



**CABINET**

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To: Councillors Barkley (Deputy Leader), Bokor, Harper-Davies, Mercer, Morgan (Leader), Poland, Rollings, Smidowicz, Taylor and Vardy (for attention)

All other members of the Council  
(for information)

You are requested to attend the meeting of the Cabinet to be held in The Preston Room, Woodgate Chambers, Woodgate, Loughborough on Thursday, 13th September 2018 at 6.00 pm for the following business.

Chief Executive

Southfields  
Loughborough

31st August 2018

**AGENDA**

1. APOLOGIES
2. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS
3. LEADER'S ANNOUNCEMENTS
4. MINUTES OF PREVIOUS MEETING

5 - 9

To approve the minutes of the previous meeting.

5. QUESTIONS UNDER CABINET PROCEDURE 10.7

The deadline for questions is noon on Wednesday, 5th September 2018.

6. PURCHASE OF STORE MATERIALS FOR HOUSING REPAIRS THROUGH A FRAMEWORK CONTRACT 10 - 13

A report of the Head of Landlord Services to consider procuring a supplier through a framework for the supply of store materials for the Council's directly employed repairs service for three years with the option to extend for a further one year.

*Key Decision*

7. ENVIRONMENTAL SERVICES CONTRACT - OPTIONS FOR THE DELIVERY FROM JUNE 2020 14 - 77

A report of the Strategic Director of Neighbourhoods and Community Wellbeing to consider two aspects of the Environmental Services contract: the options available to the Council for future delivery from June 2020 and the options around the ownership of the fleet required for the provision of this contract.

This report includes exempt appendices, circulated to members. If it is necessary for reference to be made to information contained within those appendices, members of the public will be excluded for that part of the meeting on the grounds that it will involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

*Notification was given on 15th August 2018 that the public could potentially be excluded during this item since exempt or confidential information could be considered. No representations regarding considering this item in exempt session have been received.*

*Key Decision*

8. CHARNWOOD GRANTS - ROUND TWO 2018/19 - COMMUNITY FACILITIES AND COMMUNITY DEVELOPMENT AND ENGAGEMENT GRANT APPLICATIONS 78 - 103

A report of the Head of Neighbourhood Services to consider applications received for funding in round two of the Community Facilities and Community Development and Engagement Grants schemes for 2018/19.

*Key Decision*

9. ADDITIONS TO ANNUAL PROCUREMENT PLAN 2018/19 104 - 108

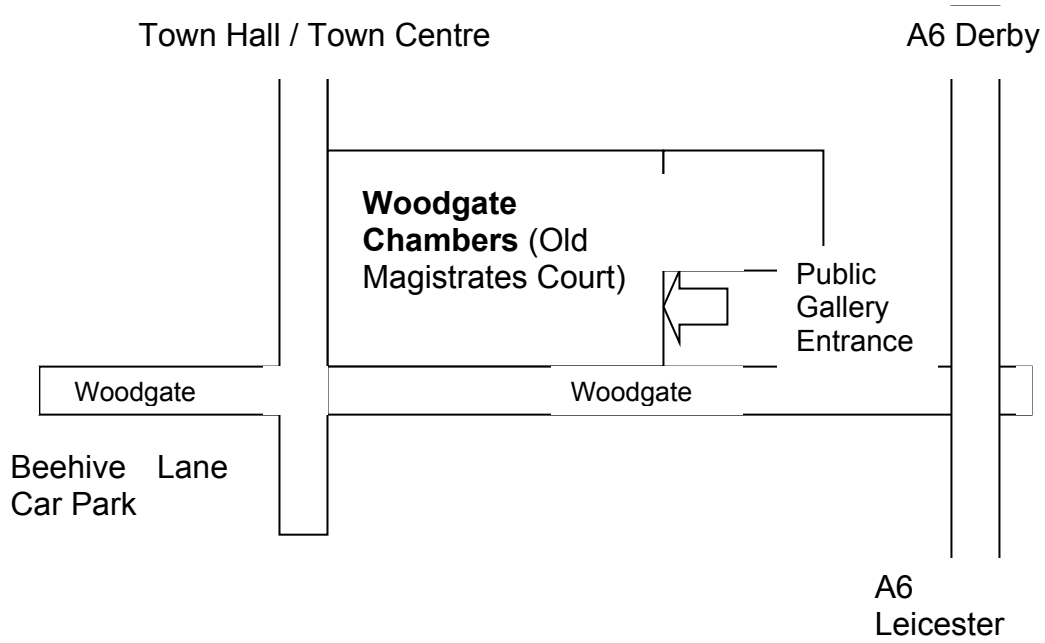
A report of the Head of Finance and Property Services to consider additions to the Council's Annual Procurement Plan 2018/19.

*Key Decision*

10. CAPITAL PLAN AMENDMENT REPORT 109 - 116
- A report of the Head of Finance and Property Services to consider and approve changes to the 2018/19 - 2020/21 Capital Plan and its financing.
- Key Decision*
11. PROSPECTIVE PILOT SCHEME PARTICIPATION - 75% BUSINESS RATES RETENTION
- A report of the Strategic Director of Corporate Services to consider the Council's participation in a pilot scheme in which a substantial element of government funding would be received by retaining 75% of business rates collected (to follow).
- Key Decision*
12. THRUSSINGTON NEIGHBOURHOOD PLAN 117 - 173
- A report of the Head of Planning and Regeneration to consider "making" the Thrussington Neighbourhood Plan as part of the statutory development plan for the Neighbourhood Area.
13. UPDATED TREASURY MANAGEMENT PRACTICES 174 - 215
- A report of the Head of Finance and Property Services to consider revised Treasury Management practices.
14. DRAFT MEDIUM TERM FINANCIAL STRATEGY 2019 - 2022 216 - 244
- A report of the Strategic Director of Corporate Services to consider a draft Medium Term Financial Strategy 2019-2022, for the purposes of consultation.

## WHERE TO FIND WOODGATE CHAMBERS AND PUBLIC ACCESS

Woodgate Chambers  
70 Woodgate  
Loughborough  
Leics  
LE11 2TZ



## CABINET 16TH AUGUST 2018

PRESENT: The Deputy Leader (Councillor Barkley)  
Councillors Bokor, Harper-Davies, Mercer,  
Poland, Rollings, Smidowicz, Taylor and Vardy

Councillor Capleton  
Councillor Jukes  
Councillor Snartt

Chief Executive  
Strategic Director of Corporate Services  
Head of Strategic Support  
Head of Cleansing and Open Spaces  
Democratic Services Officer (LS)

APOLOGIES: Councillor Morgan

The Deputy Leader stated that this meeting would be recorded and the sound recording subsequently made available via the Council's website. He also advised that, under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, other people may film, record, tweet or blog from this meeting, and the use of any such images or sound recordings was not under the Council's control.

### 18. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

Councillors Barkley, Poland and Taylor declared personal interests in Item 7 on the agenda (Model of Local Government in Leicestershire), as Leicestershire County Councillors.

### 19. LEADER'S ANNOUNCEMENTS

No announcements were made.

### 20. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 5th July 2018 were confirmed as a correct record and signed.

### 21. QUESTIONS UNDER CABINET PROCEDURE 10.7

- (i) Councillor Snartt – Cabinet 16th August 2018 Item 7 Model of Local Government in Leicestershire

Although the Policy Justification and Previous Decisions stated in Part A of the Cabinet Report 16th August 2018 does in some ways meet the objectives of the Corporate Plan, I believe that the recommendation in Part A of the Model of

Local Government in Leicestershire falls short of the Council's commitment to our residents. Customer First, we put the customer at the heart of everything we do. I ask Cabinet to consider widening the recommendation to put the residents of Charnwood at the forefront of any changes to the structure of Local Government in Leicestershire.

In light of our commitment through the Corporate Plan, would Cabinet agree to amend the recommendation? That the Council adopts a collaborative approach with other Local Authorities in Leicestershire to examine what may be the best way of delivering local services for the residents of the Borough of Charnwood, the County and in the wider context of the East Midlands region.

The following response had been published prior to the meeting:

*Councillor Snartt is absolutely correct that this Council puts the customer at the heart of everything we do. The recommendation in item 7 was drafted to reflect exactly what had been agreed by District Council Leaders across Leicestershire in their joint statement issued on 27th July.*

*Cabinet will take Councillor Snartt's observations into account when considering this matter later on the agenda.*

In making a statement, Councillor Snartt thanked the Deputy Leader for the reply and reiterated the importance both of putting residents of Charnwood at the forefront of any outcomes that were decided and understanding fully how proposed structures would affect our communities. Accordingly, he hoped that the Cabinet would amend the recommendation made in Item 7 to refer to residents of the Borough of Charnwood. Councillor Snartt referred also to the importance of keeping councillors informed of progress on the matter, preferably via regular updates, and of making sure that residents saw genuine improvement and benefits to services and financial gains if changes to structures were made.

In response, the Deputy Leader confirmed that Councillor Snartt's suggestion would be considered under Item 7 on the agenda.

(ii) Councillor Jukes – HMO Licensing

I look forward to the presentation of the research results by Professor Smith and Andreas Colura on the 20th of August.

Will the Leader/Deputy Leader confirm that, working with the appropriate Lead Member, he will investigate the possibilities of licensing across Charnwood Borough?

The following response had been published prior to the meeting:

*We are all very much looking forward to Professor Smith's presentation on his findings, following three years of study which the Council supported through £21k funding.*

*The objective of the study was to help identify Houses in Multiple Occupation by sharing data to produce a database, analyse the results of the mapping and study the impact of Houses in Multiple Occupation on the Borough in terms of dynamics and trends. This will then assist the Council in the formation of Planning Policies.*

*The Council are taking forward the implementation of the expansion of the mandatory Houses in Multiple Occupation Scheme, letters have been sent to owners of all Houses in Multiple Occupation that now fall under the expanded Scheme to apply for a licence. Further letters will be sent out in August and September to remind owners to make an application for a licence and those that fail to apply for a licence by the 1st October 2018 will be reminded that they will be committing a criminal offence from that date.*

*The evidence will be used to help inform future policies. This will include a range of possibilities including the various licensing schemes available for HMOs, and any proposals will be brought to a future Cabinet.*

In making a statement, Councillor Jukes referred to past work by scrutiny in relation to HMOs and that he had hoped that licensing would have progressed more quickly to address issues since that time. He considered that the Council's approach was more reactive than proactive and that an additional two enforcement officers were needed to progress matters. Councillor Jukes considered that effective licensing was in the interests of every resident of the Borough, in terms of quality of life and the way they lived.

The Deputy Leader asked Councillor Smidowicz to respond. In doing so, Councillor Smidowicz referred to the value of the database produced by Professor Smith of Loughborough University and to the problem with HMOs nationally and how that had grown in recent years. She also referred to work currently being undertaken to implement the expansion of the mandatory Houses in Multiple Occupation Scheme, detailed in the response above, and to the importance of effective enforcement.

## 22. CHARNWOOD SITES SAFETY AND SECURITY

Considered a joint report of the Head of Neighbourhood Services and Head of Cleansing and Open Spaces to consider agreeing funding to improve safety and secured access at open spaces owned by the Council (item 6 on the agenda filed with these minutes).

Councillor Capleton, Chair of the Overview Scrutiny Group, presented a report detailing the Group's pre-decision scrutiny of the matter and recommendation (copy filed with these minutes).

The Head of Cleansing and Open Spaces assisted with consideration of the report.

**RESOLVED**

1. that funding of up to £50k is identified in the Capital Programme to address works to improve access and safety at open spaces owned by the Council and that the Capital Plan be amended accordingly;
2. that the report of the Overview Scrutiny Group be noted.

#### Reasons

1. To ensure resources to support improvements for security, safety and access for Charnwood owned open spaces.
2. To acknowledge the work undertaken by and the views of the Overview Scrutiny Group.

### 23. MODEL OF LOCAL GOVERNMENT IN LEICESTERSHIRE

Considered a report of the Chief Executive to consider the Council working with other local authorities in Leicestershire to review the current model of local government for Leicestershire (item 7 on the agenda filed with these minutes).

Councillor Capleton, Chair of the Overview Scrutiny Group, presented a report detailing the Group's pre-decision scrutiny of the matter and recommendation (copy filed with these minutes).

The Chief Executive assisted with consideration of the report.

In considering this item, the Cabinet acknowledged in particular the importance of keeping all councillors up to date on progress, of comprehensive scrutiny of any proposals that came forward and that residents of the Borough and "Customer First" would always be the priority.

#### **RESOLVED**

1. that the Council adopts a collaborative approach with other local authorities in Leicestershire to examine what may be the best way of delivering local services for residents in the County, and in the wider context of the East Midlands region;
2. that the report of the Overview Scrutiny Group be noted.

#### Reasons

1. To demonstrate commitment to collaborative working and produce a proposal upon which stakeholders have been fully engaged.
2. To acknowledge the work undertaken by and the views of the Overview Scrutiny Group.

#### NOTES:



1. The decisions in these minutes not in the form of recommendations to Council will come into effect at noon on Friday, 24th August 2018 unless called in under Scrutiny Committee Procedure Rule 11.7.
2. No reference may be made to these minutes at the Council meeting on 5th November 2018 unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on Friday, 24th August 2018.
3. These minutes are subject to confirmation as a correct record at the next meeting of the Cabinet.

## CABINET – 13TH SEPTEMBER 2018

### Report of the Head of Landlord Services Lead Member: Councillor Paul Mercer

#### ITEM 6 PURCHASE OF STORE MATERIALS FOR HOUSING REPAIRS THROUGH A FRAMEWORK CONTRACT

##### Part A

##### Purpose of Report

This report is to seek approval from Cabinet to procure a supplier through a framework for the supply of store materials for the Council's directly employed repairs service for three years with the option to extend for a further one year.

The Contract value is estimated at over £500,000 per annum, therefore under the Council's Contract Procurement Rules, this distinct report to Cabinet is necessary.

##### Recommendation

That the Head of Landlord Services be authorised to commence a procurement exercise, identify a suitable framework, and subsequently award a contract for the supply of store materials for the housing repairs service, for a period of up to four years.

##### Reason

- a) The current contract is due to end in June 2019. This decision will enable a new supplier to be procured and a contract awarded in a way that is consistent with the Council's procurement rules.
- b) To benefit from economies of scale provided by using a framework provider's buying power.
- c) To mitigate the risks associated with OJEU procurement by using a framework provider.

##### Policy Justification and Previous Decisions

Under the Council's Contract Procurement Rules Cabinet approval is required as the total value of the contract exceeds £500,000.

##### Implementation Timetable including Future Decisions and Scrutiny

The existing contract for supply of stores materials will conclude at the end of June 2019.

Subject to call in, the implementation timetable for the procurement exercise and the award of the new contract would be as follows:

<b>Task</b>	<b>Indicative Timeframe</b>
Procurement process commences	October 2018
Materials supply contract start date	June 2019

### Report Implications

The following implications have been identified for this report:

### Financial Implications

The new contract will run for three years with an option to extend for a further year. The estimated contract value is £580,310 per year based on 2017/18 expenditure. The spend under the current contract is fully funded in the 2018/19 budget, and similar levels of expenditure for future years have been assumed in the Housing Revenue Account Business Plan.

### Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below:

Risk Identified	Likelihood	Impact	Risk Management Actions Planned
Failure to follow the agreed Council Procedures and, of consequence, not obtain best value procurement	Possible	Major	Framework contracts comply with the Council's procedures and provide economies of scale.
Failure to follow EU procurement Rules by not advertising in OJEU an above threshold contract.	Possible	Major	Consortium framework contracts are let in accordance with EU regulations. Access procedures for the framework will be followed.

Key Decision: Yes

Background Papers: None

Officer to contact: Peter Oliver  
Head of Landlord Services  
01509 634 952  
[peter.oliver@charnwood.gov.uk](mailto:peter.oliver@charnwood.gov.uk)

## **Part B**

### Background

1. The Council requires significant quantities of materials for its directly employed workforce to undertake day to day repairs at the Council's housing stock. The Council has a defined budget of £534,100 for materials in the financial year 2018/19, with additional materials spend accommodated at other budgets including those for major voids and minor adaptations.
2. The existing contract with Jewson was procured via the Procurement for Housing Framework in financial year 2015/16, and is due to expire on the 16 June 2019. It is therefore necessary for the Council to put in place arrangements the award of a new contract.
3. There are several advantages for the Council in making use of contracts procured through a suitable framework. Framework providers go out to the market, conducting an OJEU (Official Journal of the European Union) compliant procurement process for material suppliers on behalf of their members. This means that the Council will gain economies of scale through the framework buying power, and that the risks associated with OJEU procurement are mitigated. The use of a framework will also ensure that a contract can be put in place within an appropriate timescale, and that the Council will benefit from the framework's established contract and supply chain management processes.

### Process

4. The Council will identify and approach a suitable framework provider. Depending on the framework rules a direct award to an appropriate supplier may be made, or alternatively a further mini-competition may be undertaken to refine pricing and / or quality statements.
5. Subject to call in, it is envisaged that the procurement exercise will commence in October 2018 and that the contract will start in June 2019.

## CABINET 13TH SEPTEMBER 2018

### Report of the Strategic Director of Neighbourhoods & Community Wellbeing Lead Member - Councillor Leigh Harper-Davies

#### PART A

#### ITEM 7 ENVIRONMENTAL SERVICES CONTRACT – OPTIONS FOR DELIVERY FROM JUNE 2020

##### Purpose of Report

The report deals with two aspects of the Environmental Services contract; the options available to the Council for future delivery from June 2020, and the options around the ownership of the fleet required for the provision of this contract.

##### Recommendations

That Cabinet agree the following:-

1. The extension of the existing Environmental Services contract with Serco Plc from 29<sup>th</sup> June 2020 until 31<sup>st</sup> March 2024.
2. That the contract be varied to remove the obligation on the contractor to provide the fleet, for the extension period stated in recommendation 1. above.
3. That authority be delegated to the Director of Neighbourhoods and Community Wellbeing in consultation with the Lead Member for Performance of Major Contracts to complete the final period of extension and agreement.
4. The procurement and purchase of required fleet for the delivery of the Environmental Services contract, using option 3 (Part B, paragraph 3.3).
5. That, subject to legal, financial and operational compliance and appropriate due diligence checks, the Strategic Director of Neighbourhoods and Community Wellbeing be given delegated authority to purchase the fleet required for the delivery of the Environmental Services contract.

##### Reasons

1. To ensure continuation of services to Charnwood residents in the most efficient and effective manner when the current arrangements expire on 28<sup>th</sup> June 2020.
- 2&3. To ensure maximised efficiency and effectiveness of the contract and to ensure business continuity.
4. To enable the Council to make financial efficiencies in relation to fleet management arrangements and enhance its flexibility and resilience in the ongoing delivery of this contract in the following years.
5. To ensure maximised efficiency and effectiveness of the fleet purchase.

## Policy Context and Previous Decisions

The Corporate Plan 2016-2020 states that we will ensure that Charnwood continues to “*provide high quality, affordable and responsive services and improve online access to them (residents). We are always seeking to improve the services that we deliver, by providing strong community leadership, being well governed, accountable, open and transparent. We will maintain the financial stability of the Council whilst continuing to seek ways to deliver better services as efficiently as possible. be a prosperous and thriving Borough which embraces innovation and enterprise*”.

The Environment Services Contract will support the ongoing work as part of the Cleaner Greener agenda and help deliver Charnwood’s Zero Waste Strategy and Action Plan around Waste Minimisation and Recycling. This also links to the Councils Strategic aim – ‘Delivering Excellent Services’.

At its meeting February 2016, Cabinet received a report in relation to the extension of the Environmental Services contract.

Cabinet resolved the following on this report:-

*“1. that the extension of the existing Environmental Services contract with Serco from March 2017 for a period of approximately three years be approved in accordance with the terms offered;*

*2. that authority be delegated to the Strategic Director of Neighbourhoods and Community Wellbeing to complete the final period of extension and agreement;*

*3. that, subject to legal, financial and operational compliance and appropriate due diligence checks, the Strategic Director of Neighbourhoods and Community Wellbeing be given delegated authority to issue a VEAT notice to allow for the current Environmental Services Contract with Serco PLC to be novated to a new subsidiary of Serco, at the point that proposal proceeds;*

*4. that the Strategic Director of Neighbourhoods and Community Wellbeing be given delegated authority to proceed with the completion of the novation to a subsidiary of Serco, following the expiry of the VEAT notice, and with the consensus of other local authorities contracting with Serco, if no challenges are received;*

*5. that the Strategic Director of Neighbourhoods and Community Wellbeing be given delegated authority to agree an appropriate level of Performance Bond required as identified in the report, should that be required if the novation proceeds;*

*6. that the report of the Overview Scrutiny Group be noted.*

Cabinet resolved that: -

*1. To ensure the continuation of services to Charnwood residents when the current arrangements expire on 31st March 2017.*

*2. To achieve operational improvements as part of the contract delivery.*

*3 - 5. To make significant savings on contract price, helping to offset budget pressures from reduced income, e.g. material treatment and sales, reductions in Recycling Credits.*

6. To acknowledge the work undertaken and the views of the Overview Scrutiny Group”.

#### Implementation Timetable including Future Decisions and Scrutiny

Should Cabinet agree recommendation 1 above, a contract extension document will be agreed, finalised and signed with Serco by June 2020.

Should Cabinet agree recommendation 4 above, the Strategic Director for Communities and Wellbeing along with the assistance of the Head of Cleansing & Open Spaces will explore the optimum way for purchasing the required fleet. The purchase of the fleet will also require an amendment to the Capital Plan, which will require approval by full Council due to the value involved, and it's anticipated that this will be at the full Council meeting scheduled for 21<sup>st</sup> January 2019.

Currently a Parent Company Guarantee (PCG) is in place for the existing contract with Serco. Should Cabinet agree recommendation 1 for a contract extension, this (PCG) would automatically apply to the contract extension period.

#### Report Implications

The following implications have been identified for this report.

##### *Financial Implications*

The decision to extend the Environmental Services Contract will ensure continuity of the refuse, recycling and street cleaning services for the Council. Whilst an independent value for money benchmarking exercise demonstrated that the service provided by Charnwood Borough Council is of a high performance standard, gets very high satisfaction rates and yet costs below the average in comparison with similar authorities.

During initial proposals for a potential contract extension, significant levels of further savings were identified by Serco. These savings do not take into consideration any fleet associated costs. The full extension proposal can be found as Appendix A.

In order to accurately assess the potential savings from purchasing the fleet, Charnwood Borough Council sought expert advice. After analysing the different options, the Project Board is recommending Option 3 (paragraph 3.3 in Part B) as the most beneficial for the authority. The savings from this option compared to the original contract costs for the same period (2020 – 2024) demonstrate a saving of appr. £400,000.

Additional savings/benefits have also been identified, in terms of continuation of support to initiatives including Loughborough in Bloom, promotional resources to support recycling/waste prevention campaigns, as well as resources (grants) to support community organisations delivering environmental projects.



*Risk Management*

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Measures to address risk</b>
Failure to extend the contract with Serco due to legal issues	Remote	Severe	Legal advice has been sought and has confirmed that extension is compliant with the original contract arrangements
Savings not achieved through contract extension	Unlikely	Major	Negotiations have continued with Serco, and a contract extension confirming these savings will be written and signed before the contract extension begins in June 2020.
Failure to deliver targets for the Zero Waste Strategy	Possible	Moderate	Consideration of Zero Waste Strategy targets within the contract extension process.
Savings not achieved through fleet purchasing	Remote	Major	Independent financial advisor has been consulted and purchasing will only take place if financially beneficial.
Future changes in partnership arrangement with Leicestershire County Council affecting the viability of the collection system	Unlikely	Major	The Council is actively engaging with the County Council as part of its partnership responsibilities to mitigate any future financial pressures affecting the County Council which may ultimately impact upon the Borough Council. The terms/periods of the Borough Council contracts are flexible enough to accommodate this risk.

Key Decision: Yes

Officers to contact: Chris Traill, Strategic Director,  
Neighbourhoods & Community Wellbeing  
[Chris.Traill@charnwood.gov.uk](mailto:Chris.Traill@charnwood.gov.uk)

Matt Bradford, Head of Cleansing & Open Spaces  
[Matt.Bradford@charnwood.gov.uk](mailto:Matt.Bradford@charnwood.gov.uk)

Theo Karantzalis, Programme Manager  
[Theofilos.Karantzalis@charnwood.gov.uk](mailto:Theofilos.Karantzalis@charnwood.gov.uk)

Appendices:

Appendix A (exempt) – Charnwood extension proposal

Appendix B – Benchmarking ES contract report

Appendix C – Ombudsman report

Appendix D – OJEU Open Timetable for ES 2020

Appendix E (exempt) – Summary of fleet purchasing options

## PART B

### Executive Summary:

Part B discusses the advantages and disadvantages of each of the three options for the future of the Environmental Services Contract. The comparison is using variables like cost, performance and satisfaction for each of the options. The fleet acquisition advantages and purchasing options are also demonstrated. The report closes with the factors taken into consideration for the Project Board's recommendations.

### 1. Background

- 1.1 The Council currently has a contract in place for the collection of refuse, recycling and garden waste that is combined with street cleaning operations to form an Environmental Services Contract. The current Environmental Services Contract commenced in August 2009 and was awarded to Serco. This Contract expires on 28<sup>th</sup> June 2020; however, the Council has the ability to further extend this Contract until 31<sup>st</sup> March 2024. This timescale reflects the current Zero Waste Strategy which covers the period 2013 to 2024 and was approved by Cabinet in 2013.
- 1.2 Following the Cabinet resolution in February 2016, officers were tasked with ensuring the continuation of this service until June 2020. At the same time, a new Project Board was put in place to explore the options available for the delivery of this service after the extension expired.
- 1.3 The Project Board considered the options available for providing the essential Environmental Services Contract beyond the existing anticipated expiry date (28<sup>th</sup> June 2020). These options were:
  - i) offer further extension to Serco Plc
  - ii) procure new contractor for the provision of this service
  - iii) deliver the service via a different model (insourcing, local authority trading company)
- 1.4 In order to assess which of the above options was the most beneficial, a number of factors were taken into account. The key factors analysed were: fleet provision, comparison of different delivery models, cost of the service, contract performance and customer satisfaction.
- 1.5 As the ownership of the fleet is a key factor and directly affects all of the three options above, a separate analysis of the different options took place and will be detailed further down in this report.

### 2. Options appraisal

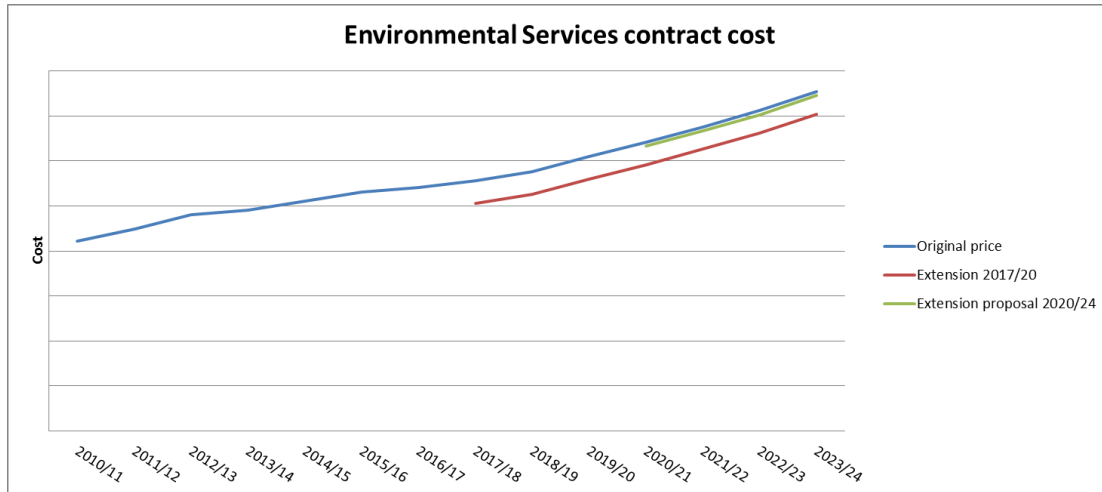
#### 2.1 Further extension to the existing contract:

- 2.1.1 The current contract with Serco Plc allows for a further extension up to 31<sup>st</sup> March 2024. This will be the maximum extension possible and after that time the Council will have to go through a full tendering exercise to procure a new contract, or make alternative arrangements.
- 2.1.2 In order to explore this option, the Project Board suggested two actions. The first was to invite Serco proposals for the further extension period. The

second was to commission an independent benchmarking report to Eunomia to check whether the services provided as well as the cost of the contract were compared against similar authorities.

2.1.3 Serco's proposals for the extension period included significant levels of savings per year (Appendix A). These savings were offered for a like for like service as the one currently delivered, (which was confirmed at the Project Board).

Graph 1



2.1.4 The table above demonstrates the contract costs over the years as well as the savings made and proposed during the extension periods:

The graph demonstrates that despite the inflation and annual variations (additional properties) the Council has managed to negotiate significant savings for the extension periods without compromising the quality of the service provided.

2.1.5 Serco's proposals do not include an option for them to provide the fleet required for the provision of the service. This decision was based on the fact that this option wouldn't be financially beneficial for the Council as Serco would have to fully depreciate the value of the fleet within the extension period (3 years and 9 months). If the Council owned the fleet, the depreciation period would vary between 8 and 10 years.

2.1.6 Practically speaking this means that unless the Cabinet agrees with Recommendation 3; then the only other option in order to offer a further extension to Serco Plc would be for the Council to lease the fleet from a third party provider. Leasing would incur a significantly greater cost to the Council.

2.1.7 The second action taken to assess this option was the independent value for money benchmarking exercise to assess the cost, performance and customer satisfaction achieved via the existing contract. The report is available as Appendix B. Key findings include:

- Performance levels above average when comparing with authorities offering the same service
- The current service receives very high satisfaction levels
- The cost of the service is below the average cost of the comparable authorities

- 2.1.8 An Ombudsman Report published in 2017 (Appendix C) highlights that many outsourced waste contracts face a lot of issues around complaints and customer satisfaction. Fortunately this is not the case in the existing contract. This is a result of rigorous performance management as well as ongoing effective partnership working that has been developed over the years,
- 2.1.9 The above findings demonstrate that a further extension (with additional savings) would translate in a high quality service for a competitive cost. This is illustrated in graph 1 and also supported by the benchmarking report.
- 2.2 Tendering exercise for procuring new contract:
- 2.2.1 Due to the value of this contract, a full process in accordance with OJEU Regulations would be followed for procuring these services. The new contract would be for a period up to 10 years with the option to extend for another 10; i.e. until 2040. This timeframe was proposed to reflect the potential lifetime of the fleet.
- 2.2.2 While exploring this option, officers developed a detailed timetable with all the stages of the procurement process. Time was also allowed (approximately 9 months) for ordering the fleet that may be required. This timetable can be found as Appendix D.
- 2.2.3 Tenderers could also be given the option to make proposals for providing the fleet required (standard and variant bid) as part of the total service costs.
- 2.2.4 The benefits (financial, business continuity and operational flexibility) from the ownership of the fleet either from the contractor or the Council will be detailed further down in this report.
- 2.2.5 It has also been experienced from previous procurement projects that additional resources are required. The approximate cost for this type of procurement is estimated to be in the area of £50,000 excluding the officers' time.
- 2.3 Alternative delivery models:
- 2.3.1 Three different delivery models were compared and analysed as part of the report commissioned to Eunomia. The three models were:
- i) Outsourced services (via contractor)
  - ii) Insourced services (direct delivery by the Council)
  - iii) Local Authority Trading Company (LATC)
- 2.3.2 Each of the above models was assessed against the factors of cost, flexibility and risk. A SWOT (Strengths Weaknesses Opportunities Threats) analysis can be found in Appendix B.
3. Fleet ownership
- 3.1 The provision of this contract is interwoven with the associated fleet required for delivering the contract tasks (i.e. Refuse and Recycling collection vehicles, street sweepers, etc). It would be impossible to deliver the contract tasks without the fleet. As part of the existing contract arrangements (until June 2020), the service provider is contractually obliged to supply the necessary fleet for the delivery of the contract. Regardless of which option is

selected, there will be a requirement for a new fleet of vehicles as the existing one (sourced by Serco) will have reached the end of its lifespan. In order to implement Option 3, a variation of the existing contract will be required to take this into account. Officers have explored different models of sourcing the fleet, and have also received specialist advice on the associated risks and savings.

