

# Agenda

<b>Meeting name</b>	<b>Meeting of the Council</b>
<b>Date</b>	<b>Thursday, 5 December 2024</b>
<b>Start time</b>	<b>6.30 pm</b>
<b>Venue</b>	<b>Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH</b>
<b>Other information</b>	<b>This meeting is open to the public</b>

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

**Edd de Coverly**  
**Chief Executive**

## Membership

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

**Quorum:** 14 Councillors

<b>Meeting enquiries</b>	Democratic Services
<b>Email</b>	democracy@melton.gov.uk
<b>Agenda despatched</b>	Wednesday, 27 November 2024

No.	Item	Page No.
1.	<b>APOLOGIES FOR ABSENCE</b>	
2.	<b>MINUTES</b> To confirm the Minutes of the previous meeting held on 19 September 2024.	1 - 14
3.	<b>DECLARATIONS OF INTEREST</b> Members to declare any interest as appropriate in respect of items to be considered at this meeting.	15 - 16
4.	<b>MAYOR'S ANNOUNCEMENTS</b>	
5.	<b>LEADER'S ANNOUNCEMENTS</b>	
6.	<b>PUBLIC QUESTION TIME</b> 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.  <b>Deadline for questions – Thursday 28 November, 12pm</b>	
7.	<b>QUESTIONS FROM MEMBERS</b> In accordance with the Constitution, a Member may ask the Leader, Portfolio Holder or the Chair of the Council, a question on any matter in relation to which the Council has powers or duties or which affects the Borough.  Eighteen (18) questions have been received at the time of publication. All confirmed questions will be circulated after the deadline.  <b>Deadline for questions – Thursday 28 November</b>	
8.	<b>MOTIONS ON NOTICE</b> 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.  Three motions were received by the deadline.  <b>Inheritance tax changes for family-run farms</b>  The following motion was received from Councillor Allnatt (Seconded by Councillor Adcock)	

Council notes the letter sent by the Leader to the Chancellor of the Exchequer and others concerning the announcements in the recent Budget concerning inheritance tax as it affects “family run” farms.

Council therefore urges the Government to implement fiscal changes in a more nuanced and selective way and to avoid unintended consequences for those who the Prime Minister described as the “backbone” of a nation that seeks to produce more food sustainably within the UK.

### **Impact of inheritance tax changes upon family farms**

The following motion was received from Councillor S. Orson  
(Seconded by Councillor Sharp)

Council notes that:

- The recent 2024 Autumn Budget change to Inheritance Tax relief announced by the Labour Government will introduce a Family Farm Tax and will have a detrimental impact on Family Farms and farmers’ ability to pass on their farms to the next generation of farmers.

Council believes that:

- The Labour Government have committed a shameful betrayal and let down farmers by breaking their promise to not introduce a Family Farm Tax.
- The Family Farm Tax will damage the ability of farmers to pass on their farms to their children.
- Labour’s Family Farm Tax will threaten food security by forcing the sale of family farms.
- The Labour Government’s Family Farm Tax will make British food production harder.
- The Secretary of State for the Environment, Food and Rural Affairs, Steve Reed and Keir Starmer promised not to introduce a tax like this.
- Numerous rural and farming organisations such as the National Farmers Union and Country Land and Business Association have warned that countless farms will be harmed, threatening food security and rural areas.
- The comments made by Secretary of State for the Environment, Food and Rural Affairs Steve Reed that already struggling farmers will have to ‘do more with less’ show disdain for farmers and the sector.
- At a time when many farmers in the Borough of Melton are struggling with soaring costs and energy prices, this sudden tax rise will damage the future of their farms.

Council resolves:

- To request that the Leader of the Council writes to the Secretary of State for the Environment, Food and Rural Affairs to outline the Council’s dismay at this decision and calls on the Government to stop the Family Farm Tax.
- That the Portfolio Holder for Town Centre, Growth &

Prosperity engages with local farmers and community representatives on what support Council can do to support them.

- That a list must be published of affected farms.

### **National Insurance Contribution Increases**

The following motion was received from Councillor Child (Seconded by Councillor Browne)

Melton Borough Council notes with concern the recent increase in Employers National Insurance Contributions. This Council recognises the significant role that small businesses play in the local economy of Melton Borough, providing essential services, employment, and contributing to the vibrancy and resilience of our communities.

The deeply unpopular Budget proposals put forward by the Labour Government on October 30, which will have catastrophic implications for the Borough of Melton, its residents and businesses. Labour's broken promise to not raise national insurance.

The rise in employer national insurance contributions has been widely condemned by many businesses including GP's, who argue it could hit services for patients.

The Institute of General Practice Management, which represents GP Practice Managers has estimated the rise will put up the tax bill of the average surgery by around £20,000 a year.

Care homes across the Borough of Melton are also targeted by this Labour Party Budget and the devastating financial effect of these higher costs will have dire consequences for its residents and staff.

The Borough's charity and voluntary sectors have also been hit hard.

The NCVO which represents the UK's charities and voluntary sector has estimated the additional costs to the sector to be around £1.4 Billion a year and that the decision to not create an exemption will be another major strain on their limited resources at time when they are already struggling.

This Council believes that the increase in Employers National Insurance Contributions will disproportionately affect small businesses, placing an undue financial burden on them at a time when many are still recovering from the economic impacts of the high inflation and high interest rates.

Therefore, this Council resolves to:

- 1) Write to the Chancellor of the Exchequer, urging a reversal of the increase in Employers National Insurance Contributions.
- 2) Highlight the critical contributions of small businesses, health

	<p>and voluntary sector to our local economy and the disproportionate impact these increases will have on them.</p> <p>3) Advocate for policies that support and sustain the growth and stability of small businesses, health and voluntary sector in our Borough.</p> <p>This Council calls on all members of the Council to support this motion and stand in solidarity with our local small businesses, health and voluntary sector.</p>	
9.	<p><b>CABINET RECOMMENDATIONS TO COUNCIL - TREASURY MANAGEMENT MID YEAR REPORT 2024/25</b></p> <p>To receive a report from the Cabinet on recommendations referred to Council in relation to the Treasury Management Mid-Year Report 2024/25.</p>	17 - 44
10.	<p><b>GAMBLING ACT 2005, STATEMENT OF PRINCIPLES 2025 – 2028</b></p> <p>To consider a report on the Gambling Act 2005, Statement of Principles 2025-2028.</p>	45 - 76

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# Minutes

<b>Meeting name</b>	<b>Council</b>
<b>Date</b>	<b>Thursday, 19 September 2024</b>
<b>Start time</b>	<b>6.30 pm</b>
<b>Venue</b>	<b>Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH</b>

## Present:

**Chair** Councillor T. Webster (Chair)

**Councillors**

P. Allnatt	M. Brown
R. Browne	S. Butcher
D. Chubb	M. Clay
H. Cliff	S. Cox
P. Cumbers	M. Gordon
A. Hewson	L. Higgins
S. Lumley	J. Mason
J. Orson	R. Sharp

**Officers**

- Chief Executive
- Director for Housing and Communities (Deputy Chief Executive)
- Assistant Director for Planning
- Legal Services Manager
- Senior Democratic Services and Scrutiny Officer
- Democratic Services Officer (HA)

The Reverend Dr Mary Barr offered prayers.

Minute No.	Minute																								
CO28	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>Apologies for absence were received from Councillors Adcock, I Atherton, S Atherton, Carter, Child, Evans, Freer, Glancy, S Orson, Pritchett and Thwaites.</p>																								
CO29	<p><b>MINUTES</b></p> <p>The Minutes of the meeting held on 25 July 2024 and of the extraordinary meeting held on 5 September 2024 were confirmed.</p> <p>(For 16, Against 0, Abstentions 1)</p>																								
CO30	<p><b>DECLARATIONS OF INTEREST</b></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 CO37 (Local Plan Regulation 19 Consultation), and stated that he would withdraw from the meeting when the report is considered.</p> <p>Councillor Browne declared a personal interest relation to CO35 (Motion on 80th Anniversary of Operation Market Garden). He stated that he would leave the room when the motion is being considered.</p>																								
CO31	<p><b>MAYOR'S ANNOUNCEMENTS</b></p> <p>The Mayor provided Members with an update on events he has attended since the last Council meeting. The full list of events are outlined below.</p> <table border="1" data-bbox="288 1368 1401 2092"> <thead> <tr> <th data-bbox="288 1368 660 1413">Date</th> <th data-bbox="660 1368 1032 1413">Event</th> <th data-bbox="1032 1368 1401 1413">Location</th> </tr> </thead> <tbody> <tr> <td data-bbox="288 1413 660 1496">Saturday 27 July 2024</td> <td data-bbox="660 1413 1032 1496">World Amateur Pork Pie Championships</td> <td data-bbox="1032 1413 1401 1496">The Grainstore Brewery, Oakham</td> </tr> <tr> <td data-bbox="288 1496 660 1579">Friday 9 August 2024</td> <td data-bbox="660 1496 1032 1579">Opening of Crown Inn, Old Dalby</td> <td data-bbox="1032 1496 1401 1579">Old Dalby</td> </tr> <tr> <td data-bbox="288 1579 660 1662">Saturday 10 August 2024</td> <td data-bbox="660 1579 1032 1662">British and Irish Tug of War Championships</td> <td data-bbox="1032 1579 1401 1662">Melton Play Close</td> </tr> <tr> <td data-bbox="288 1662 660 1744">Saturday 17 August 2024</td> <td data-bbox="660 1662 1032 1744">Official opening of the new Leisure Facilities</td> <td data-bbox="1032 1662 1401 1744">Waterfield Leisure Centre</td> </tr> <tr> <td data-bbox="288 1744 660 1921">Saturday 17 August 2024</td> <td data-bbox="660 1744 1032 1921">Service to mark anniversary of the death of King Richard III</td> <td data-bbox="1032 1744 1401 1921">Leicester Cathedral</td> </tr> <tr> <td data-bbox="288 1921 660 2004">Monday 19 August 2024</td> <td data-bbox="660 1921 1032 2004">Meet with Rotary Club</td> <td data-bbox="1032 1921 1401 2004">Sysonby Knoll Hotel</td> </tr> <tr> <td data-bbox="288 2004 660 2092">Wednesday 21 August 2024</td> <td data-bbox="660 2004 1032 2092">Welcome service new Methodist Minister</td> <td data-bbox="1032 2004 1401 2092">Frisby Methodist Church</td> </tr> </tbody> </table>	Date	Event	Location	Saturday 27 July 2024	World Amateur Pork Pie Championships	The Grainstore Brewery, Oakham	Friday 9 August 2024	Opening of Crown Inn, Old Dalby	Old Dalby	Saturday 10 August 2024	British and Irish Tug of War Championships	Melton Play Close	Saturday 17 August 2024	Official opening of the new Leisure Facilities	Waterfield Leisure Centre	Saturday 17 August 2024	Service to mark anniversary of the death of King Richard III	Leicester Cathedral	Monday 19 August 2024	Meet with Rotary Club	Sysonby Knoll Hotel	Wednesday 21 August 2024	Welcome service new Methodist Minister	Frisby Methodist Church
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Friday 23 August 2024	Mayor's Charity Quiz Night	Parkside, Melton Mowbray
Sunday 25 August 2024	Great Vale Show	Hose Village Hall
Tuesday 3 September 2024	Met with Air Cadets	Squadron Unit, Melton Mowbray
Wednesday 4 September 2024	Long Service Award - 40 years Debbie Brown	Parkside, Melton Mowbray
Sunday 8 September 2024	Newark 84th year of Battle of Britain	Newark Town Hall
Friday 13 September 2024	Blaby - Chairman at Home Event	Blaby District Council
Saturday 14 September 2024	Fairtrade Birthday tea	Gloucester House
Sunday 15 September 2024	Battle of Britain parade	St Mary's Church, Melton Mowbray
Tuesday 18 September 2024	Airborne Heritage Trail, Arnhem 80 Cycle Ride	Parkside, Melton Mowbray

Following the announcement, the outgoing Mayor's Cadet, Cadet Flight Sergeant Ella Wheatley, gave a presentation on his year as the Mayor's Cadet to Council. After the presentation, the Mayor presented Cadet Flight Sergeant Wheatley with a certificate.

Cadet Sergeant Charlotte Spencer was appointed as the Mayor's Cadet for 2024/25 and received a certificate.

CO32

**LEADER'S ANNOUNCEMENTS**

The Leader opened his announcements by stating that, due to an emergency stay in hospital last week, he was unable to attend the Battle of Britain service Sunday last.

The Leader thanked staff in reducing rent arrears from 9.14% to 5.9%. He added that the current performance shows continued focus and determination to address arrears proactively but, at the same time, work with tenants to find realistic and affordable solutions in a sensitive and caring way.

Members were informed that the Leader attended the Strategic Growth Plan Members Advisory Group, which is attended by Councils across Leicestershire. He reported that there continues to be collaborative and constructive working with determination to seek solutions across the party-political divide.

The Leader informed Members that the County Council are reporting delay and cost escalation with the Northern and Eastern sections of the MMDR.

The Leader assured everyone that the Council, while not being directly involved, would support the County Council in any way it is able to do so. In addition, the

	<p>Leader assured Members that the Council are continuing to work with all partners to secure the implementation of the southern section of the MMDR.</p>
CO33	<p><b>PUBLIC QUESTION TIME</b></p> <p>No questions from the public had been received.</p>
CO34	<p><b>QUESTIONS FROM MEMBERS</b></p> <p>Seven questions from Members had been received and they were taken in the order that they were received.</p> <p>Question 1 Councillor Lumley asked the Leader the following question:</p> <p><i>Can emergency funds be transferred to the Corporate Property team, for this current financial year (2024/25), to carry out essential maintenance works this winter on the Melton Borough Council (MBC)-owned Mill Street, Melton Mowbray town area car park, a stretch of footpath in the Country Park behind Redwood Avenue, town area allotments, and key routeways around Thorpe Road cemetery, to name a few?</i></p> <p>In responding to the question, the Leader stated that he would address the question in two parts: the drawing down of emergency funds and to allocate the money to four specific tasks and one open ended area of expenditure.</p> <p>The Leader clarified that, for the avoidance of doubt, the Council does not maintain emergency funds per se. This has been the case for some years due to financial constraints.</p> <p>The Council does maintain reserves and the Leader has summarised the regulations and procedures for drawing on reserves in year on a separate note which has been tabled at the meeting.</p> <p>In relation to the four specific tasks (car park, footpath, cemetery &amp; allotments), the Leader agrees that these have been relatively neglected for some years. For the first three, the Leader suggested that he, Councillor Lumley and his fellow Ward Councillor, Councillor Glancy, look at these upon Councillor Glancy's return. For allotments across Melton, the Leader already mentioned his resolve to build on the work of colleague Councillor Cox alongside the assistance from Melton Lions to improve the situation.</p> <p>The Leader added that for the current financial year, budgets have been allocated and asset improvements have been prioritised, including taking account of health and safety and risk. The Leader added that if Councillor Lumley could provide a list of his specific requests, then he would arrange for them to be assessed against the prioritisation criteria in place. Should there be immediate risks or health and safety requirements, officers would advise on any in year budgetary needs. Officers can</p>

also assess the need and timing for other improvements works, for consideration as part of future budget setting arrangements.

Pride in place matters to the administration, but, resources need to be carefully managed and work is ongoing to evaluate how best to allocate resources to enhance green and open spaces. The Leaders stated that this would be done in a planned way and included within budget and service plans rather than on an emergency basis.

Councillor Lumley did not opt to ask a supplementary question.

