

Agenda

Meeting name	Meeting of the Council
Date	Thursday, 14 December 2023
Start time	6.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH
Other information	This meeting is open to the public

Members of the Council are summoned to the above meeting to consider the following items of business.

Edd de Coverly
Chief Executive

Membership

Councillors	A. Hewson (Chair)	J. Adcock
	P. Allnatt	I. Atherton
	S. Atherton	M. Brown
	R. Browne	S. Butcher
	S. Carter	R. Child
	M. Clay	H. Cliff
	S. Cox	P. Cumbers
	C. Evans	A. Freer
	M. Glancy	M. Gordon
	M. Graham MBE	L. Higgins
	S. Lumley	J. Mason
	J. Orson	S. Orson
	D. Pritchett	R. Sharp
	A. Thwaites	T. Webster

Quorum: 14 Councillors

Meeting enquiries	Democratic Services
Email	democracy@melton.gov.uk
Agenda despatched	Wednesday, 6 December 2023

No.	Item	Page No.
1.	APOLOGIES FOR ABSENCE	
2.	MINUTES To confirm the Minutes of the previous meeting held on 28 September 2023.	1 - 8
3.	DECLARATIONS OF INTEREST Members to declare any interest as appropriate in respect of items to be considered at this meeting.	9 - 10
4.	MAYOR'S ANNOUNCEMENTS The Mayor will make his announcements. Following the Mayor's announcements, the Mayor will invite the Assistant Director for Customers and Communities to provide a 10 minute presentation on the work of the Community Hub Team.	
5.	LEADER'S ANNOUNCEMENTS	
6.	PUBLIC QUESTION TIME In accordance with the Constitution, Members of the Council may answer questions from the public of which notice has been given. One question has been received at the time of publication. All confirmed questions will be circulated after the deadline. Deadline for questions – Thursday 7 December, 12pm	
7.	QUESTIONS FROM MEMBERS In accordance with the Constitution, a Member may ask the Leader, the Chair of the Council or a Committee Chair, a question on any matter in relation to which the Council has powers or duties or which affects the Borough. One question has been received at the time of publication. All confirmed questions will be circulated after the deadline. Deadline for questions – Thursday 7 December	
8.	MOTIONS ON NOTICE In accordance with the Constitution, motions on notice must be signed by at least two Members and be about matters for which the Council has a responsibility or which affect the Melton Borough. The following motion was received from Councillor Butcher (Seconded by Councillor Higgins).	

	<p>This Council applauds the huge contribution that retail and supermarket workers have made in recent years in helping our local community, particularly during the pandemic and wishes to thank them for their hard work and dedication.</p> <p>Everyone should have the right to work in safety and free from violence and abuse especially when bravely tackling shop thefts or criminal damage to property. Especially in the run up to Christmas.</p> <p>It is alarming to hear directly from employees in the Melton area of such abuses being faced recently and this is not just a local issue but across the country as reported by supermarket CEOs.</p> <p>This Council condemns any abuse suffered by our retail workers and calls on all partners to ensure that retail and supermarket workers can have confidence that their reports of such behaviour are acted on swiftly and appropriately.</p> <p>And the Council tasks to the Leader and Deputy Leader to write to our partners: the Police Crime Commissioner, the Inspector of Melton Police Station and Youth Services at Leicestershire County Council to endorse this approach.</p>	
9.	<p>POLITICAL BALANCE AND ALLOCATION OF SEATS TO POLITICAL GROUPS</p> <p>The Monitoring Officer is to present the review of political balance and allocation of seats to political groups.</p> <p>Appendix A and B to follow.</p>	11 - 18
10.	<p>CABINET RECOMMENDATIONS TO COUNCIL - TREASURY MANAGEMENT MID-YEAR REPORT 2023/24</p> <p>To receive a report from the Cabinet on recommendations referred to Council in relation to the Treasury Management Mid-Year Report 2023/24.</p>	19 - 46
	<p>EXCLUSION OF PRESS AND PUBLIC</p> <p>To recommend that the Press and Public be excluded during the consideration of the following item of business in accordance with Paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972.</p>	
11.	<p>CABINET RECOMMENDATIONS TO COUNCIL - LEISURE CONTRACT: AWARD OF CONTRACT TO PREFERRED CONTRACTOR AND INVESTMENT PROPOSALS</p> <p>To receive a report from the Cabinet on recommendations referred to Council in relation to the Leisure Contract: Award of contract to preferred contractor and investment proposals.</p>	47 - 98

Minutes

Meeting name	Council
Date	Thursday, 28 September 2023
Start time	6.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH

Present:

Chair Councillor A. Hewson (Chair)

Councillors

J. Adcock	P. Allnatt
I. Atherton	S. Atherton
M. Brown	S. Butcher
S. Carter	R. Child
H. Cliff	S. Cox
P. Cumbers	C. Evans
M. Glancy	M. Gordon
M. Graham MBE	L. Higgins
S. Lumley	J. Mason
J. Orson	S. Orson
R. Sharp	A. Thwaites
T. Webster	

Officers

- Chief Executive
- Monitoring Officer
- Deputy Monitoring Officer
- Director for Housing and Communities (Deputy Chief Executive)
- Director for Corporate Services (Section 151 Officer)
- Director for Growth and Regeneration
- Assistant Director for Planning
- Senior Democratic Services and Scrutiny Officer
- Democratic Services Officer (HA)

The Reverend Dr Mary Barr offered prayers

Minute No.	Minute
CO26	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received from Councillors Browne, Freer and Pritchett.</p>
CO27	<p>MINUTES</p> <p>The Minutes of the meeting held on 27 July 2023 were confirmed.</p> <p>(Unanimous)</p>
CO28	<p>DECLARATIONS OF INTEREST</p> <p>An other registerable interest in respect of Councillor J. Orson was noted as being on record for any matters which related to the Leicestershire County Council.</p> <p>Councillor J. Orson declared a pecuniary interest relation to CO35 (Melton Local Plan 2011 – 2036, 5 Year Review), CO36 (Local Development Scheme Update, September 2023) and CO37 (Local Plan Update - Issues and Options Consultation) items 10, 11 and 12 as he is a landowner and could be affected by the decision. Councillor J. Orson stated that he would withdraw from the meeting when the reports were considered.</p> <p>Councillor S. Orson declared a pecuniary interest relation to CO35 (Melton Local Plan 2011 – 2036, 5 Year Review), CO36 (Local Development Scheme Update, September 2023) and CO37 (Local Plan Update - Issues and Options Consultation) items 10, 11 and 12 as he is a landowner and could be affected by the decision. Councillor S. Orson stated that he would withdraw from the meeting when the reports were considered.</p>
CO29	<p>MAYOR'S ANNOUNCEMENTS</p> <p>The Mayor informed Council that, as Mayor, he had attended the following events:</p> <ul style="list-style-type: none"> • Saturday 29 July, DATR Open Day • Sunday 30 July, ABF Soldiers Charity's Summer Luncheon • Sunday 30 July, Leaving service for Reverend Pat Olivent-Hayes • Thursday 3 August, North West Leicestershire Chairman's Charity Dinner • Monday 14 August, Garden Party at Wexford House • Sunday 3 September, Lord Mayor of Leicester's Civic Service • Thursday 7 September, Summer Social at Parkside • Tuesday 12 September, Air Cadets to meet the new Cadet • Friday 15 September, Melton Midlands Sheep Fair • Friday 15 September, Chairman at Home event at Blaby District Council • Saturday 16 September, Commemorative Service for Commandery of King Offa • Sunday 17 September, Battle of Britain Parade • Sunday 17 September, Scalford Produce and Craft Show • Thursday 21 September, Teams4U Christmas shoe box appeal launch

	<ul style="list-style-type: none"> • Friday 22 September, Farm visit for the Chairman of Rutland County Council • Sunday 24 September, Harvest Festival service • Monday 25 September, Tenant Garden Recognition Scheme <p>The Deputy Mayor informed Council that, as Deputy Mayor, he had attended the following events:</p> <ul style="list-style-type: none"> • Wednesday 23 August, An evening with the cricket legends. • Sunday 3 September, Mayor of Boston's Sunday Service • Thursday 7 September, Summer social at Parkside • Sunday 17 September, South Kesteven District Council Civic Service at Stamford. <p>Following the announcement, the outgoing Mayor's Cadet, Flight Sergeant Wilf Burrows, gave a presentation on his year as the Mayor's Cadet to Council. After the presentation, the Mayor presented Flight Sergeant Burrows with a certificate.</p> <p>The incoming Mayor's Cadet, Flight Sergeant Ella Wheatley, received a certificate.</p>
CO30	<p>LEADER'S ANNOUNCEMENTS</p> <p>The Leader began his announcements by informing Council of the events he has attended since the last Council meeting, including:</p> <ul style="list-style-type: none"> • Charity football match; • The Ukrainian Independence Day service at St Mary's Church, Melton Mowbray; • The Battle of Britain service at St Mary's Church, Melton Mowbray; • Harvest Festival service at St Mary's Church, Melton Mowbray; • Open day for the Melton District Money Advice Centre; • Mental Health Network • Two induction events for new staff; • Ward visits to Asfordby, Bottesford and Melton Craven. <p>The Leader informed Members that he and his administration had been carrying out various duties since the last Council. He explained that he had previously made several commitments and has been taking them forwards. Members would receive further details in the Members' Bulletin.</p> <p>The Leader explained that with input from the Leader of the Opposition, Councillor Graham, he had conducted the Chief Executive's annual appraisal.</p> <p>Members were informed that the administration had made progress on the legacy issues that had arisen at the Waterfield Leisure Centre and that a capital programme was being developed. In addition, Officer has been preparing for the new management contract for Waterfield and the Sports Centre at MSV.</p>

	<p>The Leader mentioned that the Corporate Strategy expires in 2024 and that the new Strategy would run until 2036. The new Strategy would be more ambitious and visionary and would include a vision for a replacement swimming pool.</p> <p>Council was informed that at the last meeting of the Police and Crime Panel, the Panel met the nominee for Chief Executive and were content with the choice. Staying on matters of policing, the Leader stated that he had briefly met the new Melton and Rutland Police Inspector, Darren Richardson. Inspector Richardson has agreed to meet with a cross section of Members and exchange views on policing issues.</p> <p>The Leader informed Members that he, and the Chief Executive, met with the Member of Parliament for Rutland and Melton, Alicia Kearns, and her office manager in order to discuss a number of strategic matters, and some legacy issue of flooding and sewage in Melton.</p> <p>The Leader regrets to inform that some Members and Officers continue to be the subject of unfair abusive slurs and denigration on social media including unsubstantiated accusations of corruption. He wished to make clear that this is unacceptable and that the Council are governed by the Nolan Principles.</p> <p>In finishing his summary, the Leader outlined other issues that has drawn his attention since the last Council meeting:</p> <ul style="list-style-type: none"> • Levelling Up Fund meeting with the Leader of Rutland County Council. • Latham House and options for second GP surgery. • Brooksby College. • Meeting with the Heads of Longfield, Ferneley and Melton Vale Sixth Form College • Meeting with BID • UKSPF • Meeting about a Rural Forum • Members Advisory Group • Meeting with the Leicestershire District Leaders.
CO31	<p>PUBLIC QUESTION TIME</p> <p>No questions from the public had been received.</p>
CO32	<p>QUESTIONS FROM MEMBERS</p> <p>Two questions from Members were received and they were taken in the order that they were received.</p> <p>Councillor Higgins asked the following question:</p> <p><i>Following debate with Councillors at the State of Melton event and subsequent Scrutiny meeting, could the Leader clarify the agreements and actions in relation to</i></p>

Car Parking arrangements, and income to the council, with respect to the Cattle Market lease.