3.2 The table below demonstrates the different fleet ownership for each of the three options explored for the future of this contract:

<b>Contract option</b>	<b>Fleet provision</b>
Extension with Serco	Lease from third party
	CBC to purchase
Tender new contract	New provider to supply
	Lease from third party
	CBC to purchase
Insource service / LATC	Lease from third party
	CBC to supply

3.3 In order to make an informed decision on the benefits of the different fleet provision models, external advice has been sought comparing the following 7 scenarios:

1. CBC buys the fleet and depreciates over 8 years, funded by internal loan.
2. CBC buys the fleet and depreciates over 8 years, funded by PWLB.
3. CBC buys the fleet and depreciates over 8 years, funded by internal loan/PWLB on a 50:50 basis
4. CBC buys the fleet and depreciates over 10 years, funded by internal loan.
5. CBC buys the fleet and depreciates over 10 years, funded by PWLB.
6. CBC buys the fleet and depreciates over 10 years, funded by internal loan/PWLB on a 50:50 basis
7. CBC secures the fleet via a Go Plant lease over 8 years.

3.4 The analysis of the different purchasing models showed that maximum savings could be realised if the Council decided to purchase the fleet and depreciate its value within 10 years (Option 4).

3.5 However, while looking for the optimum purchasing solution; more factors need to be taken into consideration in terms of cash flow, other commitments and the Council's resilience to meet its obligations. The Project Board agreed that Option 3 is the recommended one in terms of risk management and financial benefits. This option depreciates the fleet within 8 years; however, if the fleet remains suitable, the Council will carry on using it (or part of it) beyond that period and make further potential savings.

3.6 A summary of the comparison between the different fleet costs for 8 years can be found in Appendix E (exempt).

3.7 Fleet can be bought either via the use of a framework contract, or via direct tendering. The best way will be chosen in collaboration with the Council's Corporate Procurement Team (CPT) upon Cabinet's agreement.

#### 4. Project Board Considerations and Recommendations

##### 4.1 Other factors influencing the Project Board considerations included:-

- In 2024 the current Management of Open Spaces (MOS) contract comes to end. The two contracts could be joined for some savings
- In the 12 month period leading to March 2024 other similar contracts of neighbouring authorities also expire. This could potentially allow for some shared services and efficiencies from synergies. The same opportunity is not present in 2020 when the current extension expires.
- Joint procurement of fleet along with other Local Authorities could further enhance the Council's buying power
- The potential cost of the option e.g. any savings that could be made on existing budgets
- The cost of change e.g. the impact of the option on areas such as the interaction with the Council's Customer Relationship Management (CRM) system, Lagan
- Procurement and Reputational risks associated with re-tendering
- Public acceptability to any potential service changes from a re-tender
- The quality of the service provided and in particular the ability to exceed current levels of performance
- Contractual relationship issues e.g. the ability to successfully deliver the contract to a satisfactory level through a positive and strong relationship with our contractual partner

4.2 Considering all the above, an informed debate was undertaken at the Project Board. The Project Board recognised the impact on resources in any option to conduct a procurement exercise as well as potential savings and the ability of any future service provider to exceed the existing levels of performance.

4.3 Evidence was provided on benchmarking performance which indicated that existing performance levels in Charnwood over the last seven years compares very favourably with our family group that was used as a comparator. Similarly, the trend for performance in both areas (assuming waste collections and street cleaning) compares very favourably for Charnwood Borough Council.

##### Conclusions:

4.4 Taking into account the soft market testing information on the status of the contract value and potential savings, the Board agreed that a further contract extension now presented the best option to identify future savings on this contract. It is this option the board now recommends to cabinet.

4.5 In terms of fleet ownership, the Project Board recommended Option 3 (paragraph 3.2) in terms of balance between potential risks and savings. The savings from this option compared to the original contract costs for the same period (2020 – 2024) demonstrate a saving of appr. £400,000.



# Benchmarking and Value for Money Analysis

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For Charnwood Borough Council's  
Environmental Services

**Andy Grant**  
**Neil Greenhalgh**  
**Jade Kelly**

**3<sup>rd</sup> July 2018**



## Report for Charnwood Borough Council

Prepared by Neil Greenhalgh

Approved by



Andy Grant  
(Project Director)

Eunomia Research & Consulting Ltd  
37 Queen Square  
Bristol  
BS1 4QS  
United Kingdom

Tel: +44 (0)117 9172250  
Fax: +44 (0)8717 142942  
Web: [www.eunomia.co.uk](http://www.eunomia.co.uk)

### *Acknowledgements*

Our thanks to Officers within Charnwood Borough Council for their support throughout the duration of the project and to those Officers within the authorities with which we benchmarked for providing essential comparator data.

### *Disclaimer*

Eunomia Research & Consulting has taken due care in the preparation of this report to ensure that all facts and analysis presented are as accurate as possible within the scope of the project. However no guarantee is provided in respect of the information presented, and Eunomia Research & Consulting is not responsible for decisions or actions taken on the basis of the content of this report.

## Version Control Table

Version	Date	Author	Description
V0.1	26/06/18	Neil Greenhalgh	First draft (internal)
V1.0	27/06/18	Neil Greenhalgh	Second draft (sent to client)
V1.1	29/06/18	Neil Greenhalgh	Client comments
V1.2	03/07/18	Neil Greenhalgh	Final version (sent to client)

# Executive Summary

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Charnwood Borough Council commissioned Eunomia to conduct a benchmarking and value for money analysis of environmental services in the Borough, a service currently delivered by a private contractor. The objectives of the project were to benchmark the service costs and provide performance and customer satisfaction data for the authorities. In addition, the project explored whether there is any evidence of efficiencies achieved by using alternative delivery models.

## E.1.0 Approach

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Research was undertaken on over 190 'Shire Districts' to compare environmental services performance with Charnwood Borough Council's service. This allowed a high level summary of information for comparison purposes. A further smaller number of authorities were chosen for their comparability with Charnwood, in terms of size, demography and socio-economics, but also in respect of the way environmental services were delivered. A benchmarking group was therefore developed consisting of 14 authorities across England. Data was gathered via a desktop exercise and direct contact with authorities on a range of operational and financial performance measures for benchmarking purposes from this group.

The results gathered included data for recycling rates, the amount of residual waste collected, the headline cost of delivering the services and customer satisfaction ratings. A benchmarking comparison of services was conducted on the 14 authorities to provide information on key aspects of the service delivery in Charnwood. Following this Eunomia conducted desk top research of projects involving alternative service delivery models to identify any trends or aspects of the model that may directly impact upon the efficiency of the service.

## E.2.0 Key Findings

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Data collected from the benchmarking group indicate that Charnwood's environmental services compare well against a national data set (Table 3.1). Using more closely related authorities that are considered similar to Charnwood, performance is equally good with most measures recorded as typical of the group or above average (Table 3.2). The trend for reduced performance monitoring due to lack of resources and the removal in a number of cases of the legal obligation to record performance measures has left many authorities with insufficient data to enable others to compare against their services. Street cleaning has therefore relied upon public satisfaction surveys as a key measure of performance and in this respect Charnwood is performing very well, ranking second in

the benching group of 14 local authorities that are considered comparable. The costs of the street cleaning service per household is also significantly lower than average in the benchmarking group.

Whilst other factors influence some of the key indicators, it is clear that Charnwood offer a service with associated policies and procedures that enable residents to achieve relatively high recycling rates and produce below average amounts of residual waste per household. These services are provided against a background of costs that are below national and benchmark average.

The research also reflected upon service delivery options and the report provides some comments and advice on influencing factors for the alternative delivery models including budget certainty, flexibility and control, risk transfer and prudential borrowing options. Table 4.1 provides a summary of this efficiency analysis for the service delivery models.

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## 1.0 Introduction

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Eunomia was commissioned to conduct a benchmarking and value for money exercise on the Environmental Services contract currently delivering refuse, recycling and street cleaning services in Charnwood. The existing service provider, Serco, has been delivering the service since August 2009 via a contract with the Council which has recently been extended. The Council has chosen to benchmark the performance of this service prior to any decision on future service delivery models.

The project was delivered over a two week period in early June 2018 in two stages: benchmarking existing performance levels with comparable authorities on a range of indicators relating to operational and financial performance; and secondly considering if there is any evidence that alternative service delivery models may deliver increased efficiency of those services.

The research and analysis was conducted in two stages: firstly to establish comparable performance for Charnwood BC environmental services; and secondly to establish if there is any evidence that efficiencies can be achieved using alternative delivery models.

## 2.0 Benchmarking Methodology

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### 2.1 Performance Benchmarking

Performance data from Charnwood was received in a detailed format including data that has previously been collated nationally for performance monitoring purposes (National Indicators). The following information was gathered from Charnwood BC for 2017/18:

- Refuse and recycling service performance (recycling rate, weight of residual waste generated per household, public satisfaction with the service)
- Refuse and recycling financial data (cost of refuse service per household and cost of recycling service per household)
- Street cleaning service performance (quality survey results i.e. NI195 a & b, public satisfaction with the service)
- Street cleaning financial data (cost of street cleaning service per household)
- More detailed breakdown of costs including fleet, labour, containers, street cleaning zones, litter bins etc.

This data set was used as the comparator for the benchmarking which was carried out at a high level using national data sets, followed by a more detailed level analysis using direct contact with a selection of authorities that were considered similar to Charnwood.

## 2.2 High Level Performance Data Collection

In comparing the performance of Charnwood's environmental services the research initially looked at high level data to compare the Council against all 190 'Shire Districts' (waste collection authorities in two tier local government areas). Two data sets were used for high level comparison. These were:

- WasteDataFlow information for recycling performance and residual waste collected per head of population
- The Government Revenue Out-turn reports for 2017/18 to identify costs of waste collection, recycling, street cleaning and waste minimisation

The research used these data sets as they are completed by all local authorities as a statutory duty following a set procedure. This ensures the data collected should be directly comparable across all Councils and is robust enough to provide confidence in the accuracy of the data. This 'high level' comparison provided a national picture of how well Charnwood BC environmental services are performing against other waste collection authorities in two tier areas of England without taking account of influencing factors such as demographics, socio-economic issues and service delivery methodology.

## 2.3 Selection of Benchmarking Group

Following this high level data collation and comparison, a number of sources for comparing local authority data in more detail were considered to establish a benchmarking group. These included CIPFA nearest neighbours to Charnwood (2014 model), WRAP's portal for local authorities (using the Office for National Statistics data from 2015/16) and the National Archives measure of similarity between local authorities (archived in 2016). Collectively these gave a measure of those local authorities that were most similar to Charnwood in terms of demography, socio-economics and size.

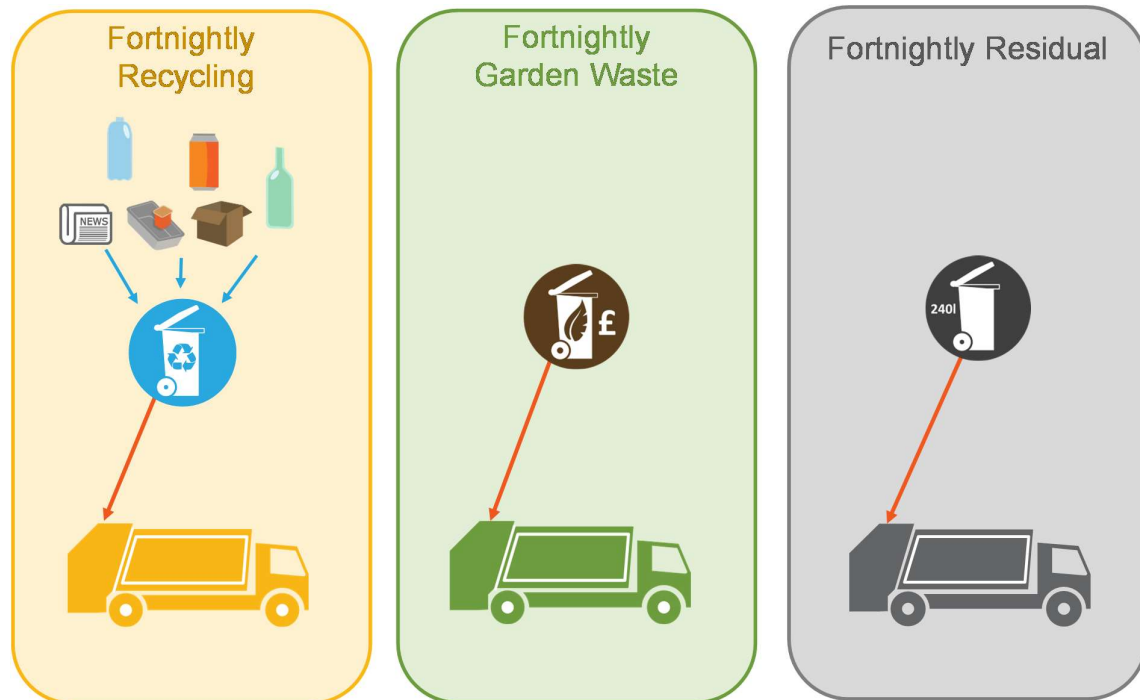
These authorities were then screened for those operating a contracted-out service (as opposed to an in-house service) and operating a similar service model to Charnwood BC. The Charnwood model is illustrated in Figure 2.1 below:-

- a fortnightly collection of co-mingled dry recycling from a 240 litre green bin (paper, card, plastic packaging, cans and glass);
- no food waste collection;
- a fortnightly charged collection of garden waste from a 240 litre brown bin; and
- a fortnightly collection of residual waste from a 180 litre black bin<sup>1</sup>

<sup>1</sup> This change occurred in 2009 and was for new bin requests and replacements hence the majority of the housing stock has 240 litre bins.



Figure 2.1: Charnwood Collection Model Pictogram



The resultant list of 14 authorities were all within the CIPFA nearest neighbours top 50 in relation to their comparison with Charnwood BC. All 14 authorities became the benchmarking group and were selected for further more detailed interrogation via direct contact with officers within the respective councils. Contact was made over the period 1<sup>st</sup> to 26<sup>th</sup> June 2018 via email and telephone. This timescale was extended from the original proposal due to the lack of responses from authorities to requests for information within the first ten days (seven working days). Table 2.1 below illustrates the reason each authority was chosen to be part of the benchmarking group.

It should be noted that due to the diversity of service delivery options (bags, bins, charges etc.), very few local authorities that were within the CIPFA top 50 had all aspects of their service similar to Charnwood. This was made more notable by the inclusion of street cleaning services. As such, some of the benchmarking group chosen have certain elements of their service delivered in-house as well as an element of contracted out service.

Table 2.1: Benchmarking Group - Selection Process

Council	Reason for Selection
Stafford Borough Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#2)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> </ul>
South Ribble Borough Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#4)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> </ul>

Chorley Borough Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#5)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> </ul>
South Gloucestershire Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#11)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> <li>➤ Charged garden waste</li> </ul>
Canterbury City Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#12)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> </ul>
Maidstone Borough Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#14)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> <li>➤ Comingled recycling</li> <li>➤ Charged garden waste</li> </ul>
Warwick District Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#16)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> </ul>
East Northamptonshire District Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#25)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> <li>➤ Charged garden waste</li> </ul>
Amber Valley Borough Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#28)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> <li>➤ Charged garden waste</li> </ul>
Central Bedfordshire Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#30)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> </ul>
Shropshire Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#31)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> </ul>
South Staffordshire District Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#36)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> <li>➤ Comingled recycling</li> </ul>
Melton Borough Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#49)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> <li>➤ Charged garden waste</li> </ul>
South Derbyshire District Council	<ul style="list-style-type: none"> <li>➤ CIPFA Nearest Neighbour (#50)</li> <li>➤ Contracted out service</li> <li>➤ Fortnightly AWC collections</li> <li>➤ Charged garden waste</li> </ul>

## 2.4 Detailed Data Collection

Having established a benchmarking group of 14 authorities, all were contacted directly for further detail on both operational performance and financial performance. Information relating to street cleaning performance and customer satisfaction in particular were requested as this information is not readily collated either nationally or regionally by any other reliable source.

Street cleaning performance levels have been previously measured using the NI 195 measure as developed by Keep Britain Tidy and adopted by Government<sup>1</sup>. Since the abolition of the Audit Commission in 2015 the requirement to collate and report this information has ceased. However, it is still the easiest and most reliable measure of street cleaning performance across a Council area in England.

Similarly whilst there is no statutory requirement to measure customer satisfaction levels, many Councils use an annual survey of residents as part of a measure of public acceptability and satisfaction with the range of services offered.

Additional financial data requests were made to provide some granularity to the high level financial data gained from publicly available revenue accounts. Table 2.2 illustrates the further detail requested from the benchmarking group:-

**Table 2.2: Benchmarking Group Financial Data Request**

Ref	Detail	Annual (£)
1	Household waste collections	
2	Bulky household waste	
3	Provision of waste containers	
4	Clinical waste	
5	Household recycling	
6	Bring sites	
7	Garden waste (actual cost, not net of income)	
8	Street cleaning (per zone if possible)	Zone 1 Streets
9		Zone 2 Streets
10		Zone 3 Streets
11		Zone 4 Streets
12	Recycling sites	
13	Fly tipped waste	
14	Dog & litter bins	
15	Markets	
16	Amount for the provision of fleet	
17	Amount for provision of labour	
18	Approx. number of staff excl. management	
	TOTAL	

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<sup>1</sup> DEFRA (2006) *Code of practice on litter & refuse, consultation document, 2006*

## 3.0 Benchmarking Results

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### 3.1 Overview

The results gained at a high level provide a very useful national picture of service performance and costs for the service. The submission of this data is a statutory requirement for local authorities to complete in an accurate and timely manner. However, the performance of an authority in relation to recycling rate and residual waste collected per household is not just a measure of the performance of the contract, but also a reflection of the policies and procedures adopted by the Council. In this way the results need an air of caution when considering the effectiveness of the environmental services contract.

Results at a high level for costs of service can be used as a measure of efficiency as the measure is collated nationally in a standard format. More detailed information requested from Councils within the 14 authorities of the benchmarking group were disappointing. A generally poor response to requests resulted in a group of only seven authorities to compare public satisfaction, and a very poor response to requests for further financial data resulting in no data comparisons being completed for street cleaning zones, labour, vehicles, plant or containers etc. In particular, no authority gave evidence that they were measuring street cleaning performance through LEQ<sup>2</sup> surveys adopted by Charnwood Borough Council to enable performance management of the contract.

Section 3.2 considers the benchmarking comparison for performance and section 3.3 for financial data.

### 3.2 High Level Performance

The results indicate that Charnwood's service benchmarked across all 191 selected 'Shire Districts' in England compares very favourably. Appendix 1 provides detailed graphs of the performance in relation to household recycling rate, residual waste collected, spend in relation to refuse, recycling and street cleaning. The graphs are summarised in Table 3.1 below and show that in four out of the five indicators compared, Charnwood is performing at or above average performance. These high level results provide an overview of Charnwood Borough Councils performance nationally against 191 English 'Shire Districts'.

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<sup>2</sup> Keep Britain Tidy (2014) *Introduction to LEQ Surveys and LEQs PRO*,  
<http://www2.keeptidytidy.org/Expertise/LEQSurveysandLEQsPRO/Solutions/Default.aspx>

Table 3.1: Charnwood Performance Compared to All English Shire Districts

Authority	Refuse / Recycling				Street Cleaning
	Recycling rate %	Residual waste Kg / HH	Cost of refuse £ per HH	Cost of recycling £ per HH	Cost of streets £ per HH
Charnwood Performance (2017/18)	48.4	456	28	14	14
Charnwood Rank (out of 192)	65	81	88	111	43
England Average (2017/18)	44.7	466	32	12	21

### 3.3 Benchmark Group Comparison

Following the collation of data from the benchmarking group, further more detailed analysis was conducted using both the high level data information source and the detailed direct information exchange. The results of this performance analysis are shown graphically in relation to household recycling rate, residual waste collected, spend in relation to refuse, recycling and street cleaning, as well as public satisfaction ratings for the combined services (Figures 3.1 to 3.6). Each figure highlights the average performance (purple line on the graph) and Charnwood Borough Council’s performance (orange line on the graph).

As street cleaning performance (local environmental quality assessments) was not measured by any responding authority within the benchmarking group more reliance has been placed upon satisfaction rating responses. These were received by seven councils and are illustrated in Figure 3.3.

Further detailed breakdown of service costs was not provided in a usable and comparable format by any of the responding authorities. A number of reasons were given for this including commercial confidentiality, information not collated and available in the format required or insufficient time and resource to assist with the research, despite extending the timescales to almost four weeks.

Figure 3.1: Benchmarking Group – Household Recycling Rate (%)

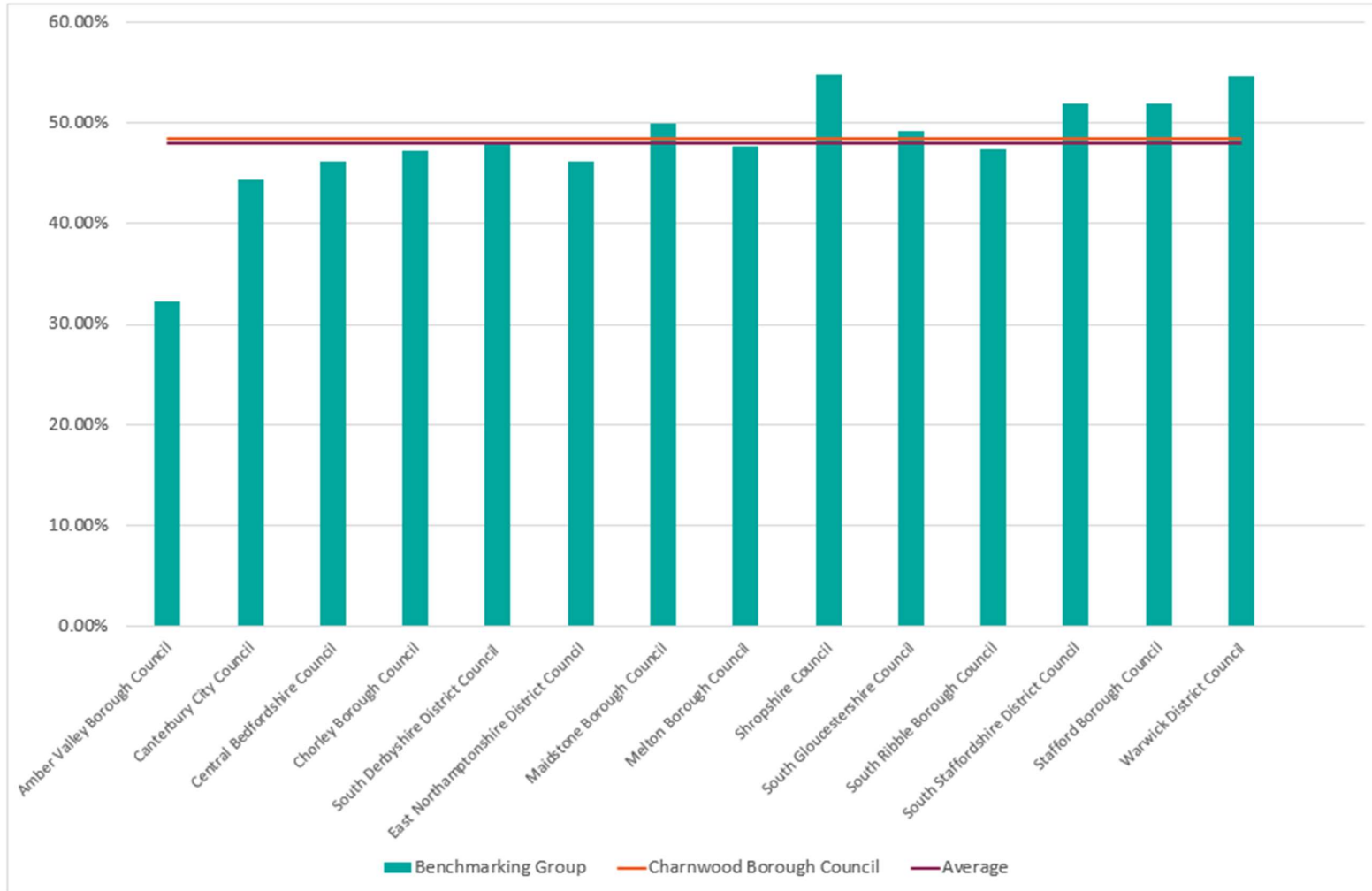


Figure 3.2: Benchmarking Group – Household Residual Arisings (Kg/HH/year)

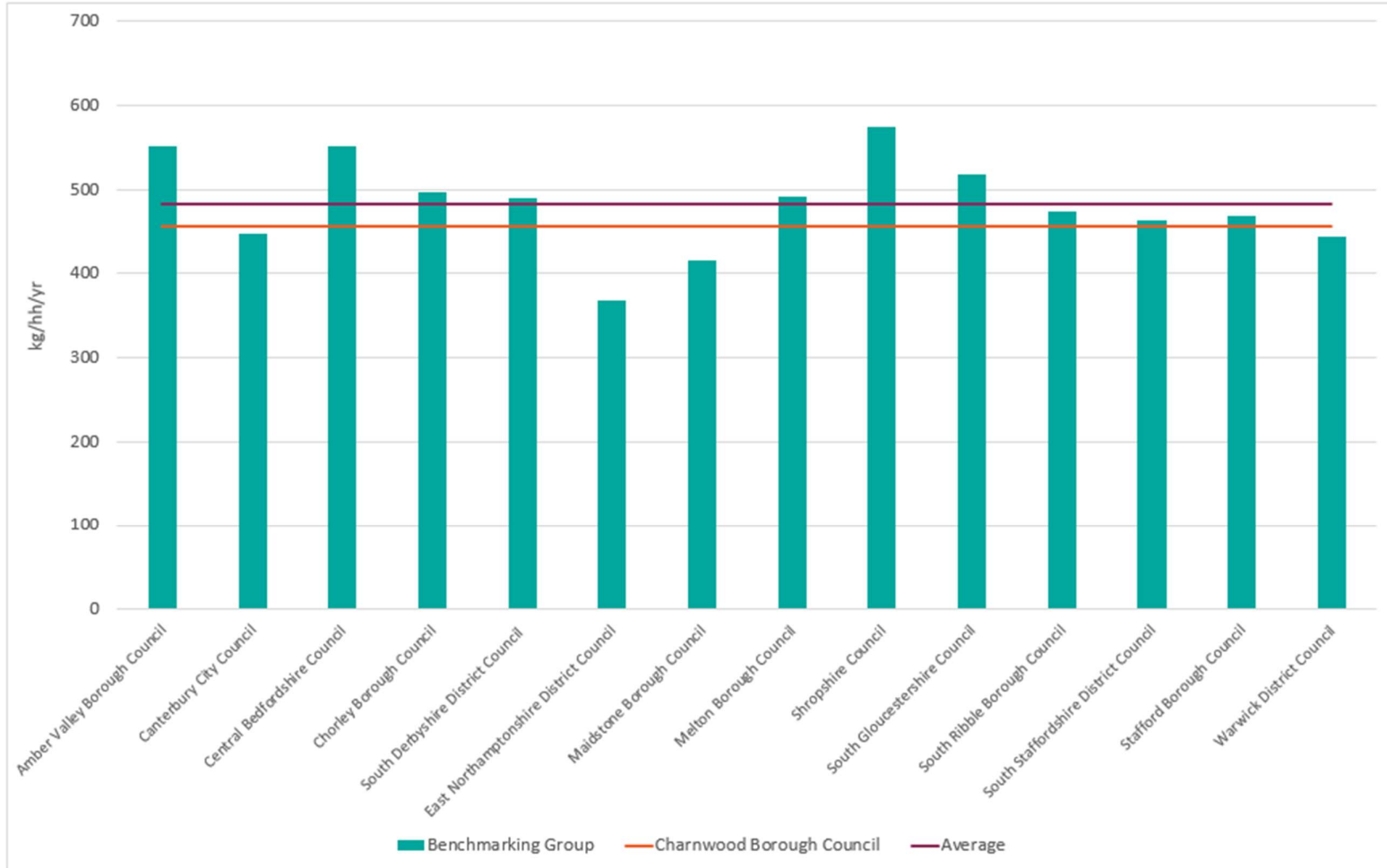
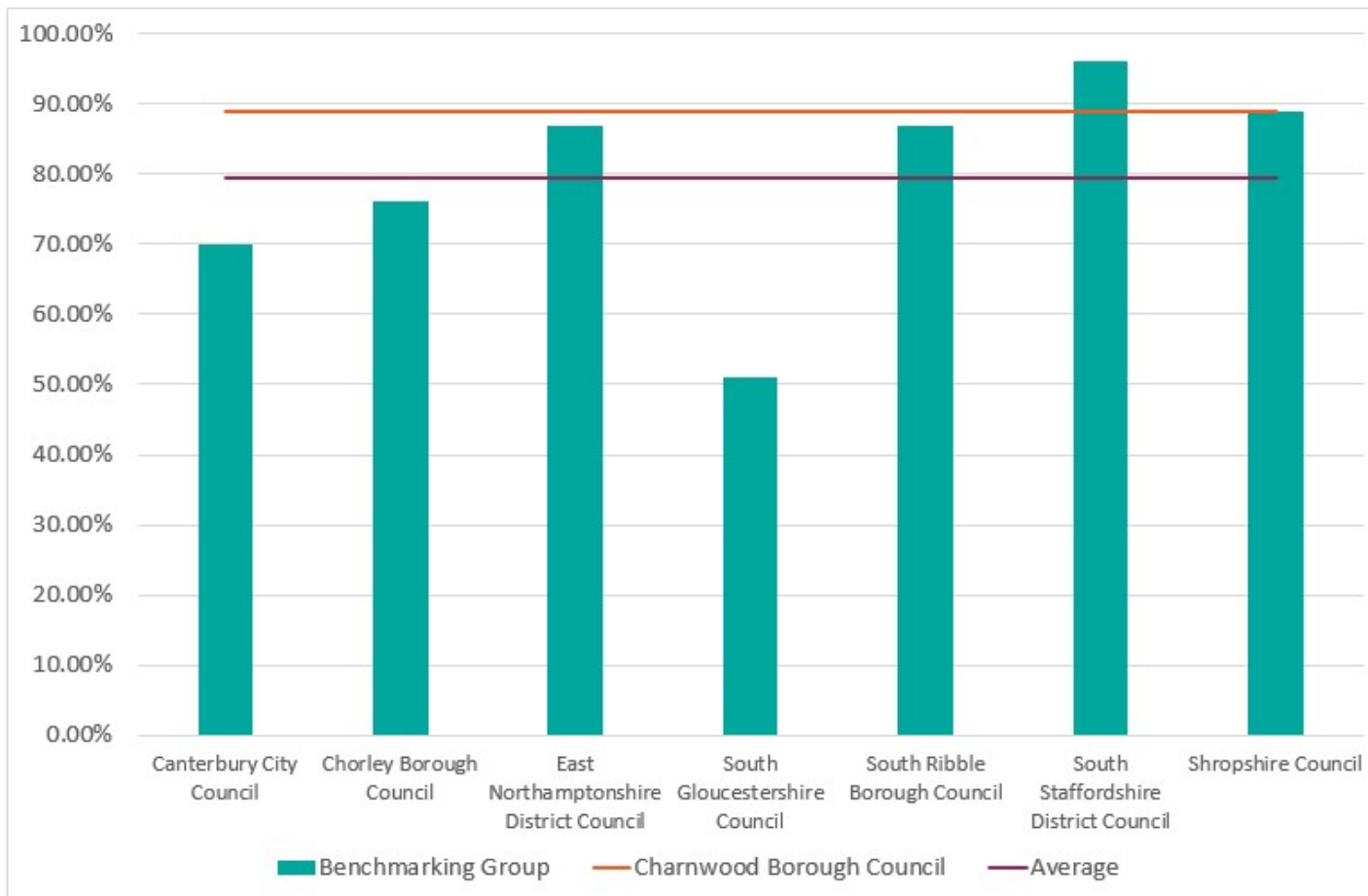


Figure 3.3: Benchmarking Group – Combined Satisfaction Ratings (%)



