - per match with facilities:			
Teams in the Borough	SR	78.00	4.00%
Teams outside the Borough	SR	88.00	2.33%
Casual lettings - per match without facilities			
Teams in the Borough	SR	42.00	2.44%
Teams outside the Borough	SR	55.00	3.77%
Junior - 1/2 adult fees	SR	27.50	3.77%
<b>Allotments</b>			
Small plot size 0 - 100sqm	NB	26.00	0.00%
Medium plot size 101 - 200sqm	NB	36.00	0.00%
Large plot size 201 - 300sqm	NB	46.00	0.00%
Administration charge on new tenancy	NB	27.00	3.85%
Additional key charge	NB	15.00	50.00%
<b>Note:-</b> *£5.00 reduction per plot for sites without water - *Tenants over 60 will receive 25% discount on plot fees			
<b>Countryside activities</b>			
HBBC organised environmental activities - Spring / Summer (for ages 5 - 12 years)	EX	POA	-
Floral displays / Hanging baskets	SR	POA	-
Timber per 3 tonne trailer full un-split - Advice note to be issued, on how to dry wood	SR	POA	-
Delivery of timber	SR	POA	-
Above all subject to availability			

Category	VAT	2026/27	% inc
		£	
<b>Licences</b>			
<b>Taxis</b>			
Hackney carriage vehicle licence	NB	182.15	3.79%
Private hire vehicle licence	NB	182.15	3.79%
Private hire operators licence	NB	264.70	3.80%
Private or Hackney carriage drivers licence	NB	187.85	3.78%
Transfer Hackney carriage / private hire vehicle licence	NB	104.85	3.81%
<b>Hackney carriage/ private hire</b>			
Replacement driver's badge or vehicle licence	NB	23.35	3.78%
Replacement vehicle plate	NB	32.70	3.80%
Supply of list of Hackney carriage / private hire vehicle operators	NB	42.55	3.78%
New (TAXI PLATE) Wheelchair Accessible or Zero Emission Vehicle (ZEV)	NB	182.15	3.79%
New (PHV PLATE) Ultra Low Emission Vehicle (ULEV) or Hybrid Electric Vehicle (HEV)	NB	182.15	3.79%
<b>Sex establishments</b>			
Sex shop / sexual entertainment venue	NB	1,058.00	3.73%
Renewal	NB	799.00	3.77%
Variation of licence	NB	264.00	3.53%
Transfer of licence	NB	264.00	3.53%
<b>Gambling Act 2005</b>			
<b>Premises</b>			
Premises licence	NB	800.00	0.00%
Annual fee	NB	330.00	0.00%
Variation fee	NB	800.00	0.00%
Change of circumstance	NB	25.00	0.00%
Transfer of licence	NB	285.00	0.00%
Re-instatement fee	NB	285.00	0.00%
Provisional statement	NB	800.00	0.00%
Copy of licence	NB	25.00	0.00%
<b>Alcohol licenced premises gaming machine permit</b>			
New grant	NB	150.00	0.00%
Existing operator grant	NB	100.00	0.00%
Variation	NB	100.00	0.00%
Transfer of licence	NB	25.00	0.00%
Annual fee	NB	50.00	0.00%

Category	VAT	2026/27	% inc
		£	
<b>Alcohol licenced premises gaming machine permit cont..</b>			
Change of name	NB	25.00	0.00%
Notification of 2 machines	NB	50.00	0.00%
<b>Prize gaming permit</b>			
New grant	NB	300.00	0.00%
Renewal	NB	300.00	0.00%
Existing operator grant	NB	100.00	0.00%
Change of name	NB	25.00	0.00%
Copy of permit	NB	15.00	0.00%
<b>Unlicenced FEC gaming machine</b>			
New grant	NB	300.00	0.00%
Renewal	NB	300.00	0.00%
Existing operator grant	NB	100.00	0.00%
Change of name	NB	25.00	0.00%
Copy of permit	NB	15.00	0.00%
<b>Club gaming permits</b>			
Grant	NB	200.00	0.00%
Grant (club premises certificate holder)	NB	100.00	0.00%
Existing operator grant	NB	100.00	0.00%
Variation	NB	100.00	0.00%
Renewal	NB	200.00	0.00%
Renewal (club premises certificate holder)	NB	100.00	0.00%
Annual fee	NB	50.00	0.00%
Copy of permit	NB	15.00	0.00%
<b>Club machine permits</b>			
Grant	NB	200.00	0.00%
Grant (club premises certificate holder)	NB	100.00	0.00%
Existing operator grant	NB	100.00	0.00%
Variation	NB	100.00	0.00%
Renewal	NB	200.00	0.00%
Renewal (club premises certificate holder)	NB	100.00	0.00%
Annual fee	NB	50.00	0.00%
Copy of permit	NB	15.00	0.00%

Category		VAT	2026/27 £	% inc
<b>Small society lottery registration</b>				
Small society lottery registration		NB	40.00	0.00%
Small society lottery annual fee		NB	20.00	0.00%
<b>Licensing Act 2003</b>				
New premises (subject to NNDR band)	Band A	NB	100.00	0.00%
	Band B	NB	190.00	0.00%
	Band C	NB	315.00	0.00%
	Band D	NB	450.00	0.00%
	Band E	NB	635.00	0.00%
Annual fees (subject to NNDR band)	Band A	NB	70.00	0.00%
	Band B	NB	180.00	0.00%
	Band C	NB	295.00	0.00%
	Band D	NB	320.00	0.00%
	Band E	NB	350.00	0.00%
Personal license		NB	37.00	0.00%
Temporary event notices		NB	21.00	0.00%
Minor variation		NB	89.00	0.00%
Theft / loss of premises license summary		NB	10.50	0.00%
Application for provisional statement		NB	195.00	0.00%
Change of name and address		NB	10.50	0.00%
Application for license variation - specify individual as premises supervisor		NB	23.00	0.00%
Application to display mandatory alcohol condition for community premises		NB	23.00	0.00%
Application for transfer of premises license		NB	23.00	0.00%
Interim authority notice		NB	23.00	0.00%
Theft / loss of certificate of summary		NB	10.50	0.00%
Notification of change of rules / name of club		NB	10.50	0.00%
Notification of change of address of club		NB	10.50	0.00%
Theft / loss of certificate of temporary license		NB	10.50	0.00%
Theft / loss of certificate of personal license		NB	10.50	0.00%
Right of freeholder to be notified of licensing matters		NB	21.00	0.00%
<b>Animal establishments</b>				
Pet shops *		NB	275.48	7.27%
Riding establishments *		NB	338.43	7.20%
Dog breeding *		NB	227.22	8.28%
Keeping or training animals for exhibition		NB	277.79	7.39%
Boarding for cats and dogs		NB	222.32	43.48%
Reassessment of star rating		NB	128.19	8.80%
Variation of licence		NB	128.19	8.80%

Category	VAT	2026/27 £	% inc
<b>Animal establishments cont..</b>			
Multiple Activities - For those applicants who carry on more than one of the above licence activities, the full licence application fee will be payable for the highest application, plus £50.93 per additional licensable activity	NB	53.16	4.38%
Dangerous wild animals 2 yr. licence *	NB	163.20	0.00%
Zoos *	NB	765.00	0.00%
<b>Note:-</b> * Plus vet's fees where applicable			
<b>Registration</b>			
Skin pierces (1 off reg. fee) - Person	NB	105.90	3.82%
Skin pierces (1 off reg. fee) - Premises	NB	150.35	3.80%
Cosmetic skin piercing and skin colouring - Person	NB	105.90	3.82%
Cosmetic skin piercing and skin colouring - Premises	NB	150.35	3.80%
Hairdressers (1 off registration fee) - Person	NB	105.90	3.82%
Hairdressers (1 off registration fee) - Premises	NB	150.35	3.80%
Hairdressers (1 off registration fee) - Reprinting of licence/ registrations	NB	23.30	3.83%
<b>Car park fees</b>			
Short stay - Up to 1 hour	SR	0.60	0.00%
Short stay - Over 1 hour and up to 2 hours	SR	1.20	0.00%
Short stay - Over 2 hours and up to 3 hours	SR	2.00	0.00%
Short stay - Over 3 hours and up to 4 hours	SR	3.00	0.00%
Short stay - Over 4 hours	SR	6.00	0.00%
Long stay - Up to 1 hour	SR	0.60	0.00%
Long stay - Up to 2 hours	SR	1.20	0.00%
Long stay - Up to 5 hours	SR	1.60	0.00%
Long stay - Over 5 hours	SR	2.50	0.00%
Castle car park - Up to 1 hour	SR	0.60	0.00%
Castle car park - Up to 2 hours	SR	1.20	0.00%
Castle car park - Up to 5 hours	SR	2.00	0.00%
Castle car park - Over 5 hours	SR	4.00	0.00%
Market Bosworth Rectory Lane car park - Up to 1 hour	SR	0.60	0.00%
Market Bosworth Rectory Lane car park - Up to 2 hours	SR	1.20	0.00%
Market Bosworth Rectory Lane car park - Up to 3 hours	SR	2.00	0.00%
Market Bosworth Rectory Lane car park - Up to 4 hours	SR	3.00	0.00%
Market Bosworth Rectory Lane car park - Over 4 hours	SR	6.00	0.00%
Season tickets (limited use) Per year from month of issue	SR	375.00	0.00%
Season tickets (limited use) Per half year from month of issue	SR	200.00	0.00%
Season tickets (limited use) Per quarter from month of issue	SR	110.00	0.00%
Season tickets (limited use) Replacement / amendment season tickets	SR	10.00	0.00%
Season tickets (limited use) Cancellation of PCN were permit incorrectly displayed	SR	10.00	0.00%
Season tickets (limited use) Per month (valid 1st day of month)	SR	40.00	0.00%

Category	VAT	2026/27	% inc
		£	
<b>Car park fees cont..</b>			
Staff season ticket Per month direct debit (for full year permit only)	SR	31.25	0.00%
Season tickets (long stay plus Castle car park) Per year	SR	500.00	0.00%
Season tickets (long stay plus Castle car park) Per month for direct debit	SR	41.67	0.00%
Residents parking season ticket (restricted availability) - Long stay per year	SR	60.00	9.09%
Car park - Higher charge fines*	NB	70.00	0.00%
Car park - Lower charge fines*	NB	50.00	0.00%
Electric vehicle charging per KWH	SR	POA	-
Advertising on car park tickets – please contact 01455 255626	SR	POA	-

**Note:-** \* Fines reduced by 50% for prompt payment (14 days)

#### Commercial display on car parks

Per day	EX	POA	-
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### Environment health

#### Pest control

Domestic - Rats	SR	20.00	0.00%
Domestic - Mice	SR	65.44	3.80%
Domestic - Insects per treatment	SR	65.44	3.80%
Domestic - Insects per call-out where treatment not necessary	SR	32.72	3.80%
Domestic - Treatment of mice and insects for persons in receipt of eligible benefit	SR	32.72	3.80%
Domestic - Wasp treatment for 1 nest	SR	65.44	3.80%
Domestic - Wasp treatment per each additional nest	SR	32.72	3.80%
Domestic - Wasp treatment for 1 nest for persons in receipt of eligible benefit	SR	32.72	3.80%
Domestic - Wasp treatment per each additional nest for persons in receipt of eligible benefit	SR	16.41	3.80%
Business - Insects and rodents – labour per hour or part thereof	SR	74.43	3.80%
Business - Materials	SR	Cost + 40%	-
Business - Minimum charge	SR	100.69	3.80%
Business - Insects per call - out where treatment not necessary	SR	50.39	3.80%

#### Stray dogs

Kennelling - Per day	NB	22.44	3.80%
Kennelling - Per occurrence (statutory fee)	NB	25.00	0.00%
Microchipping - Event charges	SR	20.00	0.00%
Microchipping - Home visit	SR	59.84	15.34%

Category	VAT	2026/27 £	% inc
<b>Noise nuisance</b>			
Return of audio equipment seized	NB	218.10	3.80%
Silencing of alarms requiring warrant (any contractors costs charged in addition)	NB	372.12	1.32%
Silencing of alarms without warrant (any contractors costs to be charged in addition)	NB	212.64	1.32%
<b>Caravan sites</b>			
New licence	SR	362.52	5.68%
Transfer	SR	96.72	9.42%
Variation with inspection	SR	309.36	5.91%
Variation without inspection	SR	96.72	9.42%
<b>Other miscellaneous charges</b>			
Food surrender - Certification fee	NB	121.76	3.80%
Food surrender - Plus transport for disposal	NB	At Cost	-
Food export certificate	NB	121.75	3.79%
Safer food better business pack	NB	15.88	3.79%
Safer food better business diary refill	NB	10.59	3.82%
Whole register	NB	423.50	3.80%
Confirmation certificate for immigration of food business details	NB	68.82	3.80%
Contaminated land enquiries	NB	108.93	3.80%
Register of permits / authorisations	NB	85.76	3.80%
Public register - copies of summaries	NB	36.00	3.80%
Radar keys (disabled access to toilets) - purchase price	NB	POA	-
Analysis fees - swimming pool water samples	SR	52.94	3.80%
Health and safety statement of facts (per hour)	NB	50.86	3.80%
Replacement certificates	NB	23.30	3.79%
Works in default - recovery of costs	SR	Cost	-
Works in default - administrative expenses and officer time - Hourly Rate	NB	Hourly Rate	-
<b>Private water supply charges</b>			
Commercial premises risk assessment (per hour)	NB	52.94	3.80%
Simple domestic sample analysis (at cost plus amount shown admin fee)	NB	22.84	3.82%



Category	VAT	2026/27 £	% inc
<b>Clean neighbourhoods - fixed penalty notices - statutory charges</b>			
Nuisance parking	NB	100.00	0.00%
Abandoning a vehicle	NB	200.00	0.00%
Litter *	NB	400.00	0.00%
Graffiti and fly posting *	NB	400.00	0.00%
Failure to produce authority (waste transfer notes)	NB	300.00	0.00%
Failure to furnish documentation (waste carriers licence)	NB	300.00	0.00%
Offences in relation to waste receptacles	NB	60.00	0.00%
Allowing a dog to foul in a public place	NB	50.00	0.00%
Failure to comply with a community protection notice, under the Anti-Social Behaviour, Crime and Policing Act 2014	NB	100.00	0.00%
Duty of care *	NB	400.00	0.00%
Breach of public spaces protection order, under the Anti-social Behaviour, Crime and Policing Act 2014	NB	100.00	0.00%
Fly tipping S33(1)(a) (commercial, large domestic or Hazardous) Env Protection Act 1990	NB	1,000.00	25.00%
Fly tipping S33(1)(a) (small domestic or non Hazardous) Env Protection Act 1990	NB	800.00	0.00%
Littering From Vehicle Outside London (Keepers Civil Penalties) Regulations 2018**	NB	400.00	0.00%
Note* - 50% discount for payments made before 10 days on Clean neighbourhoods fixed penalty notices			
Note 2** - The fine amount increases by 100% if not paid within 28 days of being issued or 28 days since Notice of Rejection			
<b>Leisure centre - (fees set by the external partner, Places Leisure Ltd)</b>			
<b>Swimming</b>			
Adult		6.25	4.17%
Senior (60 Plus)		3.40	3.03%
Concession (inc. Junior Under 16, unemployed, student)		3.40	3.03%
Disabled		no charge	-
Spectator		no charge	-
<b>Pool hire</b>			
Private hire – main pool (per 1 hour whole pool)		111.00	4.72%
Private hire – main pool (per 1 hour per lane)		13.75	3.38%
Private hire – community pool (per 1 hour)		64.50	4.03%
<b>Fitness and health casual</b>			
Gym induction		21.50	3.86%
Gym session concession (9.00am – 5.00pm only)		6.10	3.39%
GP referral / heartsmart session		4.00	23.08%
<b>Sports halls and courts</b>			
Adult badminton court		12.00	4.35%
Concession (off peak only) badminton		6.20	3.33%
Half main hall hire		55.50	3.74%
Concession (off peak only) half main hall		27.00	3.85%
<b>HBBC Cultural Services (set internally)</b>			
Health and Well being community classes		3.50	0.00%

Category	VAT	2026/27 £	% inc
<b>Markets</b>			
<b>Market stall licensed trader</b>			
New traders to be charged half price on first stall for a period of four weeks			
Saturday zone A	EX	25.40	3.67%
Saturday zone A - Second stall	EX	19.05	3.65%
Saturday zone A - Third and all subsequent stalls	EX	12.70	3.67%
Monday zone A	EX	18.00	0.00%
Monday zone A - Second stall	EX	13.50	0.00%
Monday zone A - Third and all subsequent stalls	EX	9.00	0.00%
Friday zone A	EX	20.60	3.00%
Friday zone A - Second stall	EX	15.45	3.00%
Friday zone A - Third and all subsequent stalls	EX	10.30	3.00%
Saturday zone B	EX	12.70	3.67%
Saturday zone B - Second stall	EX	9.53	3.70%
Saturday zone B - Third and all subsequent stalls	EX	6.35	3.59%
Monday zone B	EX	9.00	0.00%
Monday zone B - Second stall	EX	6.75	0.00%
Monday zone B - Third and all subsequent stalls	EX	4.50	0.00%
Friday zone B	EX	10.30	3.00%
Friday zone B - Second stall	EX	7.73	3.07%
Friday zone B - Third and all subsequent stalls	EX	5.15	3.00%
<b>Market stall casual trader</b>			
Saturday zone A	EX	31.00	3.33%
Monday zone A	EX	20.00	0.00%
Friday zone A	EX	25.00	4.17%
Saturday zone B	EX	15.50	3.33%
Monday zone B	EX	10.00	0.00%
Friday zone B	EX	12.50	4.17%
Saturday zone C	EX	7.75	3.33%
Monday zone C	EX	5.00	0.00%
Friday zone C	EX	6.25	4.17%
Charity stall	NB	0.00	0.00%
Friday street trading consents per pitch	NB	25.00	4.17%
Saturday bric a brac (in zone B)	EX	12.00	0.00%
Monday bric a brac (in zone B)	EX	11.00	0.00%
Friday bric a brac (in zone B)	EX	12.00	0.00%
Town centre commercial displays	SR	POA	-
Town centre large commercial displays (over 6m length over 3m width) Price per day	SR	212.00	3.92%

Category	VAT	2026/27 £	% inc
<b>Rival markets</b>			
One day event	NB	225.00	4.65%
Two day event	NB	370.00	0.00%
Three day event	NB	450.00	4.65%
Street trading - Annual consent	NB	0.00	3.79%
Street trading - Daily consent	NB	1,095.00	0.00%
<b>Commercial rents</b>			
Rent of industrial unit	EX	POA	-
Rent unit at Greenfields site	SR	POA	-
Rent of space in Atkins Building	SR	POA	-
Rent of retail shops	EX	POA	-
<b>Miscellaneous - Copies of building regulations and planning approvals</b>			
Extensive researching of planning history of site or premises	NB	68.30	0.00%
Photocopying of other documentation - Per A4 sheet	ZR	10p + p&p	-
Photocopying of other documentation - Per A3 sheet	ZR	10p + p&p	-
<b>Other</b>			
Aerial photography	SR	POA	-
<b>Pre planning application advice</b>			
Householder pre-application advice	SR	104.84	3.80%
Major strategic development (planning performance agreement)	SR	POA	-
Major development (large residential, retail, leisure, employment) pre-application advice	SR	6,511.37	3.80%
Additional meeting and advice note	SR	1,100.28	3.80%
Major development (50-99 dwellings or 5,000 - 9,999 m2) pre-application advice	SR	4,393.85	3.80%
Additional meeting and / or advice note	SR	613.46	3.80%
Major development (10-49 dwellings or 1,000 - 4,999 m2) pre-application advice	SR	2,805.71	3.80%
Additional meeting and / or advice note	SR	613.46	3.80%
Minor development (5-9 dwellings or 500 - 999 m2) pre-application advice	SR	1,227.95	3.80%
Additional meeting and / or advice note	SR	148.43	3.80%
Minor development (1-4 dwellings, agricultural, change of use or other minor development) pre-application advice	SR	466.06	3.80%
Additional meeting and advice note	SR	148.43	3.80%
Commercial pre-application advice	SR	POA	-

#### Local land charges

The land charges service is operated by Blaby District Council on behalf of Hinckley and Bosworth Borough Council. Please contact Blaby District Council land charges department for further information or to order your land charges search.