#### Question 2

Councillor Lumley asked the Leader the following question:

*Can you (Leader) and senior MBC officers urgently meet with senior East Midlands region officers of the Environment Agency, to discuss the poor maintenance and improvement plan of water courses around the town area, plus flooding management for this winter and thereafter of water courses across the Borough?*

In responding, the Leader stated that all Members would be aware that the issue of flooding occupies a significant amount of his time and the Council's strategic thinking.

He reminded Council that the issue is multi-layered and detailed including drainage of surface water, management of sewage, fluvial flows, water retention on land, the water table below it and clean water management for life, work at times of drought and water contamination.

Most of the areas require long-term planning and significant investment and responsibilities lie across several agencies with the Environment Agency being just one.

The Leader informed Council he had a short meeting with the Environment Agency's Regional Senior Flood Risk Manager and the Assets Performance Team Leader. The Leader took the opportunity to add Councillor Lumley's specific points to the agenda. The Leader raised a wide range of strategic and practical issues of interest to all Ward Members including those sitting on the Planning Committee. The discussion was constructive all agreed further discussion, more information, meetings with other Members and site visits as appropriate.

The Council's Senior Planning Officer and lead on matters flooding was unable to join the meeting because of the Planning Appeal Inquiry.

Councillor Lumley did not opt to ask a supplementary question.

#### Question 3

Councillor Butcher asked the Leader the following question:

*Can I ask the Leader to please lobby for a fairer business rates system?*

*We can not control rents, but we could lobby for a fairer business rates system.*

*The Labour government mentioned this in their manifesto. Business wise, especially as we have a lot of independents, it is vital to survival for business in our town and borough.*

*With a smoking ban being talked about, this will have a big hit on hospitality, and the need for a more sensible business rates will be the difference between survival or closure. As Melton is the rural capital for drink & food, this will have a big impact?*

In responding, the Leader stated that he is always willing to lobby, and often do, any government on any issue relevant to the local or wider community, however the Leader reminded Members that the art of lobbying is to have a well thought out proposal.

The Leader added that there already exists a number of business rates relief schemes which may benefit independent businesses, the most relevant being;

- retail, hospitality and leisure rate relief which provides eligible businesses 75% relief for 2024/25 up to a maximum of £110k cash cap limit per business. As such, this benefits smaller businesses by a greater degree;
- small business rates relief of 100% for eligible businesses with a rateable value of £12k or less. For business with a rateable value of between £12,001 and £15,000 the rate of relief will go down gradually from 100% to 0%. With limits for businesses with more than one property, again benefiting independent businesses more;
- rural rate relief of 100% for eligible businesses operating as the only shop, petrol station, public house or post office in an eligible rural area.

The Leader added that it is widely acknowledged in the sector that the business rates system is due an overhaul but it is a complex task. The Council would continue to highlight the issues arising from the funding of local councils generally including the business rates system which is an intrinsic part of this.

Councillor Butcher opted to ask a supplementary question and asked the Leader whether he would continue to lobby for the opening of the competition law to the public contract schemes to enable small business to participate, as outlined in the Leader's manifesto.

In response, the Leader stated that he would read the relevant point within the manifesto and respond to Councillor Butcher.

Question 4

Councillor J Orson asked the Leader the following question:

*Can I remind Council it is circa ten months since Melton Residents were informed by way of a MBC press release that ...*

*“Following positive work with health partners at the ICB, it is clear there is a compelling opportunity to explore the delivery of Melton Mowbray’s second GP surgery by utilising existing space within the council’s Parkside offices.*

*Whilst it is still subject to full viability assessment, this is our preferred option and we are now working closely with ICB colleagues to fully assess the costs and implications associated with it.”*

*Can the Leader now confirm work will start to convert Parkside to a Doctors Surgery before April 2026?*

In response, the Leader stated that work to develop a fully costed and designed business case for co-location of the additional GP practice in Melton continues. This work is in conjunction with integrated care board (ICB) health partners.

Before proceeding with any development it is imperative that there is a proposal that meets both the ICB’s and our the Council’s operational needs, as well as being affordable for all parties. The work is complex and Officers are not yet ready to report on the outcome of that work but hope to do so in the coming months.

If an affordable and deliverable business case could be established, then it would be presented formally to Cabinet and Council for full consideration as required.

Councillor J Orson opted to ask a supplementary question and asked the Leader whether he could confirm that work to convert Parkside into a Doctors’ surgery would commence before April 2026.

In response, the Leader explained he couldn’t confirm that work would commence before April 2026.

Question 5

Councillor J Orson asked the Leader the following question.

*Can the Leader please confirm the identity of the specialist(s) engaged by MBC to develop a case for the proposed GP surgery co-located at Parkside and at what cost to the Council?*

In response, the Leader stated that Melton Council and colleagues from the local Integrated Care Board (ICB) have been working together on the options for Parkside. Costs have been shared with the ICB under a Memorandum of

Understanding and are in the region of £33k for the council. Any specialist support that's required has been procured through the ICB.

The Leader stated that he does not know and does not need to know the names of specialists working under these arrangements. The specialists are design architects, Quantity Surveyors or similar, checking structural loading tolerances, fire safety, lift requirements, electrical and mechanical specifications, etc. They will be looking at the sort of issues and, crucially, to establish whether the proposition is doable practically and financially.

If Councillor Orson insists on knowing names, then the Council would need to ask the agreement of the ICB, and the individuals concerned.

Regarding the Council's financial contribution, this is not new money. It is essentially under the umbrella of the Asset Development Programme which was agreed under the previous administration and drawn from the £500,000 grant sourced by Local Enterprise Programme. This money supports the development and implementation of proposals for all Council assets.

As Members were approaching the time allowed for Members' questions, the Mayor proposed that Procedure Rule 13.7 of the Meetings General Procedure Rules should be suspended for the rest of the meeting so that the time limit of 20 minutes for Members' questions can be exceeded. Councillor Child seconded the motion.

## **RESOLVED**

### **Council**

#### **Suspended Procedure Rule 13.7 of the Meetings General Procedure Rules for the remainder of the meeting.**

(Unanimous)

Councillor J Orson opted to ask a supplementary question and asked the Leader whether he would let Members know the individuals and companies involved.

In response, the Leader explained that it was not in his gift to do so but would seek further advice from the Monitoring Officer.

#### **Question 6**

Councillor Browne asked the Portfolio Holder for Corporate Finance, Property and Resources the following question:

*Can the Portfolio Holder of Finance please confirm for the public record the cost of agency staff incurred in financial years 2022/23 and 2023/2024?*

In responding, the Portfolio Holder stated that it would be helpful to clarify exactly what is meant by 'agency' spend, as this can include a range of different things including project managers, interim cover for vacancies and temporary grant funded posts.

As per the comprehensive report provided to Scrutiny Committee in July 2022, the Council has a sophisticated and comprehensive approach to managing its resources flexibly and getting the balance right between a strong core team, and utilising external skills and capacity to support our busy agenda.

To respond to the specific question, the figures in the 'agency' budget code are £330,008 for 2022/23 and £689,140 for 2023/24.

In terms of the difference between years, there were a number of factors that caused such an increase and which demonstrate the justifiable reasons why costs are incurred:

- 1) The Monitoring officer role was vacant for a long period of time, along with a number of posts in the legal services team, where interim posts were utilised. These have now been recruited to.
- 2) We were operating a shared senior officer arrangement with Harborough for our waste and environmental service team, which was funded through this budget. Again this has now ended and our new Waste and Environmental Services manager has recently started with the Council.
- 3) A number of vacancies in development control which needed to be covered but which have now been recruited to.
- 4) Welland Procurement had a number of staff leaving at the same time which needed a service rebuild.

These costs were necessary to ensure the correct knowledge and expertise in these service areas, and also recognise the challenges across the sector of recruiting and retaining in a number of specialist service areas. All costs were managed within the budget envelope and indeed taking the budgets for agency and salary costs together in 2023/24 there was a net underspend of £190k for the year after accounting for these costs. So the Council's resources continue to be managed effectively and in the right way.

Councillor Browne opted to ask a supplementary question and asked that, considering the amount of vacancies and the ability to recruit to those vacancies, is the Council not big enough to continue in its present form and should look towards a partnership or become a part of a unitary authority.

In response, the Portfolio Holder explained that the Council have recruited to those vacancies. As the Council spend a significant amount on salaries, it was right that time is taken to consider how vacancies are filled. Members were reminded that the total salary bill is £8m and that agency spend constitutes only 8% of the bill.

In relation to the question as to whether the Council is big enough to continue, then a written answer would be provided.

#### Question 7

Councillor Gordon asked the Leader the following question:

*I have concerns as to whether Parkside is the best location for a second surgery in Melton Mowbray since there is a possibility of security breaches by patients, along with the possibility of infection of Council Staff who come into contact with patients, especially for Council Staff that have to use the one and only lift. Does the Leader agree that St Mary's Hospital would be ideally suited as a location for a second surgery, as it also has a Physiotherapy Department, x-ray machines and carries out blood tests?*

In responding, the Leader stated that discussions have been ongoing for some time with health partners regarding the most appropriate location for a second GP surgery. Some of your points appear to be more about issues regarding co-location with the Council, rather than the geographical location of a second surgery and on that basis, the Leader made the following points:

- Co-location with partner organisations is not new – any such arrangement would require agreement on the specific arrangements and protocols in place to enable partners to co-exist.
- Changes to the Parkside building would be required to accommodate a second GP surgery and, as you'd expect, discussions are ongoing about the best configuration to meet the needs of partner organisations, customers and patients. This would include plans regarding the layout and accessibility of the building, security and health and safety.

Officer will ensure that Councillor Gordon's points are considered as part of the project.

Regarding the suitability of St Mary's Hospital as a site for a second GP surgery, ultimately the choice about where to locate a GP practice is a matter for health partners and their preferred option is to work with the Council on co-location at Parkside, which the administration is happy to continue exploring with them.

Councillor Gordon opted to ask a supplementary question and asked could the Leader ask if the surgery was located at Parkside then would the Council have to relocate the offices, if there was another pandemic.

In response, the Leader confirmed that he would raise the issue and provide a response when he had an answer.

CO35

#### **MOTIONS ON NOTICE**

At 7:22pm, prior to the consideration of this item, Councillor Browne left the



meeting.

The following motion was received from Councillor Higgins (Seconded by Councillor Allnatt).

### **80th Anniversary of Operation Market Garden**

*From the 17th to 25th of September 1944, Operation Market Garden took place in the German-occupied Netherlands. Today we mark the 80th Anniversary but also pay tribute to those involved in the operation, many of whom were based in the Borough.*

*The 10th Battalion was centred on the villages of Somerby, Thorpe Satchville, Burrough on the Hill and Twyford. The 11th Battalion was billeted in and around Melton Mowbray, as was the 156th Battalion, with their HQ at Staveley Lodge, now the Pera business park, with its four companies spread between Newport Lodge, Scalford Hall, and The Spinney.*

*Market Garden's objective was to create a 64 mi (103 km) salient into German territory with a bridgehead over the Lower Rhine River, creating an Allied invasion route into northern Germany, it was to hopefully shorten the war and liberate Europe. This was to be achieved by two sub-operations: seizing nine bridges with combined US and British airborne force ("Market") followed by British land forces swiftly following over the bridges ("Garden").*

*The airborne soldiers, numbering more than 41,000, were dropped at sites where they could capture key bridges and hold the terrain until the land forces arrived. The land forces consisted of ten armoured and motorised brigades with a similar number of soldiers.*

*Today the village of Somerby host an annual parade commemorating those who fought so bravely 80 years ago. Near the village of Burrough on the Hill is a magnificent memorial to the Parachute Regiment and recently the USAAF 315th Troop Carrier Group.*

*I would like the Council to join me to:*

- 1) Pay tribute and thank those who made the great sacrifice who fought in Arnhem and the wider Operation Market Garden;*
- 2) Thank historians, local and national, along with individuals and communities who not only detail the history of the Battle of Arnhem but equally importantly how the Melton Borough community remember those stationed here.*
- 3) Acknowledges the great work the Friends of the Tenth and the Parachute Regimental Association do, and will continue to do, within the Melton*

*Borough and Arnhem.*

- 4) *Thank the village of Somerby for hosting their annual remembrance event.*
- 5) *That the Mayor and all councillors write to the Mayor of Arnhem and Kingdom of the Netherlands Ambassador to the United Kingdom to express our continued and unwavering friendship between the people of the Borough of Melton and Arnhem in remembering the sacrifice by those 80 years ago in the cause of freedom.*

During the debate, the following comments were made:

- It was recognised that Operation Market Garden wasn't just British operation but an international one too including the involvement of a Polish Brigade and that it was right to recognise this.

### **RESOLVED**

**Melton Borough Council agreed to:**

- 1) **Pay tribute and thank those who made the great sacrifice who fought in Arnhem and the wider Operation Market Garden;**
- 2) **Thank historians, local and national, along with individuals and communities who not only detail the history of the Battle of Arnhem but equally importantly how the Melton Borough community remember those stationed here.**
- 3) **Acknowledges the great work the Friends of the Tenth and the Parachute Regimental Association do, and will continue to do, within the Melton Borough and Arnhem.**
- 4) **Thank the village of Somerby for hosting their annual remembrance event.**
- 5) **That the Mayor and all councillors write to the Mayor of Arnhem and Kingdom of the Netherlands Ambassador to the United Kingdom to express our continued and unwavering friendship between the people of the Borough of Melton and Arnhem in remembering the sacrifice by those 80 years ago in the cause of freedom.**

(Unanimous)

At 7:33pm, following the conclusion of this item, Councillor Browne returned to the meeting.

	<p>Using the provision as set out in the Constitution under Chapter 3, Part 1, Procedural Rule 16, the Mayor permitted an urgent report to be tabled.</p> <p>The Chief Executive introduced the Councillor Leave of Absence report. The Leader moved the recommendation and the Leader of the Opposition seconded the motion.</p> <p>During the debate, the following comments were made:</p> <ul style="list-style-type: none"> <li>• It was unfortunate that, due to the falling of meeting dates, the report had to be tabled as an urgent item. It was noted that this type of dispensation has been granted before and that Council should grant the dispensation in this instance.</li> <li>• It was noted that the Long Clawson and Stathern Ward has a second Ward Councillor, which is Councillor S Orson but that the Ward residents are welcome to contact the Leader's office should they need to.</li> <li>• Having the paper at the last moment has made it difficult for Members to raise questions. Although does recognise that there is another Councillor representing the Ward.</li> <li>• A query was raised on whether the extension could be less than six months. It was clarified that the duration of the dispensation would be a matter for the Council. Six months would provide the flexibility to allow Councillor Evans to return given the position was still uncertain at this time.</li> <li>• Six months would be good, as Councillor Evans would have enough time to recover.</li> </ul> <p><b>RESOLVED</b></p> <p><b>Council</b></p> <p><b>Approves Councillor Christopher Evans's non-attendance at meetings of the Authority on medical grounds up to and including 16 May 2025 in accordance with Section 85(1) of the Local Government Act 1972.</b></p> <p>(Unanimous)</p>
CO37	<p><b>LOCAL PLAN REGULATION 19 CONSULTATION</b></p> <p>At 7:47pm, prior to the consideration of this item, Councillor J Orson left the meeting and did not return.</p> <p>The Leader, Councillor Allnatt, presented Local Plan Regulation 19 Consultation report and moved the recommendations. Councillor Cumbers seconded the motion.</p> <p>During the debate, the following comments were made:</p> <ul style="list-style-type: none"> <li>• A statement was read out on behalf of Councillor Glancy, who passed on her thanks to the Officers for their hard work.</li> <li>• The Leader of the Opposition stated that his group also supported the</li> </ul>

recommendations.