Note: Only seven of the 14 local authorities in the benchmarking group provided satisfaction data



Figure 3.4: Benchmarking Group – Waste Collection Spending (£/HH/year)

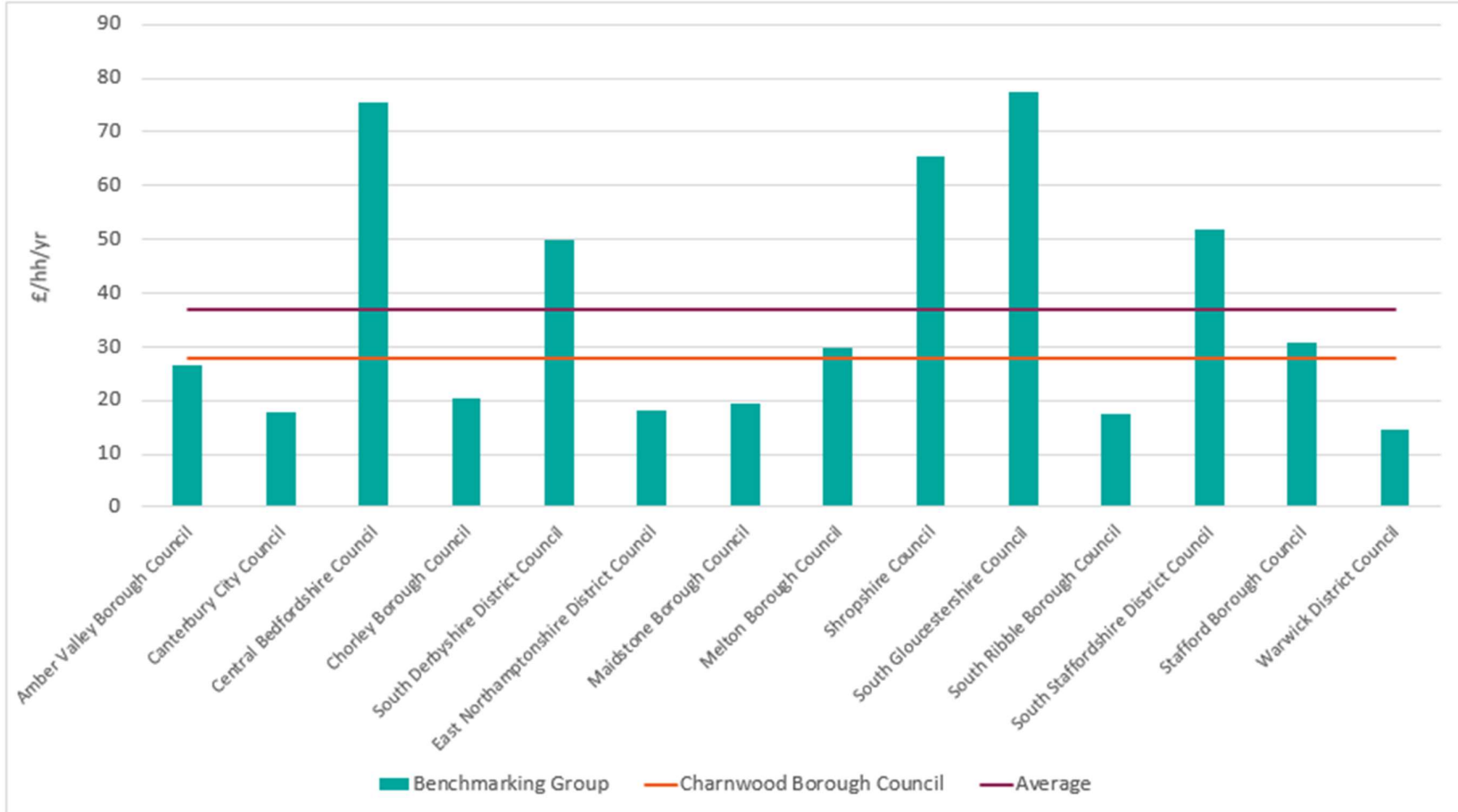
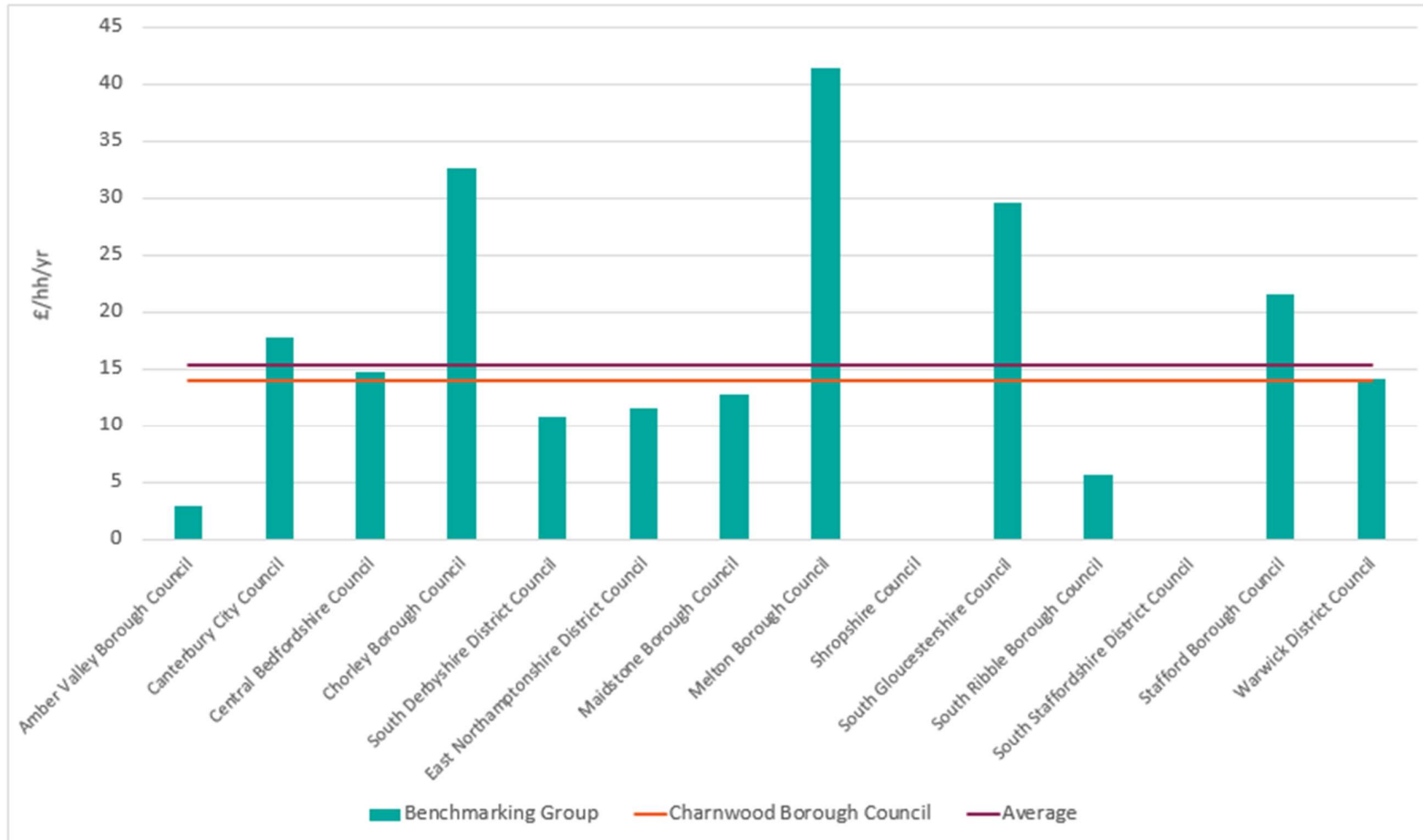
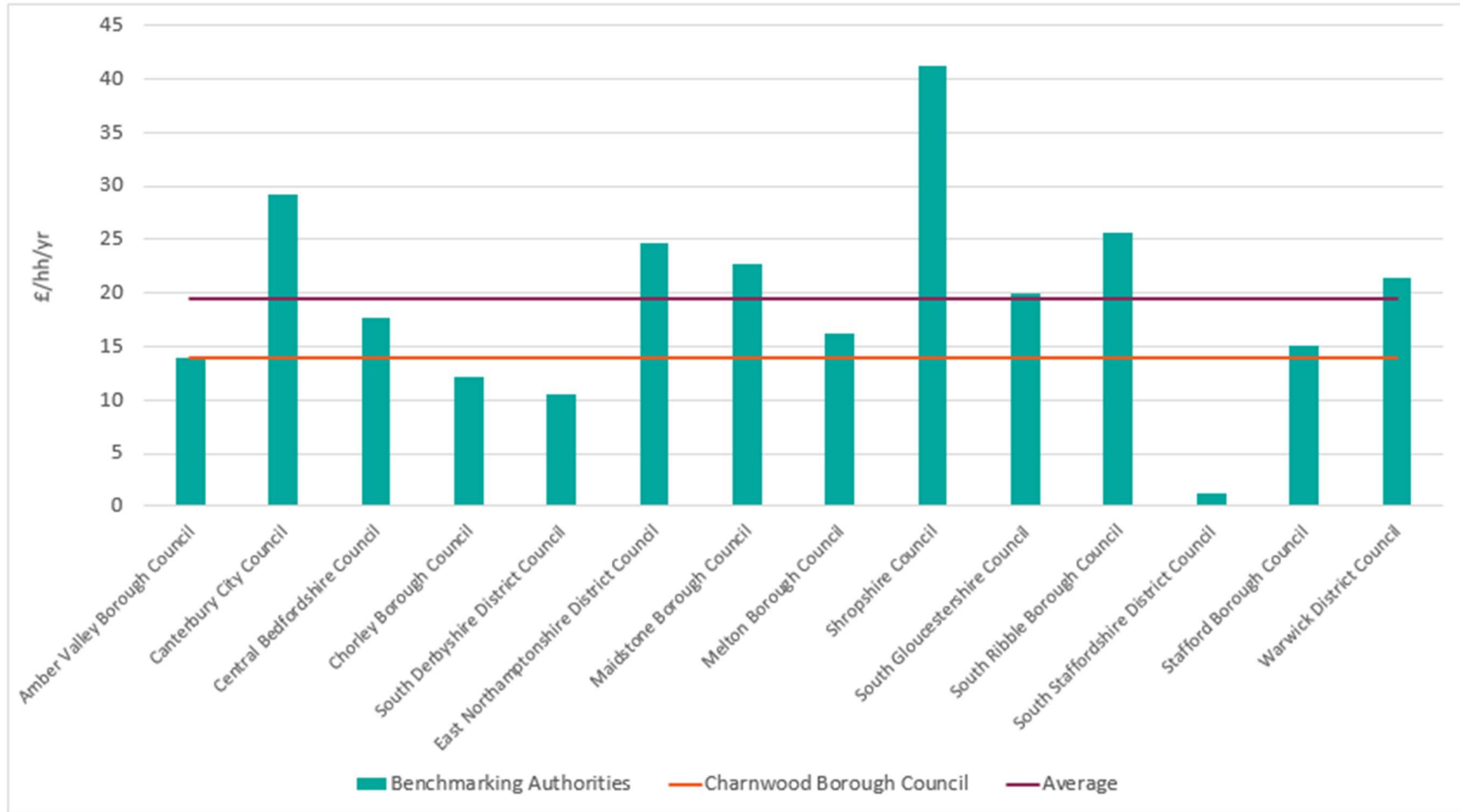


Figure 3.5: Benchmarking Group – Recycling Spending (£/HH/year)



Note: Two of the 14 local authorities in the benchmarking group provided invalidated data

Figure 3.6: Benchmarking Group – Street Cleaning Spending (£/HH/year)



The benchmarking group graphs are summarised in Table 3.2 below are show that in five out of the six indicators compared, Charnwood is performing well with performance measured at or above average. These results provide an indication of Charnwood Borough Councils performance against 14 comparable benchmarked English 'Shire Districts' (with the exception of satisfaction ratings where only 7 other authorities were compared).

**Table 3.2: Charnwood Performance Compared to Benchmark Group**

Authority	Refuse / Recycling				Street Cleaning	Combined
	Recycling rate %	Residual waste kg / HH	Cost of refuse £ per HH	Cost of recycling £ per HH	Cost of streets £ per HH	Satisfaction Rating %
Charnwood Performance (2017/18)	48.4	456	28	14	14	90
Charnwood Rank (out of 15)	7	5	8	9	5	2*
Benchmark Average (2017/18)	48.0	482	37	15	19	80

\*Ranked out of 8

## 4.0 Potential Efficiencies from Alternative Delivery Models

Eunomia has worked on a number of procurement and efficiency review projects that have considered alternative delivery models for waste services. Information was drawn from this experience via a desk top review to carry out a short review of the potential to gain efficiencies for Charnwood's Environmental Services, should alternative delivery models be considered.

In our experience of working with in-house, outsourced and local authority company operations, the efficiency of the service does not depend on the commissioning option, as there are examples of efficient and inefficient services for all different commissioning routes. Table 4.1 provides a brief summary of the potential advantages and disadvantages of the three service delivery models. The table highlights differences that cannot be considered as definitive or guaranteed as they are dependent upon mitigating measures undertaken during any commissioning options appraisal. This table should therefore be read in conjunction with Section 3 of this report.

Table 4.1: Efficiency Analysis of Delivery Models

Delivery Model	Advantages	Disadvantages
Outsourced	<ul style="list-style-type: none"> <li>• Financial risk transfer</li> <li>• Stability in financial planning</li> <li>• Demonstrable best value through procurement and market testing</li> <li>• Pension costs comparatively (and progressively) lower than in-house</li> <li>• Relatively low operational risk (transferred to the company)</li> <li>• Reputational risk transferred to the contractor</li> </ul>	<ul style="list-style-type: none"> <li>• Less flexibility to service change (lengthy negotiations with third party and also potential legal compliance issues)</li> <li>• Efficiency savings made post contract award will need to be shared</li> <li>• The Council pays for the 'profit margin' of the service delivery company</li> <li>• Any commercial activity income would not be automatically shared with the Council</li> </ul>
LAC	<ul style="list-style-type: none"> <li>• Greater flexibility and control of service change</li> <li>• Efficiency savings made post contract award will be held by the Council</li> <li>• Potential to operate commercially and hence improve income (100% retention by the Council)</li> <li>• Pension costs comparatively (and progressively) lower than in-house</li> <li>• Potential for costs to be lower due to not paying profits to third party</li> <li>• Potential for profits to be re-invested into the LAC to provide future savings or improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Financial risk retention</li> <li>• Budget overspends underwritten by the Council</li> <li>• Instability in financial planning</li> <li>• Uncertainty regarding best value</li> <li>• Operational risk mainly retained by the Council</li> <li>• Reputational risk retained by the Council</li> </ul>
In-House	<ul style="list-style-type: none"> <li>• Greater flexibility and control of service change</li> <li>• Efficiency savings made post contract award will be held by the Council</li> <li>• Potential for costs to be lower due to the not-for-profit nature of the Council</li> </ul>	<ul style="list-style-type: none"> <li>• Financial risk retention</li> <li>• Budget overspends underwritten by the Council</li> <li>• Instability in financial planning</li> <li>• Uncertainty regarding best value</li> <li>• Pension costs significantly higher than that of the outsourced or LAC option due to LGPS costs</li> <li>• Commercial activity lessened by the restrictions on local government to act commercially</li> <li>• Operational risk retained by the Council</li> <li>• Reputational risk retained by the Council</li> </ul>

The following sections provide some initial details about the typical areas of consideration relating to different commissioning options and how they need to be appraised during the decision-making process.

## **4.1 Budget Certainty and Financial Risk**

Financial risk transfer is central to the concept of outsourcing service provision to an external contractor and reflects a fundamental difference between this commissioning option and the LAC and in-house options.

The council is currently delivering the services as part of an outsourced delivery model and so officers are relatively familiar with a contractual arrangement which seeks to transfer financial risk to a third party to a degree. Any future services contract will continue to be founded on the principle that most services are delivered for a predictable fixed price, with year-by-year price changes limited to reflecting inflation or significant changes in service approach or volume.

In contrast, both the in-house and the LAC options would require the council to underwrite any budget overspends, leading to both the risk of greater fluctuation in the cost of the services and the fundamental difference that financial risk is not transferred to a third party and the Council retains full responsibility for the running costs of the services. The magnitude of this retained risk can be significant.

However, the market doesn't always work perfectly as a means of transferring financial risk. There have been a number of recent high-profile examples of outsourced environmental services contracts failing due to having been under-bid. In extreme cases, the contracting authority may feel that it has no option but to bail out the contractor (and risk breaching the public procurement rules in the process) or bring the services in-house in a potentially unplanned and uncontrolled way. These risks can be substantially, but not entirely, mitigated by operating a well thought out and executed procurement process.

For the in-house or the LAC options, the costs of providing the services must be understood with greater accuracy, and operational and budget management must be extremely tight to reduce risk of overspend. Where service change is minimal, the risk of overspend is considerably reduced, but there have been several recent and high-profile examples of local authorities significantly overspending in service delivery areas such as environmental services.

The limited liability status of the LAC would be highly unlikely to have any practical use, given the reputational damage that a financial failure of the LAC would be likely to inflict on the council.

For the contracted out option, it is assumed that the competitive tender process would result in a contract price that demonstrably provides Best Value to the council through market testing, while the LAC and in-house options do not undergo a procurement process and are therefore it is harder to demonstrate that they represent best value.

## 4.2 Flexibility and Control

The main consideration around this risk area is the ease with which the council could implement service changes once the services have been commissioned. Such changes might be driven by the need to reflect the local priorities of the administration and the aspirations of residents and service users. However, in recent years a key driver for local authorities seeking greater flexibility and control has also been to make it more straightforward to deliver year-on-year savings where this is deemed necessary to balance the budget in the medium term.

Significant service changes or efficiency initiatives under the contracting out option are likely to involve extensive negotiations with a third party and sometimes also legal compliance considerations in respect of public procurement regulations. In addition, where the delivery of efficiency savings is the key priority, it is likely that savings would have to be shared with the contractor in order to incentivise the contractor to deliver change and also to avoid the risk of profit erosion from being priced against at the tender stage. Alternatively, considerable flexibility can be built into contracts and provided for in the procurement process, but this is inevitably at the expense of a degree of financial risk transfer, with traditional fixed price contracts being less suitable where considerable flexibility and regular change is envisaged by the contracting authority.

In the other options, service changes would be easier to implement, as the council would retain all financial risk and own and control the service delivery entity.

## 4.3 Pensions and Cultural Integration

Pension costs represent a fundamental difference between the various commissioning options and affect, in particular, the in-house service delivery model. Once an employee has been transferred from a contractor to the council, that employee would become eligible for membership of the Local Government Pension Scheme (LGPS). Under the LAC option, staff currently employed by Serco on the existing contract would transfer to the LAC and therefore would not acquire an automatic right to the membership of the LGPS. Instead, they would be auto-enrolled onto the LAC pension scheme. The employer contribution rate of the LAC pension would be decided by the council, and could range anywhere from the current contractors' pensions to the LGPS, although choosing to offer LAC staff LGPS membership would eliminate the financial savings offered by this option versus direct in-house employment.

Another key feature of the LAC option is the potential to operate the services through an entity that is both ultimately council controlled and legally and culturally distinct from the council. This opens up possibilities for the LAC to operate in a more commercial way, potentially allowing the council to benefit from some of the features of outsourcing alongside some of the benefits of an in-house service.

## 4.4 Ability to Deliver Services and Operational Risk

A key element of the decision-making process is understanding the confidence that the council has in its ability to deliver services directly as well as the appetite for the operational risk associated with service delivery.

No commissioning option will ultimately allow the council to fully insulate itself from the risks associated with service delivery and operational failure. If the services are outsourced, the council could reasonably assume that it will be able to appoint a contractor with the relevant capability and experience to operate the services on the authority's behalf. Reputational risk is also ultimately impossible to fully transfer, whatever the contracting structure.

Within the in-house and, to a lesser extent, the LAC options, operational responsibility would fall to the council. In both of these options, elements of the current contractor's management would be likely to transfer to the council or LAC alongside the operational staff, although this cannot be guaranteed. However, key back office functions such as HR, health and safety, payroll, pensions, procurement and IT would need to be mobilised to support these services. Alongside these business support functions, additional management support would be required to transition and oversee these services. Once a LAC has been fully established, much of this day-to-day service management risk would sit with the company. However, since the company would be wholly council owned, reputational and operational risks would ultimately reside with the council.

If the council decides to consider an in-house or LAC commissioning option more closely, we would recommend the development of a clear and transparent method for monitoring the performance of the delivery body and that this forms a key part of the mobilisation of the services. This will ensure that the level of oversight and scrutiny of the quality of the service being delivered is comparable to that required were the Council to outsource service delivery to a contractor.

## 4.5 Local Authority Funding of Capital

Local Government can provide funding for capital investments at a lower cost than the private sector either by investing cash or borrowing through prudential borrowing. This mechanism is possible regardless of the service commissioning route and therefore is not a differentiator between these options.

It is becoming increasingly common for local authorities to consider reducing the cost of service delivery through consideration of the transfer of capital risk, particularly in services heavily reliant upon large capital expenditure. As economic pressures continue to hit local government, the more entrepreneurial conscious authorities are considering the purchase of fleet requirements for environmental services through the use of their prudential borrowing powers under the Local Government Act 2003. This area requires careful consideration to ensure the council adheres to the Prudential Code and does not exceed its Affordable Borrowing Limit however, through an outsourcing option the contractor's financial borrowing is decreased allowing for efficiencies through transfer of the borrowing requirement.



## 5.0 Conclusions

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The research compared information from most English 'Shire District' councils (191 in total). All of these councils operate as waste collection authorities across England in two tier areas and can be compared at a high level to Charnwood Borough Council and their Environmental Services. The results suggest the Council is delivering a service that is performing better than average against national statistics for refuse and recycling. When considering the more closely comparable benchmarking group (14 councils) the residual waste indicator suggests Charnwood is performing slightly better, whilst the recycling performance suggests a small drop in performance.

The indicators used to measure this performance cannot be entirely attributable to the service provided by the Council's Environmental Services contractor. However, they do suggest the Council has put in place a contract and associated policies that enables local residents to achieve relatively high levels of recycling (48.4% compared to national 'Shire District' average of 44.7% and a benchmarking group average of 48.8%) and relatively low amounts of residual waste (456Kg compared to national 'Shire District' average of 466Kg and a benchmarking group average of 472Kg).

A more accurate measure of quality of service provided by Serco is the public satisfaction survey. Of the seven responses collated, Charnwood's combined satisfaction rating scored very highly (90%), second only to one authority in the benchmarking group, and 10% above average.

The cost attributable to the refuse, recycling and street cleaning services in Charnwood were on the whole good, indicating value for money (Table 3.2). The refuse and recycling services measured £28 per household and £14 per household respectively, which make a combined total of £42 per household. As the service is delivered as an alternate weekly collection service it is not unreasonable to compare this combined service cost. The national 'Shire District' average is £44 and a benchmarking group average is £49. These comparisons would suggest the waste collection and recycling service is good value at £5 below the benchmarked group average. This is further enhanced when considering data collected for street cleaning which shows costs significantly lower than the benchmarking group (£14 compared to £20 per household).

Unfortunately our research suggests that Charnwood Borough Council is perhaps one of only a handful of authorities that consistently measure operational performance, particularly in respect of street cleaning local environmental quality assessments. Since the abolition of the Audit Commission many local authorities have chosen not to conduct performance monitoring, especially for street cleaning services. This picture is (surprisingly) reflected across the local authority benchmarking group, a group that has been chosen not only for their similarities in socio-economics and demography, but also because they operate a contracted out service.

In considering future service delivery options we would suggest that a number of factors should be taken into account. These include the results of the benchmarking highlighted within this report together with advice contained in particular in Section 4. In addition,

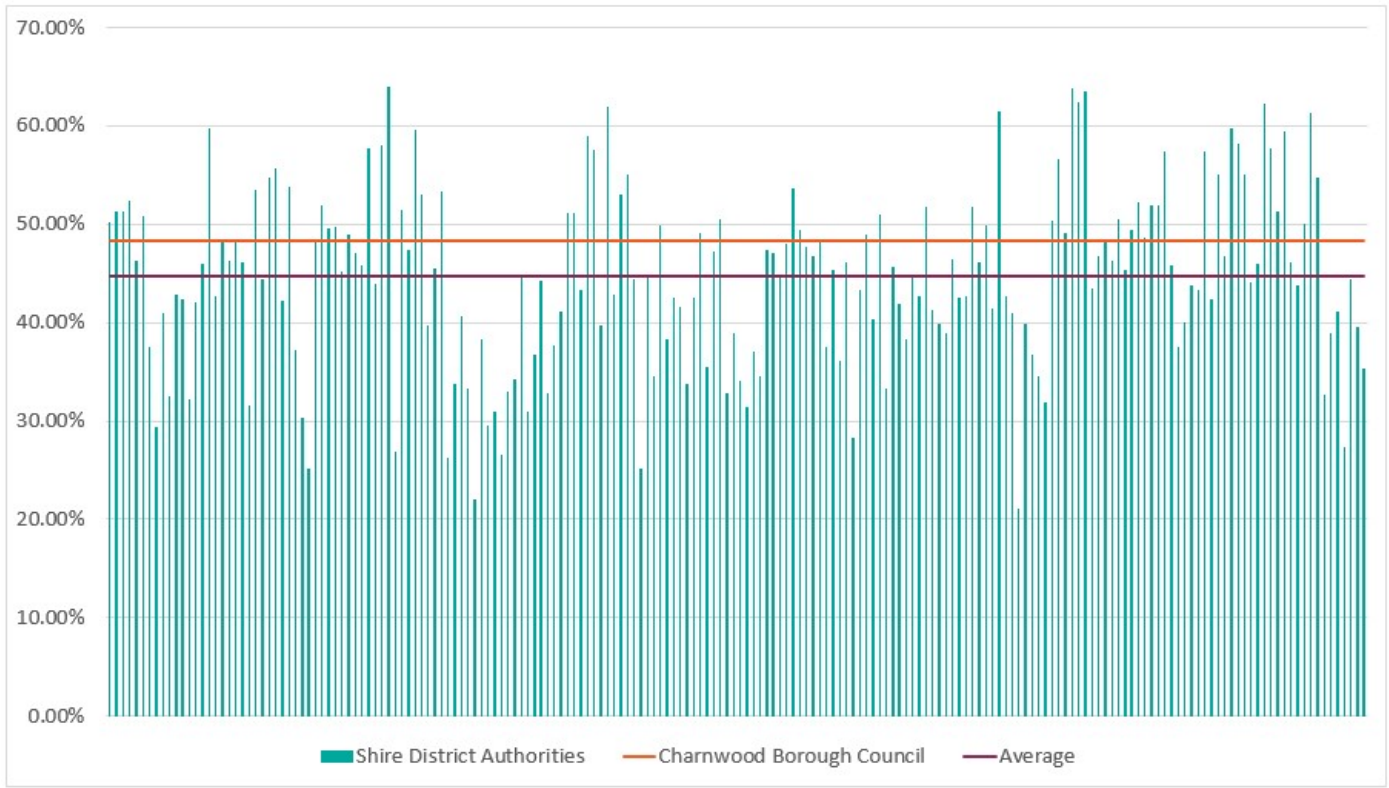
the timing of any potential future procurement combined with the package on offer can make any service more attractive to the market place. Service and contract design are of particular importance in a market place that has consolidated in recent years and one in which the financial landscape is very different to that of ten years ago. Transparency and risk management are also key to securing a future service delivery model that can contribute to any savings targets the Council may have post 2020 when the current contract extension with Serco expires.