Category	VAT	2026/27 £	% inc
<b>Building control</b>			
Building regulation application charges - please ring 01455 255677			
Building control hourly rate	SR	80.05	3.83%
Written confirmation of works exempt from building regulations	NB	39.40	3.82%
Written confirmation of non-existence of building regulations record	SR	39.40	3.82%
Written confirmation of completion of work to which building regulations applied	SR	39.40	3.82%
Extensive search of building control history for site or premises (per hour)	SR	80.05	3.83%
Completion application for a closed application (reactivation of application and 1 inspection)	SR	80.05	3.83%
Additional inspections on a reactivated application (per inspection)	SR	80.05	3.83%
Building control surveyor attendance at emergency incident/enforcement (per hour)	NB	80.05	3.83%
Building control surveyor attendance at emergency incident out of hours (per hour)	NB	119.40	3.83%
Preparation and posting of documentation in relation to an emergency/enforcement incident or dangerous structure (per document)	NB	80.05	3.83%
<b>Housing</b>			
<b>Groby Community Centre</b>			
Whole building - 3 hour session	EX	56.27	3.80%
Small room - 3 hour session	EX	28.21	3.80%
Discounts			
Registered charities (must quote registration number)		70%	0.00%
Approved elderly persons' organisations		70%	0.00%
Regular users – minimum usage 1 booking per week			
Booked quarterly in advance with no cancellation permitted		10%	0.00%
<b>Letting of garages and garage plots (HRA)</b>			
Garage plots per annum - Private owners	SR	62.00	4.82%
Garage plots per annum - Council house residents if let within proximity of residence	NB	51.80	4.86%
Garages (council tenants)	NB	293.25	4.81%
Garages (non council tenants)	SR	352.00	4.81%
Garages (council tenants) not let within proximity of residence	SR	352.00	4.81%
<b>Other housing charges (HRA)</b>			
Warden assisted accommodation			
Guest room charge per night (Tom Eatough Court, Armada Court,)	SR	13.20	3.53%
Guest room charge per night (Mayflower Court, Centurion Court)	SR	20.75	3.75%

Category	VAT	2026/27 £	% inc
<b>Other housing charges (HRA) cont..</b>			
Warden assistance alarm connection			
Lifeline (weekly charge)	SR	6.51	3.80%
Lifeline for registered Disabled (weekly charge)	EX	5.45	3.80%
Central control connection (weekly charge)	SR	2.65	3.80%
Replacement lifeline pendant	SR	49.82	3.80%
Replacement lifeline pendant for registered disabled	EX	41.52	3.80%
Lifeline Falls detector (per week)	SR	2.08	3.80%
Lifeline Smoke detector (per week)	SR	1.14	3.80%
Lifeline Pillow alert (per week)	SR	1.97	3.80%
Lifeline CO2 detector (per week)	SR	2.08	3.80%
<b>Other housing charges (private sector)</b>			
Accommodation certificate	SR	173.40	0.00%
Service of housing act notices - recovery of cost	NB	POA	-
Housing - mandatory HMO licensing stage 1 application- recovery of cost	NB	POA	-
Housing - mandatory HMO licensing Stage 2 ongoing scheme costs - recovery of cost	NB	POA	-
Supply of HMO register	NB	45.00	0.00%
HMO advisory inspection	SR	175.00	0.00%
HMO advisory inspection including written Report	SR	350.00	0.00%
Works in default - recovery of costs	SR	Cost	-
Works in default - administrative expenses and officer time	NB	Hourly rate	-
<b>Sheltered housing - service charges</b>			
Ambion Court	NB	18.30	4.87%
Ambion Court Guest Room (per night)	NB	38.80	4.86%
Hereford Way	NB	14.20	4.80%
Clarendon House	NB	18.30	4.87%
Queensway	NB	15.50	4.73%
Castle Court	NB	18.30	4.87%
Mayflower Court	NB	18.30	4.87%
Royal Court	NB	12.25	4.70%
Centurion Court	NB	18.30	4.87%
St Giles Close	NB	11.15	4.69%
Armada Court	NB	15.20	4.83%
Tom Eatough Court	NB	18.30	4.87%
<b>Temporary accommodation charges (homeless)</b>			
Households on JSA/IS (weekly charge)	SR	17.59	3.78%
Employed households (daily charge)	SR	POA	-
Each additional member of household (weekly charge)	SR	4.36	3.81%
Pets - charged at hotel nightly rate if more than weekly charge	SR	POA	-

Category	VAT	2026/27 £	% inc
<b>Publication list</b>			
Hinckley & Bosworth local plan *	ZR	91.16	3.80%
<b>Local plan documents</b>			
Local development scheme	ZR	15.78	3.80%
Statement of community involvement	ZR	15.78	3.80%
Authority monitoring report	ZR	15.78	3.80%
Residential land availability statement	ZR	15.78	3.80%
Employment land availability monitoring statement	ZR	15.78	3.80%
Core strategy (December 2009) plus sustainability appraisal	ZR	35.57	3.80%
Core strategy inspectors report	ZR	15.78	3.80%
Site allocations and generic development control policies DPD preferred options	ZR	91.00	3.80%
Site allocations and development management policies DPD pre-submission version	ZR	91.00	3.80%
Hinckley Town Centre area action plan (March 2011) plus sustainability appraisal	ZR	34.31	3.80%
Earl Shilton and Barwell area action plan preferred option (January 2011) plus sustainability appraisal	ZR	42.25	3.80%
Earl Shilton and Barwell area action plan pre-submission version (July 2013) plus sustainability appraisal	ZR	42.25	3.80%
Earl Shilton and Barwell area action plan (September 2014) plus sustainability appraisal	ZR	42.30	3.80%
Earl Shilton and Barwell area action plan inspectors report	ZR	15.78	3.80%
Local plan review scope, issues and options consultation document (2018)	ZR	15.78	3.80%
Local plan review new directions for growth consultation document (2019)	ZR	15.78	3.80%
Sustainability appraisal scoping report (2017)	ZR	15.78	3.80%
Village design statements (various)	ZR	15.78	3.80%
Neighbourhood plans (various)	ZR	42.25	3.80%
The good design guide SPD	ZR	56.75	3.80%
Hinckley town centre public realm masterplan	ZR	56.75	3.80%
<b>Other documents</b>			
Employment land and premises study	ZR	42.30	3.80%
Leicester & Leicestershire employment land study	ZR	42.30	3.80%
Green infrastructure study	ZR	42.30	3.80%
Strategic flood risk assessment	ZR	42.30	3.80%
Biodiversity assessment	ZR	35.62	3.80%
Areas of separation review (March 2012)	ZR	27.74	3.80%
District, local and neighbourhood centre review	ZR	15.78	3.80%
Green wedge review (Hinckley urban area or Rothley Brook)	ZR	27.74	3.80%
Green wedge allocations topic paper (July 2012) assessment of new areas	ZR	27.74	3.80%
Open space study	ZR	56.70	3.80%

Category	VAT	2026/27 £	% inc
<b>Other documents cont..</b>			
Community facilities review	ZR	27.74	3.80%
Settlement hierarchy review	ZR	27.74	3.80%
Gypsy & traveller accommodation needs assessment	ZR	27.74	3.80%
Extended phase 1 habitat survey	ZR	56.75	3.80%
Strategic housing land availability assessment	ZR	14.50	3.80%
Renewable energy capacity study	ZR	42.30	3.80%
Housing and economic development needs assessment	ZR	52.78	3.80%
Landscape character assessment and landscape sensitivity analysis	ZR	84.17	3.80%
Town and district centre study	ZR	84.17	3.80%
Strategic housing and employment land availability assessment (SHELAA)	ZR	14.45	3.80%
Car parking assessment of Hinckley town centre	ZR	39.60	3.80%
Playing pitch strategy	ZR	42.30	3.80%
Housing needs study	ZR	42.30	3.80%
Infrastructure capacity study	ZR	84.17	3.80%
Agricultural land study	ZR	42.30	3.80%
LLITM transport modelling	ZR	56.70	3.80%
Indoor sports facilities	ZR	42.30	3.80%
<b>Note:</b> - * 50% discount for local residents and voluntary organisations			
<b>Economic regeneration</b>			
Hinckley & Bosworth economic regeneration strategy (2021 - 2025)	ZR	15.45	3.69%
<b>Conservation</b>			
Conservation area appraisals (various)	ZR	15.45	3.69%
Heritage strategy and action plan	ZR	41.45	3.75%
<b>Note:</b> - All publications are subject to an additional charge for postage and packing			
<b>Street naming and numbering</b>			
Renaming/renumbering of existing property	NB	£50 each	-
Naming/numbering of one to five properties	NB	£50 each	-
Naming/numbering of more than five properties	NB	£30 each additional	-
Naming of a street	NB	175 each	-
Change to a development after notification (administration fee)	NB	60.00	-
Change to a development after notification	NB	£25 per plot	-
Street re-naming at residents request	NB	270.00	-
Written confirmation of postal address details	NB	30.00	-
Numbering of new flat complex	NB	£35 per flat	-

Category	VAT	2026/27 £	% inc
<b>Register of electors – statutory fees</b>			
Purchase of register in data format (per request)	SR	20.00	-
(per 1000 or part there of)	SR	1.50	-
Purchase of register in printed format (per request)	ZR	10.00	-
(per 1000 or part there of)	ZR	5.00	-
Purchase of the (printed) marked register per request	ZR	10.00	-
(per 1000 or part there of - data format)	ZR	1.00	-
(per 1000 or part there of - paper format)	ZR	2.00	-
<b>Reprographic charges</b>			
Photocopies for members of staff and parish councils			
A4 per sheet – black and white	SR	5p / copy	25.00%
A4 per sheet – colour	SR	9p / copy	12.50%
A3 per sheet – black and white	SR	10p / copy	11.11%
A3 per sheet – colour	SR	16p / copy	6.67%
<b>Miscellaneous</b>			
Agendas per copy - Council	ZR	12.95	3.60%
Agendas per copy - Planning	ZR	12.95	3.60%
Other committees	ZR	6.35	3.25%
Photocopies of parts of reports and other documents - 1 copy A4	SR	0.12	-
Photocopies of parts of reports and other documents - 1 copy A3	SR	0.23	-
<b>Published statement of accounts</b>			
	ZR	£11 + p&p	-
<b>Legal services</b>			
<b>Miscellaneous agreements</b>			
Planning Agreements (Section 106 Agreements)	NB	2,400.00	3.81%
Unilateral undertaking	NB	415.00	2.47%
Variation of Planning Agreement	NB	900.00	3.81%
Preparation of lease for industrial unit / shop (includes lease renewal)	EX	360.00	2.86%
Preparation of lease for Greenfields / Atkins (incl lease renewal)	EX	360.00	2.86%
Preparation of lease for Crescent Estate	EX	415.00	2.47%
Preparation of non standard lease	EX	585.00	2.63%
Sitting out license	EX	300.00	3.45%
License to occupy	EX	300.00	3.45%
Rent Deposit Deed	EX	410.00	2.50%
Deed of Surrender	EX	465.00	2.20%
Licence for Alterations	EX	400.00	2.56%



Category	VAT	2026/27 £	% inc
<b>Miscellaneous agreements cont..</b>			
Licence to assign/ underlease/ sub-let (dependent upon instruction)	EX	465.00	2.20%
Costs in relation to sale or purchase of land	EX	485.00	-
Deed of release from restrictive covenant	SR	315.00	3.28%
Adoption of open space	EX	1000.00	-
Deed of dedication	NB	360.00	2.86%
Deed of rectification (nil charge if council in error)	SR	335.00	3.08%
Right of way (standard Deed of Easement)	NB	455.00	2.25%
Licence authorising change of use	NB	295.00	3.51%
Grazing licences	ZR	140.00	-
Deed of variation (of lease, transfer, contract etc)	SR	415.00	2.47%
JCT minor works contract	NB	300.00	50.00%
Sealing fee	NB	75.00	200.00%
Ex-Council House Right of First Refusal	NB	145.00	3.57%
Ex-Council House Retrospective Consent	NB	145.00	3.57%
Ex-Council House Postponement of charge	NB	145.00	3.57%
Ex-Council House Consent Certificate	ZR	160.00	3.23%
Leasehold Enquires - Form LPE1	SR	125.00	4.17%
Notice fee (Notice of Assignment/Mortgage)	SR	65.00	8.33%
Mortgage questionnaire	ZR	115.00	4.55%
Sealing fee for mortgages (redemption)	ZR	100.00	5.26%
<b>Charge for diversion / extinguishment of public rights of way</b>			
Stage 1 (preliminary consultation) - First Path	NB	1,200.00	-
Stage 1 - Each additional path	NB	350.00	-
Stage 2 (making order) - First Path	NB	450.00	-
Stage 2 - Each additional path	NB	200.00	-
Stage 3 (submission to secretary of state where order opposed) - First Path	NB	600.00	-
Stage 3 - Each additional path	NB	200.00	-
Stage 4 (confirmation of order) - First Path	NB	300.00	-
Stage 4 - Each additional path	NB	150.00	-
<b>Note:</b> - No payment to be made until completion of Stage 2 (or such earlier stage if the matter proceeds no further) and, thereafter, at every appropriate subsequent stage			
<b>Temporary Road Closures</b>	NB	198.30	0.00%

Category	VAT	2026/27 £	% inc
<b>Refuse collection</b>			
Upholstered seating (POP's) item – up to 2 items or less	NB	42.00	5.00%
Each additional Upholstered seating item (POP's) max 5 per collection	NB	18.00	2.86%
General items (excluding POP's) - up to 3 items	NB	42.00	5.00%
Each additional general item (excluding POP's) max 5 per collection	NB	13.00	8.33%
<b>Note:-</b> Bulky item collection - 50% reduction available for those on benefits			
<b>Refuse collection</b>			
Garden waste collection (annual subscription per bin)	NB	52.50	10.53%
Replacement bin (lost/stolen/damaged or removed due a sec 46 EPA contravention)	NB	47.60	3.70%
1 new bin (new occupancy)	NB	30.60	3.73%
1 new refuse bin with 50% reduction for smaller capacity	NB	15.30	-
2 new bins (new occupancy)	NB	61.20	3.73%
2 new bins with 50% reduction for smaller capacity refuse bin	NB	45.90	-
Trade waste refuse 1100 litre wheeled bin	NB	POA	-
Trade waste refuse 660 litre wheeled bin	NB	POA	-
Trade waste refuse 240 litre wheeled bin	NB	POA	-
Trade waste recycling 1100 litre wheeled bin	NB	POA	-
Trade waste recycling 660 litre wheeled bin	NB	POA	-
Trade waste recycling 240 litre wheeled bin	NB	POA	-
Trade bag (town centre only)	NB	POA	-
<b>Bin installation (additional to contract)</b>			
Bin installation	SR	POA	-
Empty additional bin (per bin per occasion)	SR	POA	-
Sweeper hire	SR	POA	-
Asbestos removal and disposal	SR	POA	-
<b>The Big Bin Clear out collection service</b>			
1110 litre wheeled bin	NB	62.00	3.33%
Double service 2 x 1110 litre wheeled bins	NB	103.00	3.00%
660 litre wheeled bin	NB	52.00	4.00%
Double service 2 x 660 litre wheeled bins	NB	83.00	3.75%
1110 litre wheeled bin (Business collections)	NB	85.00	6.25%
Double service 2 x 1110 litre wheeled bins (Business collections)	NB	155.00	3.33%
660 litre wheeled bin (Business collections)	NB	75.00	7.14%
Double service 2 x 660 litre wheeled bins (Business collections)	NB	135.00	3.85%
Additional weeks hire of bin	NB	POA	-
Additional weeks hire of bins double service	NB	POA	-
<b>Note:-</b> 25% reduction available for those on benefits			