**RESOLVED**

**Council**

- 1) Notes the importance of proceeding to the Regulation 19 Consultation on the Pre-Submission Local Plan Update.**
- 2) Approves launching the Regulation 19 consultation in respect of 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.**
- 3) Approves launching a consultation for the Sustainability Appraisal alongside the Regulation 19 consultation on the Pre-Submission Local Plan Update document.**

(Unanimous)

The meeting closed at: 7.47 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.

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**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.

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**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.**

### Cabinet Recommendations to Council - Treasury Management Mid-Year Report 2024/25

<b>Report Author:</b>	<b>David Scott</b> , Assistant Director for Resources 01664 502448 dscott@melton.gov.uk
<b>Chief Officer Responsible:</b>	<b>Dawn Garton</b> , Director for Corporate Services 01664 502444 DGarton@melton.gov.uk
<b>Lead Member/Relevant Portfolio Holder</b>	<b>Councillor Sarah Cox</b> - Portfolio Holder for Corporate Finance, Property and Resources

<b>Corporate Priority:</b>	Ensuring the right conditions to support delivery (inward)
<b>Relevant Ward Member(s):</b>	N/A
<b>Date of consultation with Ward Member(s):</b>	N/A
<b>Exempt Information:</b>	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 2024. 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)	
<b>That Council:</b>	
<b>2.1</b>	<b>Notes the mid-year position on treasury activity for 2024/25 and</b>
<b>2.2</b>	<b>Notes the mid-year position on Prudential Indicators for 2024/25.</b>

### **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 13 November 2024 and made recommendations to Council, as outlined in section 2.

### **5 Main Considerations**

- 5.1 As outlined in the Treasury Management Mid-Year Report 2024/25 (Appendix 1).

### **6 Options Considered**

- 6.1 As outlined in the Treasury Management Mid-Year Report 2024/25 (Appendix 1).

### **7 Consultation**

- 7.1 As outlined in the Treasury Management Mid-Year Report 2024/25 (Appendix 1).

### **8 Next Steps – Implementation and Communication**

- 8.1 As outlined in the Treasury Management Mid-Year Report 2024/25 (Appendix 1).

### **9 Financial Implications**

- 9.1 As outlined in the Treasury Management Mid-Year Report 2024/25 (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 2024/25 (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 2024/25 (Appendix 1).

### **12 Data Protection Implications (Mandatory)**

- 12.1 As outlined in the Treasury Management Mid-Year Report 2024/25 (Appendix 1).

### **13 Community Safety Implications**

- 13.1 As outlined in the Treasury Management Mid-Year Report 2024/25 (Appendix 1).

### **14 Environmental and Climate Change Implications**

- 14.1 As outlined in the Treasury Management Mid-Year Report 2024/25 (Appendix 1).



## **15 Other Implications (where significant)**

15.1 As outlined in the Treasury Management Mid-Year Report 2024/25 (Appendix 1).

## **16 Risk & Mitigation**

16.1 As outlined in the Treasury Management Mid-Year Report 2024/25 (Appendix 1).

## **17 Background Papers.**

17.1 As outlined in the Treasury Management Mid-Year Report 2024/25 (Appendix 1).

## **18 Appendices**

18.1 Appendix 1 – Treasury Management Mid-Year Report 2024/25

18.2 Appendix A – Treasury Management Strategy Statement and Annual Investment Strategy, Mid-Year Review Report 2024/25

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# Cabinet

13 November 2024

## Treasury Management Mid-Year Report 2024-25

<b>Report Author:</b>	<b>David Scott</b> , Assistant Director for Resources 01664 502448 Dscott@melton.gov.uk
<b>Chief Officer Responsible:</b>	<b>Dawn Garton</b> , Director for Corporate Services 01664 502444 DGarton@melton.gov.uk
<b>Lead Member/Relevant Portfolio Holder</b>	<b>Councillor Sarah Cox</b> , Portfolio Holder for Corporate Finance, Property and Resources

<b>Corporate Priority:</b>	Ensuring the right conditions to support delivery (inward)
<b>Relevant Ward Member(s):</b>	N/A
<b>Date of consultation with Ward Member(s):</b>	N/A
<b>Exempt Information:</b>	No
<b>Key Decision:</b>	No
<b>Subject to call-in:</b>	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 2024. 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 2024-25 be noted.
- 2.2 That the Mid-Year position on Prudential Indicators for 2024-25 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 quarter Mid-year report for 2024-25 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 Ministry of Housing, Communities and Local Government (MHCLG) 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 improved in recent years with higher interest rates helping investment returns with the base rate being currently 5% following the 0.25% reduction in August 2024. These higher levels were mainly linked to the increased levels of inflation but as this has started to reduce with CPI down to 1.7% at the end of September, it has finally had a knock on effect to the base rate. Current forecasts suggest November could see a further reduction in bank rate to 4.75%.
- 5.2 Following a long period of previously suppressed interest rates there has been a period of continued positivity with some rates being around 6% over the past 12 months but as the

markets started to price in the expected base rate reduction we have seen this reduce in recent months to 12 months rates being around 4.7%.

- 5.3 The forward interest rate forecasts used for budget setting had forecast a drop in interest rates which has been built in but as part of the council's maturity laddering approach there are still some investments held at 5.7% which is anticipated to lead to an increase in investment returns during this financial year. Officers will continue to maximise returns where possible with the latest forecast for 2024/25 predicting a surplus of £258k against a budgeted income level of £940k (across General Fund and HRA). This will help to support some of the other in year pressures the Council is facing.
- 5.4 In terms of performance in comparison to the benchmarking group Melton is part of, at the end of Q1 (latest data available) the council is outperforming all benchmarks achieving an average return of 5.51% which is above the benchmark average of 5.19% which includes county level authorities as well. This is a positive achievement as the Council looks to maximise its returns whilst striving to balance risk and return. At the Mid-year position the average rate of return has dropped slightly to 5.43%.
- 5.5 As regards the Councils £2m investment in the CCLA property fund the latest valuation has marginally improved with the notional loss at June 2024 reducing from £205k to £203k at September 2024. Due to the risks around this type of investment the Council has previously approved the establishment of a reserve in order to help offset any potential deficits that might arise in future should the statutory override be removed. At the end of 2024-25 the balance in the reserve is expected to be £190k. Officers will continue to monitor the fund valuation against the reserve levels required. 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 £629k which has supported the revenue budget during that time
- 5.6 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.
- 5.7 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 2024-25 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 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During quarter 2 ending 30<sup>th</sup> September 2024, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2024-25.
- 9.3 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.
- 9.4 Despite the recent interest rate reduction, due to the council's investment approach and focus on maximising longer term rates where possible, officers are forecasting additional investment income during the year of £258k. This is a welcome benefit to help offset other in-year financial pressures that may arise. Current returns are averaging 5.43% which is above the benchmark and officers will continue to monitor any further interest rate changes with a view to maximising returns where possible (in accordance with the strategy) over the remainder of the financial year.

**Financial Implications reviewed by: Director for Corporate Services**

## **10 Legal and Governance Implications**

- 10.1 The Local Government Act 2003 (the 2003 Act) provides powers for the Council to invest and borrow as well as imposing controls and limits on these activities. As indicated in the body of the report, the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under the 2003 Act require the Council to comply with the prudential code published by CIPFA. Failure to follow the Code of Practice and Strategy could increase the risk of financial loss.

**Legal Implications reviewed by: 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 Assessment (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 Directorate Risk Register

Risk No	Risk Description	Likelihood	Impact	Risk
1	Loss of investment income during 2024-25 as result of changed 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	Continue to monitor property fund reserve balance 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

17.1 Treasury Management Strategy Statement 2024-25

## 18 Appendices

18.1 Appendix A – Quarter 2 Mid Year Treasury Management Review 2024-25



Treasury Management  
Strategy Statement and  
Annual Investment  
Strategy

Mid-Year Review Report  
2024/25

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## 1. Economics and Interest Rates Update – Provided by LINK (Councils Treasury Advisors)

### 1.1 Economics Update

- The third quarter of 2024 (July to September) saw:
  - GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
  - A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
  - CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
  - Core CPI inflation increasing from 3.3% in July to 3.6% in August;
  - The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
  - 10-year gilt yields falling to 4.0% in September.
- The economy's stagnation in June and July points more to a mild slowdown in GDP growth than a sudden drop back into a recession. This is in line with the Bank of England's view, and it was encouraging that an improvement in manufacturing output growth could be detected.
- The 1.0% jump in retail sales in August was stronger than the consensus forecast for a 0.4% increase. The rise was reasonably broad based, with six of the seven main sub sectors recording monthly increases, though the biggest gains came from clothing stores and supermarkets, which the ONS reported was driven by the warmer-than-usual weather and end of season sales. As a result, some of that strength is probably temporary.
- The government's plans to raise public spending by around £16bn a year (0.6% GDP) have caused concerns that a big rise in taxes will be announced in the Budget, which could weaken GDP growth in the medium-term. However, if taxes are raised in line with spending (i.e., by £16bn) that would mean the overall stance of fiscal policy would be similar to the previous government's plan to reduce the budget deficit. Additionally, rises in public spending tend to boost GDP by more than increases in taxes reduce it. Our colleagues at Capital Economics suggest GDP growth will hit 1.2% in 2024 before reaching 1.5% for both 2025 and 2026.
- The further easing in wage growth will be welcomed by the Bank of England as a sign that labour market conditions are continuing to cool. The growth rate of average earnings fell from 4.6% in June to 4.0% in July. On a three-month annualised basis, average earnings growth eased from 3.0% to 1.8%, its lowest rate since December 2023.
- Other labour market indicators also point to a further loosening in the labour market. The 59,000 fall in the alternative PAYE measure of the number of employees in August marked the fourth fall in the past five months. And the 77,000 decline in the three months to August was the biggest drop since November 2020. Moreover, the number of workforce jobs fell by 28,000 in Q2. The downward trend in job vacancies continued too. The number of job vacancies fell from 872,000 in the three months to July to 857,000 in the three months to August. That leaves it 34% below its peak in May 2022, and just 5% above its pre-pandemic level. Nonetheless, the Bank of England is still more concerned

about the inflationary influence of the labour market rather than the risk of a major slowdown in labour market activity.

- CPI inflation stayed at 2.2% in August, but services inflation rose from a two-year low of 5.2% in July to 5.6%, significantly above its long-run average of 3.5%. Food and fuel price inflation exerted some downward pressure on CPI inflation, but these were offset by the upward effects from rising furniture/household equipment inflation, recreation/culture inflation and a surprisingly large rise in airfares inflation from -10.4% in July to +11.9% in August. As a result, core inflation crept back up from 3.3% to 3.6%. CPI inflation is also expected to rise in the coming months, potentially reaching 2.9% in November, before declining to around 2.0% by mid-2025.
- Looking ahead, CPI inflation will likely rise in the coming months before it falls back to its target of 2.0% in mid-2025. The increasing uncertainties of the Middle East may also exert an upward pressure on inflation, with oil prices rising in the aftermath of Iran's missile attack on Israel on 1 October. China's recent outpouring of new fiscal support measures in the latter stages of September has also added to the upshift in broader commodity prices, which, in turn, may impact on global inflation levels and thus monetary policy decisions. Despite these recent developments, our central forecast is still for rates to fall to 4.5% by the end of 2024 with further cuts likely throughout 2025. This is in line with market expectations, however, although a November rate cut still looks likely, December may be more problematic for the Bank if CPI inflation spikes towards 3%. In the second half of 2025, though, we think a more marked easing in inflation will prompt the Bank to speed up, resulting in rates eventually reaching 3.0%, rather than the 3.25-3.50% currently priced in by financial markets.
- Looking at gilt movements in the first half of 2024/25, the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank's August rate cut signalled the start of its loosening cycle. Following the decision to hold the Bank Rate at 5.0% in September, the market response was muted, with the 10-year yield rising by only 5bps after the announcement. This likely reflected the fact that money markets had priced in a 25% chance of a rate cut prior to the meeting. The yield had already increased by about 10bps in the days leading up to the meeting, driven in part by the Fed's "hawkish cut" on 18 September. There is a possibility that gilt yields will rise near-term as UK policymakers remain cautious due to persistent inflation concerns, before declining in the longer term as rates fall to 3.0%.
- The FTSE 100 reached a peak of 8,380 in the third quarter of 2024, but its performance is firmly in the shade of the US S&P500, which has breached the 5,700 threshold on several occasions recently. Its progress, however, may pause for the time being whilst investors wait to see who is elected the next US President, and how events in the Middle East (and Ukraine) unfold. The catalyst for any further rally (or not) is likely to be the degree of investors' faith in AI.

#### **MPC meetings: 9 May, 20 June, 1 August, 19 September 2024**

- On 9 May, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20<sup>th</sup> June.
- However, by the time of the August meeting, there was a 5-4 vote in place for rates to be cut by 25bps to 5%. However, subsequent speeches from MPC members have supported Governor Bailey's tone with its emphasis on "gradual" reductions over time.

- Markets thought there may be an outside chance of a further Bank Rate reduction in September, but this came to nothing.
- Nonetheless, November still looks most likely to be the next month to see a rate cut to 4.75% but, thereafter, inflation and employment data releases, as well as geo-political events, are likely to be the determinant for what happens in the remainder of 2024/25 and into 2025/26.

## 1.2 Interest Rate Forecasts

The Authority has appointed Link Group as its treasury advisors and part of their service is to assist the Authority 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 1 November 2012.

Our latest forecast on 28 May sets out a view that short, medium and long-dated interest rates will fall back over the next year or two, although there are upside risks in respect of the stickiness of inflation and a continuing tight labour market, as well as the size of gilt issuance.

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 1 November 2012.

Link Group Interest Rate View	28.05.24									
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
<b>BANK RATE</b>	4.50	4.00	3.50	3.25	3.25	3.25	3.25	3.00	3.00	3.00
3 month ave earnings	4.50	4.00	3.50	3.30	3.30	3.30	3.30	3.00	3.00	3.00
6 month ave earnings	4.40	3.90	3.50	3.30	3.30	3.30	3.30	3.10	3.10	3.20
12 month ave earnings	4.30	3.80	3.50	3.40	3.40	3.40	3.40	3.20	3.30	3.40
5 yr PWLB	4.50	4.30	4.10	4.00	3.90	3.90	3.90	3.90	3.90	3.80
10 yr PWLB	4.60	4.40	4.30	4.10	4.10	4.10	4.00	4.00	4.00	3.90
25 yr PWLB	5.00	4.80	4.70	4.50	4.50	4.40	4.40	4.40	4.30	4.30
50 yr PWLB	4.80	4.60	4.50	4.30	4.30	4.20	4.20	4.20	4.10	4.10

## 2. Treasury Management Strategy Statement and Annual Investment Strategy Update

The Treasury Management Strategy Statement, (TMSS), for 2024/25 was approved by this Council on 8<sup>th</sup> February 2024.

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 2024/25	Original £'000	Revised Prudential Indicator £'000
Authorised Limit	46,000	46,000
Operational Boundary	34,000	34,000
Capital Financing Requirement	31,516	31,516

## 3. The Authority's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Authority'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.

### 3.1 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.

<b>Capital Expenditure by Priority</b>	<b>2024/25 Original Estimate £'000</b>	<b>2024/25 Revised Estimate £'000</b>	<b>2024/25 Forecast £'000</b>
Great Council	210	339	339
People	2,656	2,808	3,049
Place	490	4,090	4,040
<b>Total General Fund</b>	<b>3,356</b>	<b>7,237</b>	<b>7,428</b>
HRA	3,805	5,591	5,031
<b>Total capital expenditure</b>	<b>7,161</b>	<b>12,828</b>	<b>12,459</b>

The revised budget includes carry forwards from 2023/24 of £15.615m plus some additional spend on Leisure Improvement Works and LAHF Purchases less expenditure of £8.098m delayed until 2025/26 on the Stockyard Levelling Up Funding Project

### 3.2 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 Authority 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.