Also, could the Leader confirm income from this specific arrangement is for the general fund use for the Council.

In his response, the Leader stated that the trend showed that income has been decreasing, and that this had been a longer-term trend. He confirmed that the details of this would be made available within the Members Bulletin and SharePoint portal. He confirmed that income does go into the general fund. In regards to the second car park, as the council was not rightly focussing on the Levelling Up Fund investment, works to the current car park would quite rightly be limited now, as the focus needs to be on the more substantial investment.

Councillor Higgins opted to ask a supplementary question and asked the Leader what plans he has with regard to car parking charging for the users.

In response, the Leader commented that he had no plans but he does have ideas, however the ideas would all be comprehensively considered before any idea is implemented.

Councillor Cliff asked the following question:

Is the leader aware of the latest CQC inspection of maternity services which found a “deterioration in the level of care” being provided for those using maternity services at both the Leicester Royal Infirmary and Leicester General Hospital, dropping ratings for both hospitals from “good” to “requires improvement”. In contrast, inspectors of our own midwife-led unit here in Melton, praised staff, saying they, “should be proud of the safe care they were providing.”

We were assured as part of the plans that earmarked St. Mary’s Birth Centre for closure, that this was a relocation, and that St. Mary’s would not close until the new unit was open on the Leicester site currently under development.

So, in light of this concerning CQC report, will the Leader please write to the Trust on behalf of our whole community to insist that the condition would remain, and that St Mary’s Birth Centre should not be closed prematurely, in order to prop up failing services elsewhere?

In his response, the Leader thanked Councillor Cliff for raising the issue and stated that he was aware and would write to the NHS Trust on behalf of the Council regarding this issue and seek assurance about the required improvements before any closure of the Melton facility.

In asking a supplementary question, Councillor Cliff asked whether the Leader was aware of any proposals for the site if the St Mary’s Birth Centre was to close.

	<p>In his response, the Leader stated that there were Community Health and Well-being Plans, however he stated that he was not aware of any specific plans for the site. The Leader stated that he would pose the question.</p> <p>(At 7:29pm, during the consideration of this item, Councillor Evans left the meeting.)</p>
CO33	<p>MOTIONS ON NOTICE No motions on notice were received.</p>
CO34	<p>RECOMMENDATIONS AND REPORTS FROM COMMITTEES - APPOINTMENT OF MONITORING OFFICER</p> <p>The Leader introduced a report on the appointment of a Monitoring Officer. The Leader commented positively on the rigour of the recruitment process and the positive outcome and the unanimous recommendation from the Employment Committee. He moved the recommendation and the Leader of the Opposition seconded the motion.</p> <p>RESOLVED</p> <p>Council</p> <p>APPOINTED Clive Tobin as the Council’s Monitoring Officer with effect from a date to be confirmed, in line with the commencement of his employment with the Council as Assistant Director for Governance and Democracy, anticipated to be no later than January 2024.</p> <p>(Unanimous)</p>
CO35	<p>MELTON LOCAL PLAN (2011 - 2036) 5 YEAR REVIEW</p> <p>(At 7:37pm, prior to the consideration of this item, Councillors J. Orson and S. Orson left the meeting.)</p> <p>The Deputy Leader presented a report on the Melton Local Plan (2011 – 2036) 5 Year Review and moved the recommendations. Cllr Higgins seconded the motion.</p> <p>RESOLVED</p> <p>Council</p> <p>(1) APPROVED the details as set out in Appendix A of the outcome of the Melton Local Plan (2011-2036) 5 Year Review.</p> <p>(2) APPROVED the revised Terms of Reference and Membership of the Melton Local Plan Review Working Group (Appendix B).</p>

	<p>(3) APPROVED that authority be delegated to the Melton Local Plan Review Working Group to scrutinise and publish new evidence relating to the Local Plan on the Local Plans website to inform future policy making.</p> <p>(Unanimous)</p>
CO36	<p>LOCAL DEVELOPMENT SCHEME UPDATE (SEPTEMBER 2023)</p> <p>The Deputy Leader presented the Local Development Scheme Update (September 2023) and moved the recommendations. Councillor Higgins seconded the motion.</p> <p>RESOLVED</p> <p>Council</p> <p>(1) APPROVED the publication of the updated Local Development Scheme (LDS).</p> <p>(2) APPROVED that authority be delegated to the Director for Growth and Regeneration to make in-year updates to the Local Development Scheme, in consultation with the Portfolio Holder for Governance, Environment & Regulatory Services and the Melton Local Plan Working Group.</p> <p>(For 21, Against 0, Abstentions 1)</p> <p>(At 7:51pm, during the consideration of this item, Councillor Evans entered the meeting.)</p>
CO37	<p>LOCAL PLAN UPDATE - ISSUES AND OPTIONS CONSULTATION</p> <p>The Deputy Leader introduced the Local Plan Update – Issues and Options Consultation and moved the recommendations. Councillor Higgins seconded the motion.</p> <p>RESOLVED</p> <p>Council</p> <p>(1) APPROVED launching the Issues and Options consultation (Regulation 18 consultation) in relation to the Local Plan Update once the consultation document is finalised and delegates authority to the Portfolio Holder for Governance, Environment and Regulatory Services to finalise the consultation document in consultation with the Local Plan Members’ Working Group.</p>

	<p>(2) APPROVED launching a consultation for the Sustainability Appraisal alongside the Regulation 18 consultation.</p> <p>(Unanimous)</p> <p>(At 7:59pm, upon the conclusion of this item, Councillors J. Orson and S. Orson entered the meeting.)</p>
CO38	<p>PROPOSED AMENDMENTS TO CONSTITUTION</p> <p>The Deputy Leader introduced the report on the proposed amendments and moved the recommendations and Councillor Brown seconded the motion.</p> <p>Councillor Graham proposed an amendment to the motion relating to the proposed amendment to Chapter 2, Part 4, Section 12.3, Paragraph 15. The original proposal was that the limit should be £150k, however, after some debate, the proposer accepted that the limit should be amended to £50k per financial year. This was agreed by the seconder.</p> <p>RESOLVED</p> <p>Council</p> <p>APPROVED the proposed amendments to the Constitution as detailed in Appendix A to the report subject to the limit in Paragraph 15 (Chapter 2, Part 4, Section 12.3) being amended to £50k per financial year.</p> <p>(Unanimous)</p>

The meeting closed at: 8.20 pm

Mayor

MEMBER INTERESTS

Do I have an interest?

1 DISCLOSABLE PECUNIARY INTERESTS (DPIs)

A “Disclosable Pecuniary Interest” is any interest described as such in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 and includes an interest of yourself, or of your Spouse/Partner (if you are aware of your Partner's interest) that falls within the following categories: Employment, Trade, Profession, Sponsorship, Contracts, Land/Property, Licences, Tenancies and Securities.

A Disclosable Pecuniary Interest is a Registerable Interest. Failure to register a DPI is a criminal offence so register entries should be kept up-to-date.

2 OTHER REGISTERABLE INTERESTS (ORIs)

An “Other Registerable Interest” is a personal interest in any business of your authority which relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority; or
- b) any body
 - (i) exercising functions of a public nature
 - (ii) any body directed to charitable purposes or
 - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

3 NON-REGISTRABLE INTERESTS (NRIs)

“Non-Registrable Interests” are those that you are not required to register but need to be disclosed when a matter arises at a meeting which directly relates to your financial interest or wellbeing or a financial interest or wellbeing of a relative or close associate that is not a DPI.

In each case above, you should make your declaration at the beginning of the meeting or as soon as you become aware. In any other circumstances, where Members require further advice they should contact the Monitoring Officer or Deputy Monitoring Officer in advance of the meeting.

Declarations and Participation in Meetings

1 DISCLOSABLE PECUNIARY INTERESTS (DPIs)

- 1.1 Where a matter arises at a meeting which **directly relates** to one of your Disclosable Pecuniary Interests which include both the interests of yourself and your partner then:
- a) you must disclose the interest;
 - b) not participate in any discussion or vote on the matter; and
 - c) must not remain in the room unless you have been granted a Dispensation.

2 OTHER REGISTERABLE INTERESTS (ORIs)

- 2.1 Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests i.e. relating to a body you may be involved in:
- a) you must disclose the interest
 - b) may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter; and
 - c) must not remain in the room unless you have been granted a Dispensation.

3 NON-REGISTRABLE INTERESTS (NRIs)

- 3.1 Where a matter arises at a meeting, which is not registrable but may become relevant when a particular item arises i.e. interests which relate to you and /or other people you are connected with (e.g. friends, relative or close associates) then:
- a) you must disclose the interest;
 - b) may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter; and
 - c) must not remain in the room unless you have been granted a Dispensation.

4 BIAS

- 4.1 Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias. If you have been involved in an issue in such a manner or to such an extent that the public are likely to perceive you to be biased in your judgement of the public interest (bias):
- a) you should not take part in the decision-making process
 - b) you should state that your position in this matter prohibits you from taking part
 - c) you should leave the room.