**Hinckley & Bosworth Borough Council**  
**Town and Country Planning Fees Applications - scale of fees**

<b>Outline Applications</b>		
£462 per 0.1 hectare for sites up to and including 0.5 hectares	Not more than 0.5 hectares	£578 per 0.1 hectare
	Between 0.5 hectares and 2.5 hectares	£624 per 0.1 hectare
	More than 2.5 hectares	£15,433 + £186 per 0.1 hectare
<b>Householders Application</b>		
Alterations/extensions to a <b>single dwellinghouse</b> , including works within boundary	Single dwellinghouse	£528
<b>Full Applications</b> (and First Submissions of Reserved Matters; or Technical Details Consent)		
Alterations/extensions to <b>two or more dwellinghouses</b> , including works within boundary	Two or more dwellinghouses (or two or more flats)	£1,043
<b>New dwellinghouses</b> (up to 10)	New dwellinghouses	£578
<b>New dwellinghouses</b> (10-50)	New dwellinghouses	£624
<b>New dwellinghouses</b> (for more than 50)	New dwellinghouses (more than 50)	£31,385 + £186 per additional dwelling in excess of 50 up to a maximum of £405,000
<b>Erection of buildings</b> (not dwellinghouses, agricultural, glasshouses, plant nor machinery):		
Gross floor space to be created by the development	No increase in gross floor space or no more than 40 sqm	£293
Gross floor space to be created by the development	More than 40 sqm but no more than 1,000 sqm	£578 for each 75 sqm
Gross floor space to be created by the development	More than 1,000 sqm but no more than 3,750 sqm	£624 for each 75 sqm
Gross floor space to be created by the development	More than 3,750 sqm	£31,385 + £186 per each 75 sqm above 3,750 sqm subject to a maximum of £405,000
<b>Erection of buildings</b> (on land used for agriculture for agricultural purposes)		
Gross floor space to be created by the development	Not more than 465 sqm	£120
Gross floor space to be created by the development	More than 465 sqm but not more than 540 sqm	£578
Gross floor space to be created by the development	More than 540 sqm but not more than 1,000 sqm	£578 + £578 for each 75 sqm above 540 sqm

Gross floor space to be created by the development	More than 1,000 sq m but not more than 4,215 sqm	£5,077 + £624 for each 75 sqm above 1,000 sqm
Gross floor space to be created by the development	More than 4,215 sqm	£31,385 + £186 per each 75 sqm above 4,215 sqm subject to a maximum of £405,000
<b>Erection of glasshouses</b> (on land used for the purpose of agriculture)		
Gross floor space to be created by the development	Not more than 465 sqm	£120
Gross floor space to be created by the development	More than 465 sqm but less than 1,000 sqm	£3,225
Gross floor space to be created by the development	More than 1,000 sqm	£3,483
<b>Erection/alterations/replacement of plant and machinery</b>		
Site area	Not more than 1 hectare	£578 for each 0.1 hectare (or part thereof)
Site area	Not more than 5 hectares	£624 for each 0.1 hectare (or part thereof)
Site area	More than 5 hectares	£31,385 + £186 per each 0.1 hectare above 5 hectares subject to a maximum of £405,000
<b>Applications other than Building Works</b>		
<b>Car parks, service roads or other accesses</b>	For existing uses	£293
<b>Waste</b> (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals)		
Site area	Not more than 15 hectares	£316 for each 0.1 hectare (or part thereof)
Site area	More than 15 hectares	£47,161 + £186 for each 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £105,300
<b>Operations connected with exploratory drilling for oil or natural gas</b>		
Site area	Not more than 7.5 hectares	£686 for each 0.1 hectare (or part thereof)
Site area	More than 7.5 hectares	£51,395 + £204 for each 0.1 hectare in excess of 7.5 hectares up to a maximum of £405,000
<b>Operations (other than exploratory drilling) for the winning and working of oil or natural gas</b>		
Site area	Not more than 15 hectares	£347 for each 0.1 hectare (or part thereof)
Site area	More than 15 hectares	£52,002 + £204 for each 0.1 hectare in excess of 15 hectares up to a maximum of £105,300
<b>Other operations (winning and working of minerals) excluding oil and natural gas</b>		
Site area	Not more than 15 hectares	£316 for each 0.1 hectare (or part thereof)
Site area	More than 15 hectares	£47,161 + £186 for each 0.1 hectare (or part thereof) in excess of 15 hectares up to a maximum of £105,300
<b>Other operations (not coming within any of the above categories)</b>		
Site area	Any site area	£293 for each 0.1 hectare (or part thereof) up to a maximum of £2,535

<b>Lawful Development Certificate</b>	
Existing use or operation	Same as Full
Existing use or operation - lawful not to comply with any condition or limitation	£293
Proposed use or operation	Half the normal planning fee
<b>Prior Approval</b>	
Agricultural and Forestry buildings & operations or demolition of buildings	£240
Communications (previously referred to as 'Telecommunications Code Systems Operators')	£578
Proposed Change of Use to State Funded School or Registered Nursery	£240
Proposed Change of Use to Agricultural Building to a State Funded School or Registered Nursery	£240
Proposed Change of Use to Agricultural Building to a flexible use within Shops, Financial and Professional service, Restaurants and Cafes, Business, Storage or Distribution, Hotel, or Assembly or Leisure	£240
Proposed Change of Use of a building from Office (Use Class B1) Use to a use falling within Use Class C3 (Dwellinghouse)	£240
Proposed Change of Use to Agricultural Building to a Dwellinghouse (Use Class C3), where there are no Associated Building Operations	£240
Proposed Change of Use to Agricultural Building to a Dwellinghouse (Use Class C3), and Associated Building Operations	£516
Proposed Change of Use of a building from a Retail (Use Class A1 or A2) Use or a mixed Retail and Residential Use to a use falling within Use Class C3 (Dwelling house), where there are no Associated Building Operations	£240
Proposed Change of Use of a building from a Retail (Use Class A1 or A2) Use or a mixed Retail and Residential Use to a use falling within Use Class C3 (Dwellinghouse), and Associated Building Operations	£516
Notification for Prior Approval for a Change of use from Storage or Distribution Buildings (Class B8) and any land within its curtilage to Dwellinghouses (Class C3)	£240
Notification for Prior Approval for a Change of use from Amusement Arcades/Centres and Casinos, (Sui Generis Uses) and any land within its curtilage to Dwellinghouses (Class C3)	£240
Notification for Prior Approval for a Change of use from Amusement Arcades/Centres and Casinos, (Sui Generis Uses) and any land within its curtilage to Dwellinghouses (Class C3), and Associated Building Operations	£516
Notification for Prior Approval for a Change of use from Shops (Class A1), Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops and Casinos (Sui Generis Uses) to Restaurant and Cafes (Class A3)	£240
Notification for Prior Approval for a Change of use from Shops (Class A1), Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops and Casinos (Sui Generis Uses) to Restaurant and Cafes (Class A3), and Associated Building Operations	£516
Notification for Prior Approval for a Change of use from Shops (Class A1), Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops (Sui Generis Uses) to Assembly and Leisure Uses (Class D2)	£240

<b>Prior Approval cont..</b>		
Notification for Prior Approval for a Development Consisting of the Erection or Construction of a Collection Facility within the curtilage of a Shop		£240
Notification for Prior Approval for the Temporary Use of Building or Land for the Purpose of Commercial Film-Making and the Associated Temporary Structures, Works, Plant or Machinery required in Connection with Use		£240
Notification for Prior Approval for the Installation, Alteration or Replacement of other Solar Photovoltaics (PV) equipment on the Roofs of Non-domestic Buildings, up to a Capacity of 1 Megawatt		£240
<b>Reserved Matters</b>		
Application for approval of reserved matters following outline approval		£578 per dwelling up to 10 dwellings, £624 per dwelling for more than 10 but less than 50 dwellings, £30,860 + £186 for each dwelling in excess of 50 for 50+ dwellings, subject to a maximum of £405,000
<b>Approval/Variation/discharge of condition</b>		
Application for removal or variation of a condition following grant of planning permission		(a) if the application is a householder application + £86; (b) if the application is an application for major development = £2,000; (c) in any other case = £586
Approval of details and/or confirmation that one or more conditions have been complied with following grant of planning permission		£86 per request for Householders otherwise all other types of developments are £298 per request
<b>Change of Use of a building to use as one or more separate dwellinghouses, or other cases</b>		
Number of dwellinghouses	Less than 10	£578 for each
Number of dwellinghouses	Not more than 50	£624 for each
Number of dwellinghouses	More than 50 dwellinghouses	£31,385 + £186 for each dwelling in excess of 50, subject to a maximum of £405,000
<b>Other Changes of Use of a building or land</b>		£578
<b>Advertising</b>		
Relating to the business on the premises		£165
Advance signs which are not situate on or visible from the site, directing the public to a business		£165
Other Advertisements		£462
<b>Application for a Non-material Amendment Following a Grant of Planning Permission</b>		
Applications in respect of householder developments		£43
Applications in respect of other developments		£293
<b>Application for Permission in Principle</b> (valid from 1 June 2018)		
Site area		£503 for each 0.1 hectare (or part thereof)
<b>Concessions</b>		
<b>Please note:</b> Not all concessions are valid for all applications types. Upon receipt of your application, the local authority will check the fee is correct and if the concession is applicable.		

<b>Exemptions from payment</b>
An application solely for the alteration or extension of an existing dwellinghouse; or works in the curtilage of an existing dwellinghouse (other than the erection of a dwellinghouse) for the purpose of providing:
*Means of access to or within it for a disabled person who resides in it, or is proposing to take up residence in it;or
*Facilities designed to secure that person's greater safety, health or comfort
An application solely for the carrying out of the operations for the purpose of providing a means of access for disabled persons to or within a building or premises to which members of the public are admitted
Listed Building Consent
Planning permission for relevant demolition in a Conservation Area
Works to trees covered by a Tree Preservation Order or in a Conservation Area Hedgerow Removal
If the application is the first revision of an application for development of the same character or description on the same site by the same applicant:
When the giving notice of a decision on the earlier valid application expired
If the application is for a lawful development certificate, for existing use, where an application for planning permission for the same development would be exempt from the need to pay a planning fee under any other planning fee regulation
If the application is for consent to display an advertisement following either a withdrawal of an earlier application (before notice of decision was issued) or where the application is made following refusal of consent for display of an advertisement, and where the application is made by or on behalf of the same person
If the application for consent to display an advertisement which results from a direction under Regulation 7 of the 2007 Regulations, dis-applying deemed consent under Regulation 6 to the advertisement in question
If the application is for alternative proposals for the same site by the same applicant, in order to benefit from the permitted development right in Schedule 2 Part 3 Class V of the Town and Country Planning (General Permitted Development) Order 2015 (as amended)
<b>Please note:</b> Not all concessions are valid for all applications types. Upon receipt of your application, the local authority will check the fee is correct and if the concession is applicable
If the application relates to a condition or conditions on an application for Listed Building Consent or planning permission for relevant demolition in a Conservation Area
If the application is for a Certificate of Lawfulness of Proposed Works to a listed building
Prior Approval for a Proposed Larger Home Extension
<b>Reduction to payments</b>
If the application is being made on behalf of a non-profit making sports club for works for playing fields not involving buildings then the fee is £578
If the application is being made on behalf of a parish or community council then the fee is 50%
If the application is an alternative proposal being submitted on the same site by the same applicant on the same day, where this application is of lesser cost then the fee is 50%
In respect of reserved matters you must pay a sum equal to or greater than what would be payable at current rates for approval of all the reserved matters. If this amount has already been paid then the fee is £578
If the application is for a Lawful Development Certificate for a Proposed use or development, then the fee is 50%
If two or more applications are submitted for different proposals on the same day and relating to the same site then you must pay the fee for the highest fee plus half the sum of the others
Where an application crosses one or more local or district planning authorities, the Planning Portal fee calculator will only calculate a cross boundary application fee as 150% of the fee that would have been payable if there had only been one application to a single authority covering the entire site
If the fee for the divided site is smaller when the sum of the fees payable for each part of the site are calculated separately, you will need to contact the lead local authority to discuss the fee for this divided site
The fee should go to the authority that contains the larger part of the application site

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## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Scrutiny Commission	5 February 2026
Council	19 February 2026

Wards affected: All wards

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### Capital Programme 2025-26 to 2028-29 and Capital Strategy

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Report of Assistant Director Finance & Audit

#### 1. Purpose of report

- 1.1 To seek approval of the Capital Strategy & Capital Programme for the years 2025/2026 - 2028/2029.

#### 2. Recommendation

- 2.1 That the Capital Strategy is approved.
- 2.2 That council approve the proposed Capital Programme for the years 2025/2026 - 2028/2029.
- 2.3 That council approve the growth bids detailed in section 3.29 - 3.30 of this report.

#### 3. Background to the report

##### Capital Strategy

- 3.1 CIPFA's Prudential Code & Treasury Management Code of Practice require local authorities to produce capital strategies. This requirement has also been confirmed by MHCLG.
- 3.2 The key drivers for the requirement are summarised below:
- Understanding risks associated in investing in non-financial products with the primary aim of making a return (e.g. local authorities investing in shopping malls and not understanding associated risks).

- Understanding risks and funding involved with third sector entities, wholly owned companies as part of regeneration etc.
- Underlying issues of how such investments are financed and setting aside a borrowing provision and due diligence.

Details of this council's process regarding creation, approval and monitoring of schemes are included within section 7 of the financial procedure rules.

3.3 There is a requirement that the strategy is approved by council.

3.4 This report should be read in conjunction with the treasury management report.

### **Capital Programme**

3.5 Capital expenditure is expenditure that results in the creation of an asset that has a life expectancy of more than one year and where use of the asset will result in benefits in future years. Capital expenditure may be used to generate assets for the council's own use or to provide support for third party capital enhancements. The capital strategy looks at the longer-term risks associated with capital expenditure and governance arrangements.

3.6 Any plans for capital expenditure must be financed through an approved method of funding. The main streams of such financing are summarised in paragraph 3.21.

3.7 The Capital Programme (the Programme) is produced on an annual basis to cover the current year and forecasts for the next three financial years. The Programme supports the council's Corporate Plan and Medium Term Financial Strategy and ensures that resources are allocated and are used effectively to achieve corporate targets. At the same time, the Programme is an integral element of the financial planning procedures of the council and forecasts how the council will deliver key projects affordably and within relevant Prudential limits. The Programme should therefore be read in conjunction with these documents, alongside the council's Corporate Asset Management Strategy and Housing Revenue Account Investment Plan.

3.8 The Capital Programme is prepared in conjunction with budget holders and Directors. Project officers are invited as part of the budget setting process to submit requests for capital growths which are considered by directors and the Strategic Leadership Team. Growths are assessed in terms of their contribution to corporate objectives and funding availability.

3.9 The overall Capital Programme for 2025/2026 - 2028/2029 is contained within Appendix 1 along with supporting schedules showing spend by scheme.

## CAPITAL STRATEGY

### Capital Expenditure

3.10 Primary legislation regarding capital finance is included in The Local Government Act 2003. The act refers to the following types of expenditure that fall under the capital financing regime.

- “Expenditure of the authority which falls to be capitalised in accordance with proper practices” (i.e. the creation of an asset that has a useful life of more than one year).
- Expenditure under regulation prescribed by the Secretary of State which can or can't be treated as capital expenditure.
- The council's definitions of the capital programme are included within Section 7 of the financial procedure rules. An extract is provided below:

*“Capital expenditure means the acquisition, construction, or enhancement of tangible/intangible fixed assets (land, buildings, vehicles, plant, equipment, hardware, and software). Capital assets shape the way services are delivered in the long-term and create financial commitments for the future in the form of financing and revenue running costs”.*

An enhancement is defined as:

- *Works that lengthen substantially the useful market value life of an asset.*
- *Works that increase substantially the market value of an asset.*
- *Works that increase the extent to which the property can be used for purposes of functions of the council*

3.11 The capital programme and its funding are summarised below. Details of individual schemes are presented within Appendix 1 of the Capital Programme Report. The future year's capital programme will continue to be reliant on external funding and rental income for HRA schemes.

### General Fund Schemes

	TOTAL	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
	COST	2025-2026	2026-2027	2027-2028	2028-2029
	£'000	£'000	£'000	£'000	£'000
<b>Capital Expenditure</b>					
<b>Corporate &amp; Support Services</b>	17,873	8,686	7,854	723	610
<b>Community Services</b>	6,193	1,628	2,115	1,225	1,225
<b>Total Capital Expenditure</b>	<b>24,066</b>	<b>10,314</b>	<b>9,969</b>	<b>1,948</b>	<b>1,835</b>
<b>Financing</b>					
<b>Capital Receipts</b>	434	70	107	157	100

	TOTAL	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
<b>External Contributions</b>	7,683	2,976	2,557	1,091	1,059
<b>Borrowing GF</b>	15,649	7,168	7,205	600	676
<b>Contribution from reserves GF</b>	300	100	100	100	0
<b>Total Financing</b>	<b>24,066</b>	<b>10,314</b>	<b>9,969</b>	<b>1,948</b>	<b>1,835</b>

#### HRA Schemes

	TOTAL	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
	COST	2025-2026	2026-2027	2027-2028	2028-2029
	£'000	£'000	£'000	£'000	£'000
<b>Capital Expenditure</b>					
<b>HRA</b>					
<b>Service Investment</b>	41,458	9,935	10,584	10,557	10,382
<b>Affordable Housing</b>	16,851	5,720	7,431	1,850	1,850
<b>Total Capital Expenditure</b>	<b>58,309</b>	<b>15,655</b>	<b>18,015</b>	<b>12,407</b>	<b>12,232</b>
<b>Financing</b>					
<b>Major Repairs Reserve</b>	12,527	3,009	3,500	3,009	3,009
<b>Regeneration Reserve</b>	12,295	3,395	3,500	2,700	2,700
<b>Earmarked Reserves</b>	170	50	60	30	30
<b>Borrowing</b>	25,164	4,565	9,641	5,365	5,593
<b>Grants</b>	1,603	386	414	403	400
<b>Capital Receipts</b>	6,550	4,250	900	900	500
<b>Total Financing</b>	<b>58,309</b>	<b>15,655</b>	<b>18,015</b>	<b>12,407</b>	<b>12,232</b>

#### Capital Project Planning & Approval Framework.

- 3.12 Prior to consideration a capital bid form is submitted which details the following:
- Brief description of scheme and how the scheme meets the council's priorities.
  - Profiled spending proposals over four years.
  - Sets out external contributions and grant funding for the scheme.
  - Ongoing revenue implications (e.g. IT, staffing costs).
- 3.13 Any additional bids that are agreed by SLT during the financial year are approved in accordance with financial procedure rules.
- 3.14 SLT will monitor progress and review the capital programme to ensure that the council's corporate objectives are being met and that there is consistency between the capital programme and the corporate plan.