# APPENDICES

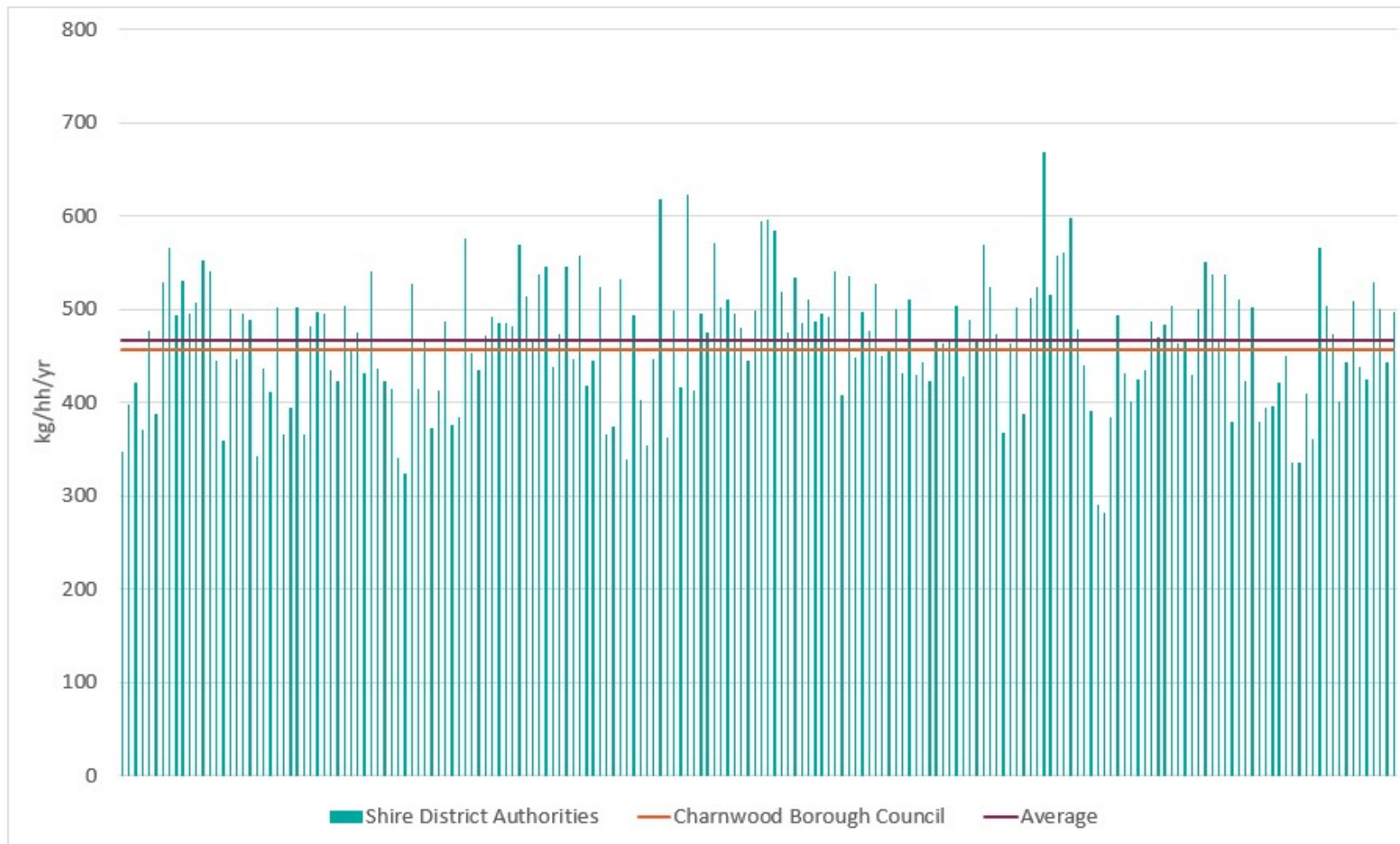
# A.1.0 Appendix 1 – Comparative Data Figures

The following figures illustrate the comparative data collected at a high level compared with Charnwood BC (orange line) and the average (purple line) across all 190 district councils used. These include:-

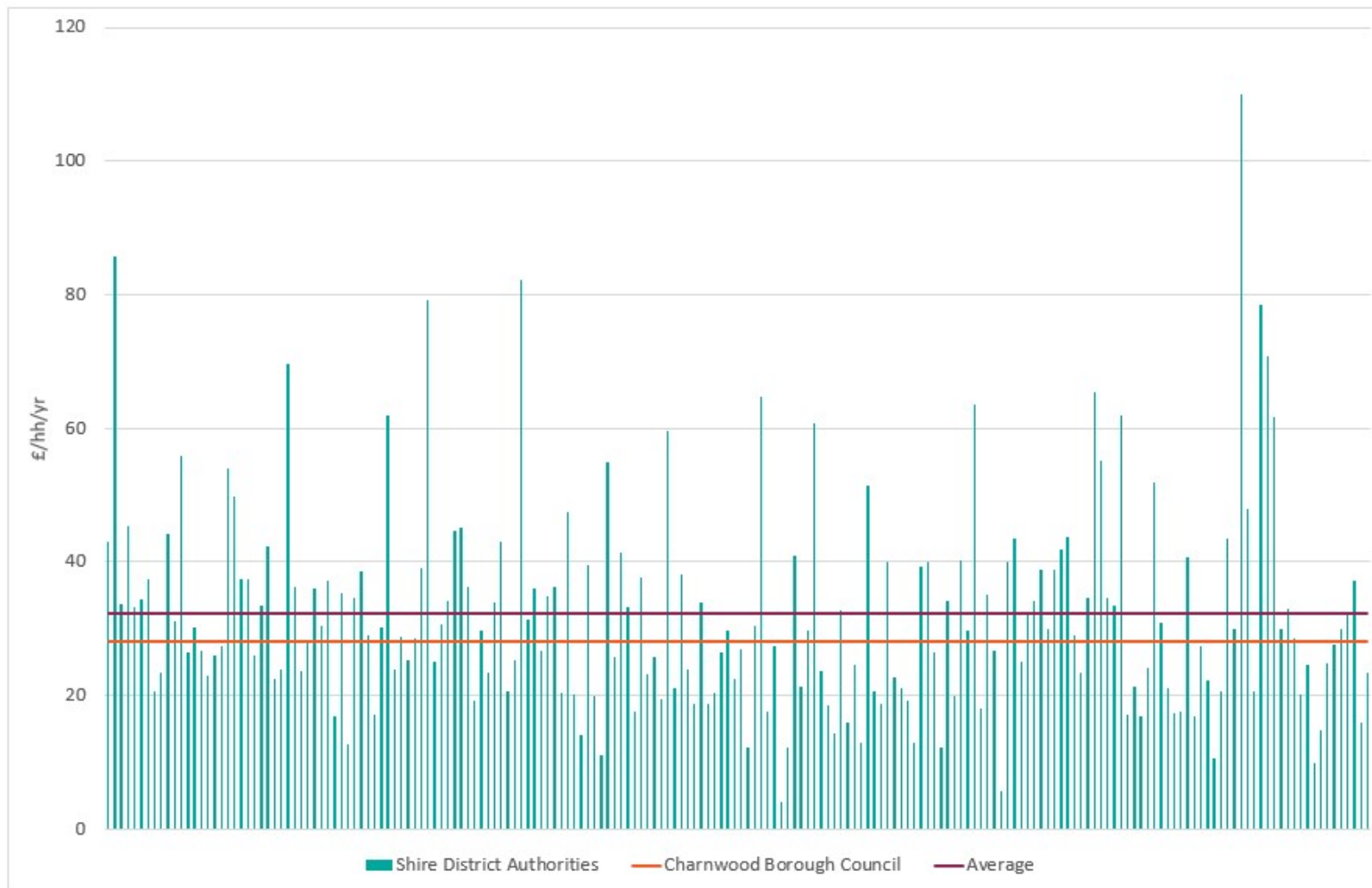
## A.1.1 Household recycling rate



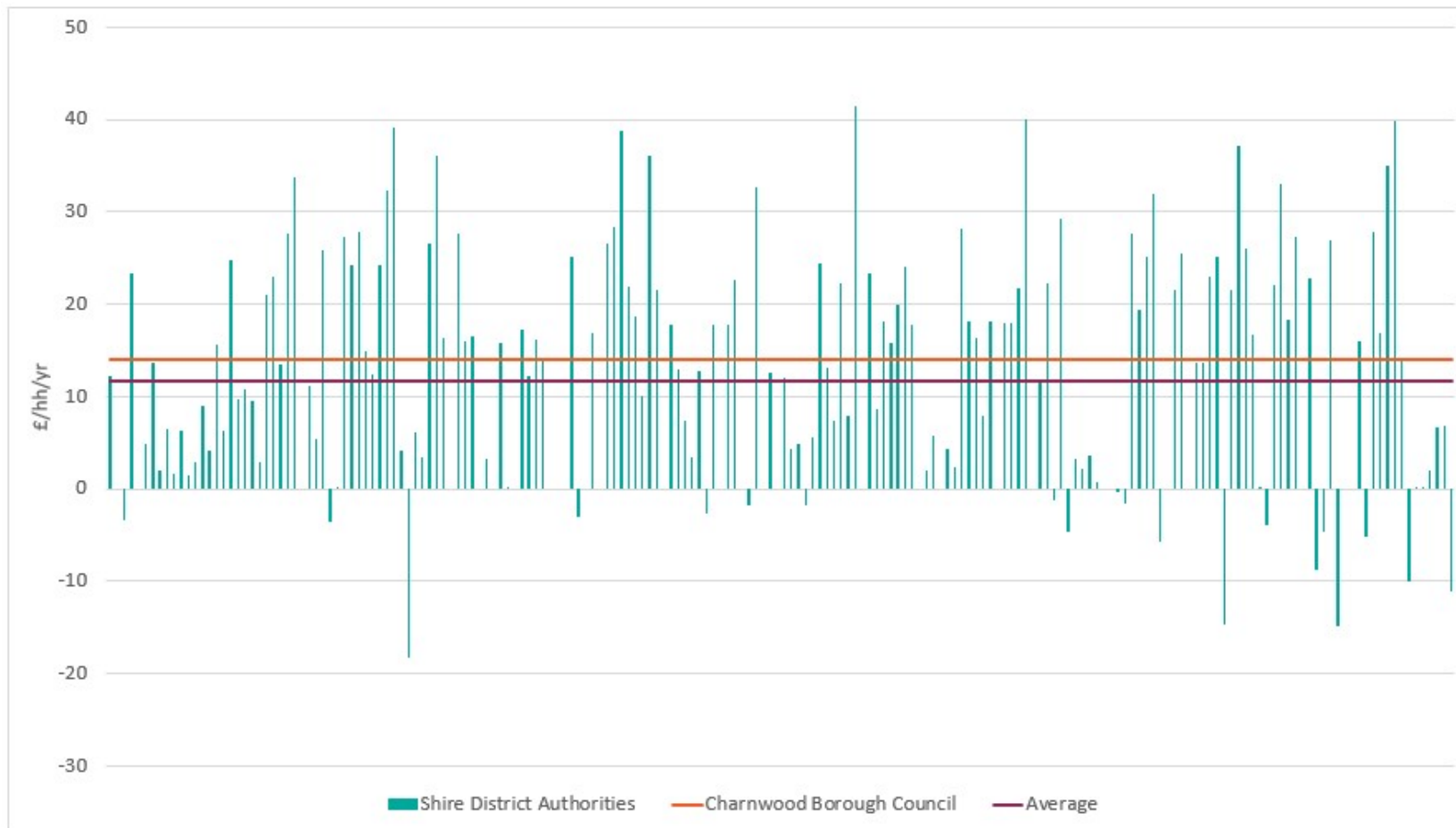
A.1.2 Household residual arisings



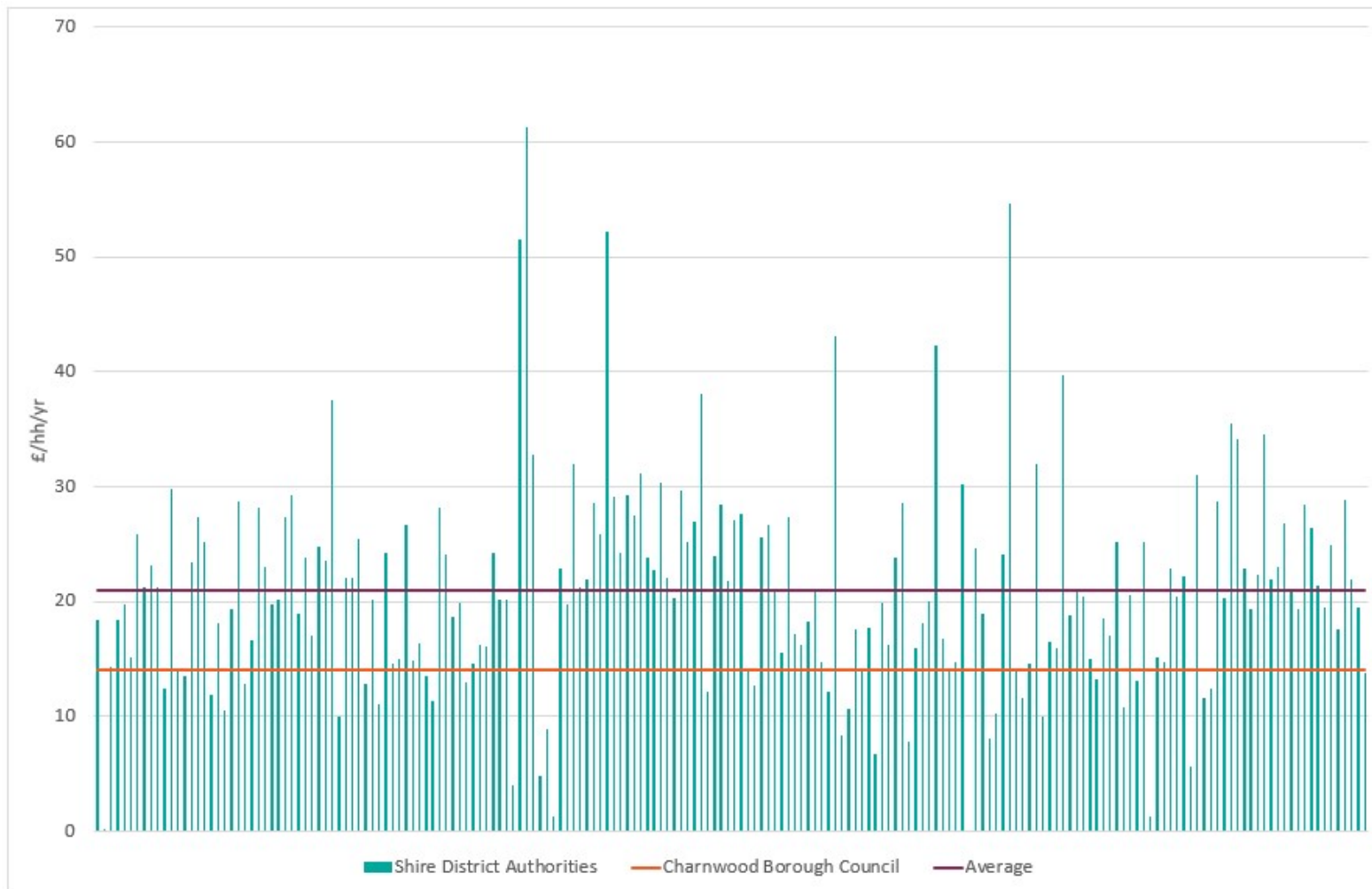
### A.1.3 Waste collection spending



### A.1.4 Recycling spending



### A.1.5 Street cleaning spending





## A.2.0 Appendix 2 – Data Summary

The following table illustrates the summary of the comparative data collected from the 14 local authorities within the benchmarking group compared with Charnwood BC.

### A.2.1 Summary of data collected

Authority	Refuse / Recycling						Street Cleaning		
	Similarity Rank	Recycling rate %	Residual waste kg / HH	Satisfaction rate %	Cost of refuse £ per HH	Cost of recycling £ per HH	Street cleaning NI195a/b	Satisfaction rate %	Cost of streets £ per HH
Charnwood	-	48.4	456	96	28	14	0.8/4.5	75	14
Stafford	2	51.9	468	-	31	22	-	-	15
South Ribble	4	47.4	475	87	18	6	-	87	26
Chorley	5	47.2	496	76	20	33	-	76	12
South Gloucestershire	11	49.2	519	55	78	30	-	44	20
Canterbury	12	44.4	447	70	18	18	-	70	29
Maidstone	14	49.9	416	-	19	13	-	-	23
Warwick	16	54.7	444	-	15	14	-	-	21
East Northamptonshire	25	46.2	368	87	18	12	-	87	25
Amber Valley	28	32.2	552	-	27	3	-	-	14
Central Bedfordshire	30	46.2	551	-	75	15	-	-	18
Shropshire	31	54.8	574	89	-	-	-	89	41
South Staffordshire	36	51.9	463	96	52	-15 <sup>#</sup>	-	96	-
Melton	49	47.7	492	-	30	41	-	-	16
South Derbyshire	50	48.2	489	-	-	-	-	-	-

\* Note: Any data that was not received or was not recorded correctly is marker with a (-). Authorities highlighted in blue were considered to have a more complete set of data for comparison purposes.

<sup>#</sup> Note: Negative data was received due to the impact of recyclate income and recycling credits however this data was excluded from the benchmarking analysis as it was considered unrealistic.



## Lifting the lid on bin complaints: learning to improve waste and recycling services

Focus Report: learning lessons from complaints

August 2017

[www.lgo.org.uk](http://www.lgo.org.uk)

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# Foreword from the Ombudsman



The way local authority services are delivered has changed radically over the last decade, and nowhere is this more evident than in the way our waste is collected. Councils have seen unprecedented budget challenges and had to find new ways to provide basic services. In many cases that has meant fundamental changes to the service that is provided, alongside an increasingly commercial approach to charging and contracting out.

Waste and recycling is one area where this commercialisation of services is most visible. According to WRAP, the resource efficiency organisation, 140 local authorities in England – around 40% – outsource their collection services to the private sector and the majority of councils pay waste companies in some sort of capacity.

Residents who were once used to having the council traditionally collect their rubbish every week, are often now seeing an outsourced service delivered at arms length by a contractor. And this is typically a service with less frequent collections, more segregation of waste and extra charges for services that were once free.

But with new approaches comes new challenges. We are upholding 81% of investigations about waste and recycling: a much higher proportion than in other areas. Whether the service is outsourced or not, this is too much – especially for a service that should be relatively simple to get right.

The fallout from contracting out collections runs through many of the stories in this report. A key theme is councils failing to have sufficient

oversight of their contractors.

We see cases where people complain about issues, but the council blames the contractor and fails to ensure the problem is resolved. Or the council and the contractor may give contradictory information. Councils can contract out their waste service but cannot wash their hands of it.

Where people pay directly for some of their waste collections, these problems are further heightened. As with any commercial exchange, people who pay extra for a service expect it to run smoothly. When it doesn't, councils can expect those people to be more upset than usual. This report highlights where some councils have failed to respond properly to problems with paid-for services, and not appreciate the different relationship this charging factor creates.

As the Ombudsman, I recognise we only investigate a small fraction of collections. Councils in England manage more than 26 million tonnes of waste a year. Many thousands of bins are collected successfully every day in England, and most people receive a seamless service. We only see the tip of the iceberg, but the complaints we investigate tell the story of real public experiences behind the statistics. When things do go wrong, it's how councils put them right that matters.

By publishing this report, I hope we can help local authorities to learn from our investigations and help residents scrutinise their local services. The lessons from this report – particularly the oversight and effective monitoring of contractors – will be relevant for all councils witnessing the changing realities of outsourced service provision.

**Michael King,**  
**Local Government and Social**  
**Care Ombudsman**  
**August 2017**

# Introduction

The Local Government and Social Care Ombudsman investigates unresolved complaints about local public services and registered adult social care providers. In this report we look at some of the common issues we find from our complaints about bin collections.

Waste collection is one of the few services which affect virtually everyone. For many people, it is the most visible council service they receive. We put out our waste bins and recycling boxes and the council takes the contents away.

It is a service we give little thought to.... until it goes wrong. And, when it does go wrong it can lead to frustration, inconvenience and anger in a relatively short period of time.

Given the universal nature of the service there will always be the occasional problem. No council can guarantee there will never be a missed collection and it may not be realistic for people to expect this. But, people are entitled to expect the council, and its contractors, to quickly respond to reports of missed collections and take effective action to deal with problems.

Some of the common problems we see from our investigations include:

- > Repeated missed collections; sometimes compounded by the infrequent nature of collections
- > Poor complaint handling and problems monitoring reported issues
- > Issues with assisted collections for those with disabilities or mobility problems

Many problems are linked to councils not retaining sufficient oversight of their third-party contractors, and not taking ownership of responding effectively to reported issues.

The stories in this report of people, who complained to us, include:

- > a woman who had to phone her council every fortnight for three months just to get her rubbish collected

- > a man who was taking his rubbish to a relative for more than three months because the council did not collect it
- > a man receiving assisted collections who didn't have his bin returned to the right place for 10 months.

We see a common theme through many of these complaints – councils failing to learn and people left to raise concerns time and again about the same problem.

We receive around 500 complaints and enquiries about bin collections every year and have seen a sharp increase in the number of these investigations we uphold. In the year 2016/17 we upheld 81% of waste-related investigations, compared with 59% in 2015/16. Our average uphold rate for all types of investigation last year was 53%. It is concerning we uphold, proportionately, so many complaints about a council service that should be relatively straightforward to deliver.

The report suggests ways councils can improve the service and their complaint handling, based on the learning from our casework. It will also help local councillors to support people in their area who raise queries about bin collections, and we provide a set of questions to help councillors scrutinise their local authority's services.

# The law, policy and practice

Councils have a duty to collect household waste and recycling free of charge. The collections do not have to be weekly and councils can decide the type of bins or boxes people must use.

Councils can also make a charge to replace stolen or damaged bins.

Councils provide an assisted collection service for people who are unable to move their bins and boxes due to a disability or age. In such cases, councils should collect the bins from the storage point and return them to the same point.

Most councils also provide discretionary services to collect garden waste and bulky items. Councils

increasingly charge for these services. Councils also charge to collect waste generated by businesses (commercial waste).

Many councils use a contractor to provide their waste and recycling services on their behalf. In such cases the council retains ultimate responsibility for ensuring the quality of the service and being accountable if things go wrong. The contractor may initially respond to reports of problems or complaints but the council retains ownership. Outsourced should not mean out of touch.

## Advice for households: complaining about refuse and recycling

If you have a problem with your service, you should follow these steps:

- > Report it to the council as soon as possible. The council's website should explain how to report a missed collection. If not, call them to find out how to report the problem.
- > If the problem is not rectified in a reasonable period of time, make an initial complaint. This might be to the contractor or to the council depending on their process.
- > If you are still dissatisfied, escalate your complaint with the contractor or council.
- > Complain to the Local Government and Social Care Ombudsman if you are still unhappy after you have completed the local complaints procedure.

If our investigation finds the council did something wrong that caused an injustice, we will make recommendations for it to put things right. Our recommendations are designed to put people back in the situation they were in before the problem happened. The nature of refuse and

recycling complaints usually means ensuring the service happens properly in the future.

We may recommend a modest payment to reflect the frustration caused and the time and trouble of having to complain to us.

Most importantly, we also look out for improvements to council policies and practices – things which, if changed, may help to avoid similar issues affecting others.

Missed collections are annoying, frustrating and inconvenient. But mistakes can happen and from time to time most people will have a missed collection, a lost bin or another problem with their waste collection. We need to make sure we use public money efficiently, so we would not investigate complaints where there have been just a couple of missed collections or other one-off problems.

# Common problems

## Contracting out services

Councils frequently arrange for private companies to provide the refuse collection service on their behalf. When this happens, it is important for the council to remember it retains responsibility for the service. And it is responsible if things go wrong. The contractor may provide an initial response if someone makes a complaint, but the person must be told of their right to escalate the complaint to the council, and to the Ombudsman, if they remain dissatisfied.

### Miriam's story

Miriam's council contracted out its food, refuse and recycling collections. Within the contract, the private company agreed to collect missed collections the day after they are reported. The company is also responsible for responding to complaints at the first stage.

Miriam reported six missed collections over six months. Initially the contractor came back within one to two days but, as the problems continued, the service deteriorated and the contractor did not deal with the missed collection until the following week.

Miriam complained to the contractor. In response, the contractor gave an incorrect reason for the missed collection. When Miriam complained to the council, it upheld the complaint and found there had been a different reason for the missed collection. In short, the contractor blamed Miriam but the council found she had not done anything wrong. Each time Miriam complained about a run of missed collections, the service would improve for a while and then deteriorate.

We found the contractor was not properly collecting the refuse, recycling or food waste. Its complaint handling was poor and this made it harder for Miriam to resolve the problem.

#### How we put things right

The council agreed to:

- > apologise and make a payment to Miriam
- > monitor the collections properly for two months
- > review how the contractor handles complaints to make sure its responses are accurate and evidence-based
- > review how it deals with complaints after they have been considered by the contractor

# Common problems

## Monitoring

As part of their complaint response, councils often say they will do a period of monitoring. This can be done well but we sometimes find either the monitoring does not take place, or it is ineffective. This issue is common to many of the stories in this report.

Sometimes the monitoring does not have much reality beyond a statement in the complaint response. Monitoring is often an essential part of resolving a complaint and when done properly, it can lead to an improved service.

### Asha's story

Asha lives in an apartment block. The council provides each home with an individual caddy for food waste, to transfer to communal waste bins that are collected weekly. Asha contacted the council to report six missed collections. The council said it would monitor the collections for the next six weeks. But Asha had to make another complaint because the collections were still being missed. The council upheld her complaint and accepted there had been many missed collections. It did more monitoring. This did not solve the problem and Asha complained to us.

In response to our questions, the council said few missed collections had been identified during the monitoring. Asha, however, said the problem was on-going and there were eight more missed food collections after she contacted us. The council could not provide any records of the monitoring and it later transpired all the council did was check the missed collection reports and told the contractor to deal with it. This is not monitoring. Effective monitoring requires the council to actively check the collection has been completed. And, if the monitoring finds a missed collection, the council needs to find the cause and put it right.

#### How we put things right

The council agreed to:

- > apologise to Asha and pay her £100
- > properly monitor the food waste for 12 weeks and report the findings to Asha and to us
- > consider taking photographs as part of a new monitoring regime

The new approach was effective, and after five months of proper monitoring Asha was receiving weekly collections.





# Common problems

## Paid-for services

Some councils charge for certain types of refuse collections. Unsurprisingly, when people have to pay extra, there are often higher expectations of the service and a heightened sense of frustration and injustice if something goes wrong.

Garden waste is a common service that was once free but now chargeable in some areas. Councils will usually also offer bulky item collections at a cost. Charges are unpopular but permitted, as these are not services councils are required to provide for free. Garden waste charges typically range from around £25 to £60 and buy collections for all or part of the year.

### Ben's story

Ben complained to the council after it failed to collect his garden waste on several occasions. Apart from the annoyance, it meant he had a bin full of rotting waste which stopped him from doing more gardening. The council suggested the problem was caused by the crews being uncertain of his house's location. The council offered £75 and an assurance he would get a regular service once the crews had been reminded where he lives. The supervisor was asked to monitor the collection for six months.

Ben had to complain again three months later because his garden waste was still not being collected. The council said that after the first complaint it fined its contractor, and then notified the contractor of each missed collection.

In response to our investigation the council accepted there was a problem but was unsure of the reason. It again added the property to the supervisor's checklist. It was unable to provide any evidence to show monitoring had taken place after the first complaint.

#### How we put things right

The council agreed to:

- > apologise to Ben for the continuing poor service
- > fine the contractor if there were any more missed collections
- > monitor properly the service for six months

# Common problems

## Missed collections

Missed collections happen. But councils should make it easy for people to report missed collections and have clear information about how and when the missed collection will be dealt with. If councils do not collect rubbish every week then it is even more important that a missed collection is dealt with promptly

### Rachel's story

The council collects Rachel's rubbish every two weeks and her recycling every week. Over a period of three months the council only collected the rubbish once and missed several recycling collections. Rachel reported the problem by phone and on-line numerous times but nobody got in touch. She complained in writing. The council upheld her complaint and explained the problems were linked to its use of an external contractor. The council apologised but the problems continued. For another three months Rachel had to call the council every fortnight as it was the only way to get her refuse collected. Even then the collection was often a week late. Rachel complained to us.

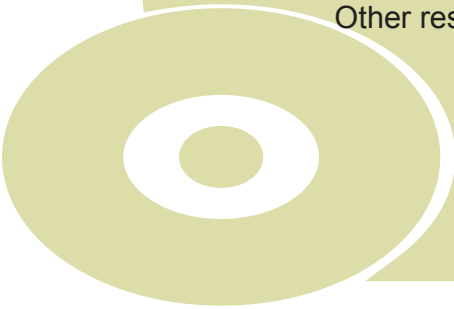
In response to our investigation the council explained the contractor had been using a van which was too big to access Rachel's road. The contractor allocated a smaller van to the route and the service improved. We found that, after the initial complaint, the council did not do enough to monitor the service even though it knew there was a problem.

### How we put things right

The council agreed to:

- > apologise to Rachel
- > pay her a token amount in recognition of the poor service she received
- > give Rachel details for an officer she could directly report any further missed collections to
- > monitor her collections for six months

We were happy to hear from Rachel that the service subsequently improved and there had been no more missed collections.



Other residents also had issues with their collections, to the extent it was raised in the local press. We welcomed the fact that, while we were investigating, the council's scrutiny panel discussed the problem and an action plan was agreed with the contractor to improve the service for everyone.

# Common problems

## Frequency of collections

Councils increasingly do not collect refuse every week. Quite often the rubbish and recycling are collected on alternate weeks. When rubbish is not collected every week, it is particularly important councils deal promptly with missed collections.

### Imran's Story

Imran's council collects refuse every three weeks. There should have been a collection on 18 December but it was missed. Imran reported it via Twitter and was told the rubbish would be collected within 72 hours. It wasn't and on 24 December he was told it would be collected by 28 December. This did not happen so Imran contacted the council again. He was told the collection would be by 31 December.

Imran made a complaint on 2 January – his rubbish had still not been collected. In response, the council told him the rubbish would be taken on 4 January. This, too, did not happen and the rubbish which should have been collected on 18 December, was finally removed on 15 January.

The council responded to the complaint in April. But the response was confusing and did not explain what had happened. The next response found the problem had been caused by poor service management and a lack of supervision. Imran complained to us.

Our investigation found the council's policy said it should have returned within 48 hours to collect the rubbish. The combination of the three-week collection period and the delay in returning to collect the rubbish, meant Imran had no collection between late November and mid January. The council also handled his complaints poorly.

#### How we put things right

The council:

- > accepted it was at fault for not collecting Imran's rubbish promptly, and repeatedly missing new timescales for the collection
- > apologised for the poor service and for the delay in responding to Imran's complaints
- > paid Imran a token amount to reflect his frustration, and the time and trouble in pursuing his complaint with us

# Common problems

## Complaint handling

Poor complaint handling can make it harder for residents to resolve their refuse problem and increase their sense of frustration. Sometimes councils take a standardised, formulaic approach that fails to address the specific circumstances when things go wrong.

### Ivan's story

Ivan lives in a street where there are few residential homes. He had no problems until the council introduced wheelie bins. His recycling collections were fine, but between June and November there were 24 missed collections of the general waste. Each time Ivan reported the missed collection but it was often days before the council collected it. On one occasion he had to wait three weeks.

Ivan complained but the problems continued, despite the council saying it was monitoring the situation.

In November there was another missed collection. His collection day was Monday but, by Friday, the bin was still out waiting for collection. The bin was then stolen. Ivan reported this and complained to his local councillor after the council said he would have to pay £20 to get a new bin. The council told the councillor that if Ivan did not pay £20 he would not receive a service.

Ivan did not pay the charge. He pointed out that the bin had only been left out for so long because the crews had not emptied it. He had no faith that he would get a reliable service even if he paid for the new bin. By the time Ivan contacted us in March he had not had a refuse collection since November – he had to take his rubbish to a relative.

We found the council's complaint handling was poor. It had not investigated the individual circumstances of the complaint and had sent out complaint replies which were almost identical. There was nothing to suggest the council had followed its complaints procedure.

### How we put things right

Following our investigation the council agreed to:

- > give Ivan a bin without making a charge
- > make a small payment for the inconvenience
- > provide the refuse team with complaint handling training

We were pleased to hear that Ivan's rubbish collections have since improved.

# Common problems

## Assisted collections

For people who are elderly or have mobility problems, assisted collection can be a vital service. The council collects the bins from where they are stored and returns them to the same place. In theory, this means the person should not have to do any more than put their rubbish in the bins. However, when things go wrong it can leave people struggling to retrieve containers from the street or having to deal with accumulations of waste.

### Billy's story

Billy receives assisted collections. He contacted the council to report that for the last five months, the crew had not been returning his recycling bin. The council spoke to the service team and assured Billy the crew would return the bin to the correct point. The problem continued so Billy contacted the council again. The council gave exactly the same response. The problem continued. Billy spoke to the crew who said it takes too long to return the bin. He again contacted the council who apologised for the poor service and said it would monitor the crew.

Billy complained to us. We found the council had delayed resolving the problem. When Billy complained for the second time the council should have escalated the complaint to a manager rather than sending an identical response. Then, when the council said it would monitor the problem, it was unable to provide any evidence to show that it had done so. The problem had continued for about ten months and the council did not take any meaningful action until we intervened.

#### How we put things right

After we got involved the council began more vigorous monitoring and the service significantly improved. However, the council should have resolved the problem some four months earlier.

The council agreed to:

- > apologise to Billy
- > pay him £150 for the delay and inconvenience
- > monitor the service for another four months and learn lessons about the way the complaint was handled

# Common problems

## Changes to services

From time to time councils may have to change how they deliver and manage the refuse and recycling service. This might involve relatively small changes about the boxes and bins, or be more wide ranging such as changing the collection day and who provides the service. For example, a council may decide to stop using its own staff and contract the service out to a third party.

Our experience shows when a service is changed, councils should anticipate and prepare for potential problems. We receive complaints about the new bins not being delivered; bins delivered in error not being collected; and the new service not being properly delivered. People have also complained about being unable to contact the council when the new service does not work and expressed dissatisfaction when their local councillor is unable to help. We have heard how frustrated people feel when they follow the council's instructions to report a problem, but either cannot get through or feel ignored because the problem is not resolved.



## Joginder's story

Joginder's council used to provide one free bin for garden waste and a second bin for £45 a year. Each year the garden waste service was suspended for six weeks in December and January. The £45 fee took this into account.

Joginder signed up for a second bin. He paid the fee but says the council did not send any documents. He thought he had bought the service for 46 weeks. He did not know the council had decided to suspend the collections from mid-November to mid-March.

Joginder complained the council did not tell him about the reduced service when he signed up. He only found out in the October when he got a reminder there would be no service from November to March. The council only updated its website in November.

The council told us that in the month before Joginder signed up, it had decided to extend the suspension period to seventeen weeks. It had intended to carry out a public consultation but this did not happen. The council explained it had sent renewal letters saying the service was under review. But we found evidence to suggest not everyone received them. In any case, by the time the council sent these letters it had already decided to extend the suspension so the case was no longer 'under review'.

The council received 98 complaints. It treated them as a complaint against a policy decision and did not provide individual responses. Instead, it sent a similar response to each complaint and said it would not make any refunds because it had told renewal customers the service was being reviewed. It did issue a partial refund to new customers who signed up after the renewal notices had been issued.

Our investigation found that, had the council considered each of the 98 complaints individually, it would have known Joginder was not a renewing customer. We found the council had not told Joginder about the reduced service and there was no information on the website until shortly before the extended suspension began. We also found the council did not properly inform all the renewing customers – it merely said the service was under review.