In each case above, you should make your declaration at the beginning of the meeting or as soon as you become aware. In any other circumstances, where Members require further advice they should contact the Monitoring Officer or Deputy Monitoring Officer in advance of the meeting.

Political Balance and Allocation of Seats to Political Groups

Report Author:	Adam Green , Senior Democratic Services and Scrutiny Officer 01664 502319 agree@melton.gov.uk
Chief Officer Responsible:	Alison McKane , Monitoring Officer 01664 502543 amckane@melton.gov.uk
Lead Member/Relevant Portfolio Holder	N/A

Corporate Priority:	All
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 To approve the revised political balance calculations and allocation of seats on committees in accordance with statutory requirements (as set out in the report) following recent changes which alter the political balance between the Groups.

2 Recommendations

That Council:	
2.1	Approves the political balance calculation at paragraphs 5.1 – 5.2;
2.2	Approves the allocation of seats on Committees as set out in paragraph 5.3 and Working Groups as set out in paragraph 5.4.1;
2.3	Notes that the composition of the Constitution Review Working Group and the Climate Change Emergency Working Group remain unaltered;
2.4	Receives nominations and make appointments to Committees and Working Groups as notified by Group Leaders and set out in Appendix A;
2.5	Authorises the Monitoring Officer to give effect to the wishes of the group in relation to adjustments to committee appointments where properly notified in

accordance with Regulation 13 of the Local Government (Committees and Political Groups) Regulations 1990;

- 2.6 **Appoints non-aligned Members to their allocation of seats on Committees and Working Groups as set out in Appendix A;**
- 2.7 **Appoints Councillor Marilyn Gordon to fill the vacancy on the Climate Change Emergency Working Group, and**
- 2.8 **Appoints Councillor Butcher as the Council's second representative on the Melton Business Improvement District Board.**

3 Reason for Recommendations

- 3.1 To ensure that the council complies with its statutory obligations under the Local Government and Housing Act 1989 and associated Regulations.

4 Background

- 4.1 Councillor Charlie Pitt Miller resigned as a Member of the Council on 9 September 2023. The by-election on 2 November 2023 resulted in the election of Margaret Clay.
- 4.2 On 30 November 2023, the Monitoring Officer was notified that Councillor Margaret Clay wished to be treated as a Member of the Labour Group in accordance with the requirements set out in Regulation 10 of the Local Government (Committees and Political Groups) Regulations 1990.
- 4.3 Pursuant to Section 15 of the Local Government and Housing Act 1989 the authority is under a duty to review the allocation of seats to Political Groups as soon as practicable following a change to the membership of those groups.
- 4.4 The Council's duty is to determine the allocation of seats to be filled by appointments by the authority, except the Cabinet and the Statutory Licensing Committee. The purpose is to ensure that there is proportionality across all formal activities of the Council, representing the overall political composition. It affects all formally constituted panels, committees and subcommittees which discharge functions on behalf of the authority.
- 4.5 The political proportionality rules that apply in allocating seats on Committees etc. set out in Section 15 and 16 of the Local Government and Housing Act 1989 apply only to political groups.
- 4.6 Independent (non-aligned) members are to form part of the calculation for political balance purposes.
- 4.7 It is a requirement that, once seats have been allocated to political groups, the remaining seats offered by Council to the Independent (non-aligned) members.

5 Main Considerations

- 5.1 Political Balance
- 5.1.1 The follow Committees are political balanced:
- Planning (11 seats)
 - Scrutiny (10 seats)
 - Audit & Standards (10 seats)
 - Employment (7 seats)
 - Licensing (Regulatory) Committee (10 seats)

5.1.2 The total number of seats available across all politically balanced committees is 48.

5.2 Revised Composition

5.2.1 The revised composition of the Council is shown in the following table.

Members	Number	%	Proportion of seats available	Rounded to
Conservative Group	11	39.29	18.85714286	19
Labour Group	6	21.43	10.28571429	10
Independent Group	9	32.14	15.42857143	15
Non-aligned	2			4

5.2.2 The political proportionality rules that apply in allocating seats on Committees, set out in Section 15 and 16 of the Local Government and Housing Act 1989, apply only to political groups (i.e., 19 to the Conservative Group, 10 to the Labour Group and 15 to the Independent Group).

5.2.3 Once seats have been allocated to the political groups, the authority is then under a duty to allocate the remaining seats to Members who are not aligned to a political group.

5.3 Allocation of Seats

5.3.1 Using 48 as the total number of seats across all committees, the total row shows the total number of places each group is entitled to for each committee, using the calculated proportions above.

Committee	Places	Conservative	Labour	Independent	Non-aligned
Planning	11	4	2	4	1
Scrutiny	10	4	2	3	1
Audit & Standards	10	4	2	3	1
Employment	7	3	2	2	0
Licensing (Regulatory)	10	4	2	3	1
Total across all C'tees	48	19	10	15	4
Allocation	48	19	10	15	4

5.3.2 With each group having been allocated seats in accordance with its total proportional entitlement, Group Leaders will provide notification of appointment of members as detailed in Appendix A, before the meeting. Should any further changes be required following the meeting, the wishes of the Group will be notified in accordance with Regulation 13 of the Local Government (Committees and Political Groups) Regulations 1990 and the express delegation at recommendation 2.6.

5.3.3 The remaining seats are then allocated to the non-aligned Members. The non-aligned Members have expressed their preferences for allocation of seats and these are detailed in Appendix A.

- 5.3.4 The outcome now requires the Council to make the following decisions:
- To confirm appointments of the Committees above and to that size of membership
 - To allocate seats on the Committees as above to the three political groups
 - To appoint named non-aligned members to seats on the Committees

5.4 Outside Bodies and Working Groups

5.4.1 Whilst the following are not formal Committees, the terms of reference for these meetings do require the allocation of seats to be calculated in accordance with the political balance calculation. The allocation of seats are detailed in Appendix A.

Group Name	Joint Staff Working Group (7 seats)	Local Plans Working Group (9 seats)
Conservative	3	4
Labour	2	2
Independent	2	3
Non-aligned	0	0
Totals	7	9

5.4.2 The terms of reference for the Constitution Review Working Group and the Climate Change Emergency Working Group do not require them to be politically balanced, so therefore no changes to the composition of those working groups have been proposed.

5.4.3 As Councillor Pitt Miller was a member of the Climate Change Emergency Working Group, her resignation on 12 September 2023 created a vacancy on the group. It is recommended that Council appoints Councillor Marilyn Gordon to fill the vacancy.

5.4.4 The Melton Business Improvement District (BID) informed the Council that it is entitled to appoint two representatives to their Board. The first appointment made on 24 May 2023 was the relevant Portfolio Holder, Councillor Glancy. It is recommended that Council appoints a second representative.

6 Options Considered

6.1 The Council must review its political balance and allocation of seats as soon as practicable following a change to political groups in accordance with the legislation.

7 Consultation

7.1 The Group Leaders have been consulted on the information presented in this report and the appendices were compiled in consultation with them wherever possible.

7.2 Non-aligned members have also been provided with the information presented in this report.

8 Next Steps – Implementation and Communication

8.1 Any changes to membership of Committees will be reflected on the Council's website page for each Committee.

8.2 Any mandatory training requirements will be considered and arranged as necessary for respective members.

9 Financial Implications

9.1 There are no financial implications arising from this report.

Financial Implications reviewed by: Assistant Director for Resources

10 Legal and Governance Implications

10.1 The Council must allocate seats on committees so as to give effect to the political balance rules unless there is a decision to the contrary with no member voting against.

10.2 The allocation of seats shall conform to the principles of proportionality contained in sections 15 and 16 of the Local Government and Housing Act 1989. There is a duty to give effect to the following principles, as far as reasonably practicable, in the order shown:

- a) Not all the seats on the body are allocated to the same political group
- b) A majority of the seats on a body are allocated to a group if it comprises a majority of the total membership of the authority;
- c) Subject to (a) and (b) above, that the number of seats on ordinary committees allocated to each group bears the same proportion to the total of all seats on ordinary committees as is borne by the number of members of that group to the total membership of the authority; and
- d) Subject to (a) to (c) above, that the number of seats on a body allocated to each group bears the same proportion to the number of seats on that body as is borne by the number of members of that group to the total membership of the authority.

10.3 For political balance, a group is required to have at least two members in order to be formally constituted as a political group.

10.4 The political proportionality rules that apply in allocating seats on Committees etc. set out in Section 15 and 16 of the Local Government and Housing Act 1989 apply only to political groups.

10.5 Where the Council has members who are non-aligned, section 15(3) of the Act has words inserted/modified by regulation 16 of the Local Government (Committee and Political Groups) Regulations 1990 to read as follows:

“15(3) Where at any time the representation of different political groups on a body to which this section applies falls to be reviewed under this section by any relevant authority or committee of a relevant authority, it shall be the duty of that authority or committee, as soon as practicable after the review to determine the allocation to each of those groups of such of the seats which fall to be filled by appointments made from time to time by that authority or committee as bear to the total of all of those seats the same proportion as is borne by the number of members of that group to the membership of the authority.”

10.6 Additionally, where there are non-aligned members, section 16(2A) of the Local Government and Housing Act 1989 has effect. The Regulations also insert the following:

“Where appointments fall to be made to seats on a body to which section 15 applies otherwise than in accordance with a determination under that section, it shall be the duty of the authority or the committee, as the case may be, so to exercise their power to make appointments as to secure that the persons appointed to those seats are not members of any political group”.

10.7 The implications of these changes to paragraph 15(3) taken with section 16(2A) is to require that the Council must allocate seats to the political parties in accordance with the

four principles set out above (10.2 a-d). If there are any seats left over, they must then allocate seats to the non-aligned members.

10.8 Alternative arrangements for not complying with section 15 and 16 of the 1989 Act may be made by virtue of Section 17 of the 1989 Act by passing a resolution with no member voting against the resolution.

10.9 Once the allocation of seats has been agreed, the appointment of individual members will be given effect in accordance with the wishes of the relevant Group as expressed through the Group's Leader / Deputy Leader in accordance with section 16 of the 1989 Act and Regulation 13 of the Local Government (Committees and Political Groups) Regulations 1990.

Legal Implications reviewed by: Interim Monitoring Officer, 27 November 2023

11 Equality and Safeguarding Implications

11.1 An Equality Impact Assessment (EqIA) has not been completed because there are no service, policy or organisational changes being proposed.