<b>Capital Expenditure</b>	<b>2024/25 Original Estimate £'000</b>	<b>2024/25 Revised Estimate £'000</b>	<b>2024/25 Forecast £'000</b>
<b>Total capital expenditure</b>	<b>7,161</b>	<b>12,828</b>	<b>12,459</b>
<b>Financed by:</b>			
<b>Capital receipts</b>	<b>973</b>	<b>2,442</b>	<b>2,117</b>
<b>Capital grants</b>	<b>2,909</b>	<b>6,360</b>	<b>6,360</b>
<b>Capital reserves</b>	<b>3,279</b>	<b>4,026</b>	<b>3,741</b>
<b>Revenue</b>	<b>0</b>	<b>0</b>	<b>241</b>
<b>Total financing</b>	<b>7,161</b>	<b>12,828</b>	<b>12,459</b>
<b>Borrowing requirement</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.3 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

We are on target to achieve the original forecast Capital Financing Requirement

#### Prudential Indicator – the Operational Boundary for external debt

	2024/25 Original Estimate £'000	2024/25 Revised Estimate £'000
CFR – non housing	32	32
CFR – housing	31,484	31,484
<b>Total CFR</b>	<b>31,516</b>	<b>31,516</b>
<b>Net movement in CFR</b>	<b>-11</b>	<b>-11</b>
Borrowing	31,413	31,413
Other long-term liabilities	32	32
<b>Total debt (year end position)</b>	<b>31,445</b>	<b>31,445</b>

### 3.4 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 2024/25 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.

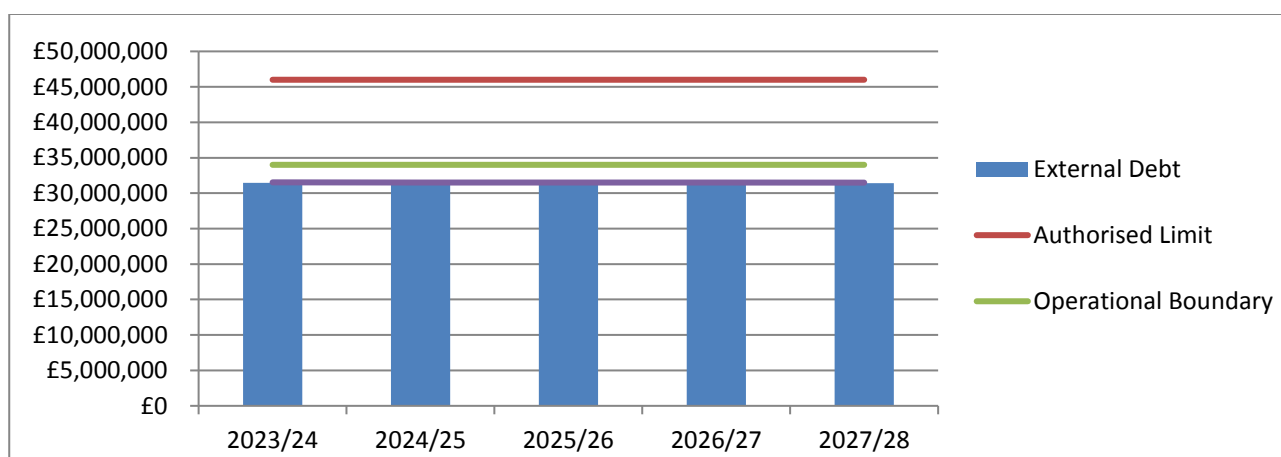
	2024/25 Original Estimate £m	2024/25 Revised Estimate £m
Borrowing	31,413	31,413
Other long-term liabilities	32	32
<b>Total debt</b>	<b>31,445</b>	<b>31,445</b>
<b>CFR* (year end position)</b>	<b>31,516</b>	<b>31,516</b>



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	2024/25 Original Indicator	2024/25 Revised Indicator
Borrowing	45,970	45,970
Other long-term liabilities	30	30
Total	46,000	46,000

### Comparison of borrowing parameters to actual external borrowing



## 4. Borrowing

The Authority's capital financing requirement (CFR) for 2024/25 is £31.516m. The CFR denotes the Authority's underlying need to borrow for capital purposes. If the CFR is positive the Authority 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 Authority has borrowings of £31.445m 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 gilt yields remain elevated, particularly at the longer-end of the yield curve (25 to 50 years).

The capital programme is being kept under regular review due to the effects of on-going budgetary pressures. 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 30 September 2024

Gilt yields and PWLB certainty rates were less volatile than at this time last year. Overall, the 10, 25 and 50-year part of the curve endured a little volatility but finished September very much as it started in April.

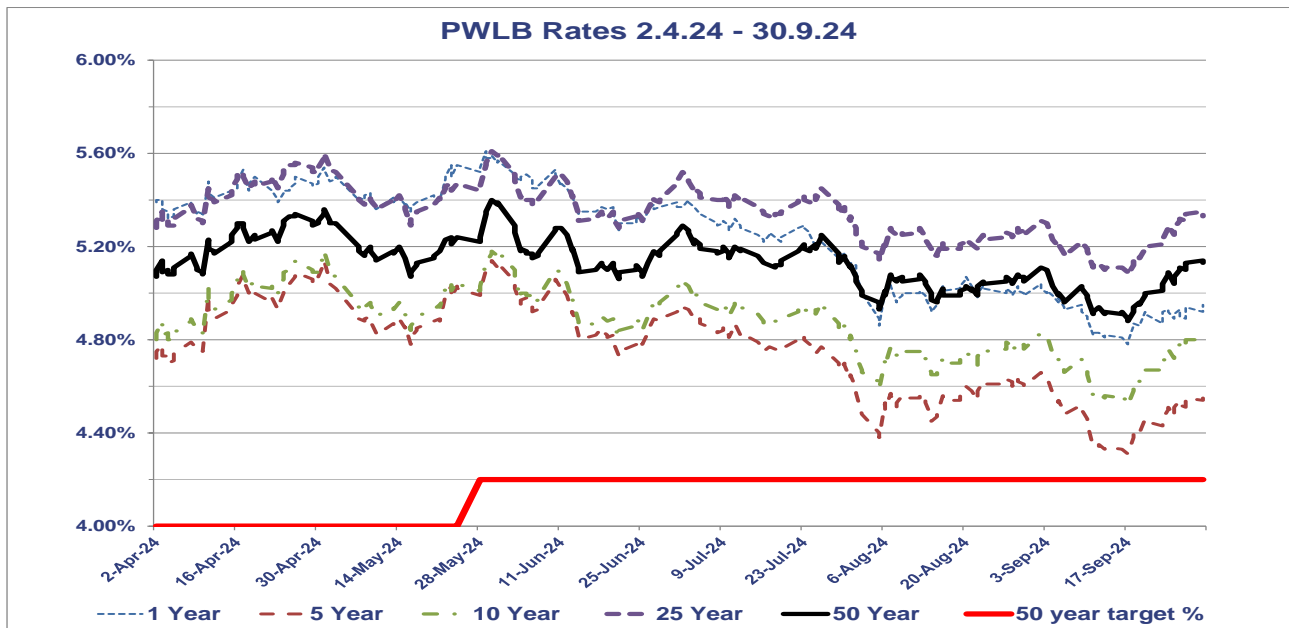
Where there was some movement downwards, this came in the shorter part of the curve as markets positioned themselves for Bank Rate cuts in the second half of 2024 and into 2025, although the continued stickiness of inflation and the prevailing tight labour market is a concern for those looking for more sizeable falls ahead.

At the beginning of April, the 5-year certainty rate was the cheapest part of the curve at 4.72% whilst the 25-year rate was relatively expensive at 5.28%. May saw yields at their highest across the whole curve.

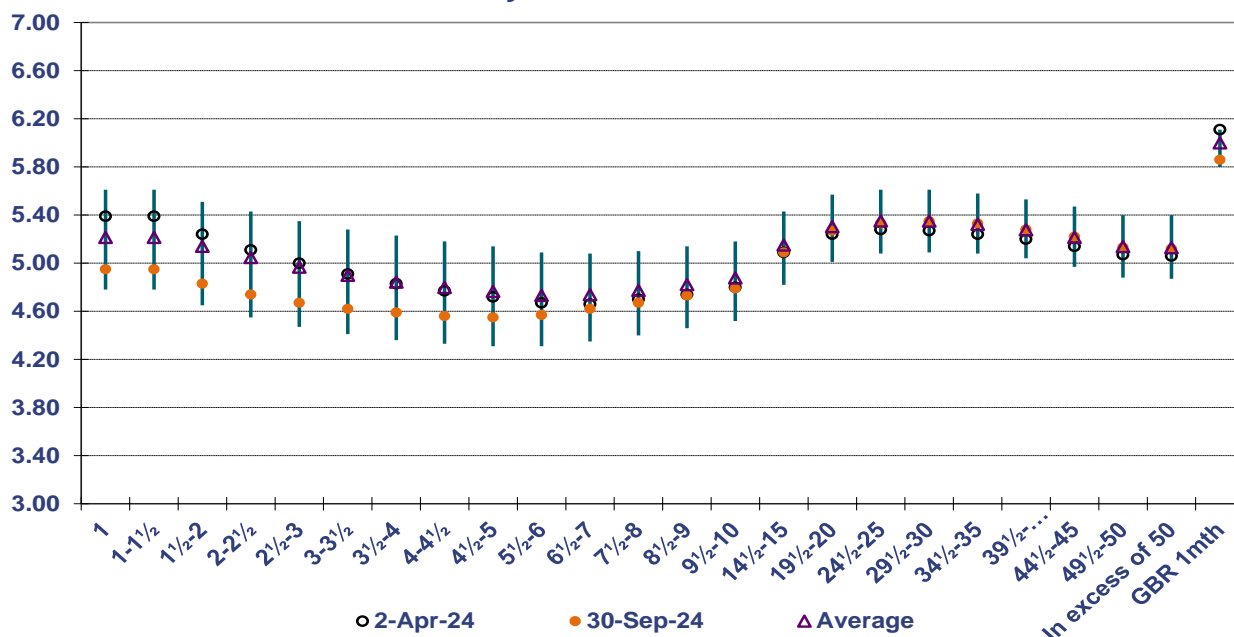
Conversely, 17 September saw the low point for the whole curve, with the 5-year certainty rate falling to 4.31% before rebounding to 4.55% by the end of the month. Similarly, the 50-year certainty rate fell to 4.88% but finished the month at 5.13%, slightly higher than at the start of April.

At this juncture, we still forecast rates to fall back over the next two to three years as inflation dampens, although there is upside risk to our Bank Rate forecast at present. The CPI measure of inflation is expected to fall below 2% in the second half of 2025, however, and we forecast 50-year rates to stand at 4.20% by the end of September 2026. The major caveats are that there is considerable gilt issuance to be digested by the market over the next couple of years, and geo-political uncertainties – which are generally negative for inflation prospects – abound in Eastern Europe and the Middle East, in particular.

## PWLB RATES 02.04.24 - 30.09.24



PWLB Certainty Rate Variations 2.4.24 to 30.9.24



HIGH/LOW/AVERAGE PWLB RATES FOR 02.04.24 – 30.09.24

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>02/04/2024</b>	5.39%	4.72%	4.80%	5.28%	5.07%
<b>30/09/2024</b>	4.95%	4.55%	4.79%	5.33%	5.13%
<b>Low</b>	4.78%	4.31%	4.52%	5.08%	4.88%
<b>Low date</b>	17/09/2024	17/09/2024	17/09/2024	17/09/2024	17/09/2024
<b>High</b>	5.61%	5.14%	5.18%	5.61%	5.40%
<b>High date</b>	29/05/2024	01/05/2024	01/05/2024	01/05/2024	01/05/2024
<b>Average</b>	5.21%	4.76%	4.88%	5.35%	5.14%
<b>Spread</b>	0.83%	0.83%	0.66%	0.53%	0.52%

- 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).

## 5. Debt Rescheduling

Debt repayment and 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 repayments or rescheduling have been undertaken to date in the current financial year but there is a repayment due in Q3 for £98k relating to the HRA self-financing loan.

## 6. Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limit. During the half year ended 30 September 2024, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2024/25. The Director for 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.

## 7. Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2024/25, which includes the Annual Investment Strategy, was approved by the Council on 8<sup>th</sup> February 2024. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Authority'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 Authority'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.**

The UK's sovereign rating has proven robust through the first half of 2024/25. The new Labour Government is expected to outline in detail its future fiscal proposals in the Budget scheduled for 30 October 2024.