### How we put things right

The council:

- > apologised to Joginder for not telling him about the revised service and for not properly considering his complaint
- > agreed an appropriate refund for Joginder, at our request
- > offered an appropriate refund to all those who were not notified the service was being reviewed
- > offered the same discount on the charge for the next year, for everyone else who had been affected

# Getting things right

From our investigations we have developed the following good practice points for councils:

- > Ensure clear procedures are in place with any contractors to deal with complaints, making it clear the council retains oversight of any issues
- > When problems with a service are detected, ensure any monitoring of the issue is meaningful and not just a tick-box exercise
- > Understand problems with a paid-for service are likely to lead to a heightened sense of frustration – perhaps consider giving people a discounted rate or free collection period in future, in place of any that are missed
- > Ensure a reliable and effective service, particularly when refuse collections are reduced to fortnightly or less
- > Make sure people who have an assisted collection service are not left to struggle when things go wrong
- > Provide considered responses when handling complaints – rather than stock responses
- > Learn from complaints and implement those learning points
- > Use our decisions and reports to develop good practice

When making changes to the service:

- > Provide clear information about the changes well in advance and in a range of ways (for example website, direct notifications, meetings, press adverts, posters)
- > Provide a way for people to ask questions and ensure an answer is provided
- > Make sure the information is clear, unambiguous and easy to find. For example, make sure the new collection calendar is in a prominent place in the publicity material

- > Ensure sufficient staff are available to answer calls and emails when people report missed collections and other problems with the new service
- > Ensure local councillors are fully briefed so they know how to help when people report problems
- > Make sure the council's website is updated to reflect the situation and to give clear information about what they should do and when they can expect things to improve





# Scrutiny and the role of councillors

Councils and all other bodies providing local public services should be accountable to the people who use them. The Local Government and Social Care Ombudsman was established by Parliament to support this. We recommend a number of key questions that councillors, who have a democratic mandate to scrutinise the way councils carry out their functions, can consider asking.

How does your council:

- > Make sure its refuse contractors are carrying out an effective service?
- > Deal with complaints about its contractors?
- > Make sure changes to the refuse and recycling service are introduced as smoothly as possible – and teething problems resolved as soon as possible?
- > Ensure the refuse service is properly set up to provide an effective and reliable service?
- > Listen to comments and concerns from residents about the service?
- > Carry out effective monitoring?
- > Learn from the outcomes of complaints to improve services, and share this with the public?
- > Use the Ombudsman's reports and decisions to develop its own policy and practice?



# The role of the Ombudsman

Local Government and Social Care Ombudsman investigates unresolved complaints about councils and other bodies providing local public services; and all adult registered adult social care providers. This includes any adult social care regardless of whether it is arranged or funded privately or through the council.

We share the learning from our complaints to help improve local public, and adult social care, services.

We are a free service. We investigate complaints in a fair and independent way - we do not take sides.

If we find something wrong, we make recommendations for the council or care provider to take action to put it right. What we ask the council to do will depend on the particular complaint, how serious the fault was and how the person was affected.

We have no legal power to force councils to follow our recommendations, but they almost always do.

Some of the things we might ask a service provider to do are:

- > apologise
- > pay a financial remedy
- > improve its procedures so similar problems do not happen again



**Local Government and Social Care  
Ombudsman**

PO Box 4771  
Coventry  
CV4 0EH

Phone: 0300 061 0614  
Web: [www.lgo.org.uk](http://www.lgo.org.uk)  
Twitter: [@LGOmbudsman](https://twitter.com/LGOmbudsman)

# Tender Timetable - OJEU Open Procedure

APPENDIX D

**Contract Title:**

**ES - 2020**

**Responsibilities:**

Highlight Actions as follows -

Cleansing and Open Spaces

**CABINET DATES TO BE ADDED**

ACTION	NOTES	DATE
1 Agree Procurement Route & Responsibilities	Sept Cabinet meeting	13/09/2018
	allow min of 2 weeks / 2	
2 Completion of Tender Documents	months	15/11/2018
3 Issue Advert to OJEU	1 day after 2	16/11/2018
4 Advertise in Press (if appropriate)	2 days after 3	18/11/2018
5 Advertise on Contracts finder, CBC Contract register & Source Leicestershire	2 days after 3	18/11/2018
6 Email advert to identified prospective companies	2 day after 3	18/11/2018
7 Prepare PQQ	21 days	09/12/2018
8 Issue PQQ	2 days	11/12/2018
9 Completion	35 days	15/01/2019
10 Return	1 day	16/01/2019
11 Evaluate	14 days	30/01/2019
12 Agree shortlisting / Project Board	1 day	31/01/2019
13 Legal Input	1day	01/02/2019
14 Prepare ISOS	During prep stage	12/11/2018
15 Dialogue meetings	TBC	
16 Issue ISOS	2 days	04/02/2019
17 Completion	35 days	11/03/2019
18 Return	1 day	12/03/2019
19 Evaluate	14 days	26/03/2019
20 Agree shortlisting / Project Board	1 day	27/03/2019
21 Legal Input	1day	28/03/2019
22 Prepare ISDS	During prep stage + 10days for adjustments	07/04/2019
23 Dialogue meetings	TBC	
24 Issue ISDS	2 days	10/04/2019
25 Completion	35 days	15/05/2019
26 Return	1 day	16/05/2019
27 Evaluate	14 days	30/05/2019
28 Agree shortlisting / Project Board	1 day	31/05/2019
29 Legal Input	1day	01/06/2019
30 Prepare ISFT	During prep stage + 10days for adjustments	11/06/2019
31 Dialogue meetings	TBC	
32 Issue ISFT	2 days	14/06/2019
33 Completion	35 days	19/07/2019
34 Site visits	TBC	
35 Return	1 day	20/07/2019

36	Evaluate	14 days	03/08/2019
37	Agree shortlisting / Project Board	1 day	04/08/2019
38	Legal Input	1day	05/08/2019
	Cabinet briefing		TBC
39	Financial checks by Accountancy	allow 1 wk	12/08/2019
40	Issue short-list invites (if required)	allow at least 1 wk notice	19/08/2019
41	Short-list Presentations (if required)	allow at least 1 wk	26/08/2019
42	Further clarification if required	allow at least 1 wk	02/09/2019
43	Agree preferred supplier	allow at least 3 days	05/09/2019
44	Notify Successful & Unsuccessful Suppliers	(Alcatel Judgement)	06/09/2019
		Allow 10 days (final day of Alcatel period must be a week day, i.e. if day 10 falls on a Sunday you must carry over to the following Monday)	
45	10 day standstill (alcatel period)		18/09/2019
46	Mobilisation	9 months for fleet	14/07/2020
47	Contract start date	earliest possible	29/06/2020

## CABINET – 13TH SEPTEMBER 2018

### Report of the Head of Neighbourhood Services Lead Member: Councillor Deborah Taylor

#### Part A

#### ITEM 8 CHARNWOOD GRANTS – ROUND TWO – 2018/19 COMMUNITY FACILITIES AND COMMUNITY DEVELOPMENT AND ENGAGEMENT GRANT APPLICATIONS

##### Purpose of Report

To enable the Cabinet to consider applications received for funding in round two of the Community Facilities and Community Development and Engagement Grants schemes for 2018/19.

##### Recommendations

1. That the following Community Development and Engagement Grants be awarded:
  - £2,280 to Charnwood Stroke Club towards running costs;
  - £2,500 to The Leslie Edwards Trust towards communication skills for hearing impaired people;
  - £2,000 to Sileby Community Library towards IT elements only;
  - £350 to Nanpantan Ward Residents Group towards room-hire and the printing of newsletters (to be funded through the Loughborough Community Grants scheme);
  - £7,500 to The Baca Charity towards general running costs (£3,750 to be funded through Community Development and Engagement Grant scheme, and £3,750 to be funded through the Loughborough Community Grants scheme);
  - £8,350 to Peter Le Marchant Trust towards a young people's participation and development project;
  - £1,000 to Wymeswold Memorial Hall towards the 'Wymeswold Remembers' project;
  - £2,000 to Syston Friendship Group towards running costs.
2. That the Head of Neighbourhood Services be given delegated authority to finalise the terms and conditions of the awarded Community Facilities and Community Development and Engagement Grants.

##### Reasons

1. To provide financial support to organisations which meet the criteria of the Community Development and Engagement Grants and Environmental schemes

in terms of community and organisational need and to use funding provided through the Loughborough Grants scheme to support projects in Loughborough.

2. To enable the grants awarded to be finalised and appropriate information to be supplied to the Council about the outcomes of the project.

### Policy Justification and Previous Decisions

The Council's Corporate Plan 2016-20 makes a commitment to make sure that Charnwood is a great place to live for families by creating a safe, secure and caring environment and to provide opportunities for participation in social, leisure and cultural activities and in community life. It aims to make Charnwood an attractive place for all by funding community groups and providing a range of diverse opportunities and events.

The Council's Corporate Plan 2016-2020 was approved by Council on the 29<sup>th</sup> February 2016. A review of the existing grants criteria was undertaken at this time and it was concluded that the existing criteria were still appropriate and aligned with the priorities of the Corporate Plan 2016-2020.

### Implementation Timetable including Future Decisions and Scrutiny

The Community Development and Engagement Grants considered in this report will be released, providing they are approved, once the applicants have met any required payment conditions. Grant payment terms will be on a grant by grant basis, depending on the nature of the organisation/project and level of grant awarded. Payment may be made in stages, and copy invoices, or proof of project expenditure, requested.

### Report Implications

The following implications have been identified for this report.

### Financial Implications

#### *Community Facilities Grant Funding*

The remaining budget for Community Facilities Grants after Round 1 in 2018-19 was £70,142 (or £63,742 if additional works are needed for the previous East Goscote Village Hall scheme application). There were no applications received for Round 2, therefore the balance remains at £70,142 (or £63,742), for future rounds of Community Facilities Grants.

#### *Community Development & Engagement Grant Funding*

The 2018/19 budget for Community Development and Engagement Grants is £64,100. The balance after Round 1 was £60,650.

This Round 2 report recommends that eight applications are supported totalling £25,980, with £21,880 of this amount being funded through the Community Development and Engagement grants scheme, and £4,100 being funded through the

Loughborough Community grants scheme. This will leave a balance of £38,770 for Community Development and Engagement Grants.

*Loughborough Community Grant Funding*

Cabinet at its meeting on the 21<sup>st</sup> January 2016 (min 93) approved the recommendation that the Head of Neighbourhood Services be given delegated authority to allocate any grant budget for schemes in Loughborough that is funded through the Loughborough Special Expenses between the Loughborough Community Grants fund (maximum £2000) and a budget within the Community Development and Engagement Grants fund (maximum £10,000) ring-fenced for schemes based in Loughborough. This was to enable the budget for funding schemes in Loughborough to be more flexibly allocated between large and small applications.

The intention as outlined above is to allocate £4,100 from the Loughborough Community Grants budget towards the Loughborough based projects, The Baca Charity (£3750) and Nanpantan Ward Residents’ Group (£350).

*Community Development and Engagement - Environmental Grant Funding (External funding provided by Serco)*

Serco have agreed to provide £20,000 per year to Charnwood Borough Council (CBC) for grants to projects that deliver environmental outcomes. They have made a commitment to provide this funding for three financial years (2017/18, 2018/19 and 2019/20).

The ring-fenced budget for environmental projects in 2018/19 is £24,000 as the underspend of £4,000 from 2017/18 is available, as the external funding is ring fenced for this purpose. No applications for environmental projects have been received in Round 2 for 2018/19, therefore the balance for this year remains at £24,000.

Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Risk Management Actions Planned
Grants do not deliver the objectives of the Grants scheme	Unlikely	Moderate	The grants have been assessed against the criteria and will be supported with appropriate monitoring information.

Equality and Diversity

There is a requirement in the grants criteria for each organisation that applies to either have their own Equal Opportunities Policy or provide a statement that the organisation will abide by the Council’s Equal Opportunities Policy.



In addition an Equality Impact Assessment has been completed and attached at Appendix 2.

### Crime and Disorder

The grants criteria specifically cover crime and disorder with projects needing to outline how the proposed project reduces the impact of crime and anti-social behaviour and promotes stronger, cohesive and balanced communities.

### Sustainability

Many of the grants criteria are concerned with sustainability.

Key Decision: Yes

Background Papers: None

Officers to contact: Julie Robinson  
Head of Neighbourhood Services  
01509 634590  
[julie.robinson@charnwood.gov.uk](mailto:julie.robinson@charnwood.gov.uk)

Verity Graham  
Neighbourhoods & Partnerships Co-ordinator  
01509 632516  
[verity.graham@charnwood.gov.uk](mailto:verity.graham@charnwood.gov.uk)

## Part B

### Charnwood Community Grants Criteria

1. At its meeting on 12th April 2012, Cabinet agreed the revised Community Grants Criteria to reflect the changes in the Council's Corporate Plan.

The Council's new Corporate Plan 2016-2020 was approved by Council on the 29<sup>th</sup> February 2016. A review of the existing grants criteria has been undertaken and it was concluded that the existing criteria was still appropriate and aligned with the priorities of the new Corporate Plan 2016-2020.

### Community Facilities Grants

2. The criteria include the following:
  - That the maximum amount awarded would be £20,000 (was previously £30,000) for projects that link well into the Council's Corporate Plan and can achieve wider community benefits.
  - That the scheme would support up to 50% of the cost of feasibility studies, with an upper limit of £5,000.
3. Schemes are scored using an assessment matrix which looks for:
  - Well prepared schemes, with a realistic costing of the work, and projects that are well targeted, have good local support and a strong input from volunteers.
  - Projects that link well into the Council's Corporate Plan and can achieve wider community benefits.
  - Applications from organisations with a strong local base and full accessibility to the community.
  - The need of the community for the facility and the need of the organisation for the funding.
4. The assessment matrix produces a maximum score of 100. A scheme scoring below 30 on the matrix is recommended for refusal and the Grants Panel will provide feedback to the community organisation on the reasons why it was not successful. Where a scheme scores between 30 and 40 on the first assessment the Grants Panel will work with the community organisation to see whether the bid can be improved and strengthened. Schemes scoring 40 and above are normally recommended for approval. However applicants seeking a large grant which scores only just over 40 are advised that they may only receive part of the money they have applied for.

### Community Development and Engagement Grants

5. The criteria include the following:
  - Maximum amount to be awarded is £10,000.
  - Provides funding for projects delivered by the voluntary and community sector

- Must be available for the wider community
6. All applications are assessed against two measures of need: how the project meets the Council's aims and objectives in meeting identified community needs and the organisational need of grant funding from the Council to enable the project to succeed. Both measures seek to demonstrate the value for money to be obtained in providing grant funding. Twelve criteria are used to assess community need based on the aims and objectives set out in the Corporate Plan.
- How does your project promote stronger, cohesive and balanced communities (in particular encouraging people from different backgrounds to get along together)?
  - How does your project involve volunteers and how will volunteers be supported and developed?
  - How does your project promote and support physical health and well-being (in particular healthy eating, physical activity, sexual health and reduced substance misuse)?
  - How does your project promote and support improved mental health and emotional well-being?
  - How does your project reduce the impact of crime and/or anti-social behaviour?
  - How does your project improve the quality of life of people living in priority neighbourhoods?
  - How does your project improve the well-being of residents through acknowledging their diverse needs?
  - How does your project enable children, young people and older people to make a positive contribution to the communities in which they live?
  - How does your project enable older people to live independent lives?
  - How does your project promote access of local people to green spaces and the countryside?
  - How does your project add value to Charnwood's commitment to reduce the impact of climate change?
  - How does your project help promote local businesses to prosper and develop vibrant towns and villages, and support rural enterprise?
7. Five criteria are used to assess the need for the Council to provide grant funding. Organisations must demonstrate that their projects are prepared and managed well and will be encouraged to explore other funding sources where appropriate.
- Has a realistic total cost and timetable for the project been identified after being researched, for example through obtaining quotes or using reliable information from previous years?
  - Have efforts been made to obtain other funding to enable the project to begin and is the amount sought from the Council necessary to secure match funding or because other sources of funding are not available?
  - What balances and reserves are available and has using these to fund the activity been considered?
  - Is the proportion of the cost of the project the Council is being asked to fund justified?

- No specific geographically based conditions or targets are applied to grant awards but the geographical distribution of grants across the Borough is taken into account.

8. Applications are assessed qualitatively against these criteria and rated high, medium or low. These ratings are converted to a score on the following basis which rewards those applications which rate highly in meeting community need and provide a maximum possible score of 97.

*Table 1 – Conversion of rankings into scores*

Ranking	Community Need Score	Organisation Need Score
HIGH	6	5
MEDIUM	2	3
LOW	1	1
Maximum Score	72	25

#### Levels for funding

Score	Level of funding
Less than 30	Nil
30 – 40	Some of grant funding applied for
More than 40	Most or all of funding applied for

#### Community Facilities Grant Applications

9. No applications for Community Facilities Grant funding have been received for this round.

#### Community Development & Engagement Grant Applications

10. Eight applications were received for funding in Round 2 for 2018/19. Eight applications have been assessed against the criteria; and all eight have been recommended for support.

#### **Charnwood Stroke Club - Score 41.4 - Recommendation to award up to £2,280**

11. Charnwood Stroke Club was formed in 1979, and provides a place for anyone who has been affected by a stroke to meet and socialise in a friendly and welcoming environment. The effects of a stroke can make a huge impact on individuals and their carers, and Charnwood Stroke Club helps by providing social and recreational sessions and activities for people from all over Charnwood. The sessions provide a range of activities for members including games, competitions, a weekly raffle, group lunches, films and presentations. They also organise regular trips and outings at a subsidised rate for all their members.
12. The organisation is applying for funding towards general running costs, including room hire, the cost of the mini bus from John Storer House (which

transports members to and from the sessions), refreshments, printing costs, and liability insurance.

13. The benefits of the project include:
  - The social and recreational activities they deliver contribute to improving the mental health and wellbeing of service users;
  - Provides service users with the opportunity to meet and socialise with others in similar situations, reducing isolation;
  - Provides respite for carers, giving them some time away from their caring responsibilities, and therefore maintaining and improving their own mental health and wellbeing.
14. The application identifies strong links with the following aims and objectives set out in the Council's Corporate Plan:
  - Promotes and supports improved mental health and emotional wellbeing;
  - Improves the well-being of residents through acknowledging their diverse needs;
  - Enables older people to live independent lives.
15. The application of £2,280 is for 27.6% of the total scheme costs of £8,266.
16. The Panel scored this scheme at 41.4 and recommends that a grant of up to £2,280 be awarded, subject to the organisation working with CBC Officers to look at their financial sustainability going forward.
17. The Panel recognise the good work this organisation does to support a local need, and that costs have increased in general, however they feel that there is some work to be done on sourcing refreshments at a lower cost, and they would like the organisation to work with Officers to discuss the organisation's future sustainability plan in more detail.

#### **The Leslie Edwards Trust - Score 38.6 - Recommendation to award up to £2,500**

18. The Leslie Edwards Trust was formed in 2009, and aims to promote social inclusion amongst hearing impaired people and their families, primarily by promoting and providing education in communication skills. In addition to learning basic lipreading and communication skills, participants explore coping techniques and strategies for managing in a variety of social and public situations. Classes also encourage assertiveness, for example checking that hearing loops are working in shops and cinemas. The organisation is run by hearing impaired people and has provided communication and lipreading learning since 2011. The Trust is run entirely by volunteers with minimal overheads, and they use the services of a professionally (ATLA) trained tutor, whose contribution is an important part of their work.
19. The organisation has had financial help over the years from a variety of sources. The Helen Jean Cope Charity has given them the necessary funds

to run the Loughborough class until September 2018, and the organisation is seeking funds to enable them to run the class from September for a further year.

20. The benefits of the project include:
  - Reducing isolation by teaching communication skills and giving participants the confidence to make others aware of their communication needs;
  - Learning communication skills leads to increased self-esteem and confidence, which leads to overall improved mental health and well-being;
  - As a result of increased confidence in communicating, participants are more likely to contribute to the community.
21. The application identifies strong links with the following aims and objectives set out in the Council's Corporate Plan:
  - Promotes stronger, cohesive and balanced communities;
  - Promotes and supports improved mental health and emotional wellbeing;
  - Improves the well-being of residents, through acknowledging their diverse needs.
22. The application of £3,010 is for 60% of the total scheme costs of £5,010.
23. The Panel scored this scheme at 38.6 and recommends that a grant of up to £2,500 be awarded subject to the organisation working with CBC Officers to look at their financial sustainability going forward.
24. The application scored well against the criteria of the scheme and the Panel feel that this is a positive project that integrates a sector of the community into the wider community. The Panel would suggest that the organisation charge a nominal fee for the sessions, as currently the sessions are free of charge to ensure financial sustainability in the longer term.

**Sileby Community Library – Score 36.8 - Recommendation to award up to £2,000 for IT elements only, subject to confirmation that this funding is not available through Leicestershire County Council**

25. Sileby Community Library is a registered Charity that has been running since December 2015, having transferred from Leicestershire County Council to the community of Sileby, and is run solely by volunteers. The library is a focal point for the village and provides a valuable community facility, with the lending of books, use of its IT facilities and as a meeting place.
26. Since taking over the library, the community group have been struggling to maximise the use of the venue. Their vision is to create a community hub, which not only offers books and functions as a library, and utilise the space so more community activities can take place. Currently they work closely with a local school, nursery and Homefield college, and the library provides work experience opportunities for young people with learning difficulties. They

provide a meeting space for a monthly book club, weekly craft group, and baby clinic. Their plans for future provision at the library include:

- A regular coffee morning;
  - Parent and toddler activities;
  - Holiday activities for children and young people;
  - Provide hot desking space for people who work from home;
  - Work closely with local Patient Participation Groups to develop programmes which improve health and well-being.
27. In order to provide these services, the community library has set up a transformation project, which aims to refurbish the library, creating a more modern environment and a flexible approach to the use of the library. The project includes replacing the carpet, providing more up-to-date IT facilities, including ipads and the de-installation and re-installation of the IT network, data cabling and electric points.
28. The benefits of the project include:
- Provision of IT facilities available for use for the whole community;
  - Further volunteering opportunities;
  - The refurbishment will ensure that the library can continue to provide a usable space for a wide range of user groups;
  - Enhanced IT facilities will attract younger residents into the library, and will provide the opportunity for all to increase their IT skills and enable digital inclusion sessions to run for the wider community.
29. The application identifies strong links with the following aims and objectives set out in the Council's Corporate Plan:
- Involves and supports volunteers;
  - Improves the well-being of residents through acknowledging their diverse needs.
30. Local Ward Councillors were consulted on the application, and provided the following response:
- “We support this project and all the hard work that is carried out by the volunteers at Sileby library. This facility offers many opportunities to the people of Sileby to exchange books learn out to use technology and keep up to date with an ever moving World of technology. We all take it for granted that people today have access to a PC and smartphones iPad etc, the reality is that some people still do not have this privilege. And this wonderful facility provides this opportunity. Having spoken to many elderly residents they still prefer to read as this is a wonderful thing that keeps people's minds healthy and they can still follow authors of their choice and have the ability to meet up with people. With this potential grant Sileby library will continue to grow and improve and be a valuable asset to the community.”
31. The application of £5,804 is for 33.3% of the total scheme costs of £17,422.

32. The Panel scored this scheme at 36.8 and recommends that a grant of up to £2,000 be awarded for IT elements only, subject to the organisation looking at expanding their digital inclusion offer and support for the elderly and the wider community to use computers. The Panel are also aware that there was previously some funding available from Leicestershire County Council for library IT improvements and therefore, the award is subject to confirmation that this funding is no longer available.
33. The application scored well against the criteria of the scheme and the Panel are supportive of the IT elements of the project, the IT networking and i-Pads, which will enable the organisation to deliver a wider range of digital inclusion sessions for the community. The Panel are unable to provide funding for the work space transformation, furniture and carpet through this grants scheme, however they recognise that Sileby is expanding rapidly, and would advise that the organisation speak to the Parish Council and look at other funding opportunities.

**Nanpantan Ward Residents Group – Score 37.4 - Recommendation to award up to £350 through the Loughborough Community Grants scheme**

34. The Nanpantan Ward Residents Group was formed in 2015, and aims to represent all residents in the Nanpantan Ward of Charnwood with regard to any issues which may affect them. There are approximately 2,000 properties and 6,000 residents, including 1,200 students. The organisation works closely with agencies including the Police, Loughborough University, Leicestershire County Council Highways and Waste, Severn Trent and Charnwood Borough Council. Committee meetings are held every two months and there are quarterly General meetings open to the residents. This year the organisation are working closely with residents over concern about rogue landlords, health concerns of residents relating to the proposed incinerator at Junction 23, the effects of the proposed Science and Enterprise Park. They run a website, and have 80 members on their e-mailing list.
35. The organisation is applying for funding to print newsletters and cover the cost of room hire for their meetings at Ronald West Court.
36. The benefits of the project include:
  - Encouragement of understanding between all sectors of the community, including the elderly, young families, students, tenants and people from a wide range of ethnic backgrounds;
  - Maintains and improves well-being of residents, by taking forward concerns and reducing anxiety.
37. The application identifies strong links with the following aims and objectives set out in the Council's Corporate Plan:
  - Reduces the impact of crime and anti-social behaviour;
  - Promotes and supports improved mental health and emotional well-being.



38. Local Ward Councillors were consulted on the application. No comments were received.
39. The application of £450 is for 81.8% of the total scheme costs of £550.
40. The Panel scored this scheme at 37.4 and recommends that a grant of up to £350 be awarded through the Loughborough Community Grants scheme.
41. The Panel support the organisation, however they have noted that funding for the newsletters and room-hire has been awarded by the grants scheme for the last couple of years, and for that reason have lowered the amount offered in-line with other repeat applications. The Panel suggest that the group could look at e-mailing the newsletter to reduce printing costs.

**The Baca Charity – Score 41.3 - Recommendation to award up to £7,500 (£3,750 through the Community Development and Engagement Grants scheme, and £3,750 through the Loughborough Community Grants scheme)**

42. The Baca Charity was formed in 2008 and aims to support young forced migrants who arrive as unaccompanied asylum seekers, including those that have been trafficked, to rebuild their lives, integrate into a community and use their experience positively. They achieve this by providing a safe and empowering environment and through the use of a holistic and personalised approach, which includes providing:
  - Safe, homely accommodation with a residential volunteer;
  - A support worker who oversees their care, teaches practical living skills, helps them access services and supports them through the asylum processes, building a trusting relationship which is key to emotional recovery and development;
  - A bespoke ESOL and maths education programme delivered every week-day morning by their two teachers, catering for the young people's needs;
  - Weekly art therapy workshop, recognising that the young people have trauma to process, and lack the language skills for traditional counselling;
  - Weekly sports activities to provide a physical outlet for emotion as well as being part of a healthy lifestyle;
  - Regular practical and emotional health workshops, e.g. cooking, bike maintenance, budgeting, self-esteem, healthy relationships delivered by support workers and volunteers.
43. The organisation is applying for funding towards its organisational running costs, including rent, utilities, insurance and general office costs.
44. The benefits of the project include:
  - Ensuring the young people are given the support they need to recover from trauma;
  - Teaching young people to look after themselves, and integrate them into the community;

- Sports sessions provide a safe outlet for young people to process emotion, improve physical health, build friendships, improve communication skills and teamwork, build confidence and assist with community integration through accessing local facilities;
  - Good volunteering opportunities;
  - Integration of individuals into the local community.
45. The application identifies strong links with the following aims and objectives set out in the Council's Corporate Plan:
- Promotes stronger, cohesive and balanced communities;
  - Involves and supports volunteers effectively;
  - Promotes and supports physical health and well-being;
  - Promotes and supports improved mental health and well-being;
46. The application of £10,000 is for 33.2% of the total scheme costs of £30,126.
47. The Panel scored this scheme at 41.3 and recommends that a grant of up to £7,500 be awarded towards general running costs, subject to the organisation demonstrating they are financially sustainable and that they can meet the funding gap identified in their running costs. (£3,750 to be funded through the Community Development and Engagement Grant scheme, and £3,750 to be funded through the Loughborough Community grants scheme).
48. The Panel recognise the positive work that is being done by this Charity, and that the project is growing, and would like to support the organisation with their general running costs, as they recognise that these support the wider work of the Charity. The Panel note that there is a shortfall on the current running costs, and would like to see further information on how this gap is to be funded.

**Peter Le Marchant Trust - Score 57.4 - Recommendation to award up to £8,350**

49. The Peter Le Marchant Trust was formed in 1978. The organisation provides canal boat trips for the disabled, and serves over 4,000 customers and passengers per year. The charity has researched their volunteer and passenger data and usage, noting that the number of children and young people both volunteering and using the canal boats has dropped significantly over recent years from 40% in the 1980's to 15%, with 85% of their passengers/users being disabled or elderly. The outcome of this research is that the charity is committing to reversing this trend, and to increase the number of children and young people involved.
50. The main objective of the charity at present is to initiate a unique and new intergenerational young people volunteering project based on their local waterways and canals. They will:
- Recruit, train and manage 50 new young volunteers at the Trust, including a robust and diverse programme of activities, developing new skills and experiences, encouraging teamwork and active participation, aid

aspiration and personal development, help young people to stay active and healthy whilst giving back to their community and increasing the understanding of the physical and psychological benefits of local waterways, wildlife and the environment;

- Ensure 500 local young people actively participate on the local waterways and canals, increasing self-esteem and motivation;
  - Significantly increase the support to over 3,000 people living with physical and mental disabilities using the canal boats;
  - Manage an innovative programme in two waves over a yearly season to ensure an attractive mix of volunteering roles to increase knowledge, skills, confidence and experience of young people;
  - Provide a platform to ensure the sustainability of the trust by recruiting a new generation of volunteers to ensure the Trust can develop an effective succession strategy that sees it operate effectively for people living with disabilities and marginalised communities for another 40 years in the local area.
51. The organisation is seeking funding specifically for this project, and costs include a dedicated support worker for young people, promotional and educational materials, canal boat equipment and office equipment.
52. The benefits of the project include:
- Long term sustainability for the organisation;
  - Opportunities for young people from diverse backgrounds to gain volunteering experience and increase skills, in an attractive, accessible and stimulating environment;
  - Environments such as waterways have a positive effect on mental health and wellbeing, particularly in terms of stress reduction.
53. The application identifies strong links with the following aims and objectives set out in the Council's Corporate Plan:
- Promotes stronger, cohesive and balanced communities;
  - Involves and supports volunteers effectively;
  - Promotes and supports physical health and wellbeing;
  - Promotes and supports improved mental health and emotional wellbeing;
  - Enables older people to live independent lives;
  - Promotes access of local people to green spaces and the countryside.
54. The application of £8,350 is for 89.3% of the total scheme costs of £9,350.
55. The Panel scored this scheme at 57.4 and recommends that a grant of up to £8,350 be awarded.
56. The application scored very highly against the criteria of the scheme and the Panel feel that this is a positive project which is future-proofing the

organisation. The Panel feel that it should be fairly easy to engage the young people with this project, which is positive.

**Wymeswold Memorial Hall - Score 33.3 - Recommendation to award up to £1,000**

57. Wymeswold Memorial Hall was formed circa 1920, and registered with the Charity Commission in 1960. Trustees run the hall for the benefit of the Wymeswold community. Volunteers give their time to take bookings and maintain the facility as a legacy of the Great War. It is a highly valued village amenity and is in regular use 6 days a week by a variety of groups consisting of people of all ages.
58. 11<sup>th</sup> November 2018, will mark the centenary commemorations of the First World War. Wymeswold suffered severe losses during this period, with 30 young men from the village (out of a population of 700 people) killed in action. Various clubs and groups in Wymeswold would like to mark this poignant occasion by arranging a parade through the village, which will include these groups, and ending at the Wymeswold Memorial Hall where there will be refreshments and entertainment. Costs will include, soldier figures, poppies for lamp posts, promotional materials, costume hire, light refreshments, live WW1 era music, and decorations for the hall.
59. The benefits of the project include:
  - The event will bring a diverse cross section of the village together through all age and socio-economic groups, with a chance for residents to share their families' stories with the younger generations.
60. The application identifies strong links with the following aims and objectives set out in the Council's Corporate Plan:
  - Enables children, young people and older people to make a positive contribution to the communities in which they live.
61. The Local Ward Councillor was consulted on the application. The Councillor was supportive of the project.
62. The application of £2,000 is for 59% of the total scheme costs of £3,390.
63. The Panel scored this scheme at 33.3 and recommends that a grant of up to £1,000 be awarded.
64. The Panel feel that this is a good community event, which brings a wide cross-section of groups together to commemorate the centenary of the First World War. The Panel feel that the refreshment costs are quite high, and would encourage the organisation to consider making a small charge for light refreshments.