12 Data Protection Implications

12.1 A Data Protection Impact Assessments (DPIA) has not been completed for the following reasons because there are no risks or issues to the rights and freedoms of natural persons.

13 Community Safety Implications

13.1 There are no community implications arising from this report.

14 Environmental and Climate Change Implications

14.1 There are no environmental or climate change implications arising from this report.

15 Other Implications (where significant)

15.1 There are no other implications arising from this report.

16 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Failure to meet statutory and constitutional obligations.	Low	Critical	9

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				

4 Significant				
3 Low			1	
2 Very Low				
1 Almost impossible				

Risk No	Mitigation
1	To consider the business presented in this report.

17 Background Papers.

17.1 There are no background papers.

18 Appendices

18.1 Appendix A – Committee Membership 2023/24

18.2 Appendix B – Working Group Membership 2023/24

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Council

14 December 2023

Cabinet Recommendations to Council - Treasury Management Mid-Year Report 2023/24

Report Author:	Natasha Allsopp , Senior Management Accountant 01664 502393 NAllsopp@melton.gov.uk
Chief Officer Responsible:	Dawn Garton , Director for Corporate Services 01664 502444 DGarton@melton.gov.uk
Lead Member/Relevant Portfolio Holder	Councillor Sarah Cox - Portfolio Holder for Corporate Finance, Property and Resources

Corporate Priority:	Ensuring the right conditions to support delivery (inward)
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 The mid-year Treasury Report is a requirement of the Council's reporting procedures and provides a summary of the Treasury activities to the end of September 2023. The report also covers the actual position to date on the Prudential Indicators in accordance with the Prudential Code.
- 1.2 The report meets the requirements of both the CIPFA Code of Practice on Treasury Management 2021 and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both codes through Regulations issued under the Local Government Act 2003.

2 Recommendations

RECOMMENDATION(S)
<p>That Council:</p> <ul style="list-style-type: none"> 2.1 Notes the mid-year position on treasury activity for 2023/24 and 2.2 Notes the mid-year position on Prudential Indicators for 2023/24.

3 Reason for Recommendations

- 3.1 The Prudential Code requires the Council to monitor and report performance on Treasury Management activities at least quarterly. As a minimum full Council need to receive an annual report on the strategy and plan for the coming financial year, a mid year review and an annual report on performance of the treasury management function. In addition monitoring reports should be received at least quarterly alongside revenue and capital monitoring by the cabinet as the body delegated responsibility for treasury management functions.
- 3.2 To facilitate the decision making process and support capital investment decisions the Prudential Code requires the Council to agree and monitor a minimum number of prudential indicators.

4 Background

- 4.1 Cabinet considered the Treasury Management Mid-Year Report 2023/24 at their meeting on 15 November 2023 and made recommendations to Council, as outlined in section 2.

5 Main Considerations

- 5.1 As outlined in the Treasury Management Mid-Year Report 2023/24 (Appendix 1).

6 Options Considered

- 6.1 As outlined in the Treasury Management Mid-Year Report 2023/24 (Appendix 1).

7 Consultation

- 7.1 As outlined in the Treasury Management Mid-Year Report 2023/24 (Appendix 1).

8 Next Steps – Implementation and Communication

- 8.1 As outlined in the Treasury Management Mid-Year Report 2023/24 (Appendix 1).

9 Financial Implications

- 9.1 As outlined in the Treasury Management Mid-Year Report 2023/24 (Appendix 1).

Financial Implications reviewed by: See Appendix 1

10 Legal and Governance Implications

- 10.1 As outlined in the Treasury Management Mid-Year Report 2023/24 (Appendix 1).

Legal Implications reviewed by: See Appendix 1

11 Equality and Safeguarding Implications

- 11.1 As outlined in the Treasury Management Mid-Year Report 2023/24 (Appendix 1).

12 Data Protection Implications (Mandatory)

- 12.1 As outlined in the Treasury Management Mid-Year Report 2023/24 (Appendix 1).

13 Community Safety Implications

- 13.1 As outlined in the Treasury Management Mid-Year Report 2023/24 (Appendix 1).

14 Environmental and Climate Change Implications

- 14.1 As outlined in the Treasury Management Mid-Year Report 2023/24 (Appendix 1).

15 Other Implications (where significant)

15.1 As outlined in the Treasury Management Mid-Year Report 2023/24 (Appendix 1).

16 Risk & Mitigation

16.1 As outlined in the Treasury Management Mid-Year Report 2023/24 (Appendix 1).

17 Background Papers.

17.1 As outlined in the Treasury Management Mid-Year Report 2023/24 (Appendix 1).

18 Appendices

18.1 Appendix 1 – Treasury Management Mid-Year Report 2023/24

18.2 Appendix A – Mid-Year Treasury Management Review 2023-24

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Cabinet

15 November 2023

Treasury Management Mid-Year Report 2023-24

Report Author:	Natasha Allsopp , Senior Management Accountant 01664 502393 NAllsopp@melton.gov.uk
Chief Officer Responsible:	Dawn Garton , Director for Corporate Services 01664 502444 DGarton@melton.gov.uk
Lead Member/Relevant Portfolio Holder	Councillor Sarah Cox , Portfolio Holder for Corporate Finance, Property and Resources

Corporate Priority:	Ensuring the right conditions to support delivery (inward)
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No
Key Decision:	No
Subject to call-in:	No Not key decision

1 Summary

- 1.1 The mid-year Treasury Report is a requirement of the Council's reporting procedures and provides a summary of the Treasury activities to the end of September 2023. The report also covers the actual position to date on the Prudential Indicators in accordance with the Prudential Code.
- 1.2 The report meets the requirements of both the CIPFA Code of Practice on Treasury Management 2021 and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both codes through Regulations issued under the Local Government Act 2003.

2 Recommendations

That Cabinet recommends to Council:

- 2.1 That the mid-year position on treasury activity for 2023-24 be noted
- 2.2 That the mid-year position on Prudential Indicators for 2023-24 be noted

3 Reason for Recommendations

- 3.1 The Prudential Code requires the Council to monitor and report performance on Treasury Management activities at least quarterly. As a minimum full Council need to receive an annual report on the strategy and plan for the coming financial year, a mid year review and an annual report on performance of the treasury management function. In addition monitoring reports should be received at least quarterly alongside revenue and capital monitoring by the cabinet as the body delegated responsibility for treasury management functions.
- 3.2 To facilitate the decision making process and support capital investment decisions the Prudential Code requires the Council to agree and monitor a minimum number of prudential indicators.

4 Background

- 4.1 The Treasury Management & Prudential Indicators Mid-Year report for 2023-24 is attached at Appendix A. The report covers:
 - Economics, Interest and borrowing rate updates
 - Investment and Borrowing Strategies
 - Compliance with Treasury and Prudential Limits
- 4.2 The underlying purpose of the report supports the objective in the revised CIPFA Code of Practice on Treasury Management and the Department for Levelling Up, Housing and Communities (DLUHC) Investment Guidance/Investment regulations. These state that Members receive and adequately scrutinise Treasury Management services.

5 Main Considerations

- 5.1 The underlying economic environment has been challenging for a number of years which had been impacting on investment returns, however interest rates have continued to rise with the base rate moving to 5.25% at the Monetary Policy Committee on 3rd August 2023 as part of the Bank of England's response to the escalating inflation rates.
- 5.2 The report shows that the basis of the treasury management strategy, the investment strategy and the PI's have not materially changed, except where shown and that all Prudential Indicators have been complied with over the reporting period.

- 5.3 The report is structured to highlight the key changes to the Councils capital activity (the prudential indicators), the economic outlook and the actual and forecast treasury management activity (borrowing and investment).

6 Options Considered

- 6.1 No other options considered. If the report was not provided councillors would not be aware of the ongoing management of the treasury functions and appropriate scrutiny would not be undertaken in accordance with the treasury framework.

7 Consultation

- 7.1 Consultation has been undertaken with the portfolio holder regarding the position for the 2023-24 financial year

8 Next Steps – Implementation and Communication

- 8.1 As this is a monitoring report there are no further steps required.

9 Financial Implications

- 9.1 The Treasury Management Strategy and Policy are core financial policies which underpin all the work of the Treasury Management function and incorporate any implications arising from the capital programme.
- 9.2 Following the previous suppressed interest rates there has been a period of continued positivity with rates steadily increasing with 12 month rates now over 6% in some instances. Interest rates are expected to remain high for the remainder of the year, with officers looking to continue to maximise returns with the latest forecast predicting a surplus of £533k against a budgeted income level of £589k (across General Fund and HRA). This will help to support some of the other in year pressures the Council is facing.
- 9.3 In terms of performance Melton is currently achieving an average rate of return of 5.66% as at the end of Sept which in comparison to the benchmarking group Melton is part of, is outperforming the benchmark average of 5.17% which includes county level authorities as well. In fact, Melton is the highest performing authority in the benchmark group at present. This is a positive achievement as the Council looks to maximise its returns whilst striving to balance risk and return.
- 9.4 As regards the £2m the Council has invested in a property fund the latest valuation as at the end of September 2023 shows a notional loss of £177k. At present, in accordance with the current accounting rules this potential loss doesn't have to be recognised but if it did we do have £120k in a reserve to partly offset. A property fund by its very nature is a long-term investment in terms of potential fluctuations in asset values but since the initial investment was made in 2017 the council has received investment income of £534k to date which has supported the revenue budget.

9.5 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the first half of the 2023/24 financial year for the period ending 30th September 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24.

9.6 The Director for Corporate Services can confirm that no difficulties are envisaged for the current or future years in complying with these indicators and that all treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

10.1 The Local Government Act 2003 provides the powers to invest and borrow as well as providing controls and limits on the activity. There are no direct legal implications arising from this report. Failure to follow the Code of Practice and Strategy could increase the risk of financial loss.

Legal Implications reviewed by: Interim Assistant Director for Governance & Democracy)Monitoring Officer)

11 Equality and Safeguarding Implications

11.1 There are no direct equality or safeguarding issues arising from this report.

12 Data Protection Implications (Mandatory)

A Data Protection Impact Assessments (DPIA) has not been completed as there are no risks/issues to the rights and freedoms of natural persons.