### **Investment Counterparty criteria**

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

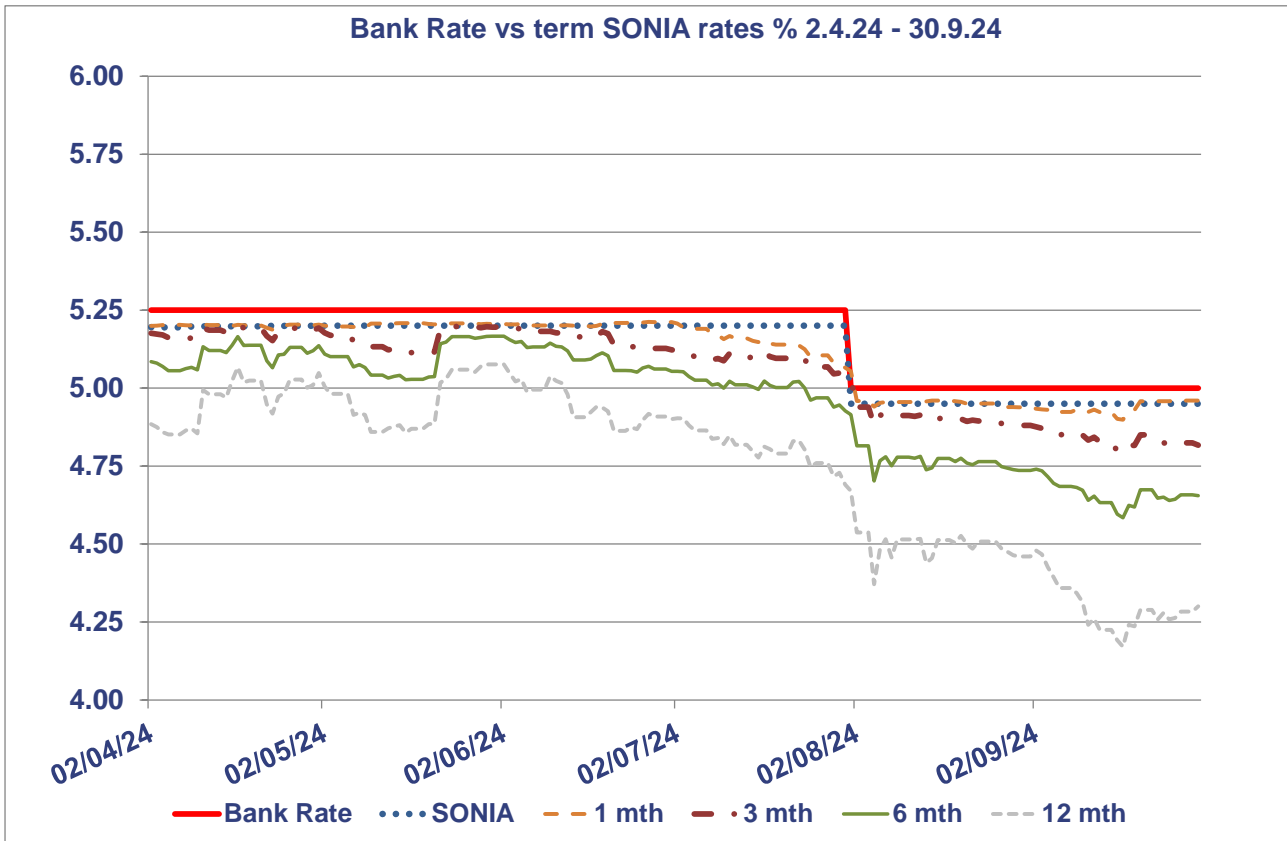
### **CDS prices**

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**

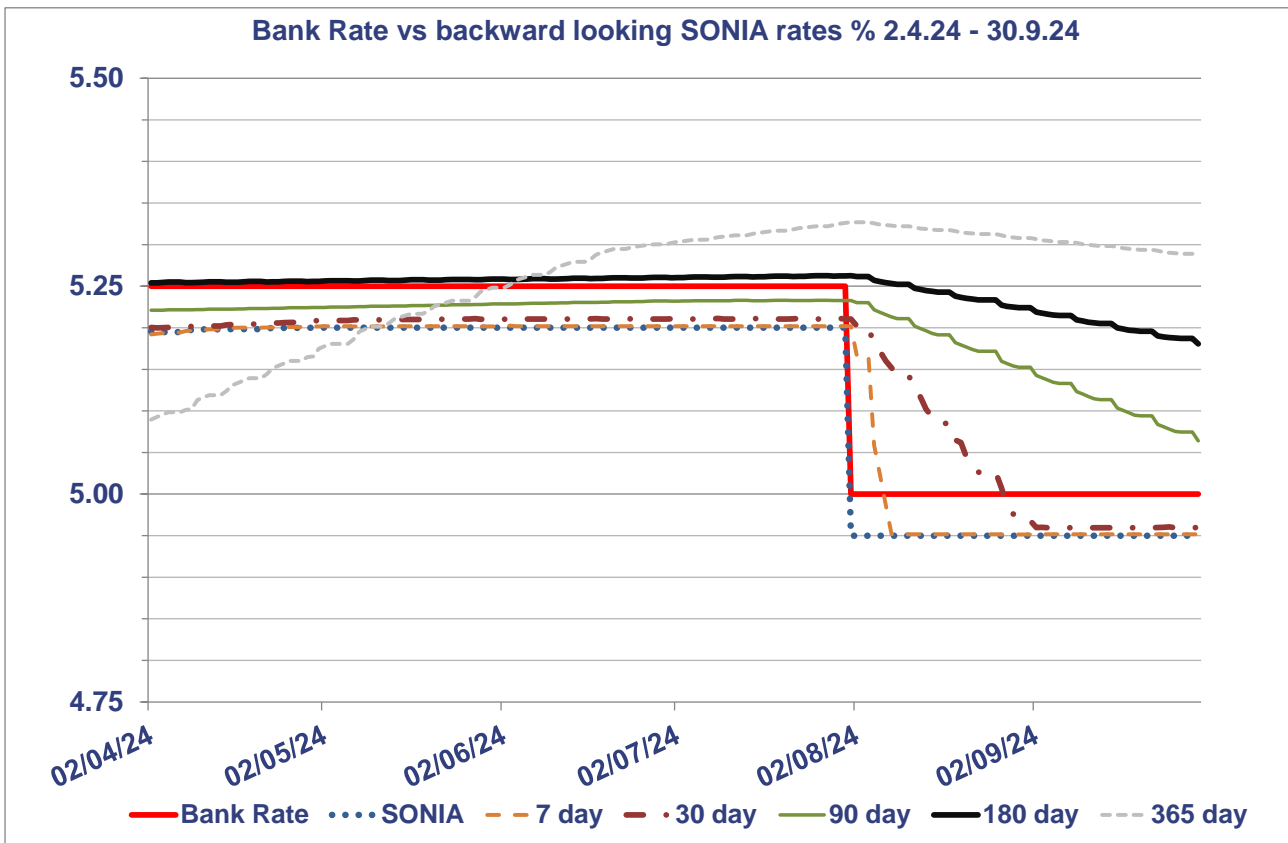
The average level of funds available for investment purposes during the first half of the financial year was £23.6m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Authority holds £2m core cash balances for investment purposes (i.e., funds available for more than one year).

## Investment rates during the half year ended 30<sup>th</sup> September 2024



	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
<b>High</b>	5.25	5.20	5.21	5.20	5.17	5.08
<b>High Date</b>	02/04/2024	03/05/2024	27/06/2024	17/04/2024	31/05/2024	30/05/2024
<b>Low</b>	5.00	4.95	4.90	4.79	4.58	4.17
<b>Low Date</b>	01/08/2024	01/08/2024	17/09/2024	17/09/2024	17/09/2024	17/09/2024
<b>Average</b>	5.17	5.12	5.11	5.06	4.96	4.75
<b>Spread</b>	0.25	0.25	0.31	0.41	0.58	0.91

The table above covers the first half of 2024/25.



	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
<b>High</b>	5.25	5.20	5.20	5.21	5.23	5.26	5.33
<b>High Date</b>	02/04/2024	03/05/2024	13/05/2024	26/06/2024	26/07/2024	26/07/2024	01/08/2024
<b>Low</b>	5.00	4.95	4.95	4.96	5.06	5.18	5.09
<b>Low Date</b>	01/08/2024	01/08/2024	27/08/2024	04/09/2024	30/09/2024	30/09/2024	02/04/2024
<b>Average</b>	5.17	5.12	5.12	5.15	5.20	5.25	5.26
<b>Spread</b>	0.25	0.25	0.25	0.25	0.17	0.08	0.24

The table above covers the first half of 2024/25.

### Investment performance year to date as of 30 September 2024

The Council's budgeted investment return for 2024/25 is £940k, and performance for the year to date is £258k above budget due to interest rates being maintained at a higher level than forecast.

The investment portfolio yield for the first 6 months of the year is 5.43% against the seven day money market rate of 5.12%.

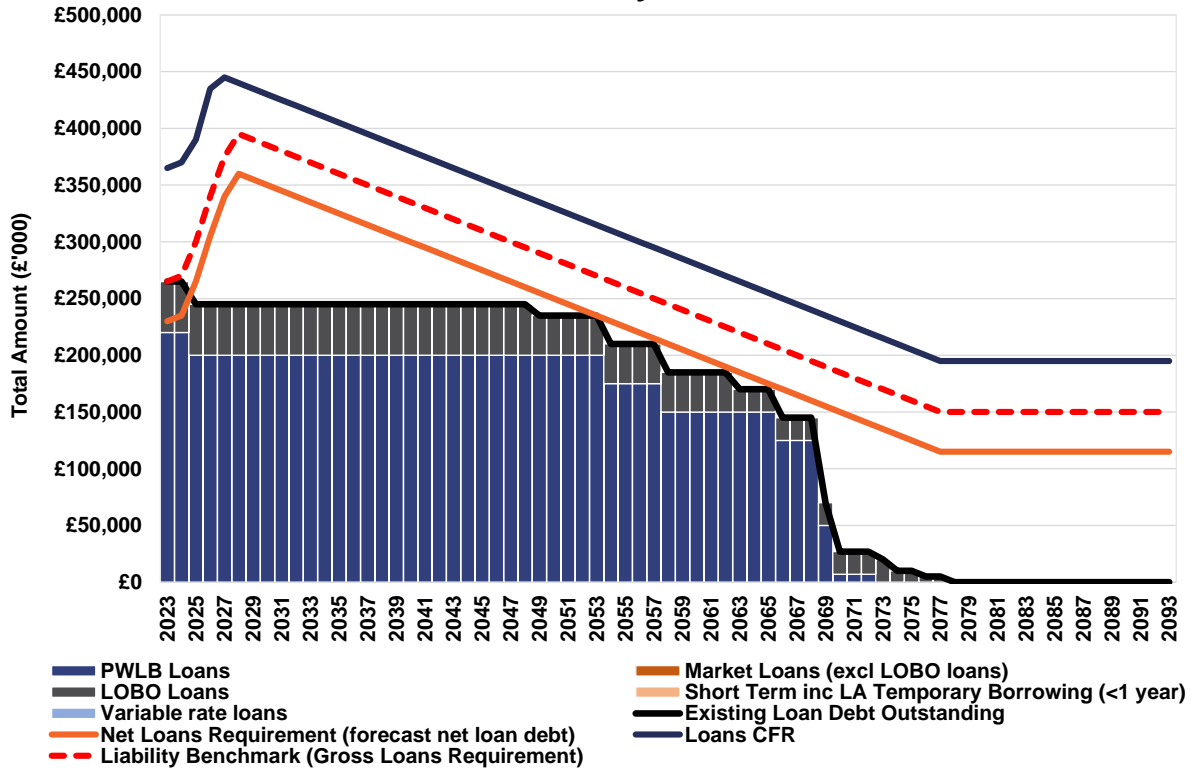
The average level of funds available during the first 6 months of the year is £23.582m compared with the annual budgeted figure of £22m.

### Approved limits

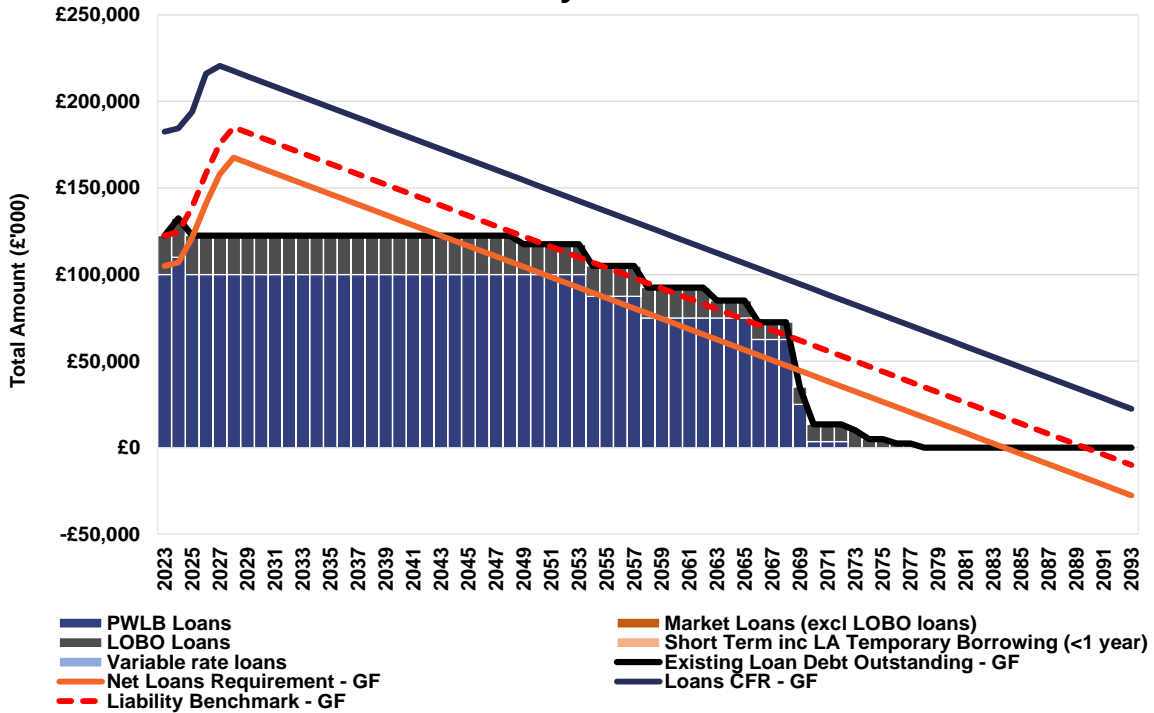
Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the period ended 30 September 2024.

APPENDIX 1: the CFR, Liability Benchmark and Borrowing

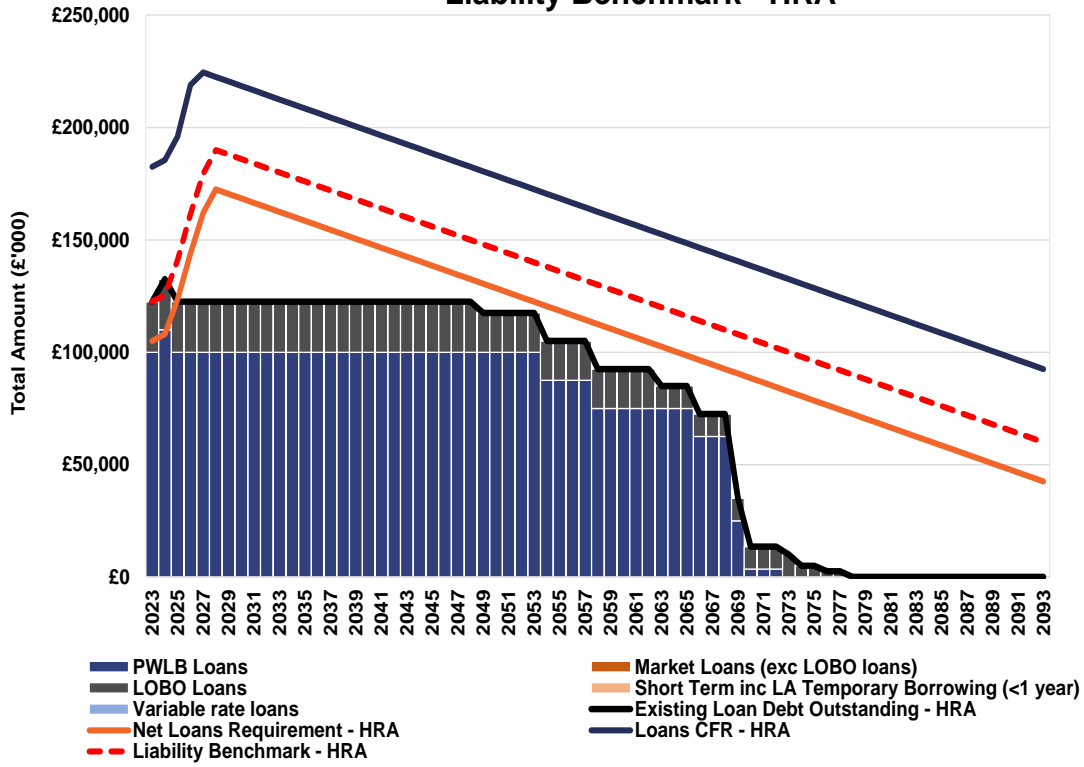
Liability Benchmark



Liability Benchmark - General Fund



### Liability Benchmark - HRA





## APPENDIX 2: Investment Portfolio

Investments held as of 30 September 2024 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	Expected Credit Loss (£)
MMF Deutsche	1,830,000	5.00%		MMF	AAAm		
MMF Invesco	270,000	5.00%		MMF	AAAm		
Standard Chartered Bank (ESG)	1,000,000	5.84%	03/10/2023	02/10/2024	A+	0.000%	3
First Abu Dhabi Bank PJSC	1,000,000	5.78%	01/11/2023	31/10/2024	AA-	0.002%	19
National Bank of Kuwait (International) PLC	2,000,000	5.32%	17/01/2024	16/01/2025	A	0.014%	273
National Bank of Kuwait (International) PLC	1,000,000	5.32%	01/02/2024	31/01/2025	A	0.016%	155
First Abu Dhabi Bank PJSC	2,000,000	4.90%	27/08/2024	27/02/2025	AA-	0.009%	182
National Bank of Kuwait (International) PLC	1,000,000	4.97%	27/08/2024	27/02/2025	A	0.019%	190
SMBC Bank International Plc	1,000,000	4.92%	03/09/2024	03/03/2025	A-	0.019%	195
National Bank of Kuwait (International) PLC	1,000,000	5.43%	12/03/2024	12/03/2025	A	0.021%	206
Qatar National Bank	1,000,000	5.50%	02/04/2024	02/04/2025	A+	0.023%	233
First Abu Dhabi Bank PJSC	1,000,000	5.31%	02/05/2024	02/05/2025	AA-	0.013%	130
Qatar National Bank	1,000,000	5.62%	02/05/2024	02/05/2025	A+	0.027%	271
Qatar National Bank	3,000,000	5.72%	30/05/2024	30/05/2025	A+	0.031%	918
Qatar National Bank	1,000,000	5.51%	26/06/2024	26/06/2025	A+	0.034%	340
National Bank of Kuwait (International) PLC	1,000,000	5.08%	31/07/2024	31/07/2025	A	0.038%	384
<b>Borrower - Funds</b>	<b>Principal (£)</b>	<b>Interest Rate</b>	<b>Start Date</b>	<b>Maturity Date</b>			
CCLA Local Authorities Property Fund	2,000,000	0.90%					
<b>Total Investments</b>	<b>£22,100,000</b>	<b>4.94%</b>					
<b>Total Investments - excluding Funds</b>	<b>£20,100,000</b>	<b>5.34%</b>				<b>0.019%</b>	<b>£3,498</b>
<b>Total Investments - Funds Only</b>	<b>£2,000,000</b>	<b>0.90%</b>					

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.