**System Friendship Group - Score 44.2 - Recommendation to award up to £2,000**

65. The Syston Friendship Group was formed in 1978. It runs a weekly social session for adults with learning difficulties, some of whom also live with disabilities and immobility. Current members' ages range from 24 to 68yrs. The sessions take place every Thursday from 7pm till 9pm at Syston Community Centre. The group hires and self-drives the Age Concern mini-bus to collect members that are unable to make their own way to and from the sessions. The average attendance is 28 people, but it can go up to 35 or more. Members pay £1.50 to attend, and there is an extra charge of £1 if they require collection by the mini-bus. The evening activities include a craft table, card games, jigsaws, lego, drawing and colouring, Bingo, music, magic shows, dominoes, refreshments are served, and there are always magazines and books available. They also have activities for special occasions/themes, such as disco nights, fireworks for Bonfire night, Easter eggs for Easter, Christmas trips, and special demonstrations, such as jewellery making.
66. The organisation is requesting funding towards their general running costs.
67. The benefits of the project include:
- Members come from a range of backgrounds and have the opportunity to socialise with people they might not normally come into contact with;
  - Good volunteering opportunities;
  - The reduction of isolation and the mix of activities on offer both have positive effects on participants' mental health and well-being;
  - The project offers carers respite;
  - Increase in participants' confidence and self-esteem.
68. The application identifies strong links with the following aims and objectives set out in the Council's Corporate Plan:
- Promotes stronger, cohesive and balanced communities;
  - Involves and supports volunteers effectively;
  - Promotes and supports improved mental health and emotional well-being;
  - Improves the well-being of residents through acknowledging their diverse needs.
69. Local Ward Councillors were consulted on the application. One Councillor provided the following response, with other Councillors agreeing with the comments:
- "I strongly support this application which clearly enhances the lives of those with learning difficulties and disabilities and mobility problems . The Group does invaluable work in Syston and the surrounds. It has been running for 40 years, is staffed, in the main by Community Volunteers and enhances substantially the lives of the more vulnerable in our society. The application clearly identifies what the funding will be used for. I do wonder if we could also assist them further, in any way, by signposting them to other funding sources. ....I think it is important that this group continues to provide the excellent service it does to our community, but to do so they need to be able to bridge the income gap on a regular basis. The group having been in

existence for over 40 years have overcome many challenges in the past no doubt. I totally support this application.”

70. The application of £1,952 is for 46.2% of the total scheme costs of £4,222.
71. The Panel scored this scheme at 44.2 and recommends that a grant of up to £2,000 be awarded subject to the organisation working with Officers to look at their financial sustainability going forward. The VCS Development Officer has been working with the group and additional revenue expenditure has been identified during this process, and as a result the Panel agreed to slightly uplift the grant to be awarded to enable these costs to be covered and to enable the group to have more certainty around funding, whilst they continue to work on their financial sustainability plan.
72. The application scored highly against the criteria of the scheme and the Panel would like to support the project, however, they noted that the organisation has limited reserves.

### Appendices

Appendix 1 – Community Development and Engagement Grants Summary

Appendix 2 – Equality Impact Assessment

**APPENDIX 1**

**Round 2 2018/19 - Community Development and Engagement Grants Summary**

**Budget for 2018-19: £64,100  
Balance After Round 1: £60,650  
Balance Remaining: £38,770**

<b>Applicant</b>	<b>Project description</b>	<b>Amount applied for (£)</b>	<b>Total project cost (£)</b>	<b>Community need score</b>	<b>Organisation need score</b>	<b>Total score</b>	<b>Recommendation</b>
Grant ref 1170  Charnwood Stroke Club	Running costs	2,280.63	8,266.63	22.8	18.6	41.4	Approve up to £2,280
Grant ref 1171  The Leslie Edwards Trust	Communication skills for hearing impaired people	3,010	5,010	22	16.6	38.6	Approve up to £2,500
Grant ref 1175  Sileby Community Library	Library Transformation Project	5,804	17,422	13	9.4	22.4	Approve up to £2000 for IT elements only

Grant ref 1176 Nanpantan Ward Residents Group	Printing of newsletters and room hire	450	550	23.2	14.2	37.4	Approve up to £350 (through Loughborough Community Grants scheme)
Grant ref 1177 The Baca Charity	Running costs - support for young asylum seekers	10,000	32,000	16.8	8.2	25	Approve up to £7,500 towards general running costs (£3,750 funded through Community Development and Engagement scheme and £3,750 through Loughborough Community Grants scheme)
Grant ref 1178 Peter Le Marchant Trust	Young People's Participation and Development Project	8,350	9,350	41.2	16.2	57.4	Approve up to £8,350
Grant ref 1179 Wymeswold Memorial Hall	Wymeswold Remembers Project	2,000	3,390	12.3	13.3	25.5	Approve up to £1,000



Grant ref 1180	Running Costs	1,952	4,222	20.8	19	36	Approve up to £2000
System Friendship Group							

**Charnwood Borough Council**

**Equality Impact Assessment  
'Knowing the needs of your customers and employees'**

■ **Background**

An Equality Impact Assessment is an improvement tool. It will assist you in ensuring that you have thought about the needs and impacts of your service/policy/function in relation to the protected characteristics. It enables a systematic approach to identifying and recording gaps and actions.

■ **Legislation- Equality Duty**

As a local authority that provides services to the public, Charnwood Borough Council has a legal responsibility to ensure that we can demonstrate having paid due regard to the need to:

- ✓ Eliminate discrimination, harassment and victimisation
- ✓ Advance Equality of Opportunity
- ✓ Foster good relations

For the following protected characteristics:

1. Age
2. Disability
3. Gender reassignment
4. Marriage and civil partnership
5. Pregnancy and maternity
6. Race
7. Religion and belief
8. Sex (Gender)
9. Sexual orientation

What is prohibited?

1. Direct Discrimination
2. Indirect Discrimination
3. Harassment
4. Victimisation
5. Discrimination by association
6. Discrimination by perception
7. Pregnancy and maternity discrimination
8. Discrimination arising from disability
9. Failing to make reasonable adjustments

■ **Step 1 – Introductory information**

Title of the policy	Community Development & Engagement Grant and Community Facilities Grant.
Name of lead officer and others undertaking this assessment	Julie Robinson
Date EIA started	March 2018
Date EIA completed	August 2018

■ **Step 2 – Overview of policy/function being assessed:**

Outline: What is the purpose of this policy? (Specify aims and objectives)
<p>Charnwood Borough Council recognises the value and contribution of individuals, voluntary sector organisations and other community-led projects and the benefits they provide to the residents of Charnwood.</p> <p>Through our Charnwood grant schemes we provide a range of grants to help these organisations, groups and individuals access the funding support they need.</p> <p>Three times a year Cabinet considers applications for revenue funding for the Community Facilities Capital Grants and Community Development and Engagement Grants Schemes.</p> <p>It is the Councils aim to ensure the grants process is inclusive of all community groups and funding supports projects targeting individuals across a range of protected characteristics, as outlined in the Equality Act 2010.</p>
What specific group/s is the policy designed to affect/impact and what is the intended change or outcome for them?
<p>It is the Councils aim to ensure that the grants process is inclusive of all community groups and funding supports projects targeting individuals/ residents across a range of protected characteristics, as outlined in the Equality Act 2010.</p> <p>Analysis is therefore undertaken to ensure that the grant are distributed in a reasonable and proportionate manner.</p>
Which groups have been consulted as part of the creation or review of the policy?
<p>Evaluation takes place on successful applications to analyse whether there any gaps with regards to the protected characteristics in order to ensure the grants process is fair and equal to all. In particular analysis is undertaken to determine any barriers which may prevent specific community groups/ communities of interest from successfully applying or even applying at all to Charnwood Grants.</p>

■ **Step 3 – What we already know and where there are gaps**

List any existing information/data do you have/monitor about different diverse groups in relation to this policy? Such as in relation to age, disability, gender reassignment, marriage and civil partnership, pregnancy & maternity, race, religion or belief, sex, sexual orientation etc.

Data/information such as:

- Consultation
- Previous Equality Impact Assessments
- Demographic information
- Anecdotal and other evidence

- Analysis of successful Community Development & Engagement Grants, Loughborough Grants and Community Facilities Grants 2017/18

What does this information / data tell you about diverse groups? If you do not hold or have access to any data/information on diverse groups, what do you need to begin collating / monitoring? (Please list)

Number & total of grants awarded based on protected characteristic:

	<b>Number of grants awarded</b>	<b>Total funding approved</b>
<b>Age</b>	10	£29,720
<b>Disability</b>	5	£24,200
<b>Gender Reassignment</b>	0	£0
<b>Pregnancy &amp; Maternity</b>	0	£0
<b>Race</b>	3	£4,490
<b>Religion or Belief</b>	N/A	N/A
<b>Sex/ Gender</b>	2	£7,895
<b>Sexual Orientation</b>	0	£0
<b>No Characteristic/ Wider Community</b>	18	£84,332
<b>TOTAL</b>	37	£150,637

N.B. The characteristic of Marriage and Civil Partnership was not included due to its status within the Equality Act 2010 legislation, as it is to protect individuals from discrimination in the employment law. The harassment provisions that relate to other protected characteristics do not apply to marriage or civil partnership.

It is acknowledged that some of the approved grants are towards projects which support individuals with multiple characteristics and those projects supporting the wider community have a wide range of beneficiaries.

■ **Step 4 – Do we need to seek the views of others? If so, who?**

In light of the answers you have given in Step 2, do you need to consult with specific groups to identify needs / issues? If not please explain why.

Further equalities monitoring may be required for those projects which have applied and are deemed unsuccessful in order to identify any further issues or potential barriers.

However, at this stage of analysis it is felt the information currently held is sufficient to analysis trends and determine any barriers or negative impacts.

■ **Step 5 – Assessing the impact**

In light of any data/consultation/information and your own knowledge and awareness, please identify whether the policy has a positive or negative impact on the individuals or community groups (including what barriers these individuals or groups may face) who identify with any 'protected characteristics' and provide an explanation for your decision (please refer to the general duties on the front page).	
	<b>Comments</b>
<b>Age</b>	There is a reasonable proportion of grant funding awarded to projects relating to Age. Of the grants awarded, there is a reasonable proportionate spread between projects for older and younger people. The process has therefore created a positive impact in relation to the protected characteristic of Age.
<b>Disability</b> (Physical, visual, hearing, learning disabilities, mental health)	There is a reasonable proportion of grant funding awarded to projects relating to disability. In addition it is acknowledged that some of the projects funded are cross- cutting and support individuals with multiple characteristics. Therefore, creating further positive impacts for people with disabilities. The process has therefore created a positive impact overall in relation to the protected characteristic of Disability.
<b>Gender Reassignment</b> (Transgender)	No projects have been specifically funded to support the protected characteristic of Gender Reassignment. The impact of this is neutral as there have been no applications to date. However it is acknowledged that specific marketing / promotion of Charnwood Grants could take place where specific support groups etc. meet for further awareness raising.
<b>Race</b>	There is some grant funding awarded to projects relating to Race. In additional it is acknowledged that some of the projects funded are cross- cutting and support individuals with multiple characteristics.
<b>Religion or Belief</b> (Includes no belief)	Whilst Charnwood Grants do not specifically support religious groups / activities, it does provide funding to these groups who are delivering activities for the wider community.  The impact is therefore neutral with regards to the protected characteristic of religion or belief with the acknowledged that wider benefits are created for the wider community.
<b>Sex</b> (Gender)	There is some grant funding awarded to projects relating to Gender. In addition it is acknowledged that some of the projects funded are cross- cutting and support individuals with multiple characteristics. The process has therefore created a positive impact in relation to the protected characteristic of Gender.

<b>Sexual Orientation</b>	No projects have been specifically funded to support the protected characteristic of Sexual Orientation. The impact of this is neutral as there have been no applications to date. However it is acknowledged that specific marketing / promotion of Charnwood Grants could take place where specific support groups etc. meet for further awareness raising.
<b>Other protected groups (Pregnancy &amp; maternity, marriage &amp; civil partnership)</b>	There is no grant funding awarded to projects relating to these other protected groups. In addition it is acknowledged that some of the projects funded are cross - cutting and support individuals with multiple characteristics. Additional targeted promotional work will be undertaken.
<b>Other socially excluded groups (carers, low literacy, priority neighbourhoods, health inequalities, rural isolation, asylum seeker and refugee communities etc.)</b>	The grants which focus on the wider community have a wide range of benefits, particularly for residents from priority neighbourhoods or areas of deprivation.

<p>Where there are potential barriers, negative impacts identified and/ or barriers or impacts are unknown, please outline how you propose to minimise all negative impact or discrimination.</p> <p>Please note:</p> <ul style="list-style-type: none"> <li>a) If you have identified adverse impact or discrimination that is illegal, you are required to take action to remedy this immediately.</li> <li>b) Additionally, if you have identified adverse impact that is justifiable or legitimate, you will need to consider what actions can be taken to mitigate its effect on those groups of people.</li> </ul>
No negative impacts or potential barriers have been identified. However it is acknowledged that specific marketing / promotion of Charnwood Grants could take place for the protected characteristics of Gender Reassignment, Pregnancy and Maternity and Sexual Orientation.
Summarise your findings and give an overview as to whether the policy will meet Charnwood Borough Council's responsibilities in relation to equality and diversity (please refer to the general duties on the front page).
It is the opinion that the Community Development & Engagement Grant and the Community Facilities Grant comply with Charnwood Borough Council's equality and diversity responsibilities. It will further promote equal opportunities and achieve positive outcomes.

**Step 6- Monitoring, evaluation and review**

<p>Are there processes in place to review the findings of this Assessment and make appropriate changes? In particular, how will you monitor potential barriers and any positive/ negative impact?</p>
<p>Monitoring will continue on a quarterly and annual basis to assess the grant applications that are successful. Continuous monitoring and analysis will aim to identify gaps which may potentially highlight barriers or negative impacts towards specific community groups/ communities of interest.</p> <p>Further equalities monitoring will be explored for those projects which have applied and are deemed unsuccessful, for the further identification of issues or potential barriers.</p>

How will the recommendations of this assessment be built into wider planning and review processes? e.g. policy reviews, annual plans and use of performance management systems.

Where barriers/ negative impacts are identified, the mitigating action and progress against this will be included within the relevant service plan.

■ **Step 7- Action Plan**

<b>Please include any identified concerns/actions/issues in this action plan: The issues identified should inform your Service Plan and, if appropriate, your Consultation Plan</b>			
<b>Reference Number</b>	<b>Action</b>	<b>Responsible Officer</b>	<b>Target Date</b>
001	Continue to monitor the Grants on a quarterly and annual basis to assess the grant applications that are both successful and unsuccessful.	J. Robinson	March 2019
002	Undertake targeted / specific promotion, as required and appropriate, to ensure that none of the protected characteristics are adversely impacted.	J. Robinson	March 2019

■ **Step 8- Who needs to know about the outcomes of this assessment and how will they be informed?**

	<b>Who needs to know</b> (Please tick)	<b>How they will be informed</b> (we have a legal duty to publish EIA's)
<b>Employees</b>	✓	This EIA will be published on the Council's website.
<b>Service users</b>	✓	
<b>Partners and stakeholders</b>	✓	
<b>Others</b>	✓	
<b>To ensure ease of access, what other communication needs/concerns are there?</b>	✓	

<b>Please delete as appropriate</b>
I agree with this assessment / action plan
If <i>disagree</i> , state action/s required, reasons and details of who is to carry them out with timescales: N?A
Signed (Service Head): Julie Robinson
Date: 14.08.2018

[Please send completed & signed assessment to Suzanne Kinder for publishing.](#)

## CABINET – 13TH SEPTEMBER 2018

### Report of the Head of Finance and Property Services

Lead Member: Councilor Tom Barkley

#### Part A

#### ITEM 9 ANNUAL PROCUREMENT PLAN 2018/19

##### Purpose of Report

This report sets out additions to the Annual Procurement Plan for Charnwood Borough Council for 2017/18. Cabinet approved the Annual Procurement Plan on 15 March 2018 and amendments to that plan 05 July 2018. Since the amended report, there have been other requirements by the Council's services for the supply of goods and services, and this report seeks approval for these

##### Recommendations

1. That the contracts, over £25,000 and up to £75,000, listed in Appendix A be let in accordance with Contract Procedure Rules.
2. That the contracts, over £75,001 and up to £500,000, listed in Appendix B be let in accordance with Contract Procedure Rules.

##### Reasons

- 1 & 2. To allow contracts of the Council to be let in accordance with contract procedure rules.

##### Policy Justification and Previous Decisions

This links with the Council's strategic aim for Delivering Excellent Services.

##### Implementation Timetable including Future Decisions and Scrutiny

Contracts will be let in accordance with the timetables in appendices A and B.

A further report will be submitted to Cabinet on 13 December 2018 if additional Procurement approvals are required.

##### Financial Implications

There are no direct financial implications arising from this report as expenditure will be funded from existing budgets.

##### Risk Management

The risks associated with the decisions that the Cabinet are asked to make and proposed actions to mitigate those risks are set out in the table overleaf.



<b>Risk Identified</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Management Actions Planned</b>
Failure to follow the agreed Council Procedures and, as a consequence, not obtaining best value procurement	Possible	Minor	Wide circulation of 'reasons to meet the Rules' and provide advice to officers needing to use the Rules
Failure to follow EU procurement rules by not advertising in OJEU above a threshold.	Possible	Minor	Wide circulation of information relating to contract compliance, advice and service in placing requisite advert in OJEU for officers in service areas.

Key Decision: Yes

Background Papers: None

Officers to contact: David Howkins  
Procurement Manager  
01509 634672  
[david.howkins@charnwood.gov.uk](mailto:david.howkins@charnwood.gov.uk)

Clare Hodgson  
Head of Finance and Property Services  
01509 634810  
[Clare.hodgson@charnwood.gov.uk](mailto:Clare.hodgson@charnwood.gov.uk)

## Part B

### Background

1. The Contract Compliance Rules require the Contract Compliance Officer to submit a report at the beginning of the financial year showing details of contracts to be let above £25,000 and below £500,000. In approving the report, Cabinet will agree for each contract the form of tender evaluation arrangements, whether the tender specification needs to be approved by Cabinet and whether authority is delegated to the Contract Compliance Officer to agree exceptions and open negotiation procedures.
2. Having an Annual Plan does not allow sufficient flexibility for goods and services that are found to be required during the year. Therefore, to avoid individual reports being submitted for each contract, and to encourage services to adhere to the Contract Compliance Rules, update reports will be produced with contracts to be let in the second, third and fourth quarters of the year.

### Procedure

3. Heads of Service have been contacted with a view to producing a plan for 2018/19 and details of all contracts that they have asked to be included are given in the Appendices attached to this report. The contracts have been divided into those contracts estimated to cost between £25,000 and £75,000 and those contracts between £75,001 and £500,000.
4. For contracts up to £75,000, it is recommended that, in line with Quotation and Tender procedures the relevant Head of Service should deal with these by requesting 3 written quotations. In cases where a quotation other than the lowest is accepted, authority has been given to the Contract Compliance Officer to authorise a waiver or exception to the Contract Procedure Rules. Contracts falling under this authority have been itemised in Appendix A to this report.
5. For contracts in excess of £75,000, a written specification must be prepared and tendering completed in line with Contract Procedure Rules. Contracts falling under this authority have been itemised in Appendix B to the report.
6. Contracts above the £500,000 threshold need to be reported separately to Cabinet during the year before procurement begins.

### Appendices

Appendix A – Contracts between £25,000 and £75,000

Appendix B – Contracts between £75,001 and £500,000

**APPENDIX A**

**Additions to Annual Procurement Plan 2018/2019 – Contracts Greater than £25,000, but less than £75,000**

<b>No.</b>	<b>Service Area</b>	<b>Contract Title / Description</b>	<b>Tendering Method: 3 Quotes/Waiver</b>	<b>Delegation to Contract Compliance Officer</b>	<b>Procurement Start:</b>
1	Electoral Services	Xpress Software Annual Charges	Waiver	Yes	01/04/2019
2	Landlord Services	Installation and maintenance of mechanical extraction and ventilation	Tender	Yes	01/11/2018
3	Landlord Services	Installation and maintenance of aerials and associated equipment	Tender	Yes	01/11/2018
4	Landlord Services	Assistive Technology Equipment. Equipment or product system that helps to maintain or improve a person's functioning and independence, thereby promoting their well-being e.g. a lifeline telephone, fall detector etc.	Framework/Waiver	Yes	01/12/2018
5	Landlord Services	Training to maintain competencies of technical staff	Framework/Waiver	Yes	01/11/2018

**APPENDIX B**

**Additions to Annual Procurement Plan 2018/2019 – Contracts Greater than £75,001, but less than £500,000**

<b>No.</b>	<b>Service Area</b>	<b>Contract Title / Description</b>	<b>Tendering Method: (Full Tender/OJEU Procedure)</b>	<b>Delegation to Contract Compliance Officer</b>	<b>Procurement Start:</b>
1	Electoral Services	Printing of Electoral Registration and Election Stationery. Provision of an automated response service to the canvass Household Enquiry Forms	OJEU / Tender	Yes	01/12/2019
2	Landlord Services	Void Property Security - to provide installation of temporary window and doors shutters	Framework/Waiver	Yes	01/11/2018
3	Landlord Services	Roofing repairs - to provide general roofing repairs including flat and tiled roofs and asphalt flooring	Framework/Waiver	Yes	01/11/2018
4	Landlord Services	UPVC repairs - to cover repairs, maintenance to UPVC doors and windows	Framework/Waiver	Yes	01/11/2018
5	Landlord Services	Door Entry - to provide Servicing, Responsive Repairs and Maintenance	Framework/Waiver	Yes	01/11/2018
6	Landlord Services	Client representative Services - to provide consultancy for health and safety in respect of the CDM regulations and the contract with Fortem	Framework/Waiver	Yes	01/11/2018

## CABINET – 13TH SEPTEMBER 2018

### Report of the Head of Finance and Property Services Lead Member: Cllr Tom Barkley

#### Part A

#### ITEM 10 CAPITAL PLAN AMENDMENT REPORT

##### Purpose of the Report

This report requests Cabinet to consider and approve changes to the 2018/19-2020/21 Capital Plan and its financing.

##### Recommendations

1. That, the current Capital Plan for 2018/19 - 2020/21, as amended by the changes shown in Appendix 1, in the sum of £30,817,700 be approved.
2. **That it be recommended to Council** that the Acquisition of Affordable Housing to meet housing need HRA scheme be increased by the sum of £941k, be added to the Capital Plan in 2019/20 and that it proceeds.

##### Reasons

1. To enable the Capital Plan to be the basis for capital spending by the Council and so that schemes may proceed.
2. To confirm that the Acquisition of Affordable Housing to meet housing need HRA scheme, should be increased to the sum of £941k, and that the cost be funded 30% from retained 141 capital receipts and 70% from HRA Reserves.

##### Policy Justification and Previous Decisions

The Capital Plan is an integral element of all policies and the current three-year plan was adopted by Council on 26th February 2018. Amendments to the Capital Plan were last reported to the Cabinet on 5th July 2018.

##### Implementation Timetable including Future Decisions and Scrutiny

This report will be available for scrutiny by the Overview Scrutiny Panel on 10th September 2018.

##### Report Implications

The following implications have been identified for this report.

##### *Financial Implications*

The financial implications are covered in the body of this report.

## *Risk Management*

Risks Identified	Likelihood	Impact	Risk Management Actions Planned
Insufficient funding	Possible	Major	The funding of the Capital Plan is regularly monitored and any apparent shortfalls are brought to the attention of Cabinet with suggested solutions.
General Risks associated with capital expenditure	Possible	Moderate	The Capital Plan is controlled through Project Boards for larger schemes and Project Officers for smaller schemes. Progress, risks and possible problems are notified to these boards and to the Capital Programme Team for all projects of £50k or more. Such risks are identified and dealt with and reported as necessary to the Senior Management Team and Cabinet.

Key Decision:

Yes

Background Papers:

None

Officer to Contact:

Clare Hodgson  
Head of Finance and Property Services  
01509 634810  
[clare.hodgson@charnwood.gov.uk](mailto:clare.hodgson@charnwood.gov.uk)

## Part B

### Background - Capital Plan

1. Since the last Capital Plan Amendment Report on 5th July 2018 a number of amendments and additions to the Capital Plan have been put forward. These changes have affected the overall total and the funding of the Plan and those requiring an amendment to the expenditure budget are set out in Appendix 1. This report summarises these changes and, if approved, becomes the current Capital Plan for 2018/19 - 2020/21.
2. The net effects of these changes on the 2018/19 Capital Plan are as follows:

<b>2018/19 Capital Plan</b>	<b>£'000</b>
2018/19 Capital Plan as at 5 July 2018	12,725
Net new/amended schemes	54
<b>Amended 2018/19 Capital Plan</b>	<b>12,779</b>

<b>Funded by:</b>	<b>£'000</b>
General Fund:	
Grants, Contributions and Revenue Contributions	2,532
Contributions from Capital Plan Reserve	1,400
Contributions from Capital Receipts	1,281
<b>Total General Fund</b>	<b>5,213</b>
HRA:	
MRA or equivalent	3,257
Contribution from HRA Financing Fund	7
Contributions from Capital Receipts	586
Revenue Contributions	3,716
<b>Total HRA</b>	<b>7,566</b>
<b>Total Funding for 2018/19</b>	<b>12,779</b>

3. Details of the decisions and amendments are listed in the attached Appendix 1 and the current Capital Plan, including the changes outlined in Appendix 1, is included as Appendix 2.
4. Information on Changes

5. **Messenger Close, Loughborough, £4k** – this is a small addition to give a total budget of £184k to develop industrial storage compounds on industrial land owned by the Council at Messenger Close. The £4k is the unspent sum which was approved by Cabinet on 11<sup>th</sup> June 2015 for feasibility work at the site and is funded from the reinvestment reserve. This will go towards the drainage feasibility work that was carried out at the site as part of the site preparation works.
6. **Charnwood Sites Access and Security, £50k** – this is a new scheme approved by Capital Programme Team on 14<sup>th</sup> August and by Cabinet on 16<sup>th</sup> August 2018 (minute 22.1). The scheme is to improve access and safety at open spaces owned by the Council. Sites have been prioritised on the basis of history and frequency of security issues. The lack of infrastructure on sites has allowed access by unauthorised vehicles which present a number of risks to the Council. The sites initially identified are in Loughborough (Nanpantan, Outwoods, Maxwell Drive, and Bradgate Road.) Ongoing reviews and monitoring will determine where further improvement is required at other locations.
7. **Acquisition of Affordable Housing to meet housing need HRA, £941k** – this is an addition to the existing scheme which will provide more homes owned by the Council for social rent in order to meet local housing needs. The objective is to acquire properties, preferably two bed accommodation and bungalows for sale on the open market to address the housing needs of households on the Housing Register. This additional amount will be funded via receipts arising from Right to Buy sales of Council properties and HRA Reserves. The Council has entered into an Agreement with The Secretary of State to be allowed to retain Right to Buy receipts on the basis this funding will be used to increase the supply of affordable housing. The Government policy is that these receipts must be spent within three years of receipt. Receipts not spent within this timeframe must be repaid to the Government plus interest at a rate of 4% above the base rate. The capital receipts can only fund 30% of a scheme. This budget increase is to spend the receipts retained in quarter 4 of 2017/18 and quarter 1 of 2018/19.
8. The Capital Plan is fully funded as per the table in paragraph 2 of this report.

### Appendices

Appendix 1 – Details of Capital Plan Amendments

Appendix 2 – Capital Plan 2018/19-2020/21



<b>CAPITAL PLAN AMENDMENT REPORT 2018/19</b>		<b>Appendix 1</b>		
	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	
Capital Plan Amendment Report - 5th July 2018 - Minute 14	12,724,700	9,721,300	7,376,500	
<u>E-mail C Hodgson - 23rd July 2018</u> Messenger Close, Lough - Options for future use - virement	4,200			
<u>Cabinet 16th August 2018</u> Charnwood Sites Access and Security	50,000			
<u>Capital Programme Team 14 August 2018</u> Acquisition of Affordable Housing to meet housing need HRA		941,000		
<b>Update Report - Total</b>	<b>12,778,900</b>	<b>10,662,300</b>	<b>7,376,500</b>	

CAPITAL PLAN 2018/19

Scheme Details	First year in Capital Plan	Total Cost £	Spend Before 2018/19 £	2018/19				2019/20		2020/21		External Funding		
				Original Plan £	Current Budget £	Actual Spend 31/7/18 £	Balance £	Original Plan £	Current Budget £	Original Plan £	Current Budget £	2018/19 £	2019/20 £	2020/21 £
<b>CAPITAL PLAN</b>														
<i>Direct Delivery</i>														
Community Wellbeing		3,309,015	670,315	793,600	1,765,700	225,443	1,540,257	188,000	188,000	685,000	685,000	420,300	50,000	0
Corporate Services		2,948,529	2,149,029	315,000	579,500	81,778	497,722	110,000	110,000	110,000	110,000	0	0	0
Housing, Planning & Regeneration & Regulatory Services - General Fund		785,430	184,530	50,000	300,900	23,636	277,264	200,000	200,000	100,000	100,000	1,100	0	0
Housing, Planning & Regeneration & Regulatory Services - HRA		77,381,466	57,913,466	7,257,300	7,566,200	-46,407	7,612,607	6,613,300	6,613,300	5,288,500	5,288,500	0	0	0
<i>Sub-total Direct Delivery</i>		<b>84,424,440</b>	<b>60,917,340</b>	<b>8,415,900</b>	<b>10,212,300</b>	<b>284,450</b>	<b>9,927,850</b>	<b>7,111,300</b>	<b>7,111,300</b>	<b>6,183,500</b>	<b>6,183,500</b>	<b>421,400</b>	<b>50,000</b>	<b>0</b>
<i>Indirect Delivery</i>														
Community Wellbeing		1,264,539	146,439	0	878,100	46,082	832,018	30,000	180,000	60,000	60,000	683,300	0	0
Corporate Services		0	0	0	0	0	0	0	0	0	0	0	0	0
Housing, Planning & Regeneration & Regulatory Services - General Fund		16,085,339	10,833,839	515,000	1,688,500	194,374	1,494,126	2,430,000	2,430,000	1,133,000	1,133,000	1,037,800	1,540,000	1,058,000
Housing, Planning & Regeneration & Regulatory Services - HRA		0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Sub-total Indirect Delivery</i>		<b>17,349,878</b>	<b>10,980,278</b>	<b>515,000</b>	<b>2,566,600</b>	<b>240,456</b>	<b>2,326,144</b>	<b>2,460,000</b>	<b>2,610,000</b>	<b>1,193,000</b>	<b>1,193,000</b>	<b>1,721,100</b>	<b>1,540,000</b>	<b>1,058,000</b>
GF Total		24,392,852	13,984,152	1,673,600	5,212,700	571,313	4,641,387	2,958,000	3,108,000	2,088,000	2,088,000	2,142,500	1,590,000	1,058,000
HRA Total		77,381,466	57,913,466	7,257,300	7,566,200	-46,407	7,612,607	6,613,300	6,613,300	5,288,500	5,288,500	0	0	0
<b>Grand Total</b>		<b>101,774,318</b>	<b>71,897,618</b>	<b>8,930,900</b>	<b>12,778,900</b>	<b>524,906</b>	<b>12,253,994</b>	<b>9,571,300</b>	<b>9,721,300</b>	<b>7,376,500</b>	<b>7,376,500</b>	<b>2,142,500</b>	<b>1,590,000</b>	<b>1,058,000</b>
<b>Community Wellbeing</b>														
<i>Direct Delivery</i>														
JT Z478	2015/16	162,119	144,419	0	17,700	2,380	15,320	0	0	0	0	9,400	0	0
JT Z697	2016/17	66,976	4,776	0	62,200	23,505	38,695	0	0	0	0	62,200	0	0
JT Z494	2017/18	92,824	17,724	0	75,100	0	75,100	0	0	0	0	75,100	0	0
JR Z388	2014/15	225,009	106,609	35,000	48,400	-8,735	57,135	35,000	35,000	35,000	35,000	0	0	0
SW Z389	2014/15	59,020	54,020	0	5,000	0	5,000	0	0	0	0	0	0	0
SW Z413	2015/16	10,967	9,767	0	1,200	0	1,200	0	0	0	0	0	0	0
SW Z392	2014/15	103,354	93,754	0	9,600	0	9,600	0	0	0	0	0	0	0
SW Z393	2014/15	15,031	13,431	0	1,600	250	1,350	0	0	0	0	0	0	0
SW Z421	2017/18	282,000	0	0	282,000	162,776	119,224	0	0	0	0	44,600	0	0
KS Z746	2018/19	16,000	0	16,000	16,000	0	16,000	0	0	0	0	0	0	0
MB Z748	2018/19	130,000	0	130,000	130,000	0	130,000	0	0	0	0	10,000	0	0
MB Z749	2018/19	60,000	0	60,000	60,000	0	60,000	0	0	0	0	20,000	0	0
RK Z756	2018/19	15,000	0	15,000	15,000	0	15,000	0	0	0	0	0	0	0
RK Z757	2018/19	50,000	0	50,000	50,000	0	50,000	0	0	0	0	0	0	0
RK Z758	2018/19	80,000	0	60,000	80,000	0	80,000	0	0	0	0	0	0	0
MB Z394	2014/15	15,001	8,901	0	6,100	0	6,100	0	0	0	0	0	0	0
MB Z739	2016/17	613,995	77,195	125,000	536,800	10,264	526,536	0	0	0	0	159,000	0	0
JT Z747	2018/19	32,600	0	32,600	32,600	0	32,600	0	0	0	0	0	0	0
MB	2018/19	650,000	0	0	0	0	0	0	0	650,000	650,000	0	0	0
SR Z750	2018/19	40,000	0	40,000	40,000	0	40,000	0	0	0	0	20,000	0	0
MB Z751	2018/19	60,000	0	60,000	60,000	0	60,000	0	0	0	0	0	0	0
SR Z752	2018/19	40,000	0	40,000	40,000	0	40,000	0	0	0	0	20,000	0	0
MB Z753	2018/19	45,000	0	45,000	45,000	0	45,000	0	0	0	0	0	0	0
MB Z754	2018/19	188,000	0	35,000	35,000	0	35,000	153,000	153,000	0	0	0	50,000	0
MB Z755	2018/19	50,000	0	50,000	50,000	34,750	15,250	0	0	0	0	0	0	0
AG Z484	2016/17	156,119	139,719	0	16,400	253	16,147	0	0	0	0	0	0	0
AG	2018/19	50,000	0	0	50,000	0	50,000	0	0	0	0	0	0	0
<i>Sub-total Direct Delivery</i>		<b>3,309,015</b>	<b>670,315</b>	<b>793,600</b>	<b>1,765,700</b>	<b>225,443</b>	<b>1,540,257</b>	<b>188,000</b>	<b>188,000</b>	<b>685,000</b>	<b>685,000</b>	<b>420,300</b>	<b>50,000</b>	<b>0</b>
<i>Indirect Delivery</i>														
JR Z348	On-going	421,551	136,751	0	194,800	2,200	192,600	30,000	30,000	60,000	60,000	0	0	0
JR Z488	2016/17	25,900	0	0	25,900	0	25,900	0	0	0	0	25,900	0	0
JR Z499	2017/18	219,588	9,688	0	209,900	0	209,900	0	0	0	0	209,900	0	0
JR Z292	2007/08	500,000	0	0	350,000	18,714	331,286	0	150,000	0	0	350,000	0	0
JR Z500	2018/19	50,000	0	0	50,000	0	50,000	0	0	0	0	50,000	0	0
JR Z502	2018/19	25,200	0	0	25,200	25,168	32	0	0	0	0	25,200	0	0
MB	2018/19	22,300	0	0	22,300	0	22,300	0	0	0	0	22,300	0	0
<i>Sub-total Indirect Delivery</i>		<b>1,264,539</b>	<b>146,439</b>	<b>0</b>	<b>878,100</b>	<b>46,082</b>	<b>832,018</b>	<b>30,000</b>	<b>180,000</b>	<b>60,000</b>	<b>60,000</b>	<b>683,300</b>	<b>0</b>	<b>0</b>
<b>Community Wellbeing - Total</b>		<b>4,573,554</b>	<b>816,754</b>	<b>793,600</b>	<b>2,643,800</b>	<b>271,525</b>	<b>2,372,275</b>	<b>218,000</b>	<b>368,000</b>	<b>745,000</b>	<b>745,000</b>	<b>1,103,600</b>	<b>50,000</b>	<b>0</b>