13 Community Safety Implications

13.1 There are no direct links to community safety arising from this report.

14 Environmental and Climate Change Implications

14.1 No implications have been identified but members may wish to note the council has an investment in a green and sustainable product that is focused around sustainable economic growth investment.

15 Other Implications (where significant)

15.1 No other implications have been identified.

16 Risk & Mitigation

16.1 These are assessed as part of the Corporate Services Risk Register

Risk No	Risk Description	Likelihood	Impact	Risk
1	Loss of investment income during 2023-24 as result of change in interest rates	Low	Marginal	Low Risk
2	Reduction in the valuation of the Councils Property Fund investment resulting in an actual loss should the regulations change to charge the loss to revenue account.	Significant	Marginal	Medium Risk

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant		2		
	3 Low		1		
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
1	Continue to maximise returns in line with the Treasury management investment strategy
2	Establishment of a property fund reserve to help mitigate any losses in the future should the statutory override be removed and there is a need to be charged direct to the revenue account in line with any change in accounting rules.

17 Background Papers

Treasury Management Strategy Statement 2023-24

18 Appendices

18.1 Appendix A – Treasury Management Mid-Year Review 2023/24

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APPENDIX A

Treasury Management Strategy Statement and Annual Investment Strategy

Mid-Year Review Report
2023/24

Contents

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1. Background

1.1 Capital Strategy

In December 2021, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. These require all local authorities to prepare a Capital Strategy which is to provide the following: -

- a high-level 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 capital strategy for 2023/24 was approved by Council at its meeting on the 23 February 2023.

1.2 Treasury management

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity initially before considering optimising 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 the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

“The management of the local authority's borrowing, 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.”

2. Introduction

This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021).

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.

3. Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year. (Quarterly reports are also required for the periods ending April to June and October to December but may be assigned to a designated committee or panel as deemed appropriate to meet the Treasury Management governance and scrutiny aspects of the Council.)
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council, Cabinet is the delegated body.

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first half of the 2023/24 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2023/24;
- A review of the Council's borrowing strategy for 2023/24;
- A review of any debt rescheduling undertaken during 2023/24;
- A review of compliance with Treasury and Prudential Limits for 2023/24.

3. Economics and Interest Rates

3.1 Economics Update – commentary provided by LINK Asset Services

- The first half of 2023/24 saw:
 - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
 - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).

- The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.
- CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise

since March and takes it below the forecast of 7.2% the Bank of England published in early August.

- In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was “finely balanced”. Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures “further tightening in policy would be required”. Governor Bailey stated, “we’ll be watching closely to see if further increases are needed”. The Bank also retained the hawkish guidance that rates will stay “sufficiently restrictive for sufficiently long”.
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.
- The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).
- The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.
- The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100’s relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914.

3.2 Interest Rate Forecasts

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

The latest forecast on 25th September sets out a view that short, medium and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View		25.09.23											
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement, (TMSS), for 2023/24 was approved by this Council on 23rd February 2023.

There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved

Prudential Indicator 2023/24	Original	Revised Prudential Indicator
	£'000	£'000
Authorised Limit	46,000	46,000
Operational Boundary	34,000	34,000
Capital Financing Requirement	31,777	31,527

5. The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

5.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

Capital Expenditure by Service	2023/24 Original Estimate £'000	2023/24 Revised Estimate £'000	2023/24 Forecast £'000
Great Council	38	201	201
People	345	360	360
Place	632	15,331	15,068
Total General Fund	1,015	15,892	15,629
HRA	2,592	5,763	5,697
Total capital expenditure	3,607	21,655	21,326

The revised budget includes carry forwards from 2022/23 of £3.631m plus some new additions in year for projects such as the Levelling Up Fund Stockyard (£11.1m), Levelling Up Fund Campus Theatre (£2m)

5.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2023/24 Original Estimate £'000	2023/24 Revised Estimate £'000	2023/24 Forecast £'000
Total capital expenditure			
Financed by:			
Capital receipts	968	3,523	3,531
Capital grants	684	360	13,978
Major Repairs Reserve	1912	15,391	1,765
Development and Regeneration Reserve	0	1,049	1,055
Repairs and Renewal Funds	38	553	540
Third Party Contributions	0	529	457
Revenue	5	0	0
Total financing	3,607	21,405	21,326
Borrowing requirement	0	250	0

5.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement

The planned borrowing to fund the LCC Education Infrastructure capital contribution has been pushed back due to the latest announcement by the highways authority with regard to progressing the scheme to which this contribution is linked. The CFR has therefore reduced by £250k.

Prudential Indicator – the Operational Boundary for external debt

	2023/24 Original Estimate £'000	2023/24 Revised Estimate £'000
Prudential Indicator – Capital Financing Requirement		
CFR – non housing	293	43
CFR – housing	31,484	31,484
Total CFR	31,788	31,527
Net movement in CFR	238	11
Prudential Indicator – the Operational Boundary for external debt		
Borrowing	31,663	31,413
Other long-term liabilities	43	43
Total debt (year end position)	31,706	31,456

5.4 Limits to Borrowing Activity

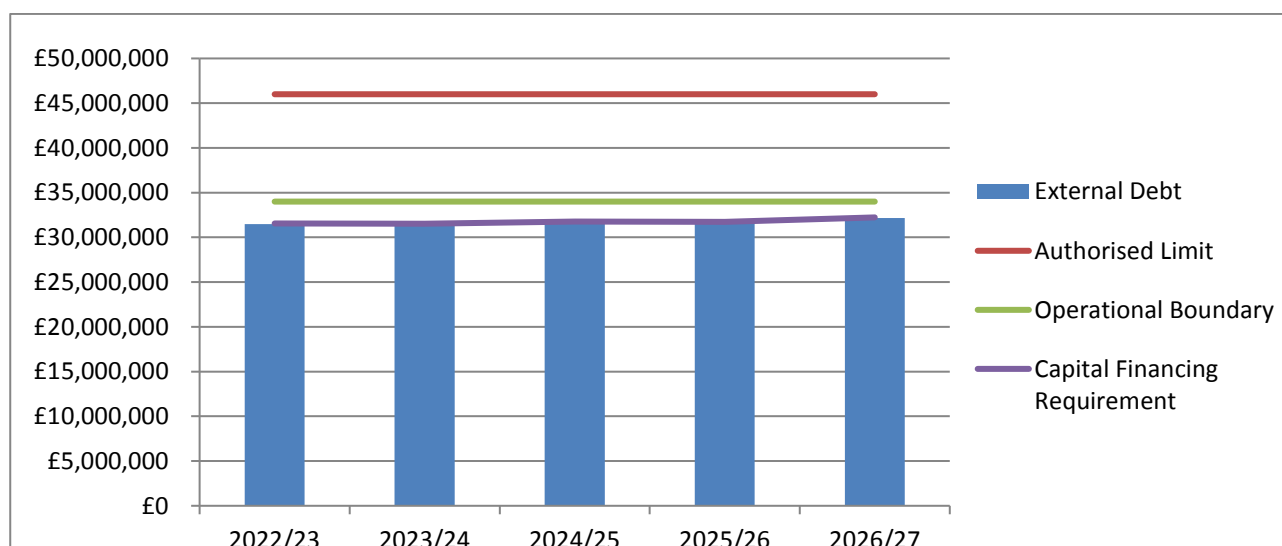
The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. **Gross external borrowing** should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2023/24 Original Estimate £'000	2023/24 Revised Estimate £'000
Borrowing	31,663	31,413
Other long-term liabilities*	43	43
Total debt	31,706	31,456
CFR* (year end position)	31,788	31,527

A further prudential indicator controls the overall level of borrowing. This is **the Authorised Limit** which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt	2023/24 Original Indicator £'000	2023/24 Revised Indicator £'000
Borrowing	45,950	45,950
Other long-term liabilities	50	50
Total	46,000	46,000

Comparison of borrowing parameters to actual external borrowing



6. Borrowing

The Council's capital financing requirement (CFR) for 2023/24 is £31.527m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Table 5.4 shows the Council has

borrowings of £31.456m and has utilised £0.071m of cash flow funds in lieu of borrowing. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring if further upside risk to gilt yields prevails.

The capital programme is being kept under regular review due to the effects of inflationary pressures, shortages of materials and labour. Our borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, to achieve optimum value and risk exposure in the long-term.

It is anticipated that further borrowing will not be undertaken during this financial year.

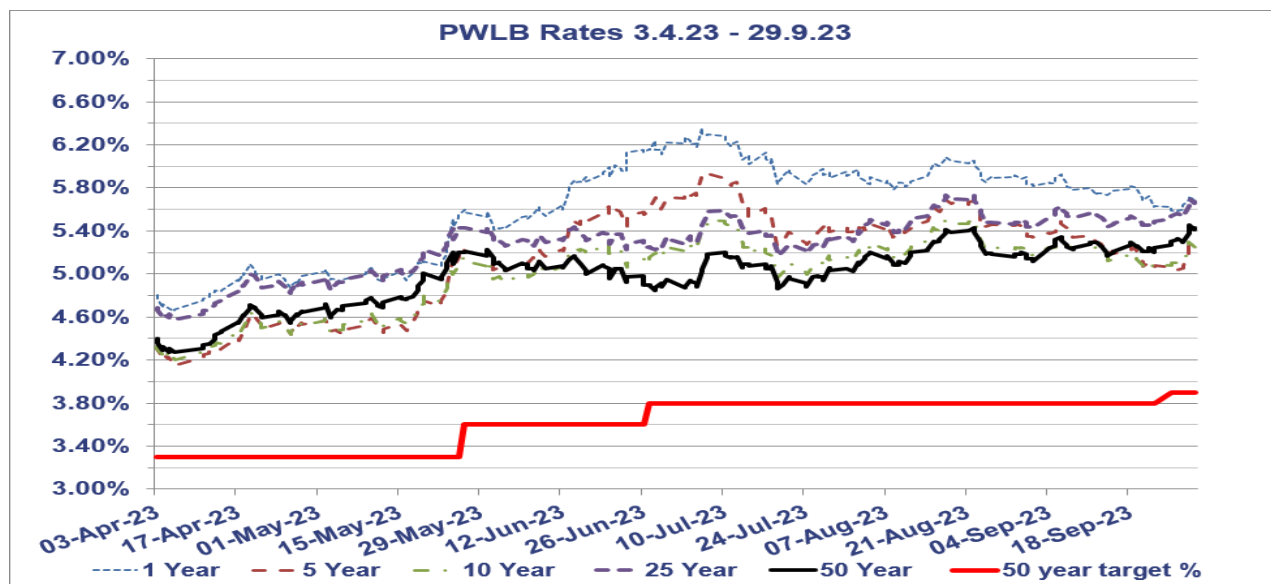
PWLB maturity certainty rates (gilts plus 80bps) year to date to 29th September 2023

Gilt yields and PWLB certainty rates were on a generally rising trend throughout the first half of 2023/24. At the beginning of April, the 5-year rate was the cheapest part of the curve and touched 4.14% whilst the 25-year rate was relatively expensive at 4.58%.