## Governance Arrangements

- 3.15 Scheme budgets are monitored monthly. Project officers receive monthly reports and are discussed as part of the monthly meetings with their respective Accountant. Finance and Performance committee receive quarterly updates. Additionally, budget variations are reported and approved in accordance with financial procedure rules.
- 3.16 For larger schemes a project board and project team oversee the scope and delivery of key strategic projects. Throughout the project both the project team and project board will monitor progress and be updated on any risks if they occur. Updates may also be reported to Executive and full Council for major capital projects as required.

## Longer Term Financial Planning

- 3.17 The availability of financing options is becoming restricted over the medium term as asset sales become less frequent and the availability of funding from central government becomes restricted. An Economic Prosperity Board has been set up which looks at various potential opportunities that may arise.

The council will also have to set aside funds to ensure that parks, play areas, commercial units and corporate assets are maintained at a decent standard. A building maintenance reserve has been set aside to fund such developments.

- 3.18 Currently, the council's capital activity for the general fund can be split into two areas. New one-off schemes and recurring schemes that are required to maintain the current level of service provision. i.e. this is the minimum value of the ongoing capital programme. The indicative cost for this is presented below.

2026-27 Budget £000's	
Enhancement & Improvement Works	256
Grants	969
Parks	213
Property, Plant and Equipment	1,052
<b>Total</b>	<b>2,490</b>

- 3.19 Resources are needed to ensure that this level of support can be maintained, and new commitments can be funded. In essence if no reserves or external funding is available, the cost of the capital programme is met by borrowing, the costs of which are charged to the revenue account through Minimum Revenue Provision (principal repayment of debt funding) and any interest cost if actual borrowing has taken place.

- 3.20 The HRA Capital Programme is based on the 30 investment plan which will be included in the HRA Business Plan.

### **Capital Funding**

- 3.21 The following areas of funding are available to fund the programme.
- Government Grants - typically these are received to enable councils to focus resources on central government priorities. e.g., disabled facilities grant. The grants have conditions attached so spending must focus on the area concerned and will normally only be given if a council can also commit its own resources.
  - Contributions and other grants - typically these are like government grants. Expenditure will be limited to those set out in the conditions of the grant or legal contracts and may require a level of match funding by the local authority.
  - Earmarked Reserves - capital expenditure can also be funded through the council's earmarked reserves. Typically, these reserves are used to fund specific schemes or used for match funding to support partly funded projects. These reserves are reported as part of the MTFS and the revenue budget reports.
  - Capital Receipts - these balances are the net sales proceeds that the council can use to fund future capital projects. Part of the proceeds from the sale of council dwellings must be earmarked for the increase in affordable housing supply.
  - Direct Revenue Financing - this is where the General Fund or HRA Balance is used to fund projects. Due to pressures on the revenue budget this is only used occasionally. Typically, this will arise when additional funding is received which can be used to fund either revenue or capital expenditure, or where specific underspends are used to part finance a capital project.
  - Borrowing - the council is permitted to set within its "Prudential Indicators" a level of borrowing that can be obtained to fund capital expenditure. The council must be satisfied that this borrowing is used to fund projects that are prudent, sustainable, and affordable.

### **Borrowing**

- 3.22 The council is allowed to borrow funds to finance capital expenditure as long as it is affordable (i.e. future MRP and interest payments affordable).
- 3.23 The council has long term surplus cash balances, and these funds can also be used for fund expenditure. Although this will not attract an interest cost MRP still has to be provided.

- 3.24 The council's borrowing requirement, risks and affordability are considered as part of the Treasury Management and Prudential Indicator report also approved by Council in February.

### **Asset Management Overview**

- 3.25 The overall aim of the plan is to detail how property assets will be managed to support Hinckley and Bosworth Borough Council's Corporate Plan 2025 - 2029 which sets out the council's commitments.

- People: Helping people to stay safe, healthy, active, and in employment
- Places: Creating clean, sustainable and attractive places to live, visit and work in
- Prosperity: Encouraging sustainable, commercial, economic and housing growth, as well as attracting businesses, improving skills and supporting regeneration
- The asset management plan sets out the core elements of our property asset management process.

### **Commercial Activity & non-Treasury investments**

- 3.26 On the council's balance sheet the council does not hold any investment properties. Investment properties are assets that are solely held for an investment return or capital appreciation and no other reason. For all our assets although a future return is one of the aims, there are other aims as well e.g. economic regeneration, employment etc.

Major income generation activity using council assets is listed below: -

Activity	Value £000's	Due Diligence
<b>Leisure Centre Management Fee</b>	1,179	This is a fixed fee based on a design build operate and maintain contract. The fee is payable regardless of the value of fees collected by the Leisure Provider. Due diligence was undertaken at precontract stage with detailed financial checks, references and off site meets at centres where the provider has successfully implemented such schemes.
<b>Hinckley Hub</b>	114	The partners occupy the premises on a licence agreement. Each agreement has contractual provisions for uplift of rent.
<b>Commercial Estates Income</b>	957	Before award of the lease, a financial check is undertaken, and trading references are also taken. This may either result in refusal of a lease, granting of a lease, or granting of the lease with additional guarantees
<b>Car Parking</b>	618	Income is monitored monthly and changes to the fee base are subject to council approval.

Activity	Value £000's	Due Diligence
<b>Block C</b>	345	Before award of the lease, a financial check is undertaken, and trading references are also taken. This may either result in refusal of a lease, granting of a lease, or granting of the lease with additional guarantees required.
<b>New projects</b>	TBA	At feasibility stage key risks are identified and any potential on going costs and or income are approved in accordance with financial procedure rules.

### **Knowledge & Skills - Capital Projects**

3.27 The council has resources to ensure projects are delivered successfully.

These officers have experience of:

- Developing capital projects
- Acquiring and selling properties
- Commissioning partners to deliver the capital programme.
- Managing properties as a landlord

To support the council's own resources, external support is also used for advice, due diligence, property assessments and valuations and project support. Architectural, quantity surveying and engineering support is also used as and when required.

## **CAPITAL PROGRAMME**

### **Proposed Capital Programme - General Fund**

3.28 The General Fund Capital Programme is concentrated around achievement of the priority capital projects namely:

- Green Spaces Delivery Plan
- Private Sector Housing Assistance

### **3.29 New schemes 2025/26-2028/29**

The following requests have been received in respect of new schemes for inclusion in the revised capital programme and require approval for inclusion. They have been reflected in the Capital Programme shown at Appendix 1.

### **Bradgate Stables - In default Urgent Works**

Bradgate Stables is a grade II\* Listed Building on the Historic England at Risk Register. The council have enforced the voluntary undertaking of Urgent Works by the building owner, but should these not be continued the council have the



option of commissioning required works in default and then seeking to claim back costs from the owner. Council approval was given in February 2023 for a supplementary budget of £300,000 for costs. Historic England have offered an 80% grant of £240,000 to underwrite 80% of the total costs. The progress of works at the site is being actively monitored - if the progress is not satisfactory then the Council may need to progress with in default works during 2026

	Total	2026-27	2027-28	2028-29
	£	£	£	£
<b>Total Annual Expenditure</b>	<b>300,000</b>	<b>300,000</b>	<b>0</b>	<b>0</b>
<b>Less External Contributions</b>	<b>(240,000)</b>	<b>(240,000)</b>	<b>0</b>	<b>0</b>
<b>HBBC Element</b>	<b>60,000</b>	<b>60,000</b>	<b>0</b>	<b>0</b>

### CCTV Project

To put more CCTV cameras on the wireless network, which is owned by HBBC. This will mean that some cameras will not be on the 4g/5g network, which will increase reliability and save revenue. We will also look at current locations, see whether we could move any cameras or add any new cameras as per the priorities of the CCTV Working Group.

	Total	2026-27	2027-28	2028-29
	£	£	£	£
<b>Total Cost (all HBBC)</b>	<b>25,000</b>	<b>25,000</b>	<b>0</b>	<b>0</b>

### Burbage Common Biodiversity Net Gain (BNG)

Carry out landscaping works as part of the Biodiversity Net Gain (BNG) requirements for the site as set out in the Habitat management and monitoring plan (HMMP).

	Total	2026-27	2027-28	2028-29
	£	£	£	£
<b>Total Annual Expenditure</b>	<b>53,958</b>	<b>53,958</b>	<b>0</b>	<b>0</b>
<b>Less External Contributions</b>	<b>53,958</b>	<b>(53,958)</b>	<b>0</b>	<b>0</b>
<b>HBBC Element</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.30 Schemes Re-phased

The following schemes have been rephased as set out below:

	25/26 £000's	26/27 £000's	27/28 £000's	
Making Tax Digital	-12	12	0	Re-phasing of budget
Future operating Model	-24	0	0	Scheme complete
Network and Server Resilience	-75	75	0	Re-phasing of budget
ICT Security Upgrades	-77	77		Re-phasing of budget
Emergency Generator	-12	12	0	Re-phasing of budget
Car Park Major Works	-155	155	0	Re-phasing of budget
Laptop Replacement	-285	285	0	Rephasing of budget
UPS Replacement	-33	33	0	Re-phasing of budget
Electric Charging Points	-157	105	0	Re-phasing of budget
Partnership IT Scheme	-203	203	0	Re-phasing of budget
Desktop Docking Station Replacement	-38	38	0	Re-phasing of budget
Council Offices Solar Panel Scheme	-1,000	0	0	Proposed scheme no longer proceeding
Acquisition and Development Scheme	-5,250	5,250	0	Existing scheme reprofiled
Cloud Archiving	-90	45	45	Re-phasing of budget
New Crematorium	-4,000	0	0	Proposed scheme no longer proceeding
Wan Replacement	-50	50	0	Re-phasing of budget
ICT Strategic Improvements	-493	493	0	Re-phasing of budget
Jubilee Depot	300	747	0	Increased costs of works
Renovation Assistance (Major Works)	-111	0	0	Lower demand for grants
Renovation Assistance (Minor Works)	-22	0	0	Lower demand for grants
Private Sector Housing Enforcement	-117	0	0	Lower level of enforcement required in current year)
Countywide Hoarding Project	-417	417	0	Rephasing of budget
Green Deal and Fuel Poverty Capital Fund	-140	140	0	Rephasing of budget
<b>Total</b>	<b>-12,449</b>	<b>7,970</b>	<b>45</b>	

## **Existing schemes**

3.31 The remainder of the Programme contains ongoing schemes which have been in place for several financial years. The following points should be noted when reviewing these schemes:

- Hinckley Area Community Initiatives grant (funded from the Special Expenses Reserves).
- Green Space strategy schemes have been re-profiled based on anticipated developer receipts and grant funding. HAC has reviewed and endorsed these schemes. These schemes are funded by SEA reserves or be external contributions. There is no General Fund capital funding earmarked for these schemes.

## **Proposed Capital Programme - Housing Revenue Account**

3.32 The proposed Capital Programme for the Housing Revenue Account (the HRA Programme) is included in Section 4 of Appendix 1. The HRA Programme reflects the main investment priorities taken from the latest 30-year investment data. The overall capital programme is based on the following criteria:

- Ongoing investment to existing stock
- Service improvements
- Affordable Housing

## **Stock Enhancement/Investment**

3.33 £41.06 million of investment has been proposed over the life of the HRA Programme into existing stock. The sequence of these works is based on the outputs from the Asset Management System which is informed by the most recent stock condition survey. This includes measures to decarbonise the housing stock estimated cost £12.35m across the term of this capital programme.

## **Affordable Housing/Housing Delivery.**

3.34 At the date of drafting this report, the affordable housing arm of the Programme includes.

- Additional £11.4 million for new housing delivery between 2025/26 and 2028/29. This will deliver approximately 41 new properties. This will ensure that council is committed to using up its allocation of right to buy capital receipts.
- £5.39m Set aside for a development at Peggs Close.

## Financing

3.35 Expenditure in the Capital Programme will be funded by the following key streams:

- Contributions from the major repairs reserve for the cyclical stock programmes
- Use of the HRA “regeneration reserve” which has been set up following the introduction of self-financing.
- Use of earmarked reserves
- Grant funding & external contributions.
- Use of Right to Buy “capital receipts” obtained from the sale of HRA properties.

## Funding Implications

3.36 The main methods of financing the Capital Programme are detailed in section 3.21 of this report. The availability of financing options is becoming restricted over the medium term as asset sales become less frequent and the availability of funding from central government becomes restricted.

## Capital Receipts Reserve

3.37 The estimated impact of the proposed programme on the capital receipts reserve is summarised below. It is estimated that £3.235m will be used in 2025/26 to reduce the Council’s overall borrowing position. Failure to pay off this debt will result in an additional MRP cost chargeable to the general fund from 2026/27 onwards. These costs have been allowed for within the MTFS. At the end of 2028/29 there will be an estimated £4.6m in the reserve.

	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's
<b>Opening Balance</b>	<b>(8,998)</b>	<b>(4,595)</b>	<b>(5,413)</b>	<b>(4,781)</b>
In Year Receipts	(3,152)	(1,825)	( 425)	( 425)
Repayment of Prior Debt	3,235	0	0	0
In Year Application	4,320	1,007	1,057	600
<b>Closing Balance</b>	<b>(4,595)</b>	<b>(5,413)</b>	<b>(4,781)</b>	<b>(4,606)</b>

3.38 Receipts assumptions are based on the following:

	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's
Right to Buys	(3,102)	(1,775)	( 375)	( 375)
Misc. Sales	( 50)	( 50)	( 50)	( 50)
<b>Total Receipts</b>	<b>(3,152)</b>	<b>(1,825)</b>	<b>( 425)</b>	<b>( 425)</b>

## Borrowing

- 3.39 As outlined in section 3.2, the council is permitted to borrow within approved limits to finance capital expenditure. This “authorised limit” is recommended as part of the Treasury Management Policy and Prudential Indicators each year and is based on the level of borrowing that is recommended by the S151 officer as being sustainable, affordable, and prudent.
- 3.40 The council has loans of £50,003,654 within the Housing Revenue Account relating to the self-financing settlement. These started being repaid from March 2020.
- 3.41 In line with relevant accounting standards, the council is required to budget for the cost of borrowing, to include any interest payable and a provision for the repayment of debt (the Minimum Revenue Position). Based on the current borrowing need the additional cost of capital financing costs for the General Fund is summarised below:

	2026/27 £000's	2027/28 £000's
<b>Interest</b>	330	275
<b>MRP</b>	106	160
<b>Total</b>	<b>436</b>	<b>435</b>

- 3.42 Further details of the council's borrowing limits and indicators will be outlined in the 2026/2027 Treasury Management Policy.

## Use of Reserves

- 3.43 The following reserve (excluding special expenses) have been used to finance specific capital schemes outlined in the Programme:

	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's
<b>Building Maintenance Reserve</b>	100	100	100	0
<b>Total General Fund</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>0</b>

- 3.44 All transfers to/from reserves (i.e., including revenue expenditure and transfers from balances) are detailed in the general fund budget report contained on this agenda.
- 4. Exemptions in accordance with the Access to Information procedure rules**
- 4.1 Report taken in open session.
- 5. Financial implications [IB]**
- 5.1 Contained in the body of the report.

## **6. Legal implications**

- 6.1 The Local Government Act 2003 set out a framework for the financing of capital investments in local authorities.
- 6.2 The council is legally required to set a balanced 3-year capital programme.
- 6.3 Whilst there are no implications arising directly from the recommendation of this report there are some legal considerations which should be noted:
- 6.4 In relation to the property transactions identified within the report, relevant officers will need to ensure that authority is obtained from council for any acquisition or disposal of land. This applies in relation to the affordable housing purchases detailed within the body of the report.
- 6.5 Any contracts will need to be dealt with in accordance with the constitution and all relevant authorities for spending secured, as necessary.

## **7. Corporate Plan implications**

- 7.1 The report provides a refresh of the council's rolling capital programme. Any item included in the programme has been evaluated to ensure it contributes towards achievement of a corporate plan objective.

## **8. Consultation**

- 8.1 Major schemes have been subject to individual consultations as part of the viability and design process.

## **9. Risk implications**

- 9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

- 9.3 The following significant risks associated with these report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
S.11 - failure to successfully deliver the Medium Term Financial Strategy	<p>A budget strategy is produced to ensure that the objectives of the budget exercise are known throughout the organisation.</p> <p>The budget is scrutinised on an ongoing basis to ensure that assumptions are robust and reflective of financial performance.</p> <p>Sufficient levels of reserves and balances have been maintained to ensure financial resilience</p>	A Wilson

## **10. Knowing your community – equality and rural implications**

- 10.1 The programme contains schemes which will assist in equality and rural development. Equality and rural issues are considered separately for each project.

## **11. Climate implications**

- 11.1 There are no direct implications arising from this report. However, financial planning is a key tool for delivering the corporate priorities of the council. Included in those priorities are the climate change considerations for services. The budget decisions made by members in relation to issues such as council tax, fees and charges, and in the longer-term asset investment directly affect the council's abilities to invest in climate change priorities. The financial pressure on the council will mean it become increasingly difficult to meet its carbon emergency targets by 2030.
- 11.2 The council currently wish to reduce the carbon emissions by a range of key initiatives as set out in the adopted Climate Change Strategy, including the program of installing electric charging points to car parks and increase biodiversity through management of our green spaces. The council also has funds ringfenced to support voluntary and community sector organisations and consider environmental impact as key criteria of where these funds are used.