CAPITAL PLAN 2018/19

Scheme Details	First year in Capital Plan	Total Cost £	Spend Before 2018/19 £	2018/19				2019/20		2020/21		External Funding		
				Original Plan £	Current Budget £	Actual Spend 31/7/18 £	Balance £	Original Plan £	Current Budget £	Original Plan £	Current Budget £	2018/19 £	2019/20 £	2020/21 £
<b>Corporate Services</b>														
<b>Direct Delivery</b>														
DC Z310	Planned Property Refurbishment	0	0	155,000	0	0	0	0	0	0	0	0	0	0
AK Z085	Replacement Hardware Programme - Block Sum	1,319,984	1,012,684	80,000	147,300	18,348	128,952	80,000	80,000	80,000	80,000	80,000	0	0
AK Z354	Infrastructure Development - Block Sum	201,522	111,522	30,000	30,000	3,042	26,958	30,000	30,000	30,000	30,000	30,000	0	0
AK Z780	Wireless connectivity including presentation facilities	25,000	0	0	25,000	0	25,000	0	0	0	0	0	0	0
KB Z423	Call Secure System - PCI Compliance	40,152	4,252	0	35,900	0	35,900	0	0	0	0	0	0	0
KB Z425	Corporate Booking System	22,913	16,013	0	6,900	0	6,900	0	0	0	0	0	0	0
SL Z485	Online Customer Experience Project	55,696	55,696	0	0	-2,000	2,000	0	0	0	0	0	0	0
DC Z415	Southfields Offices - Roofing	100,020	84,620	0	15,400	0	15,400	0	0	0	0	0	0	0
DC Z466	DWP Co-Location	653,471	653,471	0	0	-3,000	3,000	0	0	0	0	0	0	0
DC Z493	Fearon Hall	250,035	174,235	0	75,800	32,294	43,506	0	0	0	0	0	0	0
DC Z740	Emergency Backup Generator & UPS Power	38,302	36,302	0	2,000	0	2,000	0	0	0	0	0	0	0
DW/DC Z759	Woodgate Chambers - high level roof and windows improvements	50,000	0	50,000	50,000	0	50,000	0	0	0	0	0	0	0
DC Z777	Messenger Close, Lough - Options for future use	184,434	234	0	184,200	33,094	151,106	0	0	0	0	0	0	0
DC Z779	Jubilee Avenue Sibley	7,000	0	0	7,000	0	7,000	0	0	0	0	0	0	0
<b>Sub-total Direct Delivery</b>		<b>2,948,529</b>	<b>2,149,029</b>	<b>315,000</b>	<b>579,500</b>	<b>81,778</b>	<b>497,722</b>	<b>110,000</b>	<b>110,000</b>	<b>110,000</b>	<b>110,000</b>	<b>110,000</b>	<b>0</b>	<b>0</b>
<b>Corporate Services - Total</b>		<b>2,948,529</b>	<b>2,149,029</b>	<b>315,000</b>	<b>579,500</b>	<b>81,778</b>	<b>497,722</b>	<b>110,000</b>	<b>110,000</b>	<b>110,000</b>	<b>110,000</b>	<b>110,000</b>	<b>0</b>	<b>0</b>
<b>Housing, Planning &amp; Regeneration &amp; Regulatory Services - General Fund</b>														
<b>Direct Delivery</b>														
AT Z744	Beehive Lane Car Park Improvements and refurbishment scheme	180,000	0	50,000	50,000	7,340	42,660	30,000	30,000	100,000	100,000	100,000	0	0
AT Z781	Beehive Lane Car Park fire & safety evacuation systems	125,000	0	0	125,000	234	124,766	0	0	0	0	0	0	0
AT Z781	Car Parks Resurfacing and Improvements	170,000	0	0	0	0	0	170,000	170,000	0	0	0	0	0
DC Z738	Carbon Management Schemes	190,969	101,169	0	89,800	0	89,800	0	0	0	0	0	0	0
RB Z468	Planning and Regeneration Essential Technology Refresh	84,461	83,361	0	1,100	0	1,100	0	0	0	0	0	1,100	0
AS Z424	Choice Based Lettings Software	35,000	0	0	35,000	16,062	18,938	0	0	0	0	0	0	0
<b>Sub-total Direct Delivery</b>		<b>785,430</b>	<b>184,530</b>	<b>50,000</b>	<b>300,900</b>	<b>23,636</b>	<b>277,264</b>	<b>200,000</b>	<b>200,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>1,100</b>	<b>0</b>
<b>Indirect Delivery</b>														
DH Z366	Loughborough University Science & Enterprise Park	500,000	150,000	0	350,000	0	350,000	0	0	0	0	0	0	0
DH Z367	Bleach Yard	30,000	20,300	0	9,700	3,062	6,638	0	0	0	0	0	0	0
DH Z367	Bedford Square Gateway	780,000	0	0	0	0	0	780,000	780,000	0	0	0	390,000	0
DH Z367	Shepshe Bull Ring	600,000	0	0	0	0	0	600,000	600,000	0	0	0	170,000	0
DH Z745	Leicestershire Superfast Broadband Phase 3	100,000	0	100,000	100,000	0	100,000	0	0	0	0	0	0	0
RB Z396	Public Realm - Shepshe Town Centre	50,488	13,688	0	36,800	0	36,800	0	0	0	0	0	0	0
RS Z210	Disabled Facilities Grants - Block Sum	11,651,278	8,584,478	5,000	1,028,800	191,312	837,488	980,000	980,000	1,058,000	1,058,000	1,028,800	980,000	1,058,000
RS Z346	Private Sector Housing Grants - Block Sum	398,957	142,657	0	111,300	0	111,300	70,000	70,000	75,000	75,000	0	0	0
RS Z141	Regional Housing Pot Grant	1,889,057	1,846,157	0	42,900	0	42,900	0	0	0	0	0	0	0
RS Z363	Fuel Poverty Scheme	85,559	76,559	0	9,000	0	9,000	0	0	0	0	9,000	0	0
RS Z346	Housing Grants	0	0	410,000	0	0	0	0	0	0	0	0	0	0
<b>Sub-total Indirect Delivery</b>		<b>16,085,339</b>	<b>10,833,839</b>	<b>515,000</b>	<b>1,688,500</b>	<b>194,374</b>	<b>1,494,126</b>	<b>2,430,000</b>	<b>2,430,000</b>	<b>1,133,000</b>	<b>1,133,000</b>	<b>1,037,800</b>	<b>1,540,000</b>	<b>1,058,000</b>
<b>Housing, Planning &amp; Regeneration &amp; Regulatory Services - General Fund - Total</b>		<b>16,870,769</b>	<b>11,018,369</b>	<b>565,000</b>	<b>1,989,400</b>	<b>218,010</b>	<b>1,771,390</b>	<b>2,630,000</b>	<b>2,630,000</b>	<b>1,233,000</b>	<b>1,233,000</b>	<b>1,038,900</b>	<b>1,540,000</b>	<b>1,058,000</b>
<b>Housing, Planning &amp; Regeneration &amp; Regulatory Services - HRA</b>														
<b>Direct Delivery</b>														
PO Z300	Major Adaptations	5,741,912	5,741,912	0	0	-118,243	118,243	0	0	0	0	0	0	0
PO Z761	Major Adaptations - Fortem	1,425,000	0	525,000	525,000	722	524,278	450,000	450,000	450,000	450,000	450,000	0	0
PO Z301	Minor Adaptations	718,292	568,292	50,000	50,000	10,878	39,122	50,000	50,000	50,000	50,000	50,000	0	0
PO Z302	Stairlifts	721,444	541,444	60,000	60,000	73,349	-13,349	60,000	60,000	60,000	60,000	60,000	0	0
PO Z380	Major Void Works	1,337,954	1,337,954	0	0	7,653	-7,653	0	0	0	0	0	0	0
PO Z762	Major Void Works - Fortem	840,000	0	280,000	280,000	0	280,000	280,000	280,000	280,000	280,000	280,000	0	0
<b>Compliance</b>														
PO Z434	Asbestos Removal	1,621,896	1,171,896	150,000	150,000	58,276	91,724	150,000	150,000	150,000	150,000	150,000	0	0
PO Z741	Communal Area Improvements	21,889	11,389	0	10,500	1,506	8,994	0	0	0	0	0	0	0
PO Z771	Communal Area Improvements - Fortem	450,000	0	150,000	150,000	16,030	133,970	150,000	150,000	150,000	150,000	150,000	0	0
PO Z742	Communal Area Electric	948,899	296,599	200,000	252,300	255,874	-3,574	200,000	200,000	200,000	200,000	200,000	0	0
PO Z374	Carbon monoxide/smoke alarms	239,875	239,875	0	0	1,131	-1,131	0	0	0	0	0	0	0
PO Z772	Carbon Monoxide Alarms - Fortem	120,000	0	50,000	50,000	1,042	48,958	40,000	40,000	30,000	30,000	30,000	0	0
PO Z401	Fire Safety	1,472,314	1,472,314	0	0	-68,203	68,203	0	0	0	0	0	0	0

CAPITAL PLAN 2018/19

Scheme Details	First year in Capital Plan	Total Cost £	Spend Before 2018/19 £	2018/19				2019/20		2020/21		External Funding		
				Original Plan £	Current Budget £	Actual Spend 31/7/18 £	Balance £	Original Plan £	Current Budget £	Original Plan £	Current Budget £	2018/19 £	2019/20 £	2020/21 £
				PO Z773 Fire Safety Works - Fortem	2018/19	300,000	0	100,000	100,000	1,202	98,798	100,000	100,000	100,000
PO Z404 Cavity/Loft insulation	On-going	66,320	66,320	0	0	-4,745	4,745	0	0	0	0	0	0	0
PO Z774 Cavity/Loft insulation - Fortem	2018/19	150,000	0	50,000	50,000	0	50,000	50,000	50,000	50,000	50,000	0	0	0
<b>Stock Maximisation</b>														
PO Z375 Garages	2016/17	150,000	0	50,000	50,000	0	50,000	50,000	50,000	50,000	50,000	0	0	0
<b>Decent Homes</b>														
PO Z460 Charnwood Standard Kitchens	On-going	9,867,207	9,867,207	0	0	-41,861	41,861	0	0	0	0	0	0	0
PO Z763 Kitchens - Fortem	2018/19	870,000	0	322,000	322,000	0	322,000	190,000	190,000	358,000	358,000	0	0	0
PO Z461 Charnwood Standard Bathrooms	On-going	4,470,151	4,470,151	0	0	-4,562	4,562	0	0	0	0	0	0	0
PO Z764 Bathrooms - Fortem	2018/19	1,925,100	0	616,300	616,300	0	616,300	578,300	578,300	730,500	730,500	0	0	0
PO Z454 Electrical Upgrades	On-going	4,567,646	4,567,646	0	0	22,863	-22,863	0	0	0	0	0	0	0
PO Z765 Electrical Upgrades - Fortem	2018/19	199,000	0	66,000	66,000	2,474	63,526	54,000	54,000	79,000	79,000	0	0	0
PO Z011 Windows	On-going	2,787,224	2,787,224	0	0	-5,369	5,369	0	0	0	0	0	0	0
PO Z766 Windows - Fortem	2018/19	60,000	0	20,000	20,000	0	20,000	20,000	20,000	20,000	20,000	0	0	0
PO Z005 Charnwood Standard Planned Heating	On-going	12,131,262	12,131,262	0	0	-248,892	248,892	0	0	0	0	0	0	0
PO Z767 Central Heating and Boiler Installation - Fortem	2018/19	1,190,000	0	518,000	518,000	7,455	510,545	238,000	238,000	434,000	434,000	0	0	0
PO Z743 Sheltered Housing Improvements inc heating & equipment	2016/17	1,139,130	539,130	200,000	200,000	-8,879	208,879	200,000	200,000	200,000	200,000	0	0	0
PO Z462 Door Replacement	On-going	2,643,997	2,596,597	0	47,400	-54,959	102,359	0	0	0	0	0	0	0
PO Z768 Door Replacement - Fortem	2018/19	945,000	0	315,000	315,000	100	314,900	315,000	315,000	315,000	315,000	0	0	0
PO Z459 Roofing/guttering	On-going	3,072,036	2,943,936	0	128,100	157,411	-29,311	0	0	0	0	0	0	0
PO Z769 Re-roofing - Fortem	2018/19	1,800,000	0	600,000	600,000	1,095	598,905	600,000	600,000	600,000	600,000	0	0	0
PO Z369 Major Structural Works	On-going	1,233,589	1,233,589	0	0	-160,203	160,203	0	0	0	0	0	0	0
PO Z770 Major Structural Works - Fortem	2018/19	750,000	0	250,000	250,000	0	250,000	250,000	250,000	250,000	250,000	0	0	0
<b>General Capital Works</b>														
PO Z357 Estate Works	On-going	632,070	625,070	0	7,000	-6,481	13,481	0	0	0	0	0	0	0
PO Z776 Estate and External Works - Fortem	2018/19	615,000	0	205,000	205,000	0	205,000	205,000	205,000	205,000	205,000	0	0	0
PO Z857 Housing Capital Technical Costs	On-going	4,435,943	3,499,943	312,000	312,000	0	312,000	312,000	312,000	312,000	312,000	0	0	0
PO Z378 Door Entry Systems	On-going	1,321,814	680,014	200,000	241,800	62,942	178,858	200,000	200,000	200,000	200,000	0	0	0
AS Z419 New Build/Acquisitions	2017/18	304,577	304,577	0	0	1,350	-1,350	0	0	0	0	0	0	0
AS Z760 Acquisition of Affordable Housing to meet housing need	2018/19	3,809,000	0	1,953,000	1,953,000	2,662	1,950,338	1,856,000	1,856,000	0	0	0	0	0
PO Z406 Mobility Scooter Storage in Sheltered Schemes	On-going	128,363	128,363	0	0	0	0	0	0	0	0	0	0	0
PO Z775 Mobility Scooter Storage - Fortem	2018/19	45,000	0	15,000	15,000	0	15,000	15,000	15,000	15,000	15,000	0	0	0
PO Z470 Job Management System	2015/16	112,562	90,762	0	21,800	-10,025	31,825	0	0	0	0	0	0	0
<b>Sub-total Direct Delivery</b>		<b>77,381,466</b>	<b>57,913,466</b>	<b>7,257,300</b>	<b>7,566,200</b>	<b>-46,407</b>	<b>7,612,607</b>	<b>6,613,300</b>	<b>6,613,300</b>	<b>5,288,500</b>	<b>5,288,500</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Housing, Planning &amp; Regeneration &amp; Regulatory Services - HRA - Total</b>		<b>77,381,466</b>	<b>57,913,466</b>	<b>7,257,300</b>	<b>7,566,200</b>	<b>-46,407</b>	<b>7,612,607</b>	<b>6,613,300</b>	<b>6,613,300</b>	<b>5,288,500</b>	<b>5,288,500</b>	<b>0</b>	<b>0</b>	<b>0</b>

## CABINET - 13TH SEPTEMBER 2018

### Report of the Head of Planning and Regeneration Services Lead Member: Councillor Vardy

#### Part A

#### ITEM 12     THRUSSINGTON NEIGHBOURHOOD PLAN

##### Purpose of Report

This report asks Cabinet for the Thrussington Neighbourhood Plan to be 'made' as part of the statutory development plan for the Neighbourhood Area.

##### Recommendation

That the Thrussington Neighbourhood Plan is 'made' part of the statutory development plan for Charnwood, in accordance with the provisions of Section 38(A) (4) of the Planning and Compulsory Purchase Act 2004.

##### Reason

To fulfil the legal duty to make the Thrussington Neighbourhood Plan part of the development plan for Charnwood.

##### Policy Justification and Previous Decisions

The Localism Act (2011) introduced new provisions to allow local communities to prepare neighbourhood development plans and establish them as part of the statutory development plan alongside the relevant local plan and mineral and waste plan. Further direction has been provided by the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) with the Neighbourhood Planning (General) Regulations 2012 and subsequent amendments giving details on how neighbourhood plans are to be brought into effect.

The support to be provided by Charnwood Borough Council for the delivery of neighbourhood plans was set out by a Cabinet resolution on 14th March 2013 (Minute 121/13). The adopted Charnwood Local Plan 2011 to 2028 Core Strategy identifies opportunities which are available for communities to prepare neighbourhood plans and shape the future of development within their area. For example, by addressing specific, identified local housing or employment needs or by identifying land as Local Green Space.

##### Implementation Timetable including Future Decisions and Scrutiny

The PPG states that where a local planning authority has the responsibility for the neighbourhood planning process, it should make every effort to conclude each stage promptly. Timely decision taking is important particularly at the start and the end of the process and certain decisions must be taken within prescribed time periods as set out in the Neighbourhood Planning (General) (Amendment) Regulations 2015

and the Neighbourhood Planning (General) and Development Management Procedure (Amendment) Regulations 2016, which amend the Neighbourhood Planning (General) Regulations 2012. The time limits that apply include:

- a) the designation of a neighbourhood area (as soon as possible);
- b) the decision whether to put a neighbourhood plan to referendum following receipt of the report of the independent examiner (5 weeks);
- c) the time period within which the referendum must be held, following the decision that the plan should be put to referendum (56 working days); and
- d) the time period to bring a neighbourhood plan into force after it has been approved in referendum (8 weeks).

Steps a) to c) above were undertaken by the Borough Council within the time limits prescribed by the Regulations. The Thrussington Neighbourhood Plan Referendum was held on Thursday 2<sup>nd</sup> August 2018. In order to meet the timescale provided for by d) above the Regulations state the Plan should be brought into force within 8 weeks of the referendum; in this case by the 27<sup>th</sup> September 2018.

### Report Implications

The following implications have been identified for this report.

#### *Financial Implications*

The cost of producing neighbourhood plans falls mainly upon the neighbourhood planning group preparing the plan. The Borough Council provides support and advice to the groups through existing resources and the arrangements for the examination and referendum are made and facilitated by the Council with the direct costs being met through funding drawn down from the Ministry of Housing, Communities and Local Government (MHCLG).

Neighbourhood area designation grants totalling £25,000 have been received for the first five neighbourhood areas designated. MHCLG caps support at a maximum level of five applications for designation thus the Council will not be able to receive any further funding for neighbourhood area designations. Additional funding of £20,000 is also available from MHCLG upon successful completion of each neighbourhood plan examination, once the date of the referendum is set. This can be used to pay for the examination and referendum costs and a funding application has been made in relation to the Thrussington Neighbourhood Plan.

The cost of the referendum was approximately £3,000 and the cost of the examination £7,605.20, will be met by the MHCLG Neighbourhood Plans Grant. Officer support costs have not been precisely calculated although nominally a figure of 20% of the Planning Policy team's time has been taken up by Neighbourhood Planning in recent months. This has included working with the groups representing the nine other designated neighbourhood areas, along with assisting a number of groups exploring whether to proceed with a neighbourhood plan for their community. Work can range from providing advice, evidence and producing maps to organising the statutory processes and producing documents necessary to meet legislative requirements. There are likely to be additional financial implications for the Council arising from publicity and making the plan available for use as part of the development plan. The total costs for officer support, the referendum, publicity and

publication of the plan are expected to be consistent with and not exceed the £20,000 grant funding that has been claimed for the plan.

### *Risk Management*

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Risk Management Actions Planned
Council fails to make the neighbourhood development plan.	Unlikely	Major	The Council would be in breach of their legal duty, progress in accordance with the regulatory framework.

### *Equality and Diversity*

The extensive consultation procedures provided for by the Planning and Compulsory Purchase Act 2004 help ensure that all groups within the community have participated in the preparation of the plan. The Examiner's Report confirms the neighbourhood plan has had regard to fundamental rights and freedoms guaranteed under the European Convention on Human Rights and complies with the Human Rights Act 1998 and there is no substantive evidence to the contrary. There are no equality and human rights implications arising from the recommendations in this report.

### *Sustainability*

The plan has been prepared with a presumption in favour of sustainable development. A Strategic Environmental Assessment/Habitats Regulation Assessment Screening Report has been undertaken and, having consulted with the three statutory consultees, has determined that it is unlikely that there will be any significant environmental effects arising from the Thrussington Neighbourhood Plan.

Key Decision: No

Background Papers:

[Thrussington Neighbourhood Plan Examiner's Report](#)

[The Localism Act 2011](#)

[Town and Country Planning, England \(Referendums\) Regulations 2012](#) (SI 2012 No. 2031)

[Town and Country Planning, England, The Neighbourhood Planning \(General\) Regulations 2012](#) (SI 2012 No. 637)

[Thrussington Neighbourhood Plan Specified Documents](#)

[Decision under Delegated Powers \(DD009 16/17\) Thrussington Neighbourhood Area](#)

Officer to contact: Richard Bennett  
Head of Planning and Regeneration  
(01509) 634763  
[richard.bennett@charnwood.gov.uk](mailto:richard.bennett@charnwood.gov.uk)



## Part B

### Context

1. The Localism Act (2011) has enabled local communities to shape their areas by allowing parish and town councils to prepare neighbourhood development plans. A detailed legislative framework for undertaking neighbourhood planning has been set out in the Neighbourhood Planning Regulations (2012) and subsequent amendments.
2. A neighbourhood plan can decide where and what type of development should happen in the area; promote more development than is set out in the local plan; or include more detailed policies which will take precedence over existing policies in the local plan, for example the introduction of specific design standards. However, the neighbourhood plan cannot be used to prevent development included in the local plan or be in conflict with strategic policies in the local plan.
3. A neighbourhood plan, once “made” (adopted), becomes part of the statutory development plan and will sit alongside the Charnwood Local Plan 2011 to 2028 Core Strategy and apply to the Neighbourhood Area it was prepared for. Subject to Cabinet’s decision, applications for planning permission in Thrussington parish will in future be determined in accordance with the whole development plan for Charnwood:
  - The saved Policies of the Borough of Charnwood Local Plan (2004)
  - The Core Strategy 2011-2018 (2015)
  - The Minerals and Waste Plan (prepared by the County Council).
  - The Thrussington Neighbourhood Plan (2018)
4. A neighbourhood plan must:
  - support sustainable development;
  - generally conform to the strategic policies in the local plan;
  - have regard to national planning policies;
  - comply with the relevant legislation; and
  - specify the period it will cover.
5. There are a number of legally prescribed stages which need to be undertaken when preparing a neighbourhood plan, set out in the Town and Country Planning Act 1990 (as amended) and the Planning and Compulsory Purchase Act 2004 (as amended). The plan should then be subject to examination by an independent examiner before proceeding to referendum, if that is the recommendation following the examination. After a successful referendum, if the local planning authority is satisfied that EU and human rights obligations have been met, the plan must be brought into force within 56 days.

### The Thrussington Neighbourhood Plan

6. A neighbourhood plan has been produced for Thrussington parish, led by the parish council and prepared by the Thrussington Neighbourhood Plan Working Group comprising members of the local community and parish councillors. The Group has been supported by officers from the Council throughout the preparation

of the plan, although it should be expressly noted that the resultant plan has not been prepared by the Borough Council. The Neighbourhood Plan is considered to be based upon robust evidence including statistical information along with community consultation and engagement.

7. The plan is considered to reflect local needs and priorities which have been identified through extensive consultation during the plan preparation process. Engagement activity undertaken by the Working Group has included drop-in sessions; leaflets; presentations; and, questionnaires.
8. The neighbourhood plan is considered to provide a simple, clear vision for the future development of the parish. This vision is to be realised by policies and actions which cover a number of areas including sustainable development; housing; biodiversity and green infrastructure; business and economy; transport; leisure and recreations; and, design, heritage and character.

### Key Stages in the Process

9. An application was received from Thrussington Parish Council to designate the entire parish as a neighbourhood area on 16<sup>th</sup> February 2016 and the area was designated on the 27<sup>th</sup> April 2016.
10. Once designated the neighbourhood plan group began to gather evidence and identify the issues, vision and objectives to inform the plan. Extensive consultation was also undertaken with the local community, landowners, local groups and statutory consultees. This enabled the creation of an initial draft plan in June 2017.
11. The Thrussington Pre-Submission Draft Neighbourhood Plan underwent a statutory 6 week consultation from the 28<sup>th</sup> July to the 22<sup>nd</sup> September 2018. A number of amendments were then made to the plan by the Neighbourhood Working Group in response to the representations received during the consultation.
12. The revised plan, along with other statutory submission documents, was submitted to the Borough Council on the 20<sup>th</sup> December 2017. Following confirmation from the Borough Council that all the necessary material had been submitted the Borough Council undertook a further 6 week statutory consultation on the submission documents from the 12<sup>th</sup> January to the 25<sup>th</sup> February 2018.
13. During this consultation period the Council appointed a suitably qualified and experienced independent examiner, Mr John Slater, to conduct the examination. This took place in March/April 2018 and sought to ensure that the neighbourhood plan met a number of basic conditions in that it:
  - has appropriate regard to national policy;
  - is in general conformity with the strategic policies of the development plan for Charnwood;
  - contributes to the achievement of sustainable development; and
  - is compatible with EU obligations.
14. The examiner's report was issued on the 19<sup>th</sup> April 2018. This determined that the Thrussington Neighbourhood Plan "if amended in line with my recommendations,

meets all statutory requirements including the basic conditions test and that it is appropriate, if successful at referendum, that the Plan, as amended, be made.”.

15. The neighbourhood plan was amended in line with the examiner’s recommended modifications and was published, together with a decision statement confirming that the Borough Council was satisfied that the plan met the basic conditions and could proceed to a referendum.
16. The Borough Council held the referendum in Thrussington parish on Thursday 2<sup>nd</sup> August 2018. The referendum presented a single question upon which anybody registered to vote in the parish could answer ‘yes’ or ‘no’:

*Do you want Charnwood Borough Council to use the Neighbourhood Plan for the Thrussington area to help it decide planning applications in the Neighbourhood Area?*

17. All neighbourhood plans are required to gain a majority of 50% plus one in favour at a local referendum in order to be made by the local planning authority. A total of 31.3% of registered electors recorded votes. 138 votes (96.5%) were cast in favour of “Yes”. 5 votes (3.5%) were cast in favour of “No”. It was declared by the Counting Officer that more than half of those voting had voted in favour of the Thrussington Neighbourhood Plan.
18. In accordance with the Neighbourhood Planning Regulations, following the outcome of the referendum, it is now for the Borough Council to make the neighbourhood plan so that it formally becomes part of the development plan for Charnwood.
19. Section 38A of the Planning and Compulsory Purchase Act 2004, as amended, requires local planning authorities to make a neighbourhood plan as soon as reasonably practicable after the referendum is held. A time limit of 8 weeks being introduced by the Neighbourhood Planning (General) Regulations 2012 (as amended).

### Final Stages

20. Charnwood Borough Council must publicise its decision to make the Neighbourhood Plan part of the development plan for the area and the reasons for this. The Borough Council is also required to send a copy of the decision to the parish council; any persons making written representations on the proposal; the Environment Agency; Natural England; and, Historic England.
21. The Neighbourhood Plan must also be publicised on the website with details provided of where and when it can be inspected. Once made by the Council the plan is part of the development plan for the Borough and must be used to help determine planning applications in Thrussington parish.