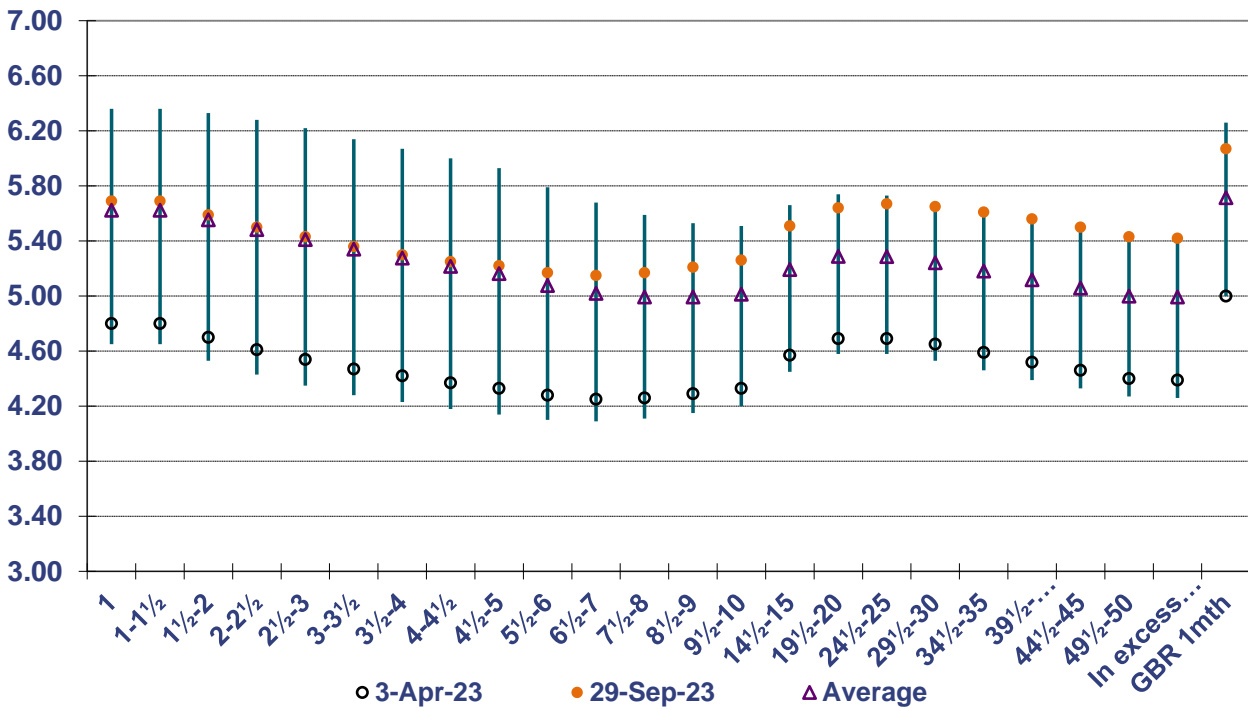
July saw short-dated rates peak at their most expensive. The 1-year rate spiked to 6.36% and the 5-year rate to 5.93%. Although, in due course, short-dated rate expectations fell, the medium dates shifted higher through August and the 10-year rate pushed higher to 5.51% and the 25-year rate to 5.73%. The 50-year rate was 4.27% on 5th April but rose to 5.45% on 28th September.

We forecast rates to fall back over the next two to three years as inflation dampens. The CPI measure of inflation is expected to fall below 2% in the second half of 2024, and we forecast 50-year rates to stand at 3.90% by the end of September 2025. However, there is considerable gilt issuance to be digested by the market over the next couple of years, as a minimum, so there is a high degree of uncertainty as to whether rates will fall that far.

PWLB RATES 01.04.23 - 29.09.23



PWLB Certainty Rate Variations 3.4.23 to 29.9.23



HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.23 – 29.09.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.14%	4.20%	4.58%	4.27%
Date	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.51%	5.73%	5.45%
Date	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
Average	5.62%	5.16%	5.01%	5.29%	5.00%
Spread	1.71%	1.79%	1.31%	1.15%	1.18%

- The current PWLB rates are set as margins over gilt yields as follows: -
 - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB Certainty Rate (GF)** is gilt plus 80 basis points (G+80bps)
 - **PWLB Local Infrastructure Rate** is gilt plus 60 basis points (G+60bps)
 - **PWLB Certainty Rate (HRA)** is gilt plus 40bps (G+40bps)
- The **UK Infrastructure Bank** will lend to local authorities that meet its scheme criteria at a rate currently set at gilt plus 40bps (G+40bps).

7. Debt Rescheduling

Debt rescheduling opportunities have increased over the course of the past six months and will be considered if giving rise to long-term savings. However, no debt rescheduling has been undertaken to date in the current financial year.

8. Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30th September 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24. The Director of Corporate Services reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

9. Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2023/24, which includes the Annual Investment Strategy, was approved by the Council on 23rd February 2023. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit quality financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

Creditworthiness.

Following the Government's fiscal event on 23rd September 2022, both S&P and Fitch placed the UK sovereign debt rating on Negative Outlook, reflecting a downside bias to the current ratings in light of expectations of weaker finances and a challenging economic outlook. Nothing further has evolved in the first half of 2023/24.

Investment Counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

CDS prices

It is noted that sentiment in the current economic climate can easily shift, so it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

Investment balances

The average level of funds available for investment purposes during the first half of the financial year was £24.4m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Council holds £2m core cash balances for investment purposes (i.e., funds available for more than one year).

Investment performance year to date as of 29th September 2023

The Council's gross budgeted investment return for 2023/24 is £589k, and performance for the year is currently anticipated to be £533k above budget. This is due to both cash levels and interest rates being higher than anticipated.

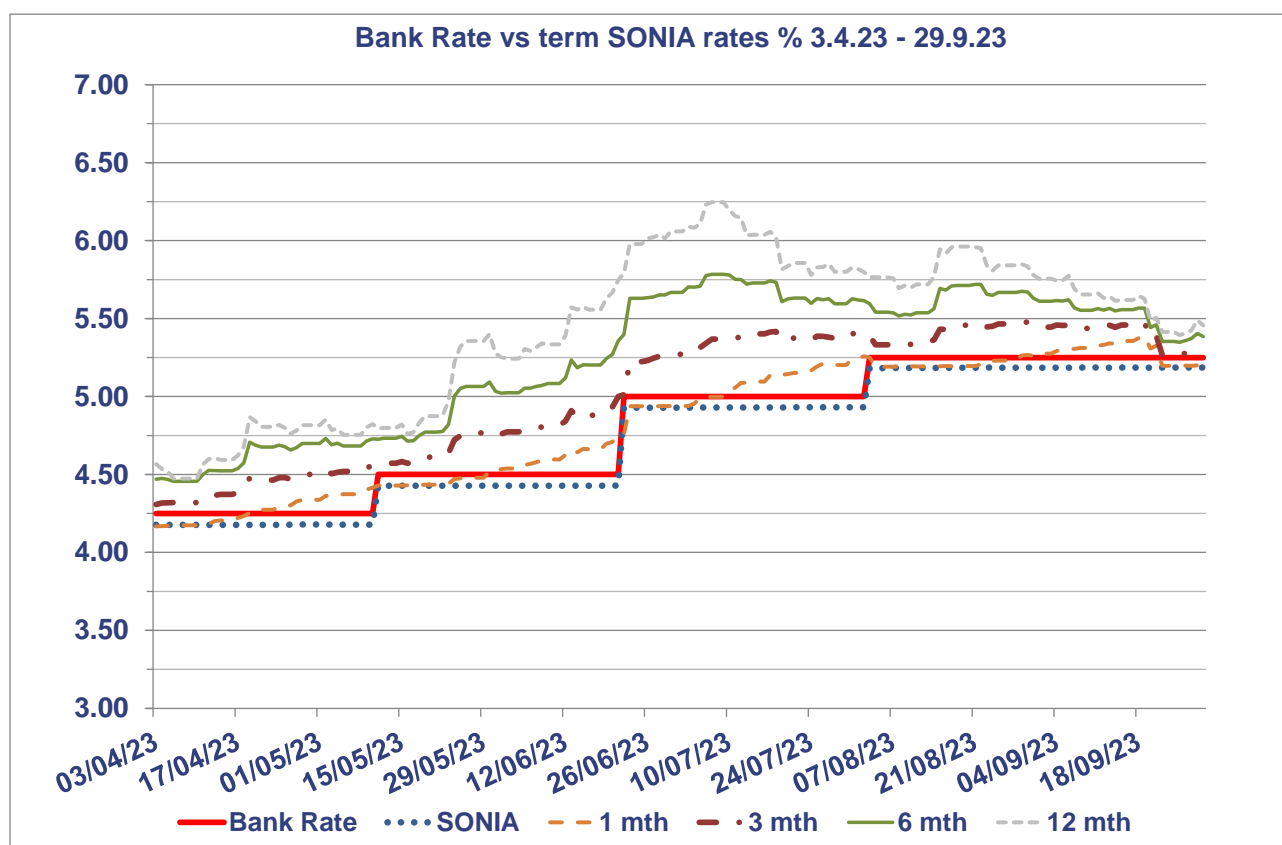
The investment portfolio yield for the first six months of the year is 5.66% against the seven day money market rate of 4.73%.

The average level of funds available during the first six months of the year is £24.379m compared with the annual budgeted figure of £15.4m.