The Historic Risk of Default column is based on the lowest long term rating. If clients are using this % for their Expected Credit Loss calculation under IFRS 9, please be aware that the Code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default. For these instruments, the Expected Credit Loss will be nil. Please note that we are currently using Historic Default Rates from 1990-2023 for Fitch, 1983-2023 for Moody's and 1981 to 2023 for S&P.

Where Link Group have provided a return for a property fund, that return covers the 12 months to June 2024, which are the latest returns currently available.

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## GAMBLING ACT 2005 STATEMENT OF PRINCIPLES 2025 – 2028

<b>Report Author:</b>	<b>Simon Greensmith</b> , Licensing & Compliance Officer (Business Advisor: Licensing) (SG) Tel: 01664 502384 sgreensmith@melton.gov.uk
<b>Chief Officer Responsible:</b>	<b>Caroline Bruce</b> , Interim Director for Growth and Regeneration [Telephone] [Email]
<b>Lead Member/Relevant Portfolio Holder</b>	Councillor Steve Carter, Chair of Licensing Committee (Alcohol & Gambling)

<b>Corporate Priority:</b>	Delivering excellent services positively impacting on our communities
<b>Wards Affected:</b>	(All Wards);
<b>Date of consultation with Ward Member(s):</b>	N/A
<b>Exempt Information:</b>	No

### 1 Summary

- 1.1 To invite members to consider and approve the Gambling Act 2005 Statement of Principles 2025-2028 after consultation and to publish it prior to implementation.
- 1.2 The current policy has not caused any problems since it came into effect in February 2022 however slight amendments have been made to reflect address changes for the Licensing Authority and a new section has been added to include information from the Public Health Team and their findings in their recent 'Gambling Harms Needs Assessment'. Applicants are asked to take this into account when submitting their applications.
- 1.3 Our Public Health colleagues, although not a prescribed Responsible Authority have a role to play in the licensing of gambling premises. The Local Government Association (LGA) in conjunction with Public Health England published [Tackling gambling related harm - A whole council approach](#).

## 2 Recommendations

### That Council:

- 2.1 **Approves the Gambling Act Statement of Principles 2025 – 2028, following public consultation between 29 August and 26 September 2024.**

## 3 Reason for Recommendations

- 3.1 Under the Gambling Act 2005 the Council is responsible for preparing a Statement of Principles setting out how it exercises its various functions, including issuing premises licences, liaising with the Gambling Commission (a national co-regulator), carrying out its enforcement functions and issuing permits for small-scale gambling such as machines in alcohol-licensed premises and registering small society lotteries. The Council has the legal responsibility to review its Statement of Principles, under the Gambling Act 2005, every three years, the current Statement is due to end in January 2025.
- 3.2 The Act places a duty on the Council to develop a Statement of Principles that promotes the three licensing objectives:
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime,
  - Ensuring that gambling is conducted in a fair and open way, and
  - Protecting children and other vulnerable persons from being harmed or exploited.
- 3.3 After consultation, as no major amendments are to be made following consideration of responses, this Statement of Principles would take effect from 31 January 2025.

## 4 Background

- 4.1 The Gambling Act 2005 sets out how gambling in England and Wales is regulated. It came fully into force in September 2007, and covers arcades, betting, bingo, casinos, gaming machines, society lotteries, and remote gambling (including online gambling). It also created and set the functions and objectives of the Gambling Commission as the principal regulator. In 2014, it was amended to cover all online gambling companies who offer gambling to customers in England and Wales, wherever they are based.

## 5 Main Considerations

- 5.1 Section 349 of the Gambling Act 2005 requires all Licensing Authorities to prepare and publish a statement of the principles that they propose to apply in exercising their functions under the Act during the three year period to which a policy applies. The Statement must be produced following consultation with the bodies specified in section 349(3) of the Gambling Act. In addition to the legislative requirements, guidance issued by the Gambling Commission sets out certain information that the Commission consider should be included in all licensing authority Statements of Policy.
- 5.2 The Gambling Commission Bulletin issued to Local Authorities in December 2023 stated: 'Given the ongoing consultations regarding the Gambling Act it is very unlikely that we will

be able to amend the Guidance to Licensing Authorities document in sufficient time for you to incorporate changes within your own Statement. Whilst it is a matter for local determination, we suggest that the Statement is refreshed in line with the requirements of the Act so as to be enforceable from January 2025. Thereafter we will publish a revised GLA which you can include in a refreshed Statement. You are permitted to revise your Statement within the 3-year timescale.'

5.3 The Gambling Commission are in the process of updating their 'Guidance issued to Local Authorities' as a result of the recommendations made as part of their submission to the Government and the publication of the white paper 'High Stakes: Gambling reform for the Digital Age' - High Stakes: High Stakes: Gambling Reform for the Digital Age - April 2023 (White Paper)

5.4 The Statement of principles has been reviewed in line with the guidance issued in 2021, updating minor changes and reordering the statement to make it easier to comprehend.

## **6 Options Considered**

6.1 The requirement to review the 'Statement of Principles' and publish every 3 years is a legal requirement under the Gambling Act 2005 and therefore the council would not be undertaking its statutory function and could be open to legal challenge if it failed to do so.

## **7 Consultation**

7.1 Consultation took place in accordance with the Gambling Act 2005 which specifies a wide range of bodies required to be consulted and requirements for publicity (see appendix A).

7.1.1 The consultation was for a 4 week period which was advertised between 29 August 2024 and 26 September 2024.

7.1.2 Consultees were requested to provide any responses or comments prior to the 26 September 2024

7.1.3 There were 2 responses, one from The Lotteries Council saying they had considered the revision and had no comments to make.

7.1.4 The second was from Leicestershire & Rutland safeguarding Partnerships, they had no comments to make but provided links to the Safeguarding Children and Safeguarding adults procedure manuals.

7.1.5 This was considered by the Interim Director for Growth & Regeneration in consultation with the Licensing Committee (Alcohol and Gambling) Chair and links were not included in the Statement of Principles but have been added to the Gambling information on the council's website.

## **8 Next Steps – Implementation and Communication**

8.1 If agreed by full Council, the revised Statement of Principles **Appendix 1** will be published for 4 weeks and then become live on 31 January 2025 and have effect until 30 January 2028 or such earlier time as the Council reviews it.

## **9 Financial Implications**

9.1 There are no financial implications with this report.

**Financial Implications reviewed by: Director of Corporate Services**

## **10 Legal and Governance Implications**

10.1 This policy has been drafted to take account of the Council's various responsibilities under the Gambling Act 2005, taking into account the statutory guidance issued under the Act.

10.2 The 2005 Act requires the Council to prepare and publish a 'Statement of Licensing Principles' before each successive period. Failure to prepare and publish a statement would mean that the Council has failed in its statutory duty and therefore, should it make any determination under the Act without having done so could leave that decision open to challenge.

10.3 Before preparing its policy for any three-year period, the Council must consult the persons listed in section 349(3) of the Act. The Statutory Guidance states that the list of persons to be consulted is deliberately wide so as to allow licensing authorities to undertake a comprehensive consultation review exercise with anyone who may be affected by or otherwise have an interest in the Statement of Policy.

10.4 The function of preparing its statement of licensing policy may not be delegated by the Council and therefore the policy must be approved by Full Council. As the Committee responsible for the exercise of the Council's functions under the Act, the Alcohol and Gambling Licensing Committee considered the draft policy at its meeting in August.

**Legal Implications reviewed by: Monitoring Officer.**

## **11 Equality and Safeguarding Implications**

11.1 In this process no adverse impacts on protected characteristics have been identified.

## **12 Data Protection Implications (Mandatory)**

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

## **13 Community Safety Implications**

13.1 Consultees include third party agencies like the police and local gambling charities, and they will be given the opportunity to comment.

## **14 Environmental and Climate Change Implications**

14.1 There are no implications for Climate Change.

## **15 Other Implications (where significant)**

15.1 The policy may reduce the risk of harm from gambling activity by influencing the content of the risk assessments carried out by licensed premises

## 16 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	An approved policy will continue to reduce the risk of reputational damage arising from inconsistent decisions or a lack of transparency.	Significant	Marginal	Medium

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

Risk No	Mitigation
1	Consult, review and publish the revised gambling statement of principles

## 17 Background Papers

- 17.1 [Gambling-act-statement-of-principles-2022-2025.pdf](#) (Current)
- 17.2 [Gambling Commission Guidance to licensing authorities May 2021](#)
- 17.3 [Gambling Commission Licence Conditions and Code of Practice Oct 2020](#)

## 18 Appendices

- 18.1 Appendix 1 - Draft - Gambling Act 2005, Statement of Principles 2025 – 2028

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**GAMBLING ACT 2005**  
**STATEMENT OF PRINCIPLES**  
**2025 – 2028**

# **Gambling Act 2005**

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# **Gambling Act 2005**

## **Statement of Principles - Contents**

### **Part 3 - Permits, Temporary and Occasional Use Notices**

- 3.1 Unlicensed Family Entertainment Centre Gaming Permits
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#### **FURTHER INFORMATION**

#### **APPENDICES**

- Appendix A - Map of the Borough
- Appendix B - List of Consultees

## **Part 1 - General**

### **1.1 Purpose**

Melton Borough Council is the licensing authority under the Gambling Act 2005. This means that the Council is responsible for dealing with Premises Licences, Permits and Occasional Use Notices and Temporary Use Notices in the Borough of Melton.

The Gambling Act 2005 requires the Council to prepare and publish a “Statement of Principles” that sets out the policies that the Council will have regard to when making decisions on applications made under the Act. This meets the Council’s obligations under Section 349 of the Gambling Act 2005 (referred to in this statement as “the Act”).

Licensing authorities are required by the Gambling Act 2005 to publish a statement of the principles which they propose to apply when exercising their functions. This statement must be published at least every three years. This statement will come into effect on the 31<sup>st</sup> January 2025 and will have effect until 30<sup>th</sup> January 2028. The statement must also be reviewed from “time to time” and any amended parts re-consulted upon. The statement must be then re-published.

This Statement of Principles has been prepared having regard to the provisions of the Guidance issued by the Gambling Commission and the licensing objectives of the Gambling Act 2005. Melton Borough Council will consult on this policy, having due regard to any responses from those consulted on this draft statement before adopting and publishing the final document

This Statement of Principles will be available on Melton Borough Council’s website.

### **1.2 The Borough of Melton**

Melton Borough is a rural area in the north-east part of Leicestershire and at the heart of the East Midlands. It has an area of 48,138 hectares and is one of the 50 most sparsely populated districts in the UK.

The population of the Borough in 2021 was 51,752 (2021 Census). It has increased by 2.8% over the past ten years.

The main activities of the Borough are centred on the single market town of Melton Mowbray. There are some 70 small villages within the surrounding rural area. Bottesford and Asfordby are the two largest villages each with a population of about 3,000. The other villages range in size from small hamlets with 20 persons to villages where up to 700 people live.

A plan of the area is at Appendix A

### 1.3 Declaration

The Authority in preparation of this Statement has had due regard to;

- the Gambling Act 2005
- the Gambling Act 2005 (Licensing Authority Policy Statement) (England and Wales) Regulations 2006
- current guidance issued by the Gambling Commission and by the Secretary of State under Section 25 of the Act.
- responses from those consulted on the Statement and the reviews thereof.

In producing the final licensing policy statement, this licensing authority declares that it has had regard to the licensing objectives of the Gambling Act 2005, the guidance issued by the Gambling Commission, and those consulted on the policy statement.

### 1.4 Licensing Objectives

In exercising most of their functions under the Gambling Act 2005, licensing authorities must have regard to the licensing objectives as set out in section 1 of the Act. The licensing objectives are:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- Ensuring that gambling is conducted in a fair and open way
- Protecting children and other vulnerable persons from being harmed or exploited by gambling

It should be noted that the Gambling Commission has stated: “The requirement in relation to children is explicitly to protect them from being harmed or exploited by gambling”.

In exercising its functions under the Act, section.153 states that the licensing authority shall aim to permit the use of premises for gambling in so far as it thinks it is:

- a. in accordance with any relevant code of practice under s.24
- b. in accordance with any relevant guidance issued by the Commission under s.25
- c. reasonably consistent with the licensing objectives (subject to a and b above)
- d. in accordance with the licensing authority’s statement of licensing policy (policy statement) (subject to a to c above)

## 1.5 Responsible Authorities

These are generally public bodies that must be notified of all applications and who are entitled to make representations to the Council if they are relevant to the licensing objectives.

The Responsible bodies under the Gambling Act 2005 are:-

- The Gambling Commission
- Leicestershire Police
- Leicestershire Fire and Rescue Service
- Melton Borough Council Development Control
- Melton Borough Council Environmental Health
- Leicestershire & Rutland safeguarding Partnerships
- HM Revenue and Customs
- Melton Borough Council Licensing Committee

Any concerns expressed by a responsible authority in relation to their own functions cannot be taken into account unless they are relevant to the application itself and the licensing objectives. In this regard the Council will not generally take into account representations which are deemed to be irrelevant, i.e.:

- there are too many gambling premises in the locality
- the premises are likely to be a fire risk
- that the premises is likely to lead to traffic congestion
- the premises will cause crowds to congregate in one area causing noise and nuisance

Each representation will, however, be considered on its own individual merits.

## 1.6 Interested Parties

An interested party is someone who, in the licensing authority's opinion:

- lives sufficiently close to the premises to be likely to be affected by the authorised activities, or
- has business interests that might be affected by the authorised activities, or
- represents persons in either of the two groups above

In determining whether someone lives sufficiently close to a particular premise so as to be affected the Council will take into account, among other things:

- the size of the premises
- the nature of the premises
- the distance of the premises from the person making the representation
- the circumstances of the complainant
- the potential impact of the premises

In determining whether a person has a business interest, which could be affected, the Council will consider among other things:

- the size of the premises
- the catchment area of the premises, and
- whether the person making the representation has business interests in the catchment area that might be affected

If an existing gambling business makes a representation that it is going to be affected by another gambling business starting up in the area, the Council would not consider this, in the absence of other evidence, as a relevant representation, as it does not relate to the licensing objectives and instead relates to demand or competition.