## **12. Corporate implications**

- 12.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
  - Environmental implications
  - ICT implications
  - Asset Management implications
  - Procurement implications
  - Human Resources implications
  - Planning implications
  - Data Protection implications
  - Voluntary Sector
- 

Background papers: Capital Submissions, Civica Reports  
Contact officer: Ilyas Bham, Accountancy Manager x5924  
Executive member: Cllr K Lynch



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*General Fund Summary*


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**CAPITAL ESTIMATES 2025/2026 to 2028/2029**

	<b>TOTAL COST</b>	<b>ESTIMATE 2025/26</b>	<b>ESTIMATE 2026/27</b>	<b>ESTIMATE 2027/28</b>	<b>ESTIMATE 2028/29</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expenditure</b>					
Corporate, Support & Street Scene Service	15,320,866	6,983,937	7,113,165	652,272	571,492
Community & Development Services	1,062,820	354,024	298,796	205,000	205,000
<b>Expenditure Total</b>	<b>16,383,686</b>	<b>7,337,961</b>	<b>7,411,961</b>	<b>857,272</b>	<b>776,492</b>
<b>Financing</b>					
<b>General Financing</b>					
Capital Receipts	433,392	70,000	106,696	156,696	100,000
Borrowing GF (Non MIRA)	15,650,294	7,167,961	7,205,265	600,576	676,492
Borrowing (MIRA)	0		0	0	0
Contribution from reserves GF	300,000	100,000	100,000	100,000	0
<b>Crematorium</b>					
Capital Receipt	0				0
Borrowing	0				
Reserves	0	0	0	0	0
<b>Financing Total</b>	<b>16,383,686</b>	<b>7,337,961</b>	<b>7,411,961</b>	<b>857,272</b>	<b>776,492</b>

## Corporate, Support & Street Scene

	TOTAL COST £	ESTIMATE 2025/26 £	ESTIMATE 2026/27 £	ESTIMATE 2027/28 £	ESTIMATE 2028/29 £
<b>Asset Management Enhancements</b>					
Total Annual Expenditure(ALL HBBC)	414,610	114,610	100,000	100,000	100,000
<b>Making Tax Digital</b>					
Total Annual Expenditure(ALL HBBC)	12,000	0	12,000	0	0
<b>Future Operating Model</b>					
Total Annual Expenditure(ALL HBBC)	16,500	16,500	0	0	0
<b>Network and Server Resilience</b>					
Total Annual Expenditures	74,602	0	74,602		
External Contributions	(53,160)	0	(53,160)		
HBBC Element	21,442	0	21,442	0	0
<b>Network Upgrades - Phase 2</b>					
Total Annual Expenditure(ALL HBBC)	14,981	14,981	0	0	0
<b>ICT Security Upgrades</b>					
Total Annual Expenditure(ALL HBBC)	87,406	10,000	77,406	0	0
<b>UK Shared Prosperity Schemes</b>					
Total Annual Expenditures	247,830	247,830	0	0	0
External Contributions	(247,830)	(247,830)	0	0	0
HBBC Element	0	0	0	0	0
<b>Vehicle Communication System</b>					
Total Annual Expenditure(ALL HBBC)	27,000	27,000	0	0	0
<b>Emergency Generator</b>					
Total Annual Expenditure(ALL HBBC)	12,000	0	12,000	0	0
<b>UPS Replacement</b>					
Total Annual Expenditure(ALL HBBC)	33,000	0	33,000	0	0
<b>MFA Non Corp Mobiles</b>					
Total Annual Expenditure(ALL HBBC)	23,172	23,172	0	0	0
<b>Laptop Replacement</b>					
Total Annual Expenditure(ALL HBBC)	475,000	15,000	460,000	0	0
<b>Parks Major works</b>					
Total Annual Expenditure(ALL HBBC)	120,000	30,000	30,000	30,000	30,000
<b>Tracking System</b>					
Total Annual Expenditure(ALL HBBC)	72,302	15,440	18,037	18,939	19,886
<b>Memorial Safety Programme</b>					
Total Annual Expenditure	26,830	6,610	6,740	6,740	6,740
Special Expenses Area Reserves	(26,830)	(6,610)	(6,740)	(6,740)	(6,740)
HBBC ELEMENT	0	0	0	0	0

## Corporate, Support & Street Scene

	TOTAL COST £	ESTIMATE 2025/26 £	ESTIMATE 2026/27 £	ESTIMATE 2027/28 £	ESTIMATE 2028/29 £
<b>Waste Management Receptacles</b>					
Total Annual Expenditure(ALL HBBC)	895,922	172,500	210,687	240,129	272,606
<b>Existing Green Spaces Delivery Plan</b>					
Total Annual Expenditure	128,656	128,656			
Less Section 106 contributions	(128,656)	(128,656)			
Less other private contributions	0				
HBBC ELEMENT	0	0	0	0	0
<b>New Green Spaces Delivery Strategy</b>					
Total Annual Expenditure	342,126	170,623	121,847	28,000	21,656
Less Section 106 contributions	(236,900)	(130,397)	(89,847)	0	(16,656)
Special Expenses reserve	(101,466)	(36,466)	(32,000)	(28,000)	(5,000)
HBBC ELEMENT	3,760	3,760	0	0	0
<b>Burbage Common - The Greens</b>					
Total Annual Expenditure(ALL HBBC)	34,524	34,524	0	0	0
<b>Machinery Procurement</b>					
Total Annual Expenditure(ALL HBBC)	272,145	76,229	100,412	95,504	
<b>Car Park Major Works</b>					
Total Annual Expenditure	155,538	0	155,538	0	0
Less Section 106 contributions	0	0	0	0	0
Total Annual Expenditure (ALL HBBC)	155,538	0	155,538	0	0
<b>Burbage Common Biodiversity Net Gain (BNG)</b>					
Total Annual Expenditure	53,958	0	53,958	0	0
External Contributions	(53,958)	0	(53,958)	0	0
HBBC Element	0	0	0	0	0
<b>Parish &amp; Community Initiatives Grants</b>					
Total Annual Expenditure(ALL HBBC)	491,925	119,925	124,000	124,000	124,000
<b>Hinckley Community Initiatives Fund</b>					
Total Annual Expenditures	40,000	10,000	10,000	10,000	10,000
Special Expenses Area Reserves	(40,000)	(10,000)	(10,000)	(10,000)	(10,000)
HBBC Element	0	0	0	0	0
<b>Community Equipment Grant Scheme</b>					
Total Annual Expenditure(ALL HBBC)	100,000	25,000	25,000	25,000	25,000
<b>Electric Charging Points</b>					
Total Annual Expenditures	105,000	0	105,000	0	0
Grant Funding	0	0	0	0	0
S106 Monies	0	0	0	0	0
HBBC Element	105,000	0	105,000	0	0

## Corporate, Support & Street Scene

	TOTAL COST £	ESTIMATE 2025/26 £	ESTIMATE 2026/27 £	ESTIMATE 2027/28 £	ESTIMATE 2028/29 £
<b>Argents Mead - Moat Improvements</b>					
Total Annual Expenditures	0				
Less Section 106 contributions	0				
Other Contributions	0				
HBBC Element	0	0	0	0	0
<b>Partnership IT Schemes</b>					
Total Annual Expenditures	202,894	0	202,894		
External Contributions	(202,894)	0	(202,894)		
HBBC Element	0	0	0	0	0
<b>NHS Hinckley Hub upgrade</b>					
Total Annual Expenditure(ALL HBBC)	57,908	57,908			
<b>Council Offices - Solar Panel Scheme</b>					
Total Annual Expenditure(ALL HBBC)	0	0	0	0	
<b>Acquisition &amp; Development Scheme</b>					
Total Annual Expenditure(ALL HBBC)	10,000,000	4,750,000	5,250,000		
<b>New Crematorium</b>					
Total Annual Expenditure(ALL HBBC)	0	0	0	0	0
<b>Desktop Docking Station Replacement</b>					
Total Annual Expenditure(ALL HBBC)	38,000	0	38,000	0	0
<b>Cloud Archiving</b>					
Total Annual Expenditure	135,000	0	90,000	45,000	0
Contributions from Partners	(78,900)	0	(52,600)	(26,300)	0
HBBC Element	56,100	0	37,400	18,700	0
<b>Wan Replacement</b>					
Total Annual Expenditure	50,000	0	50,000	0	0
Contributions from Partners	(29,220)	0	(29,220)	0	0
HBBC Element	20,780	0	20,780	0	0
<b>Food Waste Service</b>					
Total Annual Expenditure	1,085,850	1,085,850	0	0	0
External Contributions	(1,085,850)	(1,085,850)	0	0	0
HBBC Element	0	0	0	0	0
<b>ICT Strategic Improvements</b>					
Total Annual Expenditure	623,314	130,000	493,314		
External Contributions	(266,413)	(55,562)	(210,851)		
HBBC Element	356,901	74,438	282,463	0	0
<b>Jubilee Depot with additional capital works</b>					
Total Annual Expenditure	1,402,950	1,402,950			
HBBC Element	1,402,950	1,402,950	0	0	0
<b>TOTAL GROSS EXPENDITURE</b>	17,872,943	8,685,308	7,854,435	723,312	609,888
<b>LESS TOTAL CONTRIBUTIONS</b>	(2,552,077)	(1,701,371)	(741,270)	(71,040)	(38,396)
<b>TOTAL HBBC ELEMENT</b>	15,320,866	6,983,937	7,113,165	652,272	571,492

## Community & Development Services

	TOTAL COST £	ESTIMATE 2025/26 £	ESTIMATE 2026/27 £	ESTIMATE 2027/28 £	ESTIMATE 2028/29 £
<b>Renovation Assistance (Major Works)</b>					
Total Annual Expenditure(ALL HBBC)	<b>425,950</b>	<b>35,950</b>	<b>130,000</b>	<b>130,000</b>	<b>130,000</b>
<b>Home Improvement Assistance (Minor Works)</b>					
Total Annual Expenditure(ALL HBBC)	<b>137,990</b>	<b>17,990</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>
<b>Private Sector Housing Enforcement</b>					
Total Annual Expenditure	400,000	100,000	100,000	100,000	100,000
Less External Contributions	(400,000)	(100,000)	(100,000)	(100,000)	(100,000)
HBBC ELEMENT	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Countywide Hoarding Project</b>					
Total Annual Expenditure	1,765,092	403,000	732,092	315,000	315,000
Less Government Grant	(1,765,092)	(403,000)	(732,092)	(315,000)	(315,000)
HBBC ELEMENT	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Green Deal and Fuel Poverty Capital Fund</b>					
Total Annual Expenditure	139,665	0	139,665	0	0
Less Government Grant	(139,665)	0	(139,665)	0	0
HBBC ELEMENT	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Disabled Facilities Grants</b>					
Total Annual Expenditure	2,359,620	590,580	589,680	589,680	589,680
Less Government Grant	(2,359,620)	(590,580)	(589,680)	(589,680)	(589,680)
HBBC ELEMENT	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sports Facility Improvement Fund</b>					
Total Annual Expenditure(ALL HBBC)	<b>14,010</b>	<b>14,010</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bosworth 1485 Sculpture Trail Project</b>					
Total Annual Expenditure	90,139	90,139	0	0	0
LLEP contributions	0	0	0	0	0
HBBC Element	<b>90,139</b>	<b>90,139</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CCTV Project</b>					
Total Annual Expenditure(ALL HBBC)	<b>25,000</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>0</b>
<b>Heritage Action Zone</b>					
Total Annual Expenditures	30,520	21,724	8,796	0	0
Special Expenses Area Reserves	0	0	0	0	0
Less: Contributions	0	0	0	0	0
HBBC Element	<b>30,520</b>	<b>21,724</b>	<b>8,796</b>	<b>0</b>	<b>0</b>
<b>Stetchley Brook 106</b>					
Total Annual Expenditures	40,960	<b>40,960</b>	<b>0</b>	<b>0</b>	<b>0</b>
Less Section 106 contributions	(40,960)	(40,960)	0	0	0
HBBC Element	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Community & Development Services

	TOTAL COST £	ESTIMATE 2025/26 £	ESTIMATE 2026/27 £	ESTIMATE 2027/28 £	ESTIMATE 2028/29 £
<b>Rural Prosperity Fund Schemes</b>					
Total Annual Expenditures	120,260	120,260	0	0	0
External Contributions	(120,260)	(120,260)			
HBBC Element	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Borough Improvements</b>					
Total Annual Expenditures	212,632	<b>62,632</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
Less Private contribution	(60,000)	(15,000)	(15,000)	(15,000)	(15,000)
HBBC Element	<b>152,632</b>	<b>47,632</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>
<b>Bradgate Stables - In-default Urgent Works</b>					
<b>Total Annual Expenditure</b>	300,000	0	300,000	0	0
Less External contributions	(240,000)	0	(240,000)	0	0
HBBC ELEMENT	<b>60,000</b>	<b>0</b>	<b>60,000</b>	<b>0</b>	<b>0</b>
<b>WayFaring HAC</b>					
Total Annual Expenditure	5,000	5,000			
Special Expenses Area Reserves	(5,000)	(5,000)			
HBBC Element	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Solar Panel Scheme at Hinckley Leisure Centre</b>					
Total Annual Expenditure	102,213	102,213	0	0	0
External Contributions	0	0	0	0	0
HBBC Element	<b>102,213</b>	<b>102,213</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Regeneration LLEP Enterprise Zone</b>					
Total Annual Expenditure(ALL HBBC)	<b>10,366</b>	<b>10,366</b>			
<b>Christmas Lights Replacement</b>					
Total Annual Expenditure	<b>14,000</b>	<b>14,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
HBBC Element	<b>14,000</b>	<b>14,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL GROSS EXPENDITURE</b>	6,193,417	1,628,824	2,115,233	1,224,680	1,224,680
<b>LESS TOTAL CONTRIBUTIONS</b>	(5,130,597)	(1,274,800)	(1,816,437)	(1,019,680)	(1,019,680)
<b>TOTAL HBBC ELEMENT</b>	<b>1,062,820</b>	<b>354,024</b>	<b>298,796</b>	<b>205,000</b>	<b>205,000</b>

## Housing Revenue Account Capital Programme

	TOTAL	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
	2025/26	2026/27	2027/28	2028/29	
	£	£	£	£	£
<b>Expenditure</b>					
Sheltered Scheme Enhancements	165,670	40800	40800	41620	42450
Kitchen Improvements	6,686,180	1505420	1692840	1726690	1761230
Boiler and Heating Replacement	2,799,880	599740	627400	778580	794160
Low Maintenance Doors	230,370	73930	51120	52140	53180
Electrical Testing / Upgrading	3,141,430	880720	633490	805550	821670
Programmed Enhancements	1,357,020	326900	336600	343330	350190
uPVC Window Replacement	1,223,720	266970	312620	318880	325250
Re-roofing	1,476,720	377190	528560	316280	254690
Adaptations for Disabled People	2,720,610	742560	612000	676260	689790
Major Void Enhancements	3,537,990	869570	899720	917720	850980
Bathrooms Enhancements	1,277,780	469480	442060	181310	184930
Legionella	52,820	12240	12240	15610	12730
Asbestos	1,014,680	265490	244800	249700	254690
Fire Risk Assessments	1,941,420	812920	464100	473380	191020
Insulation & Wraps	12,345,090	2558280	3221720	3218520	3346570
Capital Salaries	1,084,610	0	354400	361490	368720
Piper Alarm System	170,000	50000	60000	30000	30000
Sheltered housing communal furniture upgrades	60,000	0	20000	20000	20000
Housing Delivery	11,462,473	4,912,473	2,850,000	1,850,000	1,850,000
Additional Housing Deliver Schemes	0	0	0	0	0
Peggs Close	5,389,020	808,350	4,580,670	0	0
scheme communal areas	120,000	30,000	30,000	30,000	30,000
UKSPF (Energy Efficiency)	52,500	52,500	0	0	0
<b>Expenditure Total</b>	<b>58,309,983</b>	<b>15,655,533</b>	<b>18,015,140</b>	<b>12,407,060</b>	<b>12,232,250</b>
<b>Financing</b>					
Major Repairs Reserve (Depreciation)	12,527,448	3,009,448	3,500,000	3,009,000	3,009,000
Regeneration Reserve	12,295,000	3,395,000	3,500,000	2,700,000	2,700,000
Earmarked Reserves - Piper Alarm	170,000	50,000	60,000	30,000	30,000
Borrowing	25,164,775	4,565,005	9,641,050	5,365,470	5,593,250
<b>External Funding</b>					
Grant funding	1,602,760	386,080	414,090	402,590	400,000
Capital Receipts	6,550,000	4,250,000	900,000	900,000	500,000
<b>Financing Total</b>	<b>58,309,983</b>	<b>15,655,533</b>	<b>18,015,140</b>	<b>12,407,060</b>	<b>12,232,250</b>

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## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Scrutiny Commission	5 February 2026
Council	19 February 2026

Wards affected: All wards

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### THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES TREASURY MANAGEMENT STRATEGY 2025-26 – 2028-29 AND PRIDUENTIAL INDICATORS 2025-26 – 2028-29

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Report of Assistant Director Finance & Audit

#### 1. Purpose of report

1.1 This report outlines the council's prudential indicators for 2025/26 - 2028/29 and sets out the expected treasury operations for this period. It fulfils four key requirements:

- The reporting of the **Prudential Indicators**, setting out the expected capital activities (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities). The treasury management prudential indicators are now included as treasury indicators in the CIPFA Treasury Management Code of Practice
- The Council's **Minimum Revenue Provision (MRP) Policy Statement**, which sets out how the council will pay for capital assets through revenue each year
- The **Treasury Management Strategy Statement** which sets out how the council's treasury service will support the capital decisions taken above, the day-to-day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the **Authorised Limit**, the maximum amount of debt the council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by s3 of the Local Government Act 2003.

- The **Investment Strategy** which sets out the council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the CLG Investment Guidance.

The above policies and parameters provide an approved framework within which the officers undertake the day-to-day capital and treasury activities.

- 1.2 This report should be read in conjunction with the Capital Strategy and the Capital Programme which are both also on the Council agenda for the 19 February 2026. The Capital Strategy deals with investments outside of the remit of standard treasury investments.