Approved limits

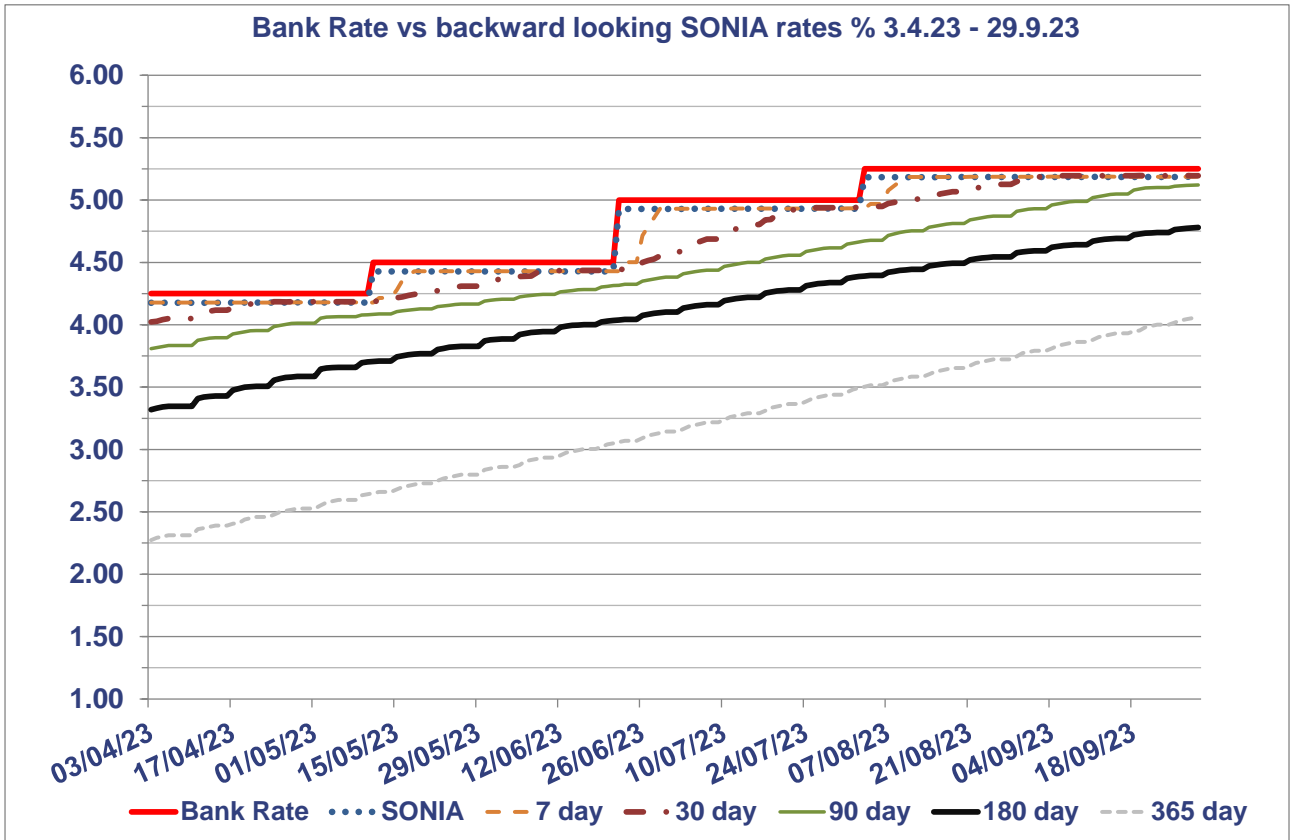
Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the period ended 30th September 2023.

Investment rates during half year ended 30th September 2022



	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	5.25	5.19	5.39	5.48	5.78	6.25
High Date	03/08/2023	29/09/2023	19/09/2023	30/08/2023	07/07/2023	07/07/2023
Low	4.25	4.18	4.17	4.31	4.46	4.47
Low Date	03/04/2023	04/04/2023	03/04/2023	03/04/2023	06/04/2023	06/04/2023
Average	4.81	4.74	4.83	5.03	5.26	5.45
Spread	1.00	1.01	1.22	1.17	1.33	1.77

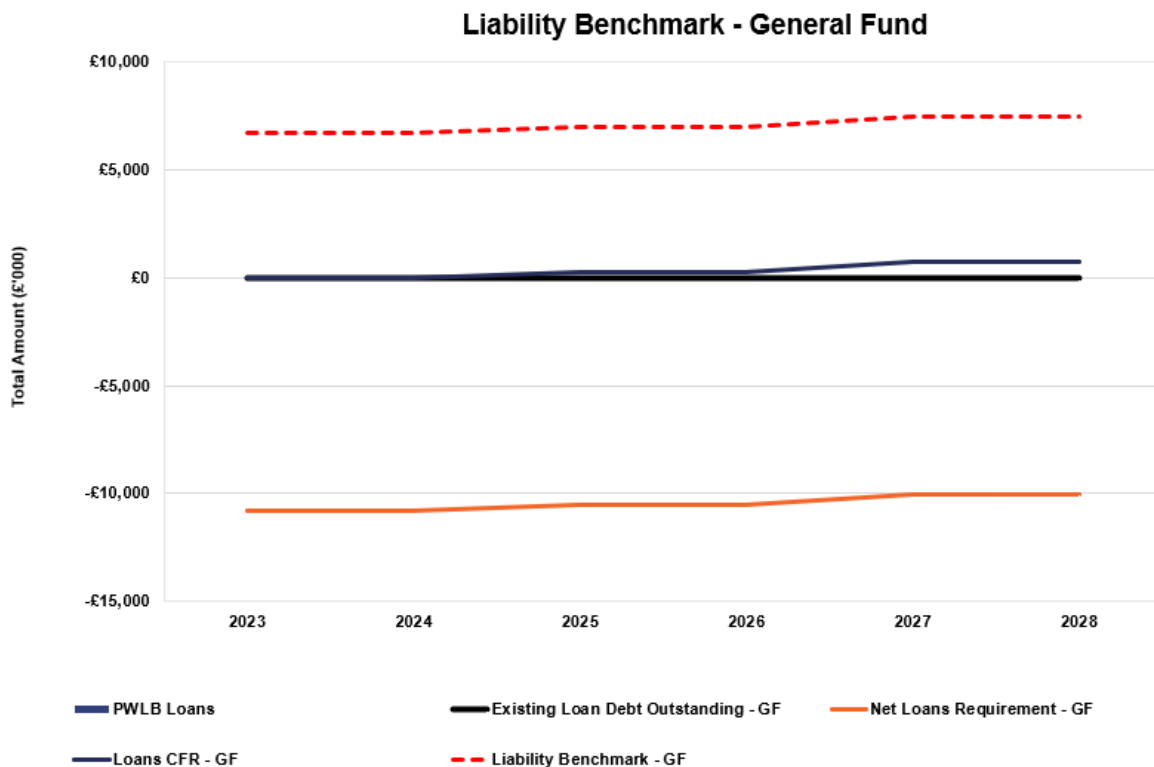
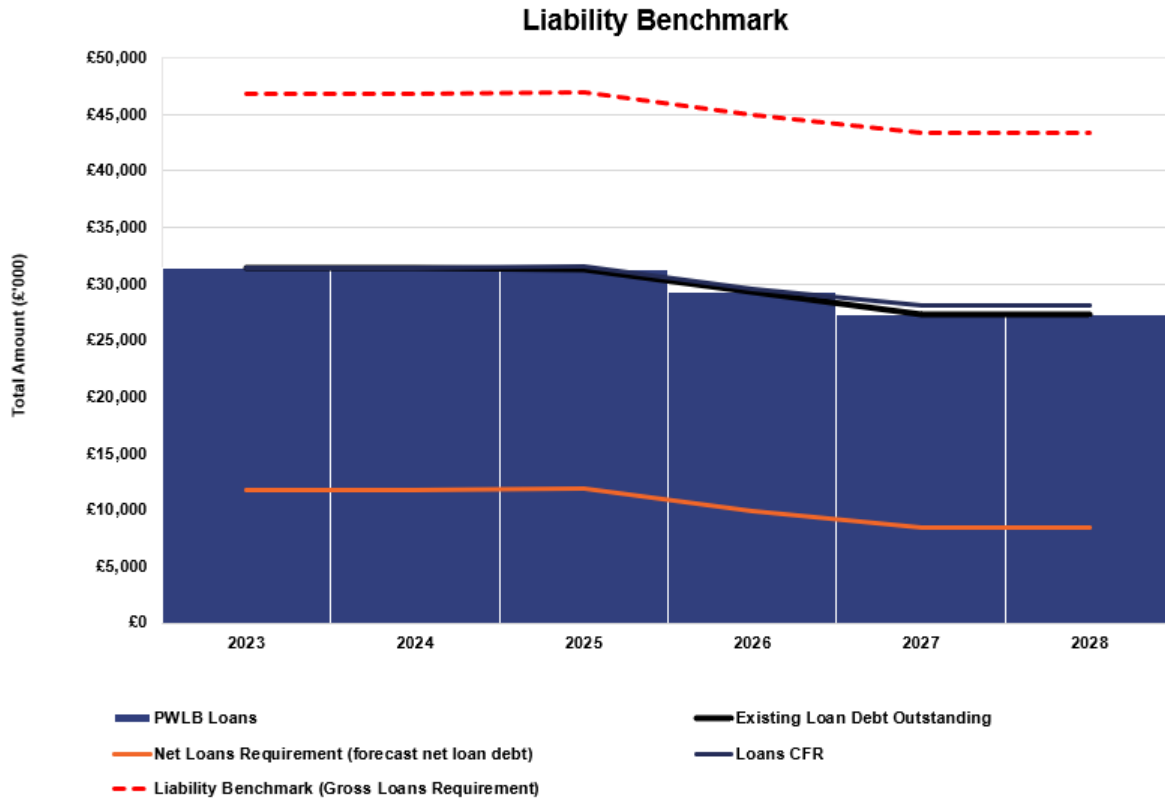
The table above covers the first half of 2023/24.