The Council may, in certain circumstances, consider a representation to be either frivolous or vexatious. This will generally be a matter of fact given the circumstances of each individual case but, before coming to a decision the Council will normally consider:

- who is making the representation and whether there is a history of making representations that are not relevant,
- whether it raises a 'relevant' issue or not, or
- whether it raises issues specifically to do with the premises which are the subject of the application

## **1.7 Public Health and Gambling in Melton**

It is estimated that around 54% of the general population take part in gambling at least once in a year (when not including the national lottery, this figure drops to 40%). Problem gambling (gambling to a degree that compromises, disrupts or damages family, personal or recreational pursuits) is estimated to be experienced by 0.4% of the population; At-risk gambling (gambling that leads to less severe negative consequences) by 3.8%; and around 7% are negatively affected by someone else's gambling ('affected others'). If these estimates were accurate for Melton's 52,000 population (1), this would suggest there to be around 208 experiencing problem gambling, 1,976 experiencing at-risk gambling, and 3,640 affected others. Problem gambling is associated with worsened mental health, alcohol and substance use and higher risk of suicide; people aged 20-49 who experience problem gambling are 19 times more likely than average to die by suicide.

### **Treatment and support services:**

There are three services providing treatment for gambling harms in Leicestershire the NHS East Midlands Gambling Service (which launched in July 2023), which is based in Derby and accepts referrals from across the East Midlands; Gamblers Anonymous, which is a national organisation, with a local branch that holds meetings in Leicester; and GamCare East Midlands, which delivers structured treatment online.

## 1.8 Exchange of Information

Licensing authorities are required to include in their policy statements the principles to be applied by the authority in exercising the functions under sections 29 and 30 of the Act with respect to the exchange of information between it and the Gambling Commission, and the functions under section 350 of the Act with respect to the exchange of information between it and the other persons listed in Schedule 6 to the Act.

The principle that this licensing authority applies is that it will act in accordance with the provisions of the Gambling Act 2005 in its exchange of information which includes the provision that the Data Protection Act 2018 and the General Data Protection Regulations (GDPR) 2018 will not be contravened. The licensing authority will also have regard to any guidance issued by the Gambling Commission on this matter, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005.

Should any protocols be established as regards information exchange with other bodies then they will be made available.

## 1.9 Enforcement

In general, the Gambling Commission will take the lead role on the investigation and, where appropriate, the prosecution of illegal gambling.

The overall aim is to permit the use of premises for gambling. With that in mind it is intended that action will generally be taken against 'problem' premises through the review process.

The main enforcement and compliance role for the Council in terms of the Act will be to ensure compliance with licences and permits issued by this Licensing Authority and any conditions attached to them, including compliance with relevant codes of practice, dealing with temporary permissions and registration of small lotteries.

The Council will act in accordance with the following principles:

- Proportionate: regulators should only intervene when necessary: remedies should be appropriate to the risk posed, and costs identified and minimised;
- Accountable: regulators must be able to justify decisions, and be subject to public scrutiny;
- Consistent: rules and standards must be joined up and implemented fairly;
- Transparent: regulators should be open, and keep regulations simple and user friendly; and
- Targeted: regulation should be focused on the problem and minimise side effects.

All licensing enforcement under the Gambling Act will be conducted in accordance with the Regulators Code. This code replaces the Enforcement Concordat.



However, this Council signed up to the Concordat and still believes in the principles it contains.

## **1.10 Planning**

When determining an application, the licensing authority cannot take into account “irrelevant matters”, such as the likelihood of the applicant obtaining planning permission or building control approval. An applicant can apply for a “provisional statement” if the building is not complete or if he does not yet have a right to occupy it. Such an application is, however, a separate and distinct process to the granting of planning permission or building control approval.

## **1.11 The Licensing Authority Functions**

Licensing authorities are required under the Act to:

- issue a statement of licensing policy (policy statement) setting expectations about how gambling will be regulated in the area
- Be responsible for the licensing of premises where gambling activities are to take place by issuing Premises Licences
- Issue Provisional Statements
- Regulate members’ clubs and miners’ welfare institutes who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits
- Issue Club Machine Permits to Commercial Clubs
- Grant permits for the use of certain lower stake gaming machines at unlicensed Family Entertainment Centres
- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) for the use of two or fewer gaming machines
- Grant Licensed Premises Gaming Machine Permits for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where more than two machines are required
- Register small society lotteries below prescribed thresholds
- Issue Prize Gaming Permits
- Receive and Endorse Temporary Use Notices
- Receive Occasional Use Notices
- Provide information to the Gambling Commission regarding details of licences issued (see section above on ‘information exchange’)
- Maintain registers of the permits and licences that are issued under these functions

Remote gambling, Operator Licences and Personal Licences are dealt with by the Gambling Commission.

The National Lottery is regulated by the Gambling Commission.

Spread betting is regulated by The Financial Services Authority.

## 1.12 Consultation

In developing this Statement, the licensing authority has consulted with the groups set out below and has taken account of their views:

- Leicestershire Constabulary
- Representatives of the holders of the various licences for premises within the Borough who will be affected by this policy
- Persons/bodies representing the interests of persons likely to be affected by this policy.

A full list is shown at Appendix B.

## Part 2 – Premises Licences

### 2.1 General Principles

Premises Licences are subject to the requirements set out in section 153 of the Gambling Act 2005 and Regulations, as well as the specific mandatory and default conditions which are detailed in the Regulations issued by Secretary of State. Licensing authorities are able to exclude default conditions and attach others, where it is deemed to be appropriate.

The mandatory and default conditions are designed to be sufficient to ensure operation that is reasonably consistent with the licensing objectives.

The licensing authority will only impose additional conditions where there is clear evidence of risk to the licensing objectives which are not adequately addressed by the applicants risk assessment.

This licensing authority in exercising its functions under Part 8 of the Act, shall aim to permit the use of premises for gambling in so far as it thinks it is:

- In accordance with the Licence Conditions and Codes of Practice (LCCP) and any other codes of practice issued.
- In accordance with any relevant guidance issued by the Gambling Commission
- Reasonably consistent with the Licensing Objectives; and
- In accordance with this authority's statement of licensing policy.

A premises licence will only be issued if this authority is satisfied that the premises are going to be used for gambling in the reasonably near future. Therefore, if the construction of the premises is not yet complete, or if they need alteration, or if the occupant does not yet have the right to occupy them, then a provisional statement should be made instead.

In deciding whether a premises licence can be granted where there are outstanding construction or alteration works at a premises, this authority will determine applications on their merit, applying a two stage consideration process:

- Whether the premises ought to be permitted to be used for gambling.
- Whether appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place.

When considering applications for premises licences the Council will not take into consideration either the expected 'demand' for facilities or the likelihood of planning permission being granted.

The Council will maintain a register of premises licences issued and will ensure that the register is open for public inspection at all reasonable times.

## 2.2 Definition of Premises

In the Act, "premises" is defined as including "any place". Section 152 therefore prevents more than one premises licence applying to any place. But a single building could be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. This approach has been taken to allow large, multiple unit premises such as a pleasure park, pier, track or shopping mall to obtain discrete premises licences, where appropriate safeguards are in place. However, licensing authorities should pay particular attention if there are issues about sub-divisions of a single building or plot and should ensure that mandatory conditions relating to access between premises are observed.

The Gambling Commission states in its Guidance to Licensing Authorities that: "In most cases the expectation is that a single building / plot will be the subject of an application for a licence, for example, 32 High Street. But that does not mean 32 High Street cannot be the subject of separate premises licences for the basement and ground floor, if they are configured acceptably. Whether different parts of a building can properly be regarded as being separate premises will depend on the circumstances. The location of the premises will clearly be an important consideration and the suitability of the division is likely to be a matter for discussion between the operator and the licensing officer. However, the Commission does not consider that areas of a building that are artificially or temporarily separated, for example by ropes or moveable partitions, can properly be regarded as different premises."

This licensing authority takes particular note of the Gambling Commission's Guidance to Licensing Authorities which states that licensing authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular they should be aware of the following:

- The third licensing objective seeks to protect children from being harmed by gambling. In practice that means not only preventing them from taking part in gambling, but also preventing them from being in close proximity to gambling. Therefore, premises should be configured so that children are not invited to participate in, have accidental access to or closely observe gambling where they are prohibited from participating.
- Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised, and people do not "drift" into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit.
- Customers should be able to participate in the activity names on the premises licence.

The Guidance also gives a list of factors which the licensing authority should be aware of, which may include:

- Do the premises have a separate registration for business rates
- Is the premises' neighbouring premises owned by the same person or someone else?
- Can each of the premises be accessed from the street or a public passageway?
- Can the premises only be accessed from any other gambling premises?

This authority will consider these and other relevant factors in making its decision, depending on all the circumstances of the case.

### **2.3 Local Risk Assessments**

The Gambling Commissions LCCP, formalise the need for operators to consider local risks.

This requires all licensees that provide gambling facilities at their premises, to assess the risks to the licensing objectives and have policies, procedures and control measures to reduce those risks. Licensees must take into account any relevant matters identified in the licensing authorities' statement of principles when making their risk assessments.

A local risk assessment should be undertaken by a licensee, when applying for

- A new premises licence
- When applying for a variation of an existing premises licence
- To take into account any local significant changes in the local area, including those identified in this policy statement.
- When there are significant changes within their premises that may affect their mitigation of local risks.

The Commissions, Social Responsibility Code Provision, (SRCP) requires licensees of gambling premises to share their risk assessments with Licensing Authorities when applying for a new premises licence or seeking a variation to an existing premises licence. If concerns exist at a premise, the Licensing Authority may ask the licensee to share a copy of their own risk assessment setting out the measures that a licensee has in place to deal with specific concerns.

The Licensing Authority should have an expectation that all local risk assessments will take into account the local profile of the area and should help reduce the occasions on which additional conditions are required on a premises licence or a review of a premises licence is required.

### **2.4 Local Area Profile**

The following area profile has been included to facilitate operators being able to better understand the environment within the Borough and therefore proactively mitigate risks to the licensing objectives.

At the time of publication the Borough of Melton has a total of four gambling premises licences. Premises licensed under the Gambling Act 2005 within the Borough may be accessed by adults (over 18's) with the exception of the Family Entertainment Centre.

The breakdown of those licences by location and type are given below:

### **Electoral Ward**

Egerton Ward	1 x Adult Gaming Centre
Craven Ward	2 x Betting Premises
Waltham on The Wolds Ward	1x Unlicensed Family Entertainment Centre

### **Betting Premises**

There are currently two betting premises within the borough. No complaints have been received about any individual betting premises since 2007 when the Council became the Licensing Authority. Betting premises may only be entered by persons over the age of 18. Officers will continue to monitor premises through compliance visits.

### **Adult Gaming Centre (AGC)**

There is one AGC in Melton town centre. The premises are able to make category B, C and D gaming machines available for use. Only persons over the age of 18 can enter the premises and play the machines.

### **Casino**

There are no licensed casinos in the borough.

### **Tracks**

There are no licensed track betting premises in the Borough although there is one racecourse which operates under Occasional Use Notices.

### **Unlicensed Family Entertainment Centre (UFEC)**

Unlicensed family entertainment centres are wholly or mainly used for making category D gaming machines available. These machines are typically found in amusement arcades and at fairgrounds and can be played by under 18's.

There is one Unlicensed family entertainment centre at Twinlakes.

### **Bingo Hall**

There are no licensed bingo halls in the borough.

## 2.5 Bingo

Operators of premises offering Bingo (cash or prize) require a bingo operating licence from the Gambling Commission, and a premises licence from the licensing authority.

The holder of a bingo licence may, in addition to bingo in all its forms, make available for use on the premises a number of Category B gaming machines not exceeding 20 percent of the total number of gaming machines which are available for use on the premises and any number of category C & D machines.

For bingo and FEC premises, it is a mandatory condition that under-18s should not have access to areas where category B and C gaming machines are located and this is achieved through default conditions that require the area to be:

separated from the rest of the premises by a physical barrier which is effective to prevent access other than by an entrance designed for that purpose

supervised at all times to ensure that under-18s do not enter the area, and supervised by either:

one or more persons whose responsibilities include ensuring that under- 18s do not enter the areas

CCTV monitored by one or more persons whose responsibilities include ensuring that under-18s do not enter the areas

arranged in a way that ensures that all parts of the area can be observed.

A notice must be displayed in a prominent place at the entrance to the area stating that no person under the age of 18 is permitted to enter the area.

## 2.6 Tracks

Section 353 of the Act defines a track as a horse racecourse, greyhound track or other premises on any part of which a race or other sporting event takes place or is intended to take place.

The Act does not give a list of premises that are officially recognised as 'tracks' but there are a number of venues where sporting events do or could take place, and accordingly could accommodate the provision of betting facilities. Examples of tracks include:

- a horse racecourse (referred to in this guidance as 'racecourses')
- a greyhound track
- a point-to-point horserace meeting
- football, cricket and rugby grounds
- an athletics stadium
- a golf course

- venues hosting darts, bowls, or snooker tournaments
- a premises staging boxing matches
- a section of river hosting a fishing competition
- a motor racing event.

This list is not exhaustive as, in theory, betting could take place at any venue where a sporting or competitive event is occurring. While many of these venues are not commonly understood to be 'tracks', they fall within the definition of 'track' in the Act.

Section 151 of the Act requires applicants for premises licences to submit plans of the premises with their application. This ensures that licensing authorities have the necessary information to make an informed judgement about whether the premises are fit for gambling. The plan also informs future premises inspection activity.

Plans for tracks need not be in a particular scale but should be drawn to scale and should be sufficiently detailed to include the information required by regulations.

Plans should make clear what is being sought for authorisation under the track betting premises licence and what, if any, other areas are to be subject to a separate application for a different type of premises licence. This is important for ensuring that the right licence conditions are applied

By virtue of section 179 of the Act, a track premises licence may only authorise the acceptance of bets by way of pool betting on horseracing or dog racing, and if the bets are accepted by the holder of the track premises licence or in accordance with arrangements made by him. Additionally, pool betting on a licensed greyhound track will only be permitted while the public are admitted to the track for the purpose of attending greyhound races, and no other sporting events are taking place. A mandatory condition is attached to the premises licence to this effect (SI 2007/1409: Gambling Act 2005 (Mandatory and Default Conditions) (England and Wales) Regulations 2007, Schedule 6(3)(1)).

## **2.7 Betting Premises**

The Act contains a single class of licence for betting premises although within this, there are different types of premises which require licensing.

The Act also permits betting intermediaries to operate from premises. section 13 of the Act defines a betting intermediary as a person who provides a service designed to facilitate the making or acceptance of bets between others.

Although betting intermediaries usually offer their services via remote communication, such as the internet, a betting intermediary can apply for a betting premises licence to offer intermediary services upon the premises, such as a premises based trading room.

The holder of a betting premises licence may make available for use 4 gaming machines of category B (B2, B3, B4), C or D.



The licensing authority may, in accordance with section 181 of the Act, restrict the number of betting machines, their nature, and the circumstances in which those machines are made available for use. When considering whether to impose such a condition, the licensing authority will take into account the following:

- The size of the premises
- The number of counter positions available for person to person transactions; and
- The ability of staff to monitor the use of machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable persons.

## **2.8 Adult Gaming Centres**

Persons operating an adult gaming centre (AGC) must hold a gaming machines general operating licence (adult gaming centre) from the Commission and a premises licence from the relevant licensing authority. They are able to make category B, C and D gaming machines available.

No-one under the age of 18 is permitted to enter an AGC. This Authority will have particular regard to the location of and entry to AGCs to minimise the opportunities for children to gain access. This may be of particular importance in areas where young people may be unsupervised and an AGC is in a complex, such as a shopping centre.