## 2. Recommendation

Members approve:

- 2.1 The Prudential Indicators and Limits for 2025/26 to 2028/29 contained within 3.19-3.20 of the report, including the Authorised Limit Prudential Indicator.
- 2.2 The Minimum Revenue Provision (MRP) Statement contained in paragraphs 3.10-3.11 which set out the council's policy on MRP.
- 2.3 The attached report at appendix 1.

## 3. Background to the report

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

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

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

of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

*“The management of the local authority’s 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.”*

- 3.2 The Treasury Management Strategy is attached as appendix 1. Key tables are summarised in the report.

The Capital Expenditure & Prudential Indicators (Section 2 of appendix).

- 3.3 Capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants etc. or revenue resources), but if these resources are insufficient any residual capital expenditure will add to the council’s borrowing need. Any decisions by the council to commit capital expenditure needs to have regard to:

- Service objectives (e.g. strategic planning);
- Stewardship of assets (e.g. asset management planning);
- Value for money (e.g. option appraisal)
- Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
- Affordability (e.g. implications for the council tax and rents);
- Practicality (e.g. the achievability of the forward plan).

The revenue consequences of capital expenditure will need to be paid for from the council’s own resources.

The council’s capital expenditure plans are summarised below. Further details are contained in section two of the appendix. The overall borrowing need for the council is summarised below:

£000	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
<b>Capital Financing Requirement</b>					
Non-HRA	43,623	45,642	51,085	49,676	48,403
Housing	<b>70,320</b>	<b>74,885</b>	<b>84,526</b>	<b>89,891</b>	<b>95,485</b>
<b>Total CFR</b>	<b>113,943</b>	<b>120,527</b>	<b>135,611</b>	<b>139,567</b>	<b>143,888</b>
<b>Movement in CFR</b>	<b>3,243</b>	<b>6,584</b>	<b>15,084</b>	<b>3,956</b>	<b>4,321</b>

<b>Movement in CFR represented by</b>					
Net financing need for the year (above)	5,512	11,734	16,846	5,965	6,270
Less MRP/VRP and other financing movements	(2,269)	(5,150)	(1,762)	(2,009)	(1,949)
<b>Movement in CFR</b>	<b>3,243</b>	<b>6,584</b>	<b>15,084</b>	<b>3,956</b>	<b>4,321</b>

- 3.4 The key risks to the plans are that the level of government support has been estimated and is therefore subject to change. Similarly, some estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale. For instance, anticipated asset sales may be postponed due to the poor condition of the property market.
- 3.5 The council is asked to approve the summary capital expenditure projections below.

<b>Capital expenditure £000's</b>	<b>2024/25 Actual</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>	<b>2028/29 Estimate</b>
Non-HRA	5,049	10,314	9,969	1,948	1,835
HRA	12,823	15,655	18,015	12,407	12,232
<b>Total</b>	<b>17,872</b>	<b>25,969</b>	<b>27,984</b>	<b>14,355</b>	<b>14,067</b>
<b>Financed by:</b>					
Capital receipts	3,092	4,320	1,007	1,057	600
Capital grants	3,381	3,361	2,971	1,494	1,458
Capital reserves	5,887	6,554	7,160	5,839	5739
<b>Net financing need for the year</b>	<b>5,512</b>	<b>11,734</b>	<b>16,846</b>	<b>5,965</b>	<b>6,270</b>

### **The Council's Borrowing Need (the Capital Financing Requirement)**

- 3.6 The second prudential indicator is the council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR.

- 3.7 The council is asked to approve the CFR projections below:

£000	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
<b>Capital Financing Requirement</b>					
Non-HRA	43,623	45,642	51,085	49,676	48,403
Housing	<b>70,320</b>	<b>74,885</b>	<b>84,526</b>	<b>89,891</b>	<b>95,485</b>
<b>Total CFR</b>	<b>113,943</b>	<b>120,527</b>	<b>135,611</b>	<b>139,567</b>	<b>143,888</b>
<b>Movement in CFR</b>	<b>3,243</b>	<b>6,584</b>	<b>15,084</b>	<b>3,956</b>	<b>4,321</b>

<b>Movement in CFR represented by</b>					
Net financing need for the year (above)	5,512	11,734	16,846	5,965	6,270
Less MRP/VRP and other financing movements	(2,269)	(5,150)	(1,762)	(2,009)	(1,949)
<b>Movement in CFR</b>	<b>3,243</b>	<b>6,584</b>	<b>15,084</b>	<b>3,956</b>	<b>4,321</b>

- 3.8 The council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments if required (Voluntary Revenue Provision - VRP). No revenue charge is required for the HRA.
- 3.9 CLG Regulations have been issued which require Full council to approve an **MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The council is recommended to approve the following MRP Statement.

#### **Minimum Revenue Provision (MRP) Policy Statement**

- 3.10 A detailed policy statement is included in Section 2.5 of the appendix. For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will follow:

*To write off the existing balance over 37 years on a straight-line basis (i.e. write the original debt off over 50 years).*

- 3.11 From 1 April 2008 for all borrowing (including Finance Leases) the MRP policy will be:

**Asset Life Method** - MRP will be based on the estimated life of the assets

This option provides for a reduction in the borrowing need over approximately the asset's life.

## **BORROWING (section 3 of Appendix)**

- 3.12 The council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the council's reserves, balances and cash flow have been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is an issue that need to be considered.
- 3.13 The Assistant Director Finance & Audit will monitor interest rates in financial markets and adopt a pragmatic approach to borrowing. Section 3 of the appendix details the council's borrowing strategy.

### **Core funds and expected investment balances**

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

<b>Year End Resources £000</b>	<b>2024/25 Actual</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>	<b>2028/29 Estimate</b>
Fund balances / reserves	13,061	12,194	9,673	6,772	3,160
Capital receipts	8,998	4,595	5,413	4,781	4,606
Provisions	650	650	650	650	650
Other	3,128	2,000	2,000	2,000	2,000
Total core funds	<b>25,837</b>	<b>19,439</b>	<b>17,736</b>	<b>14,203</b>	<b>10,416</b>
Working capital*	1,500	1,500	1,500	1,500	1,500
Under/over borrowing**	34,603	24,082	26,077	27,855	29,626
Additional Borrowing	<b>(11,000)</b>	<b>(9,000)</b>	<b>(11,000)</b>	<b>(16,000)</b>	<b>(22,000)</b>
Expected investments	<b>734</b>	<b>2,857</b>	<b>1,159</b>	<b>848</b>	<b>1,290</b>

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

- 3.15 The estimates of financing costs include current commitments and the proposals in the budget report.
- 3.16 The council's treasury portfolio position at 31 March 2024, with forward projections are summarised below. The table shows the external debt for capital financing operations.

£000's	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
<b>External Debt</b>					
Debt at 1 April	82,295	79,340	96,445	109,534	111,712
Expected change in Debt	(3,346)	17,377	13,480	2,589	2,881
Other long-term liabilities (OLTL)	1,191	100	0	0	0
Expected change in OLTL	( 800)	( 372)	( 391)	( 411)	( 331)
Actual gross debt at 31 March	<b>79,340</b>	<b>96,445</b>	<b>109,534</b>	<b>111,712</b>	<b>114,262</b>
The Capital Financing Requirement	<b>113,943</b>	<b>120,527</b>	<b>135,611</b>	<b>139,567</b>	<b>143,888</b>
Under / (over) borrowing	<b>34,603</b>	<b>24,082</b>	<b>26,077</b>	<b>27,855</b>	<b>29,626</b>

### Treasury Indicators: limits to borrowing activity

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

Operational Boundary £000	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Debt	112,871	128,346	132,713	137,365
Other long-term liabilities	7,656	7,265	6,854	6,523
Total	120,527	135,611	139,567	143,888

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

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

The council is asked to approve the following authorised limit:

<b>Authorised Limit £000</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>	<b>2028/29 Estimate</b>
Debt	117,871	133,346	137,713	142,365
Other long-term liabilities	7,656	7,265	6,854	6,523
Total	125,527	140,611	144,567	148,888

Separately, the council is also limited to a maximum HRA CFR based on affordability.

<b>HRA Debt Limit £m</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>	<b>2028/29 Estimate</b>
HRA debt	51.6	58.3	60.8	63.4
HRA CFR	74.9	84.5	89.9	95.4
HRA headroom	23.3	26.2	29.1	32.0

### **ANNUAL INVESTMENT STRATEGY (Section 4 of appendix)**

3.19 The Council's investment policy has regard to the following:

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

The investment strategy is detailed in Section 4 of the appendix. In accordance with guidance above the strategy prioritises security first, portfolio liquidity second and then return (yield). The council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables spreading of risk. Market information and expert advice is also used to monitor financial markets.

- 3.20 The Assistant Director will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are to be used.
- 3.21 Credit rating information is supplied by Link Asset Services our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list.
- 3.22 The criteria for providing a pool of high-quality investment counterparties are listed in section 4.2 of the appendix.



**4. Exemptions in accordance with the Access o Information procedure rules**

4.1 Report taken in open session.

**5. Financial implications [IB]**

5.1 Contained in the body of the report

**6. Legal implications [JS]**

6.1 These are contained in the body of the report

**7. Corporate Plan implications**

7.1 Treasury Management and Prudential Indicators indirectly impacts on all Corporate Plan targets

**8. Consultation**

8.1 None.

**9. Risk implications**

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

<b>Management of Significant (Net Red) Risks</b>		
<b>Risk Description</b>	<b>Mitigating Actions</b>	<b>Owner</b>
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	A budget strategy is produced to ensure that the objectives of the budget exercise are known throughout the organisation.  The budget is scrutinised on an ongoing basis to ensure that assumptions are robust and reflective of financial performance.  Sufficient levels of reserves and balances are maintained to ensure financial resilience	A Wilson

## **10. Knowing your community – equality and rural implications**

- 10.1 Schemes in the Capital Programme cover all services and all areas of the Borough including rural areas.

## **11. Climate implications**

- 11.1 There are no direct implications arising from this report. However, budget decisions made by members in relation to issues such as rents, fees and charges, and in the longer-term asset investment directly affect the council's abilities to invest in climate change priorities. The financial pressure on the council will mean it become increasingly difficult to meet its carbon emergency targets by 2030.

## **12. Corporate implications**

- 12.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
  - Environmental implications
  - ICT implications
  - Asset Management implications
  - Procurement implications
  - Human Resources implications
  - Planning implications
  - Data Protection implications
  - Voluntary Sector
- 

Background papers: Capital Programme 2025/26 to 2028/29  
Revenue Budget 2026/27

Contact officer: Ilyas Bham, Accountancy Manager x5924

Executive member: Cllr K Lynch

## 1.1 Background

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

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

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

CIPFA defines treasury management as:

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

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

## 1.2 Reporting Requirements

### 1.2.1 Capital Strategy

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

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

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

### 1.2.2 Treasury Management Reporting

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

- a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers: -

- the capital plans, (including prudential indicators)
  - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
  - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
  - an Annual Investment Strategy, (the parameters on how investments are to be managed)
- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Authority will receive quarterly update reports.
- c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

### Scrutiny

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

**Quarterly reports** – In addition to the three major reports detailed above, from 2023/24 quarterly reporting are reported to Finance and Performance Committee.

## 1.3 Treasury Management Strategy for 2026/27

The strategy for 2026/27 covers two main areas:

### Capital issues

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

### Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Authority
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, MHCLG Investment Guidance, MHCLG MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

## 1.4 Training

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

### **1.5 Treasury Management Consultants**

The Authority uses MUFG Corporate Markets as its external treasury management advisors.

The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

## 2. THE CAPITAL PRUDENTIAL INDICATORS 2026/27 – 2028/29

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

### 2.1 Capital Expenditure and Financing

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts: -

<b>Capital expenditure £000's</b>	<b>2024/25 Actual</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>	<b>2028/29 Estimate</b>
Non-HRA	5,049	10,314	9,969	1,948	1,835
HRA	12,823	15,655	18,015	12,407	12,232
<b>Total</b>	<b>17,872</b>	<b>25,969</b>	<b>27,984</b>	<b>14,355</b>	<b>14,067</b>

Other long-term liabilities - the above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

<b>Financing of capital expenditure £m</b>	<b>2024/25 Actual</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>	<b>2028/29 Estimate</b>
Capital receipts	3,092	4,320	1,007	1,057	600
Capital grants	3,381	3,361	2,971	1,494	1,458
Capital reserves	5,887	6,554	7,160	5,839	5,739
Revenue	0	0	0	0	0
<b>Net financing need for the year</b>	<b>5,512</b>	<b>11,734</b>	<b>16,846</b>	<b>5,965</b>	<b>6,270</b>

### 2.2 The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g., PFI schemes, leases). Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Authority is not required to separately borrow for these schemes. The Authority currently has £15.6m of such schemes within the CFR.

The Authority is asked to approve the CFR projections below:

<b>£m</b>	<b>2024/25 Actual</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>	<b>2028/29 Estimate</b>
<b>Capital Financing Requirement</b>					
Non-HRA	43,623	45,642	51,085	49,676	48,403
Housing	<b>70,320</b>	<b>74,885</b>	<b>84,526</b>	<b>89,891</b>	<b>95,485</b>

<b>Total CFR</b>	<b>113,943</b>	<b>120,527</b>	<b>135,611</b>	<b>139,567</b>	<b>143,888</b>
<b>Movement in CFR</b>	<b>3,243</b>	<b>6,584</b>	<b>15,084</b>	<b>3,956</b>	<b>4,321</b>
<b>Movement in CFR represented by</b>					
Net financing need for the year (above)	5,512	11,734	16,846	5,965	6,270
Less MRP/VRP and other financing movements	(2,269)	(5,150)	(1,762)	(2,009)	(1,949)
<b>Movement in CFR</b>	<b>3,243</b>	<b>6,584</b>	<b>15,084</b>	<b>3,956</b>	<b>4,321</b>

### 2.3 Liability Benchmark

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

There are four components to the LB: -

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

### 2.4 Core Funds and Expected Investment Balances

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

<b>Year End Resources £m</b>	<b>2024/25 Actual</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>	<b>2028/29 Estimate</b>
Fund balances / reserves	13,061	12,194	9,673	6,772	3,160
Capital receipts	8,998	4,595	5,413	4,781	4,606
Provisions	650	650	650	650	650
Other	3,128	2,000	2,000	2,000	2,000
<b>Total core funds</b>	<b>25,837</b>	<b>19,439</b>	<b>17,736</b>	<b>14,203</b>	<b>10,416</b>
Working capital*	1,500	1,500	1,500	1,500	1,500
Under/over borrowing <sup>33</sup>	34,603	24,082	26,077	27,855	29,626
<b>Additional borrowing</b>	<b>(11,000)</b>	<b>(9,000)</b>	<b>(11,000)</b>	<b>(16,000)</b>	<b>(22,000)</b>
<b>Expected investments</b>	<b>734</b>	<b>2,857</b>	<b>1,159</b>	<b>848</b>	<b>1,290</b>

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

## 2.5 Minimum Revenue Provision (MRP) Policy Statement

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be:

- *Reducing balance over 40 years*

From 1 April 2008 for all unsupported borrowing the MRP policy will be (amend as appropriate):

- Asset life method (straight line)

Capital expenditure financed by borrowing in 2025/26 will not be subject to an MRP charge until 2026/27, or in the financial year following the one which the asset first becomes available for use.

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

The Authority has determined that MRP is/is not required for borrowing or credit arrangements used to finance capital expenditure on housing assets and accounted for within the Housing Revenue Account (HRA) as it has determined, through its duty to charge depreciation and hold a Major Repairs Reserve, that prudent provision has been made.

### Leases

Regarding MRP in respect of assets acquired either under leases where a right-of-use asset is on the balance sheet. A prudent charge to revenue will be measured as being equal to the element of the rent/charge that goes to write down the balance sheet liability.

Where a lease (or part of a lease) is brought onto the balance sheet, having previously been accounted for off-balance sheet, the MRP requirement is regarded as having been met by the inclusion in the charge for the year in which the restatement occurs, of an amount equal to the write-down for that year plus retrospective writing down of the balance sheet liability that arises from the restatement.

### Investment property

The Council does not hold any investment properties.

### Capital loans

The Authority has not issued capital loans that are categorised as commercial loans

### Capital receipts

For capital expenditure on loans to third parties where the principal element of the loan has been repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged as follows:

### MRP Overpayments

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

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

Cumulative VRP overpayments made to 31.03.25 are £0.117m.