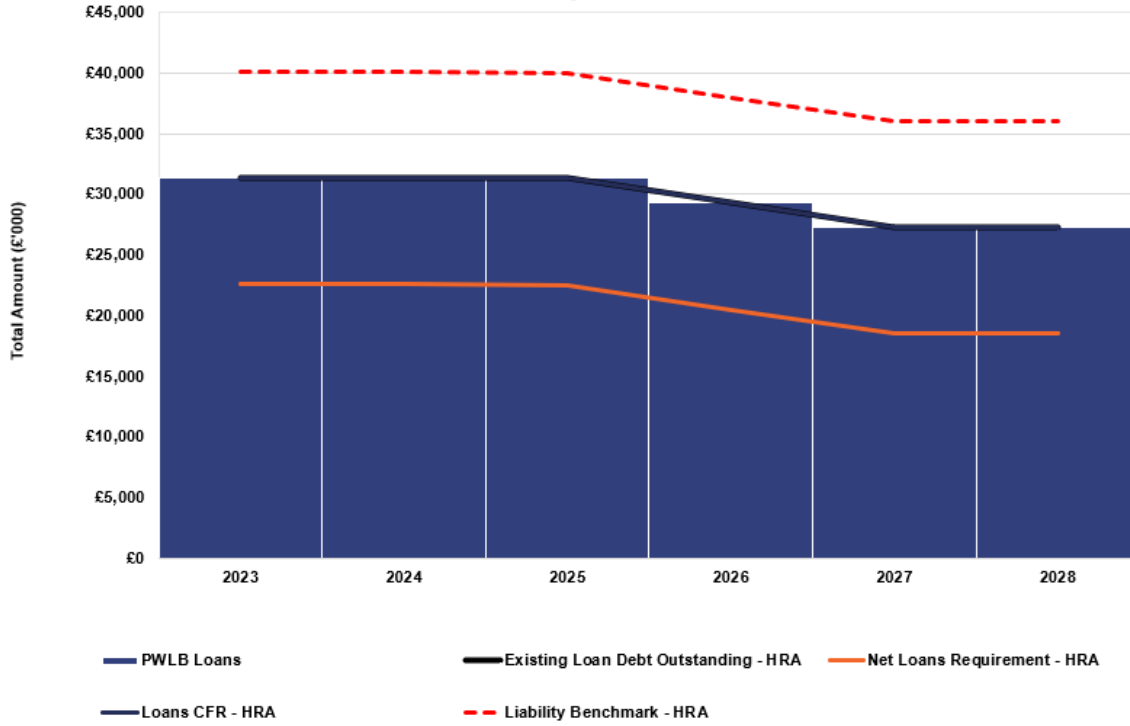
	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	5.25	5.19	5.19	5.20	5.12	4.78	4.06
High Date	03/08/2023	29/09/2023	04/09/2023	27/09/2023	29/09/2023	29/09/2023	29/09/2023
Low	4.25	4.18	4.18	4.02	3.81	3.32	2.27
Low Date	03/04/2023	04/04/2023	11/04/2023	03/04/2023	03/04/2023	03/04/2023	03/04/2023
Average	4.81	4.74	4.71	4.64	4.44	4.10	3.16
Spread	1.00	1.01	1.01	1.17	1.31	1.46	1.79

The table above covers the first half of 2023/24.

APPENDIX 1: the CFR, Liability Benchmark and Borrowing



Liability Benchmark - HRA



APPENDIX 2: Investment Portfolio

Investments held as of 30th September 2023 compared to our counterparty list:

Melton Borough Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default
MMF Insight	400,000	5.24%		MMF	AAAm	
MMF Invesco	3,000,000	5.33%		MMF	AAAm	
Qatar National Bank	1,000,000	4.75%	04/10/2022	03/10/2023	A	0.000%
Standard Chartered Bank (ESG)	1,000,000	5.14%	04/10/2022	03/10/2023	A+	0.000%
National Bank of Kuwait (International) PLC	3,000,000	5.87%	17/07/2023	17/01/2024	A	0.013%
Standard Chartered Bank (ESG)	1,000,000	6.21%	01/08/2023	01/02/2024	A+	0.015%
Qatar National Bank	1,000,000	6.57%	12/06/2023	12/03/2024	A	0.020%
Lloyds Bank Plc (RFB)	2,000,000	5.14%	20/03/2023	19/03/2024	A+	0.021%
Qatar National Bank	1,500,000	6.04%	28/06/2023	28/03/2024	A	0.022%
National Bank of Kuwait (International) PLC	1,000,000	5.12%	03/04/2023	02/04/2024	A	0.023%
Qatar National Bank	1,000,000	5.27%	03/04/2023	02/04/2024	A	0.023%
Qatar National Bank	3,000,000	5.92%	12/04/2023	11/04/2024	A	0.024%
Lloyds Bank Plc (RFB)	1,500,000	5.66%	31/05/2023	30/05/2024	A+	0.030%
Qatar National Bank	1,000,000	6.29%	27/06/2023	26/06/2024	A	0.033%
Standard Chartered Bank (ESG)	1,000,000	6.15%	01/08/2023	31/07/2024	A+	0.038%
Borrower - Funds	Principal (£)	Interest Rate	Start Date	Maturity Date		
CCLA Local Authorities Property Fund	2,000,000					
Total Investments	£24,400,000					
Total Investments - excluding Funds	£22,400,000	5.66%				0.020%
Total Investments - Funds Only	£2,000,000					

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.



Council

14 December 2023

Cabinet Recommendations to Council - Leisure Contract: Award of contract to preferred contractor and investment proposals

Report Author:	<p>Jake Betts, Strategic Lead Healthy and Active Communities 01664 502397 jbetts@melton.gov.uk</p> <p>Aysha Rahman, Assistant Director for Customer and Communities 01664 502502 arahman@melton.gov.uk</p>
Chief Officer Responsible:	<p>Michelle Howard, Director for Housing and Communities (Deputy Chief Executive) 01664 504322 mhoward@melton.gov.uk</p>
Lead Member/Relevant Portfolio Holder	<p>Councillor Pip Allnatt - Leader of the Council & Portfolio Holder for Housing and Landlord Services</p> <p>Councillor Pat Cumbers – Portfolio Holder for Customers, Communities and Neighbourhoods</p>

Corporate Priority:	<ul style="list-style-type: none"> • Excellent services positively impacting on our communities. • Delivering sustainable and inclusive growth in Melton. • Protect our climate and enhance our rural, natural environment.
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	<p>Yes – Exempt Appendices By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972 – this report</p>

1 Summary

- 1.1 The Council's leisure facilities are operated by an external partner through a contract management arrangement. Two facilities are managed through this contract – Waterfield Leisure Centre and Melton Sports Village.
- 1.2 The current contract to operate the council's leisure facilities ends on 31 March 2024 and a process to secure an operator for the Council's leisure facilities from 1 April 2024 has been carried out.
- 1.3 As a result of the procurement process, a strong, credible and financially viable bid from SLM (Everyone Active) is recommended for approval. SLM (Everyone Active) is the incumbent leisure operator.
- 1.4 This is a ten-year contract, with the option to extend for a further five years. It includes the operation of Waterfield Leisure Centre and Melton Sports Village. The bid also includes an active communities offer, enabling a wider community reach, beyond the leisure facilities.
- 1.5 Ensuring financial viability has been a key part of the procurement process. Through submission of bids, it was clear that provision of capital investment, repayable by the operator over the whole potential life of the contract, would be necessary. It is proposed that an investment sum of £1.735m is made available to the operator by the Council. This investment will enable improved and enhanced facilities and in turn, also improve the overall financial position of the contract, leading to an annual management fee being paid to the Council.
- 1.6 The procurement process has resulted in a positive outcome, representing good value for money for the council and a positive offer for the community which ensures continuity of leisure services and improvement of facilities.
- 1.7 Subject to Council approval, a communications plan will be implemented in partnership with SLM (Everyone Active) alongside the finalisation of the contract.

2 Recommendations

That Council:

- 2.1 **Awards the contract for the operation of the Council's leisure facilities from 1 April 2024, for a period of ten years (and with the option to extend for 5 years) to Sports and Leisure Management Ltd (SLM) (trading as Everyone Active);**
- 2.2 **Delegates to the Director for Housing and Communities (Deputy Chief Executive) in consultation with the Director for Corporate Services and Monitoring Officer, authority to finalise the contract and effect the contract award;**

- | | |
|-----|--|
| 2.3 | Approves an allocation of £1.735m in the capital programme for 2024/25 for investment in improvement works to Waterfield Leisure Centre and Melton Sports Village. |
| 2.4 | Approves that the capital allocation is met by grant funding (subject to the outcome of current bids being confirmed), with any residual balance then being funded in the first instance by the Leisure Vision Capital Reserve, and any remaining balance being met from borrowing. |

3 Reason for Recommendations

- 3.1 Supported by a clear and evidence led leisure procurement framework, the Council has been able to achieve a balance between achieving the council's financial and social value requirements whilst also ensuring the opportunity is attractive to the leisure market. The process that has been undertaken provided an important opportunity for the Council to test the market, and assess the viability, affordability and quality of proposals from the leisure sector.
- 3.2 The procurement process has resulted in a positive outcome, representing good value for money for the Council and a positive offer for the community which ensures continuity of leisure services and improvement of facilities.
- 3.3 To improve and enhance the provision of leisure facilities in Melton, utilising a capital investment fund was the most financially viable option for the Council to secure a leisure operator for Melton Borough Council's leisure facilities from 1 April 2024. The report confirms that the proposed approach to capital investment is affordable to the Council.
- 3.4 The Council's current Corporate Strategy considers the need for an affordable and sustainable future for leisure. The procurement process has been successful in protecting and preserving leisure facilities in Melton for the next ten years, during which time the development of realistic options for replacement leisure facilities in the longer term will be required.

4 Background

- 4.1 Cabinet considered a report on this matter on 29 November 2023 and recommend this to Council for approval. Award of this contract is subject to Council approval.

5 Main Considerations

- 5.1 As outlined in the Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

6 Options Considered

- 6.1 As outlined in the Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

7 Consultation

- 7.1 As outlined in the Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

8 Next Steps – Implementation and Communication

- 8.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

9 Financial Implications

- 9.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

Financial Implications reviewed by: See Appendix 1

10 Legal and Governance Implications

- 10.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

Legal Implications reviewed by: See Appendix 1

11 Equality and Safeguarding Implications

- 11.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

12 Data Protection Implications (Mandatory)

- 12.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

13 Community Safety Implications

- 13.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

14 Environmental and Climate Change Implications

- 14.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

15 Other Implications (where significant)

15.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

16 Risk & Mitigation

16.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

17 Background Papers

17.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

18 Exempt Appendices

18.1 The following appendices are exempt items by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972 – this report contains information relating to the financial or business affairs of a particular person.

18.1.1 Appendix 1 – Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report.

18.1.2 Appendix 2 – Member Briefing Presentation

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of the Local Government Act 1972.

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