In considering licence applications for adult gaming centres, weight will be given to the need to protect children and vulnerable persons from harm or being exploited by gambling. The licensing authority will therefore expect applicants to demonstrate that there will be sufficient measures in place to promote this objective.

Applicants will be encouraged to consider the following steps:

- Proof of age schemes
- CCTV
- Supervision of entrances/machine areas
- Location of and entry to premises
- Notices/signage
- Staff training
- Opening hours
- Self-exclusion schemes
- Provision of information leaflets and helpline telephone numbers for organisations such as GamCare.

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

## **2.9 Family Entertainment Centres**

The Act creates two classes of family entertainment centre (FEC). Licensed FECs, which provide category C and D machines and require a premises licence.

Unlicensed FECs provide category D machines only and are regulated through FEC gaming machine permits.

Children and young persons will be permitted to enter an FEC and may play on the category D machines. They will not be permitted to play on category C machines, and it will be a requirement that there must be clear segregation between the two types of machine, so that children do not have access to category C machines.

As Family Entertainment Centres particularly appeal to children and young persons and cater for families, including unaccompanied children and young persons. weight shall be given to child protection issues. Where category C machines are made available this authority will normally require that:

- Only adults are admitted to the area where these machines are located.
- Access to the area where Cat C machines are located is supervised and that the machines are located in an area that can be observed by staff.
- At the entrance to, and inside any such area, there are prominently displayed notices indicating that access to this area is prohibited by persons under 18.
- Staff challenge children and young persons who attempt to use Cat C machines.

## **2.10 Casinos**

There are currently no casinos operating within the Borough.

There is no resolution to prohibit casinos in the Borough at present. However, the Council reserves the right to review this situation and may, at some time in the future, resolve not to permit casinos.

Should the licensing authority choose to make such a resolution, this will be a resolution of Full Council following considered debate, and the reasons for making the resolution will be given. There is no right of appeal against this resolution.

## **2.11 Travelling Fairs**

This licensing authority is responsible for deciding whether, where category D machines and / or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.

The licensing authority will also consider whether the applicant falls within the statutory definition of a travelling fair.

It is noted that the 27-day statutory maximum for the land being used as a fair applies on a per calendar year basis, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land.

This licensing authority will work with its neighbouring authorities to ensure that land which crosses our boundaries is monitored so that the statutory limits are not exceeded.

## **2.12 Provisional Statements**

Applicants for premises licences must fulfil certain criteria. They must hold or have applied for an operating licence from the Gambling Commission (except in the case of a track) and they must have the right to occupy the premises in respect of which their premises licence is made. These restrictions do not apply in the case of a provisional statement.

The application for a provisional statement must be accompanied by plans and the fee. Responsible Authorities and Interested parties may make representations.

Once the premises are constructed, altered or acquired the holder of a provisional statement can return to this licensing authority and submit an application for the necessary premises licence.

In terms of representations about premises licence applications, following the grant of a provisional statement, no further representations from relevant authorities or interested parties can be taken into account unless they concern matters which could not have been addressed at the provisional statement stage, or they reflect a change in the applicant's circumstances. In addition, the authority may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:

- which could not have been raised by objectors at the provisional licence stage; or
- which is in the authority's opinion reflect a change in the operator's circumstances.
- where the premises has not been constructed in accordance with the plan and information submitted with the provisional statement application. This must be a substantial change to the plan and licensing authorities should discuss any concerns they have with the applicant before making a decision.

## **2.13 Reviews**

In determining what action, if any, should be taken following a review, this licensing authority must have regard to the principles set out in section 153 of the Act, as well as any relevant representations.

Requests for a review of a premises licence can be made by interested parties or responsible authorities; however, it is for the licensing authority to decide whether the review is to be carried out. A licensing authority may reject a review application if they feel the ground on which the review is sought is not:

- Relevant
- Are frivolous or vexatious
- ‘Will certainly not’ cause the licensing authority to revoke or suspend a licence, or to remove, amend or attach conditions on the premises licence;
- Are substantially the same as the grounds cited in a previous application relating to the same premises
- Are substantially the same as representations made at the time the application for a premises licence was first considered.

This licensing authority can initiate a review of a particular premise, or a particular class of premise licence, on the basis of any reason which it thinks is appropriate

## **Part 3 – Permits, Temporary and Occasional Use Notices**

### **3.1 Unlicensed Family Entertainment Centre Gaming Permits**

Family entertainment centres (FECs) will cater for families, including unaccompanied children and young persons. Unlicensed FECs will be able to offer only category D machines in reliance on a gaming machine permit.

Any number of category D machines can be made available with such a permit (subject to other considerations, such as fire regulations and health and safety, which will not be issues for the Authority under the Gambling Act). Permits cannot be issued to vessels or vehicles

With regard to applications for Family Entertainment Centre Gaming Permits this licensing authority will ensure that applicant will demonstrate:

- a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed Family Entertainment Centres
- that the applicant has no relevant convictions
- that staff are trained to have a full understanding of the maximum stakes and prizes.

### **3.2 (Alcohol) Licensed Premises Gaming Machine Permits**

There is provision within the act for an automatic entitlement to alcohol licence holders to make available two gaming machines (of category C or D) for use in alcohol-licensed premises. To take advantage of this entitlement, the person who holds the on-premises alcohol licence must give notice to the licensing authority of their intention to make gaming machines available for use, and must pay the prescribed fee (as set by regulations)

If the person ceases to be the holder of the relevant alcohol licence for the premises, the automatic entitlement to the two gaming machines also ceases. Whoever applies for the new premises alcohol licence would also need to apply under section 282(2).

A renewal of the automatic entitlement is required only where there is a change in the alcohol licence premises holder (either due to a transfer of licence or application for new licence), not for a change in designated premises supervisor/designated premises manager alone.

As there is no requirement to stipulate whether the alcohol licensed premises intends to site category C or D or one of each category, a re-notification should not be required for a change in the mix of gaming machines made available provided it remains within the automatic entitlement to two machines of either category C or D. For more than two machines a permit must be applied for. In considering such an application this licensing authority will have regard to the licensing objective of protecting children and vulnerable people from harm or being exploited by gambling. With this in mind this authority will satisfy itself that there are sufficient measures in place to ensure that under 18 year olds do not have access to the adult only machines. These measures are:

- Adult only gaming machines must be in sight of the bar.
- Staff will monitor that these machines are not being used by under 18s
- Notices and signage may be appropriate in certain circumstances.
- As regards the protection of vulnerable persons applicants may wish to consider the provision of information leaflets / helpline numbers for organisations such as GamCare.

It should be noted that the holder of such a permit is also required to have regard to the Code of Practice issued by the Gambling Commission.

### **3.3 Prize Gaming Permits**

Gaming is defined as prize gaming if the nature and size of the prize is not determined by the number of people playing or the amount paid for or raised by the gaming. The prizes will be determined by the operator before play commences.

A prize gaming permit is a permit issued by the Authority to authorise the provision of facilities for gaming with prizes on specified premises.

An application for a permit can only be made by a person who occupies or plans to occupy the relevant premises and if the applicant is an individual, he must be aged 18 or over. An application for a permit cannot be made if a premises licence or club gaming permit is in effect for the same premises. The application must be made to the Authority in whose area the premises are wholly or partly situated.

### **3.4 Club Gaming Permits**

The Authority may grant members clubs and miners welfare institutes (but not commercial clubs) club gaming permits which authorise the establishments to provide gaming machines, equal chance gaming and games of chance as prescribed in regulations.

Members Clubs must have at least 25 members and be established and conducted 'wholly or mainly' for purposes other than gaming, unless that gaming is permitted by separate regulations. (Bridge and whist clubs) This licensing authority will have regard to the Gambling Commission Guidance and any objections by the police when considering applications.

The Authority only refuses an application on the grounds that:

- the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied
- the applicant's premises are used wholly or mainly by children and/or young persons
- an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities
- an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities
- an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities.

### **3.5 Club Machine Permits**

If a members' club or a miners' welfare institute does not wish to have the full range of facilities permitted by a club gaming permit, they may apply to the licensing authority for a club machine permit under section 273 of the Act. This authorises the holder to have up to three gaming machines of categories B3A, B4, C and D.

Commercial clubs are not permitted to provide non-machine gaming other than exempt gaming under section 269 of the Act, so they should apply for a club machine permit (although such a permit does not allow the siting of category B3A gaming machines).

In England and Wales, premises which operate membership-based social clubs (often work premises) are able to apply for a club machine permit. Before granting the permit, the licensing authority will need to satisfy itself that the premises meet the requirements of a members' club and may grant the permit if the majority of members are over 18 years of age. The permit will allow up to three machines of category B3A, B4, C or D. If under-18s use the club, for example there are apprentices, they may play the category D, but not the B4 or C, machines.

### **3.6 Temporary Use Notices**

Temporary Use Notices (TUN) allow the use of premises for gambling where there is no premises licence but where a person or a company holding a relevant operator's licence wishes to use the premises temporarily for providing facilities for gambling. Premises which may be suitable include hotels, conference centres, sporting venues etc.

- it can only be used to offer gambling of a form authorised by the operator's operating licence, and consideration should therefore be given as to whether the form of gambling being offered on the premises will be remote, non-remote, or both
- gambling under a TUN may only be made available on a maximum of 21 days in any 12 month period for any or all of a named set of premises
- it can only be used to permit the provision of facilities for equal chance gaming, and where the gaming in each tournament is intended to produce a single overall winner
- gaming machines may not be made available under a TUN.

The licensing authority expects to object to notices where it appears that their effect would permit regular gambling in a place that could be described as one set of premises, as recommended in the Gambling Commission's guidance to Licensing Authorities.

### **3.7 Occasional Use Notices**

The licensing authority has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. (Day is defined as midnight to midnight) This licensing authority will, however, consider the definition of a 'track' and whether the applicant is permitted to avail themselves of such a notice.

### **3.8 Lotteries**

In carrying out its functions in relation to Lotteries the authority will have regard to the Act, the guidance issued by the Gambling Commission from time to time and any Regulations issued by the Secretary of State.

## Part 4 – Complaints against Licensed Premises

The Council will investigate complaints against licensed premises in relation to matters relating to the licensing objectives for which it has responsibility. In the first instance, complainants are encouraged to raise the complaint directly with the licence holder or business concerned to seek a local resolution.

Where an interested party has made either a valid representation about licensed premises or a valid application for a licence to be reviewed, the Authority may initially arrange a conciliation meeting to address and clarify the issues of concern.

This process will not override the right of any interested party to ask that the licensing committee consider their valid objections or for any licence holder to decline to participate in a conciliation meeting. Due consideration will be given to all relevant representations.

### FURTHER INFORMATION

Further information about the Gambling Act 2005, this Statement of Gambling Principles or the application process can be obtained from:-

#### **Licensing**

Melton Borough Council  
Parkside,  
Station Approach  
Burton Street  
Melton Mowbray  
Leics. LE13 1GH  
Tel: 01664 502502  
E-mail [Licensing@melton.gov.uk](mailto:Licensing@melton.gov.uk)

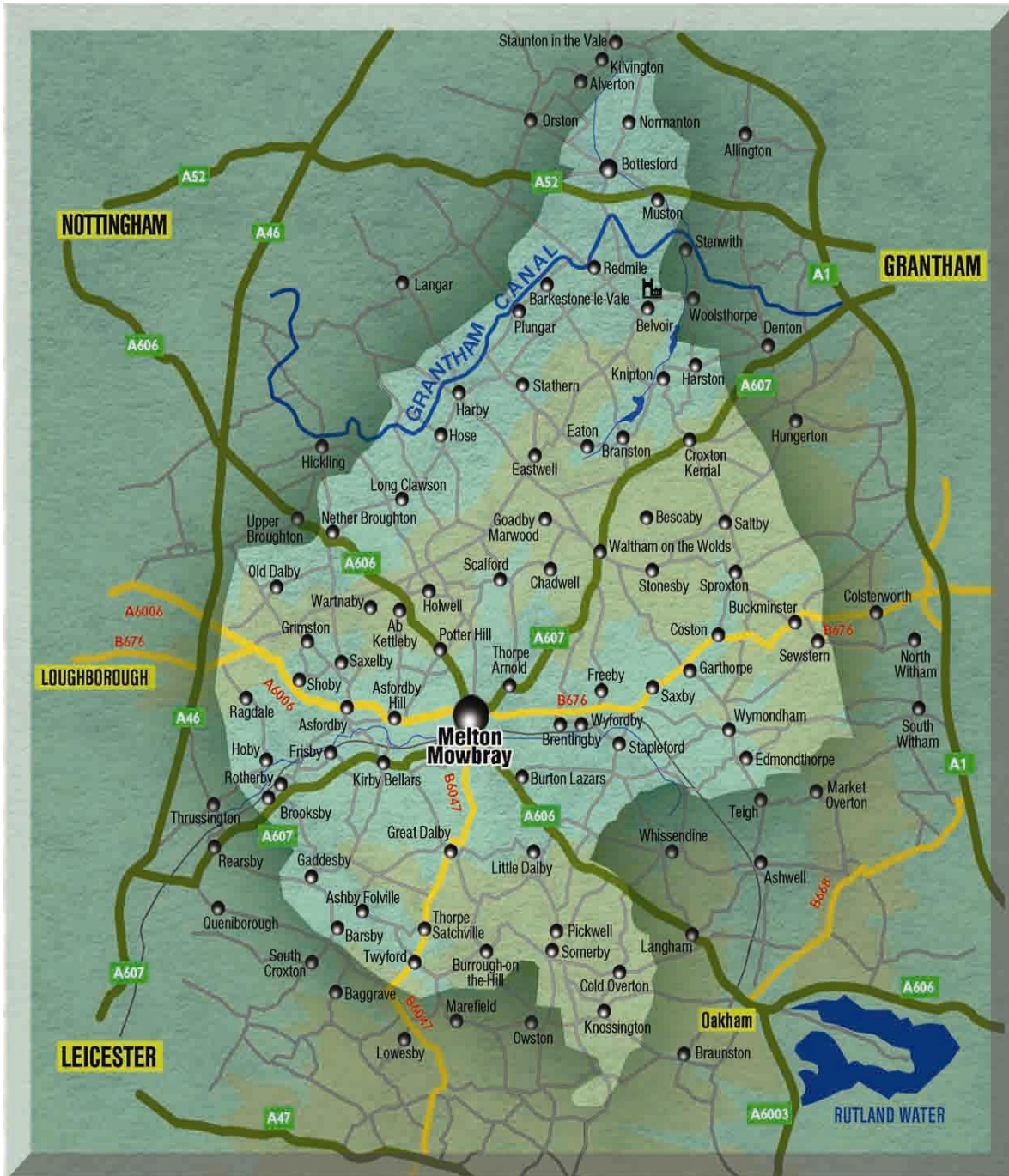
Information is also available from:-

#### **Gambling Commission**

4<sup>th</sup> Floor  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BP  
Tel: 0121 230 6666  
Fax: 0121 230 6720  
Email: [info@gamblingcommission.gov.uk](mailto:info@gamblingcommission.gov.uk)  
<http://www.gamblingcommission.gov.uk/>



# Map of the Borough



## Consultees

The Authority has consulted the following on the content of this Statement of Principles: -

- National Association of British Bookmakers
- British Amusement Catering Trade Association
- Bingo Association
- British Horse Racing Authority
- Greyhound Board of Great Britain
- Club & Institute Union
- GamCare
- Gamblers Anonymous
- Age UK
- Federation of Licensed Victuallers Associations
- The Lotteries Council
- Gamble Aware
- East Midlands Chamber
- Public health Directorate
- Responsible Authorities as defined in the Gambling Act 2005
- Holders of existing licences, permits and registrations who will be affected by the provisions of the Act.
- Adjoining local authorities.