### 3. BORROWING

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

#### 3.1 Current Portfolio Position

The overall treasury management portfolio as at 31.3.25 and for the position as at 31.12.25 is shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	actual 31.3.25	actual 31.3.25	current 31.12.25	current 31.12.25
	£000	%	£000	%
<b>Treasury investments</b>				
Banks	2,418	100%	15,028	99%
Money Market Funds	0	0%	100	1%
<b>Total managed in house</b>	<b>2,418</b>	<b>100%</b>	<b>15,128</b>	<b>100%</b>
<b>Total managed externally</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Total treasury investments</b>	<b>2,418</b>	<b>100%</b>	<b>15,128</b>	<b>100%</b>
<b>Treasury external borrowing</b>				
PWLB	71,311	100%	70,896	100%
<b>Total external borrowing</b>	<b>71,311</b>	<b>100%</b>	<b>70,896</b>	<b>100%</b>
<b>Net treasury investments / (borrowing)</b>	<b>-68,893</b>	<b>0</b>	<b>-55,768</b>	<b>0</b>

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

£m	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
<b>External Debt</b>					
Debt at 1 April	82,295	79,340	96,445	109,534	111,712
Expected change in Debt	(3,346)	17,377	13,480	2,589	2,881
Other long-term liabilities (OLTL)	1,191	100	0	0	0

Expected change in OLTL	( 800)	( 372)	( 391)	( 411)	( 331)
Actual gross debt at 31 March	<b>79,340</b>	<b>96,445</b>	<b>109,534</b>	<b>111,712</b>	<b>114,262</b>
The Capital Financing Requirement	<b>113,943</b>	<b>120,527</b>	<b>135,611</b>	<b>139,567</b>	<b>143,888</b>
Under / (over) borrowing	<b>34,603</b>	<b>24,082</b>	<b>26,077</b>	<b>27,855</b>	<b>29,626</b>

Within the range of prudential indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2026/27 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Head of Finance reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

### 3.2 Treasury Indicators: Limits to Borrowing Activity

**The Operational Boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational Boundary £m	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Debt	112,871	128,346	132,713	137,365
Other long-term liabilities	7,656	7,265	6,854	6,523
Total	120,527	135,611	139,567	143,888

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

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

Authorised Limit £m	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Debt	117,871	133,346	137,713	142,365
Other long-term liabilities	7,656	7,265	6,854	6,523
Total	125,527	140,611	144,567	148,888

### 3.3 Prospects for Interest Rates

The Authority has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. MUFG Corporate Markets provided the following forecasts on 11 August 2025. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

MUFG Corporate Markets Interest Rate View 11.08.25													
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
BANK RATE	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.30	3.40	3.40	3.40
12 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.40	3.50	3.60	3.60
5 yr PWLB	4.80	4.70	4.50	4.40	4.30	4.30	4.30	4.20	4.20	4.20	4.20	4.10	4.10
10 yr PWLB	5.30	5.20	5.00	4.90	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60
25 yr PWLB	6.10	5.90	5.70	5.70	5.50	5.50	5.50	5.40	5.40	5.30	5.30	5.30	5.20
50 yr PWLB	5.80	5.60	5.40	5.40	5.30	5.30	5.30	5.20	5.20	5.10	5.10	5.00	5.00

- Our last interest rate forecast update was undertaken six months ago, in February 2025. Throughout the intervening period we have successfully forecast a gradual reduction in Bank Rate, although we were not overly persuaded that a cut in August was the correct policy, given even the Bank of England anticipates CPI inflation hitting 4% in the autumn. As it happened, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was “finely balanced” and that future rate cuts would be undertaken “gradually and carefully”.
- UK GDP is expected to be in the region of 1.2% for Q3 2025, rising to 1.7% by Q3 2028. The Bank anticipates wage growth to moderate to a sustainable 3.75% and CPI inflation to return to 2% in around 18 months’ time.
- With the August rate cut now done, we are comfortable revising our previous forecast for a November rate cut, instead pushing that back to February 2026, on the basis that CPI inflation should have peaked by then and will be on a slow downwards trajectory back to 2% by 2027. Further gradual reductions in Bank Rate to 3.25% are then anticipated but, and it is a big BUT, only if inflation and employment data are supportive of such cuts.
- For threats to that central scenario abound. What if wage increases remain stubbornly high and in the region of 5% even as the economy stutters towards a position of flatlining or tepid growth? There are several sectors of the domestic economy, including social care provision, where staff shortages remain - even as unemployment ticks higher (currently 4.7%). And what about the hikes in general taxation likely to arise from the November (date still to be confirmed) Budget? There is an estimated £15bn - £25bn second “black hole” to fill, so will there be further borrowing announced by the Chancellor to add to taxation funding? If so, how will gilt markets react to these variables...and will there be additional geo-political factors to also bake in, particularly the Fed’s monetary policy decision in September (currently 85% prospect of a rate cut) and the ongoing tariff policies emanating from the White House. And, of course, how will the ongoing conflicts in the Middle East and between Russia and Ukraine influence matters?
- Moreover, it looks likely that the Bank of England will reduce the pace of its Quantitative Tightening from an annual £100bn (October 2024 to September 2025) to a range between £60bn and £75bn from October 2025 (Market Participants Survey, August 2025). If that policy move also sees a shift in the gilts being sold to having shorter durations, this should prove supportive of the gilt market generally.
- Accordingly, our updated central forecast is made with several hefty caveats. We are confident, as we have been for some time, that our forecast for Bank Rate and the 5-year PWLB Certainty Rate is robust. But for the 10-, 25- and 50-years part of the curve,

*the aforementioned factors may all have a role to play in whether we end up above, close to or below our new forecasts. As it is, we have lifted our starting points and finishing points within the medium to longer dated forecasts. Clients will be aware from presentations at our Strategic Issues webinars that net annual gilt issuance of c£180bn is around a four-fold increase compared to recent annual issuance, and with pension fund and insurance company investment favouring shorter durations, it has been left to transient foreign investors and hedge funds to fill the investor vacuum. Whilst this backdrop prevails, we see no obvious reason why medium to longer gilt yields will not remain at elevated levels, even allowing for a gradual reduction in inflation over the course of the forecast. Consequently, our forecasts at Q3 2028 are 20 basis points higher than previously projected for the 10 years and 50 basis points higher for 25 to 50 years.*

- *Our revised PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps) and is set to prevail until at least the end of March 2026. Hopefully, there will be a further extension to this discounted rate announced in the Budget.*
- *The MUFG Corporate Markets forecast for average earnings are averages i.e., rates offered by individual entities may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.*

### **Gilt yields and PWLB rates**

*The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are generally to the upsides. Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -*

<i>PWLB borrowing</i>	<i>Current borrowing rates as at 11.08.25 p.m.</i>	<i>Target borrowing rate now (end of Q2 2027)</i>	<i>Target borrowing rate previous (end of Q2 2027)</i>
	<i>%</i>	<i>%</i>	<i>%</i>
<b>5 years</b>	4.78	4.20	4.20
<b>10 years</b>	5.36	4.70	4.50
<b>25 years</b>	6.10	5.40	5.00
<b>50 years</b>	5.87	5.20	4.70

**Borrowing advice:** *Our long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.*

### **3.4 Borrowing Strategy**

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels, albeit only once prevailing inflation concerns are addressed by restrictive near-term monetary policy. That is, Bank Rate remains relatively elevated in 2026 even if further rate cuts arise.

Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 treasury operations. The Head of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

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

Any decisions will be reported in line with the Councils Financial Procedure rules

### 3.5 Policy on Borrowing in Advance of Need

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

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

### 3.6 Rescheduling

Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate. If rescheduling is to be undertaken, it will be reported to *Council* at the earliest meeting following its action.

### 3.7 New Financial Institutions as a Source of Borrowing and / or Types of Borrowing

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

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, and sometimes out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

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

### 3.8 Approved Sources of Long and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK National Wealth Fund	●	●
Market (long-term)	●	●

Market (temporary)	●	●
Market (LOBOs)	●	●
Stock Issues	●	●
Local Temporary	●	●
Local/Community Municipal Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Leases	●	●

## 4 ANNUAL INVESTMENT STRATEGY

### 4.1 Investment Policy – Management of Risk

The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Programme and Capital Strategy report.

The Authority’s investment policy has regard to the following: -

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

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

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options

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

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This Authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in Appendix 5.4 under the categories of ‘specified’ and ‘non-specified’ investments.

**Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.

**Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.



5. **Non-specified and loan investment limits.** The Authority has determined that it will set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments of 5%.
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
7. **Transaction limits** are set for each type of investment in 4.2.
8. This Authority will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph 4.4).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).
10. This Authority has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. Subsequently, a further extension to the override to **31.3.29** was agreed by Government but only for those pooled investments made before 1<sup>st</sup> April 2024

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

#### **Changes in risk management policy from last year.**

The above criteria are unchanged from last year

## **4.2 Creditworthiness Policy**

The primary principle governing the Authority's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Authority will ensure that: -

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Authority's prudential indicators covering the maximum principal sums invested.



The Head of Finance will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Full Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Authority may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by MUFG Corporate Markets, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty at the minimum Authority criteria will be suspended from use, with all others being reviewed in light of market conditions

The criteria for providing a pool of high-quality investment counterparties, (both specified and non-specified investments) is:

- Banks 1 - good credit quality – the Authority will only use banks which:
  - i. are UK banks; and/or
  - ii. are non-UK and domiciled in a country which has a minimum sovereign Long-Term rating of AA-

and have, as a minimum, the following Fitch, Moody's and Standard & Poor's credit ratings (where rated):

- i. Short Term – F1
  - ii. Long Term – A-
- Banks 2 – The Authority's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.
- Bank subsidiary and treasury operation -. The Authority will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
- Building societies - The Authority will use all societies which: -
  - i. Meet the ratings for banks outlined above.
  - or
  - ii. Have assets in excess of £500m
 or meet both criteria.
- Money Market Funds (MMFs) CNAV – £11m
- UK Government (including gilts, Treasury Bills and the DMADF)
- Local authorities, parish councils etc
- Housing associations
- Supranational institutions

**Use of additional information other than credit ratings.** Additional requirements under the Code require the Authority to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

**Time and monetary limits applying to investments.** The time and monetary limits for institutions on the Authority's counterparty list are as follows (these will cover both specified and non-specified investments): -

	Fitch long-term rating (or equivalent)	Money limit	Transaction limit	Time limit
<b>Banks 1 higher quality</b>	<b>AA-</b>	<b>£15m</b>	<b>£10m</b>	<b>2yrs</b>
<b>Banks 1 medium quality</b>	<b>A-</b>	<b>£13m</b>	<b>£7m</b>	<b>2yrs</b>
<b>Banks 1 lower quality</b>	<b>BBB</b>	<b>£11m</b>	<b>£5m</b>	<b>1yr</b>
<b>Limit 3 category – Authority's banker (not meeting Banks 1)</b>	<b>-</b>	<b>£13m</b>	<b>£10m</b>	<b>1yr</b>
<b>Building Societies</b>	<b>-</b>	<b>£12m</b>	<b>£2m</b>	<b>2yrs</b>
<b>Other institutions limit</b>	<b>-</b>	<b>£8m</b>	<b>£5m</b>	<b>1yr</b>
<b>DMADF</b>	<b>UK sovereign rating</b>	<b>unlimited</b>	<b>unlimited</b>	<b>1yr</b>
<b>Local authorities</b>	<b>N/A</b>	<b>£15m</b>	<b>£10m</b>	<b>5yrs</b>
<b>Housing associations</b>	<b>-</b>	<b>£6m</b>	<b>£3m</b>	<b>2yrs</b>
<b>Money Market Funds</b>	<b>AAA</b>	<b>£20m</b>	<b>£11m</b>	<b>liquid</b>

The proposed criteria for specified and non-specified investments are shown in Appendix 5.4 for approval.

### **Creditworthiness**

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

### **CDS prices**

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

### 4.3 Limits

Due care will be taken to consider the exposure of the Authority's total investment portfolio to non-specified investments, countries, groups and sectors.

- a. **Non-specified treasury management investment limit.** The Authority has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being \_% of the total treasury management investment portfolio.
- b. **Country limit.** The Authority has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of AA-** from Fitch or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.6. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

**Other limits.** In addition: -

- no more than 20% will be placed with any non-UK country at any time.
- limits in place above will apply to a group of companies.
- sector limits will be monitored regularly for appropriateness.

### 4.4 Investment Strategy

**In-house funds.** Investments will be made with reference to the core balance and cashflow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that rates can be expected to fall throughout 2026, but only if the CPI measure of inflation maintains a downwards trend towards the Bank of England's 2% target. Rates may be cut quicker than expected if the economy stagnates.

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

#### **Investment returns expectations.**

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to fall to a low of 3.25% in 2027.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year were updated on 11 August 2025 and are as follows:

-

<i>Average earnings in each year</i>	<i>Now</i> %	<i>Previously</i> %
<b>2025/26 (residual)</b>	3.90	4.10
<b>2026/27</b>	3.60	3.60
<b>2027/28</b>	3.30	3.50
<b>2028/29</b>	3.50	3.50
<b>2029/30</b>	3.50	3.50
<b>Years 6-10</b>	3.50	3.50
<b>Years 10+</b>	3.50	3.50

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

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

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

<b>Upper limit for principal sums invested for longer than 365 days</b>			
<b>£m</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Principal sums invested for longer than 365 days	£3m	£3m	£3m

#### **4.5 Investment Performance / Risk Benchmarking**

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Security - The Authority's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- **0.5% historic risk of default when compared to the whole portfolio.**

Liquidity – in respect of this area the Authority seeks to maintain: -

- Bank overdraft - £3m if required
- Liquid short-term deposits of at least £0.5m available with a week's notice.
- Weighted average life benchmark is expected to be 1 month, with a maximum of 1 year.

Yield - local measures of yield benchmarks are

- Investments – internal returns above the 7-day SONIA compounded rate

#### **4.6 End of Year Investment Report**

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

## **5 APPENDICES**

(These can be appended to the report or omitted as required)

1. Prudential and treasury indicators
2. Interest rate forecasts
3. Economic background
4. Treasury management practice 1 – credit and counterparty risk management (option 1)
5. Treasury management practice 1 – credit and counterparty risk management (option 2)
6. Approved countries for investments
7. Treasury management scheme of delegation
8. The treasury management role of the section 151 officer

## 5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2026/27 – 2028/29

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

### 5.1.1 Capital Expenditure

Capital expenditure £m	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Non-HRA	5,049	10,314	9,969	1,948	1,835
HRA	12,823	15,655	18,051	12,407	12,232
<b>Total</b>	<b>17,872</b>	<b>25,969</b>	<b>27,984</b>	<b>14,355</b>	<b>14,067</b>

### 5.1.2 Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's overall finances. The Authority is asked to approve the following indicators: -

#### Ratio of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs), against the net revenue stream.

%	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Non-HRA		11.64	14.80	16.87	17.25
HRA		32.17	29.09	28.99	28.02
<b>Total</b>		<b>43.81</b>	<b>43.89</b>	<b>45.86</b>	<b>45.27</b>

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

#### HRA Ratios

	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
HRA debt £m	50.0	51.6	58.3	60.8	63.4
HRA debt cap	70.3	74.9	84.5	89.9	95.4

### 5.1.3 Control of Interest Rate Exposure

Please see paragraphs 3.3 and 4.4.

## 5.2 INTEREST RATE FORECASTS 2025-2028

MUFG Corporate Markets Interest Rate View 11.08.25													
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
BANK RATE	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.30	3.40	3.40	3.40
12 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.40	3.50	3.60	3.60
5 yr PWLB	4.80	4.70	4.50	4.40	4.30	4.30	4.30	4.20	4.20	4.20	4.20	4.10	4.10
10 yr PWLB	5.30	5.20	5.00	4.90	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60
25 yr PWLB	6.10	5.90	5.70	5.70	5.50	5.50	5.50	5.40	5.40	5.30	5.30	5.30	5.20
50 yr PWLB	5.80	5.60	5.40	5.40	5.30	5.30	5.30	5.20	5.20	5.10	5.10	5.00	5.00

Please note, PWLB forecasts are based on PWLB certainty rates.

### 5.3 ECONOMIC BACKGROUND

- The first half of 2025/26 saw:
  - A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth, but picked up to 0.1% m/m in August before falling back by 0.1% m/m in September.
  - The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.6% in September.
  - CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.5%.
  - The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August.
  - The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70% (before falling back to 4.43% in early November).
- From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q. Nonetheless, the 0.0% m/m change in real GDP in July, followed by a 0.1% m/m increase in August and a 0.1% decrease in September will have caused some concern. GDP growth for 2025 and 2026 is currently forecast by the Bank of England to be in the region of 1.4% before picking up in 2027.
- Sticking with future economic sentiment, the composite Purchasing Manager Index (PMI) for the UK increased to 52.2 in October. The manufacturing PMI output balance improved to just below 50 but it is the services sector (52.2) that continues to drive the economy forward. Nonetheless, the PMIs suggest tepid growth is the best that can be expected in the second half of 2025 and the start of 2026. Indeed, on 13 November we heard that GDP for July to September was 0.1% q/q.
- Turning to retail sales volumes, and the 1.5% year-on-year rise in September, accelerating from a 0.7% increase in August, marked the highest gain since April. On a monthly basis, retail sales volumes rose 0.5%, defying forecasts of a 0.2% fall, following an upwardly revised 0.6% gain in August. Household spending remains surprisingly resilient, but the headwinds are gathering.
- With the November Budget edging nearer, the public finances position looks weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the OBR. For the year to date, the £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.
- The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has still fallen in nine of the ten months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October 2024 Budget. The number of job vacancies in the three months to October 2025 stood at 723,000 (the peak was 1.3 million in spring 2022). All this suggests the labour market continues to loosen, albeit at a slow pace.

- A looser labour market is driving softer wage pressures. The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.6% in September. The rate for the private sector slipped from 4.3% to 4.2%.
- CPI inflation remained at 3.8% in September, whilst core inflation fell to 3.5%. Services inflation stayed at 4.7%. A further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.
- An ever-present issue throughout recent months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the “Liberation Day” tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended June at 4.50%.
- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves’ future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK’s fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England kept yields elevated over 4.70% although by early November yields had fallen back again to a little over 4.40%.
- The FTSE 100 fell sharply following the “Liberation Day” tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 ended June at 8,761, around 2% higher than its value at the end of March and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed September at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors’ global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings. In early November, the FTSE100 climbed to a record high just above 9,900.



## 5.4 TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

The MHCLG issued Investment Guidance in 2018, and this forms the structure of the Authority's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for local authorities to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective, the Guidance requires this Authority to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Head of Finance has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

**Annual Investment Strategy** - The key requirements of both the Code and the investment guidance are for the Authority to set an Annual Investment Strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Authority will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Authority is:

**Strategy guidelines** – The main strategy guidelines are contained in the body of the Treasury Management Strategy Statement.

**Specified investments** – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period, but where the Authority has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months once the remaining period to maturity falls to under 12 months.

These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with: -

- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
- Supranational Bonds of less than one year's duration.
- A Local Authority, Housing Association, Parish Council or Community Council.
- Pooled investment vehicles (such as Money Market Funds) that have been awarded a high credit rating by a credit rating agency e.g., Standard and Poor's, Moody's and/or Fitch rating agencies.
- A body that is considered of a high credit quality (such as a bank or building This category covers bodies with a minimum Short-Term rating of F1 (or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies.

In accordance with the Code, the Authority has set out additional criteria to limit the time and the amount of monies which will be invested in these bodies

**Non-specified investments** – are any other type of investment (i.e., not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non-specified investments would include any sterling investments with: -

	<b>Non-Specified Investment Category</b>	<b>Limit (£ or %)</b>
a.	<b>The Authority's own banker</b> if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.	£11m
b.	<b>Building Societies not meeting the basic security requirements under the specified investments.</b> The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Authority may use such building societies which have a minimum asset size of £0.5m, but will restrict these types of investments	£12m
c.	Any <b>Bank or Building Society</b> that has a minimum long-term credit rating of A-, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	11m
d.	Any <b>Non-Rated Subsidiary</b> of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to of £5m for 6 months.	£9m

NOTE 1. This Authority will seek further advice on the appropriateness and associated risks with investments in these categories.

**The monitoring of investment counterparties** - The credit rating of counterparties will be monitored regularly. The Authority receives credit rating information (changes, rating watches and rating outlooks) from MUFG Corporate Markets as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Head of Finance, and if required new counterparties which meet the criteria will be added to the list.

## 5.5 APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the MUFG Corporate Markets creditworthiness service.

*Based on lowest available rating (as at 13.11.25)*

### **AAA**

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

### **AA+**

- Canada
- U.S.A.

### **AA**

- Abu Dhabi (UAE)
- Finland
- Qatar

### **AA-**

- U.K.

### **A+**

- Belgium
- France

## 5.6 TREASURY MANAGEMENT SCHEME OF DELEGATION

### **(i) Council**

- receiving and reviewing reports on treasury management policies, practices and activities.
- approval of annual strategy.
- approval of /amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval.

### **(ii) Finance & Performance Committee**

- approval of division of responsibilities.
- receiving and reviewing regular monitoring reports and acting on recommendations.
- reviewing the treasury management policy and procedures and making recommendations to Council .

### **(iii) SLT/ Head of Finance**

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

## 5.7 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

### The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
- submitting regular treasury management policy reports.
- submitting budgets and budget variations.
- receiving and reviewing management information reports.
- reviewing the performance of the treasury management function.
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- ensuring the adequacy of internal audit and liaising with external audit.
- recommending the appointment of external service providers.

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## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Scrutiny Commission  
Wards affected:

22 January 2026  
All wards

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### Pay Policy Statement 2026/27

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Report of Deputy Chief Executive

#### **1. Purpose of report**

- 1.1 To present the HBBC Pay Policy Statement for 2026/27.

#### **2. Recommendation**

- 2.1 That members note that the pay gap between the top and median average earner is 4.18.1 which has remained the same as the previous year. This is positive as the gap has not widened.
- 2.2 That members note the minor increase in the gender pay gap which was 4.4% on 31 March 2025 (previously reported as 4.3%). In terms of benchmarking, it is still significantly lower than the national average which reports a pay gap of 11.2%.
- 2.3 That the HBBC Pay Policy Statement for 2026/27 is endorsed by this committee for approval at Council in February.

#### **3. Background to the report**

- 3.1 Section 38 of the Localism Act 2011 requires local authorities in England and Wales to produce a Pay Policy Statement for each financial year, which must be approved by Council. The act requires local authorities to prepare pay policy statements setting out the authority's own policies regarding the remuneration of its staff, particularly its senior staff (or 'chief officers') and its lowest paid employees.
- 3.2 The legislation provides that the pay policy statement must set out the council's policies for the financial year relating to:

- The remuneration of its chief officers
- The remuneration of its lowest paid employees
- The relationship between the remuneration of its chief officers and its employees who are not chief officers

3.3 The Council is required to publish the Pay Policy Statement for 2026/27 on or before 1 April 2026.

#### Summary of the statement

3.4 The Pay Policy Statement **Appendix A** sets out:

- a. The council's approach to job evaluation and grading of posts
- b. Additional payments
- c. The 'pay multiple' - the ratio between the highest paid salary and the median average salary of the Council's workforce, the ratio between the highest paid salary and the median average salary of the Council's workforce is 4.18:1 (last year was 4.18:1). The multiplier is monitored each year and the gap between the top earner and the median average earner has remained the same compared to this time last year.
- d. That there is no distinction between chief officers and other employees in relation to pension entitlements and severance payments
- e. The council's approach to the re-engagement of former senior employees.

3.5 As highlighted in 3.4(c) the pay gap between the top and median average earner has remained the same compared to last year. This is because the national pay award given to staff this year was identical across all pay groups.

3.6 For staff below senior management level, annual pay awards are negotiated at a national level by the National Joint Council (NJC) which represent the Employers side and the Trade Unions. The pay award for 2025/26 was agreed in August 2025 (backdated to April 2025) with an increase of 3.2% across all grades. The pay award is reflected in the statement and appendices.

3.7 The pay award for Chief Officers and Chief Executives, negotiated by the Joint Negotiating Committee for Chief Officers and Chief Executives (JNC) is also agreed, with the award comprising an increase of 3.2%.

3.8 At the time of writing the report, negotiations have not yet started to discuss the cost of living pay award for 2026/27 (the period of this Pay Policy).

#### Local Government Transparency Code

3.9 Local authorities are also required under the Local Government Transparency Code 2015 to publish data required under the regulations and this is set out within the pay policy statement to meet the requirements of the code. The code requires councils to publish:



- An organisation chart covering staff in the top three levels of the organisation
- Information about senior employees whose salary is above £50,000 in addition to that already required under the Accounts and Audit (England) Regulations 2015
- The council has interpreted ‘senior employees’ as those employed on the top three tiers of the council: Chief Executive, Director and Assistant Director (including Shared Head of Service)
- The pay multiple (as defined in 3.4)

### Gender Pay Gap Reporting

3.10 The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 introduced gender pay gap reporting, which is a requirement for employers with more than 250 employees at a snapshot date of 31 March each year. Employers should publish specific figures about their gender pay gap on their own website and on the government’s online reporting service, in particular:

- The mean and median gender pay gap
- The mean and median bonus
- The proportion of males and females receiving a bonus payment and
- The proportion of males and females in each quartile pay band

### HBBC Pay Gap

3.11 On 31 March 2025 the council’s gender pay gap was 4.4% (4.3% on 31 March 2024). The gap is calculated using the mean hourly rate for female employees on 31 March 2025 which is £17.12 and lower compared to male employees which is £17.91. This is a difference of 79 pence per hour. The calculation is set out below:

$$0.79/£17.91 \times 100 = \text{gap of } 4.3\%$$

3.12 In terms of benchmarking, it is lower than the national pay gap reported as 11.2%. In terms of local comparisons, council pay gaps reported in Leicestershire so far are quite varied and set out below (minus means that it is a reverse gender pay gap, meaning women on average are earning more than men):

Hinckley and Bosworth Borough Council	4.4%
Leicestershire County Council	7%
Leicester City Council	-2.6%
Rutland County Council	-1.41%

North West Leicestershire District Council      -1.33%

Charnwood Borough Council      13.2%

3.13 The gender pay gap should be published no later than 31 March 2026.

**4. Exemptions in accordance with the Access to Information procedure rules**

4.1 The report to be taken in open session.

**5. Financial implications [DW]**

5.1 None.

**6. Legal implications [ST]**

6.1 Set out in the report.

**7. Corporate Plan implications**

7.1 The publication of the Pay Policy Statement ensures transparency and accountability and is a legal requirement.

**8. Consultation**

8.1 All pay decisions at national level, have undergone full consultation with the recognised trade unions.

**9. Risk implications**

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 The following significant risks associated with this report / decisions were identified from this assessment:

None.

**10. Knowing your community – equality and rural implications**

10.1 By publishing the Pay Policy Statement will ensure greater transparency regarding how pay is determined thus ensuring accountability to citizens within the borough. The pay policy statement also sets out how the authority,

through its robust pay policy, endeavours not to discriminate against any groups of staff within the protected characteristics as contained within the Equality Act 2010.

## **11. Climate implications**

11.1 N/A

## **12. Corporate implications**

12.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

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Background papers:

Contact officer: Julie Stay, 01455 255688  
Executive member: Councillor S. Bray

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# **HINCKLEY AND BOSWORTH BOROUGH COUNCIL**

## **PAY POLICY STATEMENT 2026/27**

### **1. Introduction**

The Council is committed to fairness, transparency and the principle of equal pay in employment.

This Pay Policy Statement sets out Hinckley and Bosworth Borough Council's policy on pay for senior managers and employees for 2026/2027 and is in accordance with the requirements of Section 38 of the Localism Act 2011.

The policy will set out the council's policies for the financial year relating to:

- The remuneration of its chief officers
- The remuneration of its lowest paid employees; and
- The relationship between the remuneration of its chief officers and its employees who are not chief officers (the pay multiple)

The Council's Pay Policy Statement will be agreed by Full Council before the beginning of each financial year and will then be published on the HBBC website. The statement may also be amended by Full Council during the year.

The statement meets the Council's obligations under the Localism Act 2011 and will enable elected members of the council to make decisions on pay.

### **2. The Local Government Transparency Code 2015**

The Local Government Transparency Code 2015 requires local authorities to publish open data, including an organisation chart giving information on senior employees' salaries. The organisation chart required under the code must provide information on all staff in the top three levels of the organisation, excluding those whose salary does not exceed £50,000.

### **3. Scope**

This statement applies to all employees of Hinckley and Bosworth Borough Council employed under the conditions of service of the following bodies:

- National Joint Council for Local Government Services
- Joint Negotiating Committee for Chief Officers of Local Authorities
- Joint Negotiating Committee for Local Authority Chief Executives

### **4. About the Council**

The council has approximately 450 staff (including those staff on fixed term contracts) across two service areas. The Chief Executive, Interim Deputy Chief Executive and Interim Directors are the Council's Strategic Leadership Team which lead the work that provide services across Hinckley and Bosworth. You can view the senior management structure [here](#).

### **5. Definitions**

For the purposes of this Pay Policy Statement the following definitions apply.

#### **Remuneration**

This includes three elements:

- Basic salary
- Pension
- And any other allowances

#### **Chief Officers**

Under the Localism Act 2011 a Chief Officer is defined as:

- Head of Paid Service (under S.4 of the Local Government and Housing Act 1989);
- Monitoring Officer (designated under section 5(1) of that Act);
- A statutory Chief Officer mentioned in 2(6) of that Act;
- A non-statutory Chief Officer mentioned in 2(7) of that Act;
- A deputy Chief Officer mentioned in section 2(8) of that Act (for the purpose of this policy these are service managers that report to a Director)

In Hinckley and Bosworth Borough Council this definition would apply to the following posts: Chief Executive, Interim Deputy Chief Executive, Interim Director (Resources and Streetscene Services) and Interim Director (Community Services).

#### **Lowest Paid Employees**

The first pay point on the council's pay and grading structure is Grade 1 (Point 2) which is £12.65 per hour and is defined as the lowest point within the council.

However, the Council has made a commitment to pay staff, as a minimum, Grade 2 (Point 3) which is £12.85 per hour. This is above the current National Living Wage rate of £12.21 and the expected increased rate of £12.71 from April 2026.

### **Pay Multiple**

The 'pay multiple' - the ratio between the highest paid salary and the median average salary of the Council's workforce is 4.18:1 which has stayed the same (last year was 4.18:1). The multiplier is monitored each year and the gap whilst staying the same, has not widened.

## **6. Pay Structure**

Basic pay is paid in accordance with the evaluated grade of each post.

### **Chief Executive**

The Chief Executive is paid a fixed salary.

### **Interim Deputy Chief Executive, Interim Directors and Assistant Directors**

Pay and grading is evaluated using the Local Government Senior Manager Job Evaluation Scheme. The pay grade structure for both Directors and Heads of Service is attached at **Appendix 1**.

### **Employees under National Joint Council (NJC) Terms and Conditions**

For this group the pay and grading is evaluated using the National Joint Council Job Evaluation Scheme. The councils local pay structure is attached at **Appendix 2**.

## **7. Pay Award**

The Council's pay and grading structure is adjusted by a 'cost of living' increase agreed nationally by the three bodies that represent staff at the Council, this includes JNC for Chief Officers, JNC for Chief Executives and NJC for local government services (for staff below this level). The current pay award for all employees covers the period up to March 2026.

Negotiations have not yet started regarding the cost of living pay award for 2026/27 (the period of this Pay Policy).

## **8. Market Supplements**

The Council recognises that pressures in the national or regional labour market can mean that pay levels for particular posts can be such that the Council's normal pay level would not be sufficiently competitive to enable it to recruit or retain that post. Market supplements may be considered, and this is subject to meeting strict criteria

and Strategic Leadership Team approval. If approved, market supplements are awarded for a two-year period.

## **9. Starting Pay**

All employees, including senior employees, will normally be appointed to the minimum point of the grade for the job.

In certain cases, it may be appropriate to appoint to a higher point of the pay grade. This may arise when, for example, the preferred candidate for the job is or has been, in receipt of a salary at a higher level than the grade minimum.

## **10. Pay Progression**

All employees receive annual increments until the top of the development point is reached. The final increment, above the development point on each grade, is subject to outstanding performance.

## **11. Additional Payments**

Employees are eligible to receive enhancements for working on public holidays.

Employees in posts graded 1-5 who work additional hours are eligible to paid overtime for those hours worked. Employees Grade 6 or above (including senior management) are not eligible to be paid but may receive time off in lieu.

Employees required to participate in a standby rota due to the nature of their job, will receive a daily allowance plus overtime rates for call out.

## **12. Senior Employee Pay – Local Government Transparency Code**

Senior management remuneration is set out at **Appendix 3**. Performance related pay and bonuses, including lease cars, do not form part of senior employee's pay within the council.

## **13. Protection of Earnings Policy**

The Council's policy on protection of earnings applies to all employees of the council and provides protection for an employee's basic pay where it is reduced because of:

- Redeployment into a suitable alternative vacancy where an employee is at risk or under notice of redundancy
- Redeployment into a suitable alternative vacancy on health grounds
- The introduction of a revised pay and grading system

The period of pay protection is for a period of up to two years from the date of change to basic pay.



## **14. Termination of employment**

### **Early retirement (Efficiency of Service)**

The Local Government Pension Scheme allows employers certain discretionary powers, but the council's usual policy is not to enhance pension benefits for any employee. There are no provisions for employees to seek early retirement on the grounds of efficiency of the service, although this could be considered on a case-by-case basis.

## **15. Redundancy**

The Council has a single redundancy scheme which applies to all employees. Redundancy payments are calculated in accordance with the Employment Rights Act 1996 and the 2006 Discretionary Compensation Regulations and are based on the employee's age, length of continuous service and salary.

The Council does not usually provide any further payment to employees leaving the Council's employment other than in respect of accrued annual leave.

## **16. Re-engagement**

Employees who have been made redundant are eligible to apply for vacancies which may arise after they have left the council's employment. Any such applications will be considered together with those from other candidates and the best person appointed to the post.

Where a senior manager, as defined under paragraph 4, has left the authority on redundancy grounds, the authority will not re-employ at a later stage or re-engage as a consultant.

## **17. Publication and Access to Information**

This statement will be published on the council's website, together with the council's pay and grading structure and information relating to senior management remuneration.



## Senior Management Pay Grades 01.04.2026

	Point 1	Point 2	Point 3	Point 4	Point 5
Interim Deputy Chief Executive *	£100,642	£103,379	£106,116	£108,853	n/a
Interim Directors	£100,642	£103,379	£106,116	£108,853	n/a
Assistant Director Grade 3	£80,496	£82,266	£84,036	£85,806	£87,576
Assistant Director Grade 2	£72,308	£74,076	£75,845	£77,614	£79,979
Assistant Director Grade 1	£67,000	£68,678	£70,538	£72,308	£74,077

**\*Plus £10k honorarium**

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SCP	Salary Structure 1 April 2025 3.2%	Hourly	278	337	385	431	478	520	567	639	699	762	820
			1	2	3	4	5	6	7	8	9	10	11
48	64,993	33.69											
47	63,479	32.90											
46	61,983	32.13											
45	60,472	31.34											
44	58,964	30.56											
42	53,460	27.71											
41	52,413	27.17											
40	51,356	26.62											
38	49,282	25.54											
37	48,226	25.00											
36	47,181	24.46											
34	45,091	23.37											
33	44,075	22.85											
32	42,839	22.20											
30	40,777	21.14											
29	39,862	20.66											
28	39,152	20.29											
27	38,220	19.81											
25	36,363	18.85											
24	35,412	18.35											
23	34,434	17.85											
22	33,699	17.47											
20	32,597	16.90											
19	32,061	16.62											
17	31,022	16.08											
15	30,024	15.56											
14	29,540	15.31											
12	28,598	14.82											
11	28,142	14.59											
9	27,254	14.13											
8	26,824	13.90											
7	26,403	13.69											
5	25,583	13.26											
4	25,185	13.05											
3	24,796	12.85											
2	24,413	12.65											

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	Salary Range	Grade
<b>Chief Executive</b>	£134,087	Fixed salary
<b>Interim Deputy Chief Executive</b>	£118,853	Director Grade + £10k honorarium
<b>Interim Director (Community Services)</b>	£100,642 – £108,853	Director Grade
<b>Interim Director (Resources and Streetscene Services)</b>	£100,642 – £108,853	Director Grade
<b>Assistant Director Planning and Regeneration</b>	£80,496 – £87,576	Assistant Director Grade 3
<b>Assistant Director Streetscene Services</b>	£80,496 – £87,576	Assistant Director Grade 3
<b>Assistant Director Finance and Audit (s151 officer)</b>	£80,496 – £87,576	Assistant Director Grade 3
<b>Assistant Director Housing and Environmental Services</b>	VACANT	Assistant Director Grade 3
<b>Assistant Director People Law and Governance</b>	£72,308 – £79,979	Assistant Director Grade 2
<b>Assistant Director Transformation and Communities</b>	£72,308 – £79,979	Assistant Director Grade 2
<b>Assistant Director Culture, Health, Town Centre and Rural Services</b>	£67,000 – £74,077	Assistant Director Grade 1
<b>Assistant Director Assets and Business Development</b>	£67,000 – £74,077	Assistant Director Grade 1
<b>Strategic Head of ICT Shared Service</b>	£67,000 – £74,077	Head of Service Grade 1
<b>Head of Leicestershire Revenues and Benefits Partnership</b>	£86,041	Fixed salary

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