Appendix: Thrussington Neighbourhood Plan 2018 – 2028

# Thrussington Neighbourhood Plan

Referendum  
Document  
April 2018

**urban imprint**

# Thrussington Neighbourhood Plan

Referendum Document

April 2018



Project name and Number:
16-010-Thrussington_NP
Document Name and Revision:
Referendum Document
Prepared by:
BP/JG/JM/SH
Reviewed By:
BP/JG/SH/JP
Date of Issue:
03 May 2018

Urban Imprint Limited | Company number 8059162 | Registered in England and Wales  
Registered Office | 82 Reddish Road | Stockport | SK5 7QU

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## Foreword

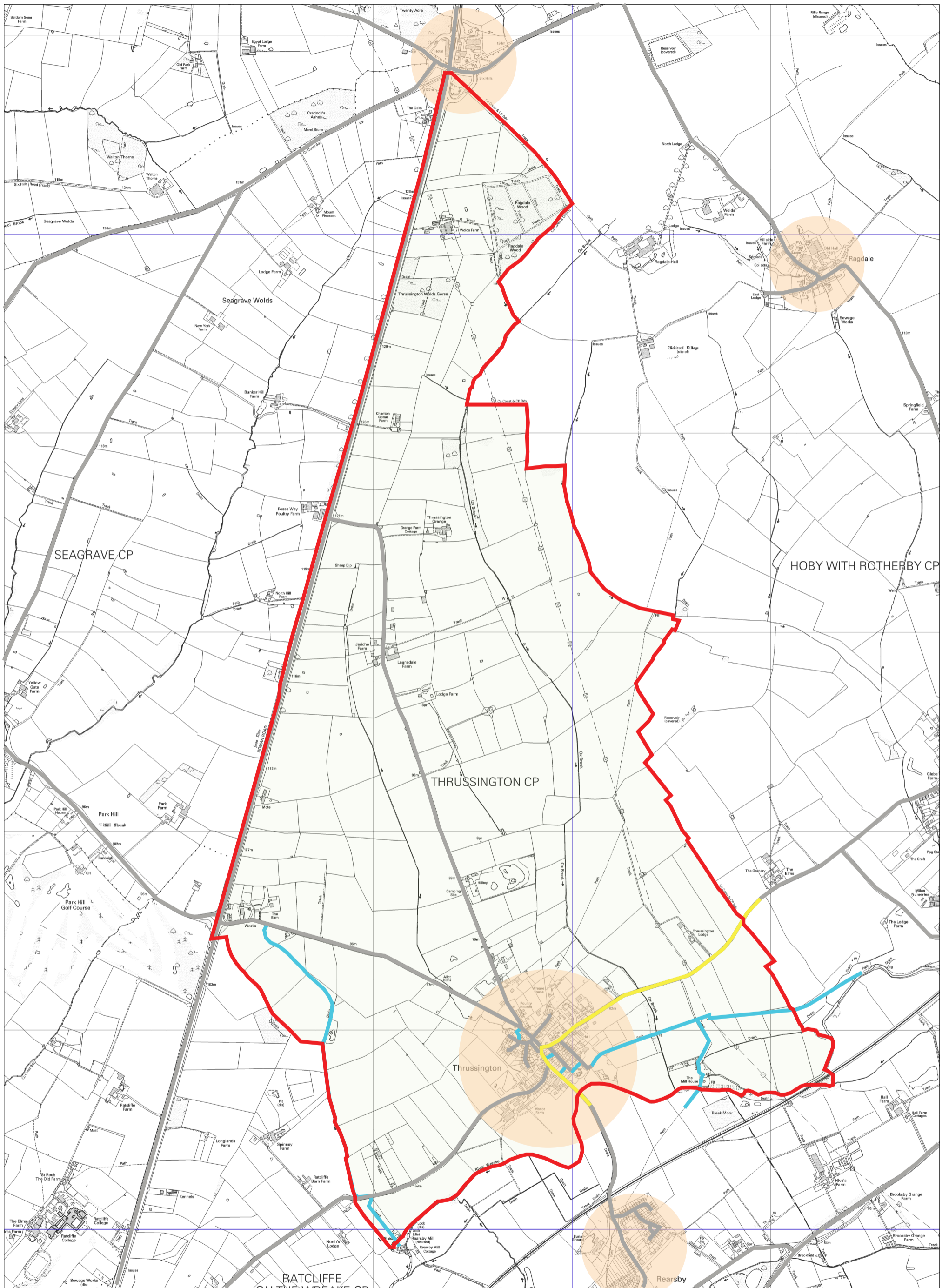
The Neighbourhood Plan is the result of major contributions by the Parish Council, the Working Group, residents and businesses within the Parish, together with our consultants, Urban Imprint. It sets out a Neighbourhood Development Plan for the Parish until 2028.

The Neighbourhood Plan is based on evidence generated by community engagement through consultation and questionnaires.

Effective, open and extensive consultation is at the heart of the Plan to help ensure the Plan fully reflects local needs, priorities and aspirations.

The Parish Council would like to thank those individuals who have contributed, Charnwood Borough Council, the Borough and County Councillor Mr James Poland, Urban Imprint, Locality and Groundworks (one of our sources of funding) and the Big Lottery (a secondary source of funding). Without the input from the above a Plan would have been difficult to produce and would lack the input from residents and businesses.





# Thrussington Neighbourhood Plan Designated Area

Scale: 1:12500  
Date: 02-02-2016 Time: 11:47:37



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# 1. Introduction

- 1.1. Neighbourhood Planning is a central government initiative introduced by the Localism Act 2011 and recognised in the National Planning Policy Framework (NPPF) in March 2012. The aim of the legislation is to empower local communities to use the planning system to promote appropriate and sustainable development in their area. Neighbourhood Development Plans (NPs) must be in conformity with the Local Planning Authority's (LPAs) Local Plan.
- 1.2. NPs are to be shaped by and produced for the local community. The role of the Working Group and Parish Council has been to act as facilitators in enabling local residents, businesses and community groups to determine the focus of their NP and devise policies to tackle local issues.

## **Status of the Neighbourhood Plan**

- 1.3. Once adopted, the NP will be the primary document of the Development Plan at the local level alongside the Charnwood Local Plan 2011 to 2028 Core Strategy, and will be used to determine applications in accordance with the Planning and Compulsory Purchase Act 2004 Section 38 (6) in that the determination of planning applications 'must be made in accordance with the Plan unless material considerations indicate otherwise'.
- 1.4. The NP must be in general conformity with the Charnwood Local Plan and therefore runs over the same Plan period up until 2028. Therefore the Neighbourhood Plan has been prepared to take this Plan period into consideration and deals with issues over this time period.
- 1.5. Thrussington is one of the most easterly Parish within the Borough of Charnwood. It borders six other rural Parishes, Ratcliffe-on-the-Wreake, Seagrave, Burton on the Wolds – Cotes – Prestwold, Rearsby within Charnwood Borough, Hoby and Rotherby, and, Broughton and Dalby within the Borough of Melton. The Parish is bounded on the west by the A46 trunk road giving

easy access to Leicester, Loughborough and Nottingham, and the River Wreake to the south. There are approximately 240 residential, farm and business dwellings within the Parish most of which are situated in the village of Thrussington, and a substantial amount of farmland. The village is mentioned in the Domesday book and boasts a church of Norman origin, the Church of the Holy Trinity, a grade II\* listed building.

- 1.6. The Parish Council decided to develop a Neighbourhood Plan in 2015, partially due to the Localism Act 2011. This Act allows a Parish to develop a Neighbourhood Development Plan, a town planning document, which proactively gives local people greater control and say over how the community develops and evolves. This enables residents to influence any future development within the Parish. A further reason was that residents and the Parish Council had voiced concerns over large developments near Syston, Barkby, Queniborough and a proposed development in Rearsby, and, that some element of control was needed, rather than just a presumption in favour of sustainable development. Another reason was the idea to produce a Neighbourhood Plan to supplement the then recently adopted Charnwood Core Strategy 2011-2028.
- 1.7. The Parish Council and the local community wanted a say in any future development and so a working group was set up to develop a Plan in late 2015. The Parish was formally designated as the Neighbourhood Plan area 27th April 2016.

## **History of the Parish**

- 1.8. Thrussington is a small village which originated as an Anglo-Saxon settlement on the western side of the River Wreake and is approximately seven miles from the City of Leicester and the market town of Melton Mowbray and Loughborough. It is situated near the Roman Road; The Fosse, and is mentioned in the Domesday Book of 1086.
- 1.9. The village is a thriving community of approximately 550 residents, and has a very popular primary school, hairdresser and two public

houses as well as a popular delicatessen and tea room. The village church of Holy Trinity dates largely from the thirteenth century. Also it has a Village Hall that is in very regular use by many clubs, societies as well as Beavers, Cubs, Brownies & Scouts.

- 1.10. The village boasts several annual events, including Skittles on The Green, Trinity Fair and various social and fund-raising events (most of which raise money for the local school, church, or village hall).

## 2. Evolution of the NP and Consultation

- **Setting up the Working Group** – The Parish Council decided that a Working Group offered the best means to produce a plan. The group was made up from volunteers within the Parish, including three Parish Councillors. The introductory meeting was 12th December, 2015. The aim was to be fully open to all residents with updates through the village magazine and events for all stakeholders and residents.
- **Designation of the Parish as the area to be covered by the Plan** - Designation was requested and after consultation formally designated April 27th, 2016, by Charnwood Borough Council.
- **Obtain grant and choose consultants** - After interviewing a number of candidates Urban Imprint (then BPUD) was selected as our consultants and partners in April 2016. The Parish was updated at the Annual Parish meeting in May 2016. We formally applied to Locality for a grant and an initial grant of £5,506 was awarded 10th June, 2016. The Parish Council had already pledged £1,000 for 2016 (and, again, in 2017).
- **First consultation event**- This consisted of a Launch event 2nd July, 2016. All stakeholders and residents were invited. The event outlined what a Neighbourhood Development Plan was and how it could help the Parish and progress to date. A SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis took place.
- **Questionnaire** - From the SWOT analysis a questionnaire was developed. It was issued to all stakeholders and residents in September 2016. Later analysis led to the next consultation.

Neighbourhood Plan Launch – 2<sup>nd</sup> July 2016



- **Website development** - During September and October the Neighbourhood Plan part of the Thruslington Village website was developed and became available November 2016. All information and meetings were uploaded as an open site.
- **Second consultation** - The analysis of the data from the questionnaire allowed the development of the format for the second consultation, February 4th, 2017. Again this was a Parish event. It was to determine what policies could be required for the Plan. From this an emerging policy guideline document was produced for review. This has been reviewed and will form the basis of the draft plan. The aim was to produce a draft Plan for initial review in June 2017.
- **Obtain second grant** - We formally applied to Locality for a grant and a second grant of £3,394 was awarded 21st February, 2017.
- **Obtain third grant** - Although the Locality bids largely covered the expenses we could not cover all the costs so a third grant was requested. An amount of £3,248 was awarded by the Big Lottery on the 24<sup>th</sup> March 2017, and will allow us to complete the project.
- **Annual Parish meeting** - The Parish was updated on the progress of the project in May 2017.

- **Regulation 14 Consultation** – Formal consultation on the first draft of the Neighbourhood Plan took place between 28<sup>th</sup> July – 22<sup>nd</sup> September 2017. Every household in the Parish received a hard copy of the Neighbourhood Plan and were invited to a community event which took place on the 9<sup>th</sup> September at the village hall. Amendments were made to the Neighbourhood Plan following this consultation.
- **Regulation 16 Consultation** – This second formal period of consultation was run by Charnwood Borough Council and ran for six weeks from the 12<sup>th</sup> January 2018 to the 25<sup>th</sup> February 2018.
- **Independent Examination** – An independent Examiner assessed whether the Neighbourhood Plan met the Basic Conditions as set out in the regulations. In April 2018 he issued his report confirming that the Neighbourhood Plan met the basic conditions, subject to some minor modifications, and should proceed to referendum.
- **Next Steps -**
  - Referendum seeking residents’ approval
  - Neighbourhood Plan “made” i.e. becomes a legal document



The Blue Lion public house – Rearsby Road

### 3. Using the Neighbourhood Plan

- 3.1. This Plan contains policies and guidance intended to shape development in Thrussington until 2028. Policies are grouped into themes linking directly to the key issues raised by residents during consultation.
- 3.2. The Plan can be used by different people. It is likely that it will be most relevant to:
- Local residents and business owners
  - Property owners and developers
  - The Local Planning Authority (Charnwood Borough Council)
- 3.3. Guidance on how these groups are responsible for implementation of the Plan follows:
- 3.4. Local residents and businesses may refer to the Plan when consulted on planning applications for new development proposals in Thrussington and when developers carry out early public consultation when drawing up proposals for new development. The wishes and concerns for the future of the Parish are expressed in clearly defined policies which have legal weight in the planning system. Local people should be proactive in engaging with the planning system, by checking that the Plan is being properly implemented by developers and Charnwood Borough Council when new development proposals come forward.
- 3.5. Property owners and developers proposing development in the Parish must ensure their proposals accord with the policies relevant to the nature of the development. Developers will find that Neighbourhood Plan policies sit alongside other planning policies at the local and national level, adding additional detail relevant to local circumstances and issues. Planning applications should, where appropriate, demonstrate how proposed development accords with these policies to contribute to Plan objectives.

- 3.6. Charnwood Borough Council is responsible for implementing the Plan, by considering development proposals against the policies. Proposals which are in accordance with the Plan (and with other relevant planning policies) should be approved, subject to all other relevant concerns. Proposals which are not in accordance with the policies (where they are relevant to the development proposed) should not be approved, except where the policies are outweighed by strong other material considerations.
- 3.7. Where there are matters that are considered aspirational as opposed to policies these have now been included as an 'Aspiration' allied to a particular policy. There are 19 policies within the Neighbourhood Plan.
- 3.8. The Neighbourhood Plan is accompanied by a series of proposals maps, included to the rear of the document. Other relevant maps showing the location of key areas for protection/improvement such as locally listed buildings and areas of Local Green Space are also provided.

PLEASE NOTE: Words underlined (other than policy titles) can be found in the glossary.

## 4. List of Policies

### **Strategic Policy**

S1-Strategic Policy

### **Biodiversity and Green Infrastructure (Environment)**

E1- Flood Risk

*Aspiration E1a – Flood Risk Mitigation*

E2-Green Infrastructure

E3-Wildlife and Preservation

E4- Landscape, Views and Conservation

*Aspiration E4a – Protecting the Church Skyline*

### **Business and Economy**

B1- Working from Home

B2- New Employment Development

### **Housing**

H1- Residential Development

H2- Housing Mix

### **Transport**

T1- Parking Provision

*Aspiration T1a- Public Car Park*

T2- Public Realm Improvements

*Aspiration T2a – Highway Improvement*

*Aspiration T2b – Bridge Restrictions*

*Aspiration T3a - Public Transport*

T4 – Walking and Cycling

*Aspiration T4a – Footpath and Cycle Routes*

### **Leisure and Recreation**

L1-Tourism Activities

L2-Leisure and Recreation Activities

*Aspiration L2a – Park and Play Area*

L3- Community Facilities

L4- Local Green Spaces

### **Design, Heritage and Character**

D1- Protection of Heritage Assets

*Aspiration D1a – Conservation Area Expansion*

*Aspiration D1b – The Star Inn*

D2- Design and Development Character



## 5. Visions and Objectives

### Vision

To protect and enhance the character and identity of the Parish of Thrussington and to ensure any development opportunities are sustainable and appropriate to the scale and nature of the Parish, respecting its historic, agricultural and rural character.

#### 1 - Housing Objective

To ensure any future housing responds to local needs, is of a high standard of design, and fits well into the context of the Parish in terms of type, mix, scale and character.

#### 2 - Transport Objective

To promote safe public streets and spaces; reduce traffic volumes through more accessible and beneficial sustainable transport links (including footpaths and cycle routes); and ensure appropriate parking solutions which are sensitive to the Parish's unique character.

#### 3 - Business and Economic Activity Objective

To sustain and enhance the thriving range of community, commercial activities and services in the Parish. To support appropriate and reasonable economic activity and businesses which currently operate within the Parish.

#### 4 - Environment Objective

To place high value on the landscape setting of the Parish and seek protection and enhancement of this central element of Thrussington's character, including key gateways, views and vistas, local wildlife habitats and maximising the opportunities offered by the River Wreake.

#### 5 - Leisure and Recreation Objective

To improve the leisure and recreation opportunities for residents of all ages by encouraging provision of open space and children's play facilities and protect existing assets such as the school, village hall, church and other community buildings and spaces used for community events.

#### 6 - Design and Heritage Objective

To identify, protect and enhance Thrussington's heritage assets and key public spaces. Ensure that any future development is sympathetic to the existing character of the Parish in attractive, environmental and innovative ways.

## 6. Neighbourhood Plan Policies

### Sustainable Development

#### S1- Strategic Policy

*In determining the acceptability of proposals within Thrussington the following points, where relevant, should be used to guide the delivery of sustainable development:*

- *Is of an appropriate design, which complements the local vernacular and character of the village*
- *Protects and enhances the Parish's archaeological assets whilst improving awareness and understanding of key sites*
- *Protects and enhances the local landscape character*
- *Protects long distance views and vistas into and out of the village*
- *Is accessible by safe walking/cycling routes to local facilities (school, public houses, shops, church)*
- *Ensures that residential and business development contributes to the vitality and viability of the village*
- *Does not increase the risk of flooding from either increased runoff or from building within flood risk areas*
- *Preserves and enhances the local biodiversity network, paying special attention to the green and blue infrastructure network*
- *Minimises additional traffic generated and utilises a safe, suitable access.*
- *Is served by appropriate communications and utilities infrastructure, including broadband*
- *Promotes a Parish free from excessive noise, air and light pollution and other harm.*

**NP Objective: 1, 2, 3, 4, 5, 6**

#### Explanatory

The strategic policy provides an overarching guide as to how development should be approached within the Parish. It should be considered by all planning applications within the Parish. The policy is broad in its scope and represents the community's aspiration for delivering sustainable development within the Parish.

The policy addresses the broad requirements for new development, its effect on the landscape, townscape and issues such as local amenity and accessibility.

Development of all types has a range of wider implications on other factors such as traffic, flood risk, heritage and landscape setting. All proposed development therefore must consider the impact on the factors identified in policy S1.

The Parish Council will comment on planning applications outside of Thrussington which they consider to impact the Parish in terms of traffic generation, pollution, or other amenity issues.

## Thrussington's Natural Environment

### E1- Flood Risk

*All new development should avoid increasing the risk of flooding either through removing flood storage in areas subject to flooding from the River*

*Wreake and its tributaries or through increased surface water run-off. Any major development (as defined by the Town and Country planning (Development Management Procedure) Order 2015) will be expected to incorporate Sustainable Urban Drainage Systems (SUDS) into its design and all other schemes are encouraged to incorporate SUDS, if possible.*

*All developments within the areas shown to be at risk of flooding on Map 5 and Map 6 or any scheme with the site area over 1 ha, will be expected to demonstrate how they have addressed the risk of flooding in the design of their proposals via a Flood Risk Assessment. Proposals which retain trees, hedgerows and vegetation as the means of reducing surface water run off will be supported.*

*Developments which allow for the use of the river for community uses will be supported, subject to compliance with other development plan policy.*

#### **NP Objective: 1, 4**

#### Explanatory

Addressing and reducing the threat of flooding is crucially important to the future success and sustainability of the village of Thrussington. This can be addressed through careful maintenance and mediation against surface runoff. The river also creates an opportunity for an attractive recreational feature within the Parish.

#### **Aspiration E1a – Flood Risk Mitigation**

**The Plan seeks to limit the environmental impacts of any new development which may occur. New development therefore is required to ensure that the level of discharge from a site is kept below the threshold of 5 litres per second per hectare– a common rate set in areas of flood risk. This can be achieved through use of various Sustainable Urban Drainage (SUDs) technologies and design techniques which are designed to store storm water on site and release this slowly back into the surrounding watercourses.**

### E2 - Green Infrastructure

*The Neighbourhood Plan seeks to establish a network of green infrastructure, including existing trees, hedgerows, historic field patterns and other green assets across the Parish to further link the landscape setting with the urban area and protect and enhance the landscape character of Thrussington.*

*Applications which retain and enhance such features (as outlined above) and take the opportunity to re-introduce them into key sites, will be supported. Schemes which seek to contribute to this network within the street scene are more likely to be considered favourably.*

*Any development proposal that impacts on existing hedgerows, trees and vegetation must be accompanied by a landscape plan that shows how they have been retained and protected. If removal is unavoidable, replacement green infrastructure will be provided, as part of the development or opportunities for off-site improvements will be considered as an alternative, if considered necessary. Any replacement will be of appropriate scale and of native species of those existing in the Parish, unless otherwise specified and agreed.*

#### **NP Objective: 1, 4, 6**

#### Explanatory

This policy identifies the key components of a green infrastructure network as hedgerows, trees, historic field patterns and green spaces. The policy seeks to protect this network but also enhance it through encouraging development which links and reinforces the linkages between separate elements of the network. It also sets out the importance of the contribution of green infrastructure to new development schemes.

### **E3- Wildlife and Preservation**

*Small scale development which will preserve or enhance existing wildlife habitats and wildlife corridors around Thrussington, and allow for the creation of new wildlife features will be supported.*

*Any development which will negatively impact upon such assets or significantly reduce them will not be supported.*

*Where appropriate, new developments must not create barriers between existing important wildlife corridors or between corridors and wildlife sites and must contribute, where appropriate, to the creation of new or improved links.*

*The current wildlife corridors have been identified on Map 1 – Wildlife Corridors (E3).*

#### **NP Objective: 4**

##### **Explanatory**

Settlements present barriers, such as fences, buildings and roads, that animals are unable or reluctant to pass through. This can lead to fragmentation of wildlife habitats and problems for species in terms of feeding and reproduction.

Wildlife corridors provide an unbroken route of travel between and within habitat areas. These corridors may take the form of tree lined streets, hedgerows or public footpaths with verges and their form may depend on the habitat requirements of the species affected.

The wildlife corridors across the Parish are protected through the Neighbourhood Plan in order to maintain the rich and biodiverse natural environment of the Parish.

### **E4- Landscape, Views and Conservation**

*Development which will adversely impact upon views listed below, and identified on Map 2 - Views and Vistas (E4), will be resisted unless demonstrated that the historic character and appearance of the surrounding landscape and built form is retained.*

*The Thrussington Neighbourhood Plan seeks to protect and enhance its sensitive rural landscape setting, through resisting applications which lead to its fragmentation or loss. Developments that affect the key views listed below must demonstrate how they have respected and reinforced historic landscape features and patterns.*

*The following key views will be protected from inappropriate development:*

*1 – View north west along Seagrave Road*

*2 – View north from Seagrave Road*

*3 – View south west from Old Gate Road*

*4 – View south east from Old Gate Road*

*5 – View south east along Seagrave Road*

*6 – View from the end of The Green*

*7 – View from Ratcliffe Road north east towards the village*

*8 – View from Back Lane south east*

*9 – View south east along Rearsby Road*

*10 – View north west along Rearsby Road*

*Within the area identified as Church View Protection Zone shown on Map 2, all new development should not exceed the height of the nave of the church and should not impact negatively on views of Holy Trinity Church.*

#### **NP Objective: 4, 5, 6**

##### **Explanatory**

Thrussington Parish is home to a number of views and vistas which make an important contribution to the character and setting of the Parish. Some of these views are within the village itself and others are within or out towards the wider landscape setting.

This policy seeks to protect identified views within the Parish as they are considered to make an important contribution and should be taken into account by all new development.

**Aspiration E4a – Protecting the Church Skyline**

The community places great value on the contribution Holy Trinity Church makes to the Parish skyline particularly when entering the village from the north. To protect this view, Map 2 – Views and Vistas (E4), illustrates an area where new development should not exceed the height of the nave of the church and should have no negative impact on views of the church.

## Business and Economy

### **B1- Working from Home**

*Where planning permission is required for the conversion and expansion of existing dwelling houses (Class C3) to facilitate home working (including office work and traditional rural occupations), this will be permitted subject to ensuring that the final use proposed does not impinge on the amenity of the existing property or neighbouring properties, including consideration of any increase in traffic generation from the property. Care should be taken to ensure that any intensification of use over time (including paraphernalia associated with the use) does not result in negative impact on nearby amenity through the use of appropriate planning conditions.*

*Where development will result in the loss of existing off road car parking spaces (either as a driveway or garage), additional parking should remain available on the plot in order to ensure that increased on-street parking does not occur on the surrounding streets.*

*The Neighbourhood Plan will continue to support the delivery of high speed broadband infrastructure and other telecommunications infrastructure throughout the Parish to facilitate this policy and to reduce the need to travel.*

### **NP Objective: 1, 2, 3**

#### **Explanatory**

Working from home, either self-employed (subject to relevant planning considerations) or in association with flexible working arrangements, can assist in supporting sustainable development objectives. It is crucial to have suitable facilities to enable this to be realised. This may include the provision of standalone garden office space, provision of flexible residential accommodation and/or the provision of suitable facilities. Details such as provision of additional plug sockets contribute towards an environment which encourages homeworking.

Broadband and mobile phone signal provision is a vital component of the sustainability of the Parish and the ability of businesses to operate within the area, in addition to the ability of residents to work from home, of whom there are an increasing number.

## **B2 – New Employment Development**

*Small scale or rural developments which create new employment uses, will be supported where they are small scale and located on appropriate sites within the settlement boundary or on former agricultural or commercial sites elsewhere within the Parish. Small scale professional services (A2) and business (B1) uses will be particularly encouraged on such sites.*

*Where appropriate, all new employment development (including the expansion of existing premises) as outlined above should:*

- *Be designed to the highest quality, taking account of local character, and avoiding development that is out-of-scale with the village character and rural environment.*
- *Not have a significant detrimental impact on nearby residential amenity as a result of noise, light spillage, vibration, smells, air pollution and other harm, in addition to appropriate and reasonable opening hours and hours of operation during construction.*
- *Not result in a net loss of significant green infrastructure, including hedgerows and trees in accordance with policy E2 of the Neighbourhood Plan, unless this is replaced by equal or better provision elsewhere within the Parish.*
- *Provide suitable parking and access arrangements, including parking for staff and visitors on site and for the turning and manoeuvring of delivery vehicles off the public highway.*
- *Not have a severe impact on highways or traffic safety.*

*In addition, subject to meeting the criteria above and in order to retain a range of employment opportunities within the Parish, the expansion and modernisation of existing employment sites will be supported. Development proposals that are unable to meet the above criteria or demonstrate compliance with policy E1 of this Neighbourhood Plan will not be supported.*

### **NP Objective: 2, 3, 4**

#### **Explanatory**

The Neighbourhood Plan encourages the creation and expansion of small employment sites and recognises their role in supporting the economic vitality of the Parish. Rural industries appropriate and sensitive to their setting are supported. Care needs to be taken to ensure that

this is not at the expense of residential amenity and that out of scale industrial development undermining the rural character does not occur.

Key issues such as parking, access, traffic, pollution, infrastructure and protection of open space are considered by this policy to ensure the benefits of a scheme outweigh potential negative impacts.

## Housing

### H1 – Residential Development

*In locating new residential development, schemes that meet the following criteria will normally be supported subject to compliance with other Development Plan policies. All new residential dwellings should, where appropriate:*

- *be within the settlement boundary as identified by this plan on Map 2 and*
- *ensure that they provide sufficient parking space to serve the needs of the development on site and in compliance with policy T1.*
- *or be one for replacement for an existing dwelling outside the settlement boundary.*
- *or be a residential conversion of a redundant or disused building outside the settlement boundary (that would lead to an improvement to its immediate setting).*
- *or is a new dwelling required to meet the essential needs of a rural worker, where they are required to live at or close to their place of work in the countryside.*

**NP Objective: 1, 2, 6**

#### Explanatory

The Neighbourhood Plan seeks to ensure that new residential development is focused on previously developed land within the existing settlement boundary. The criteria in policy H1 sets out where conversions and infill schemes are appropriate and key factors to consider such as parking.

Such sites can present more constraints than those built on 'greenfield' land and so care should be taken to avoid cramped or overdeveloped schemes.

### H2 – Housing Mix

*Small scale developments which deliver housing suitable for young people (2 and 3 bedroom starter homes) and the elderly (2 and 3 bedroom bungalows) will be supported, subject to compliance with other policies within the Development Plan, specifically H1.*

*Affordable housing where it is provided within the boundary of the proposed development site, should be designed to be indistinguishable from market housing.*

**NP Objective: 1, 6**

#### Explanatory

Thrussington is expected to experience only small levels of growth, in line with the Charnwood Local Plan. However, the community wishes to encourage an improved mix of housing within the Parish. Policy H2 therefore promotes homes more suitable for those wishing to purchase their first home (small family homes) and those wishing to downsize and live in more accessible accommodation (bungalows).

Affordable housing (specifically shared ownership schemes) will be considered favourably. The community considers it crucial that new affordable dwellings are designed to blend in with existing and new market housing in the area.



## Transport

### T1 – Parking Provision

Where parking is proposed for residential development it should be provided on-plot in accordance with the following requirements:

- for dwellings providing up to 3 bedrooms - a minimum of 2 spaces is to be provided
- for dwellings of 4 bedrooms or more - a minimum of 3 spaces is to be provided

Where parking is provided, either in the form of garaging, carports or any other type of enclosed parking it should be of a scale (measuring internally a minimum of 3.5m wide by 6.5m long by 2.5m high) to accommodate a range of modern vehicles.

Development proposals will be expected to minimise the impact of the private car on the street scene and to reflect the character and appearance of the immediate locality.

Development proposals that would rely on street parking, that would clutter the public realm or which would reduce the safety of pedestrians and cyclists will not be supported.

**NP Objective: 1, 2, 6**

### Aspiration T1a – Public Car Park

The Parish Council will work with local land owners and businesses to explore provision of a public car park within the village if land becomes available.

### Explanatory

Parking provision is a perennial issue within Thrussington, particularly within the village centre. The Neighbourhood Plan seeks to ensure that all new developments incorporate sufficient parking provision on site and do not exacerbate the existing parking issues within the Parish.

### T2 – Public Realm Improvements

Where required planning permission will be granted for the delivery of new public realm works which contribute towards the character of the Parish and promote the safety of all road users. Support will be given to developments which assist with the delivery of public realm improvements through capital works.

The Plan will support the creation of;

- gateway features on the approach to the village
- pedestrian focused road layouts
- other traffic calming measures e.g. lowering of the speed limit, and speed indicators.
- a travel plan for the school.

**NP Objective: 2, 6**

### Aspiration T2a – Highway Improvement

The Parish Council will continue to work with the Highways Authority and in conjunction with other Parish Councils to deliver improvements to the highways network around the Parish including works identified in Appendix A, with particular focus given to improving parking facilities around The Green in the centre of the village.

Improvements should be focused on the roads adjacent to The Green and the school, where appropriate traffic management schemes, including the introduction of a new road layout which prioritises pedestrians and cyclists will be supported.

### Aspiration T2b – Bridge Restrictions

The community seek to protect the form and character of historically significant bridges. The Parish Council will seek to introduce a 3.5 tonne axle access only restriction on key bridges around the Parish.

### Explanatory

The Neighbourhood Plan is committed to the improvement of highway safety within the Parish. A number of strategies should be put in place in order to address the traffic issues within the Parish. The reduction in the speed of vehicles travelling through the village should be at the forefront of any proposed improvement scheme. New development should seek to address the traffic problems within Thrussington and proposals which provide improvements to the road

network and area around The Green are more likely to be considered favourably.

The use of appropriate materials is key to retaining the character of the village and in all cases, the design of these spaces and choice of materials should take account of long term maintenance and street cleaning in order to ensure that the public realm is retained in a good condition. The design approach detailed is supported by the ethos of 'Manual for Streets' (2007) and other national guidance which details design standards of public realm spaces.

### **Aspiration T3a – Public Transport**

*The Neighbourhood Plan seeks to encourage improvement to the Parish's transport network making key services and facilities more accessible without the use of a car.*

*Where Travel Plans are required they should demonstrate clearly how workers and residents will commute to and from the site.*

### **NP Objective: 2, 5**

#### **Explanatory**

Sustainable modes of transport are crucial in promoting sustainable communities. Providing and promoting access to public transport is key to discouraging the use of the car within Thrussington. Reducing the number of car journeys in the Parish reduces local levels of traffic in addition to improving air quality, reducing noise pollution and improving the safety of all road users.

#### **T4 – Walking and Cycling**

*The Neighbourhood Plan seeks to protect and enhance all existing walking and cycling routes and Public Rights of Way across the Parish.*

*New developments which promote the use of sustainable transport modes and / or create new opportunities and new routes will be supported assuming all other criteria are met.*

**NP Objective: 2, 5**

#### **Aspiration T4a – Footpath and Cycle Routes**

**The Parish Council will work with neighbouring Parishes and the Highways Authority to enhance the existing footpath and cycle network for community leisure purposes and to create bridleways and new permissive paths.**

#### **Explanatory**

Policy T4 protects and seeks the enhancement of existing walking and cycling routes within the Parish. The Neighbourhood Plan identifies these key routes within Map 3 – Footpath and Cycle Routes (T4). These routes are commonly used and some are in need of repair and / or improvement. Potential new routes are also identified where the wider footpath and cycle network could be improved. Schemes which promote the linking of these routes will be supported.

Works associated with new footpaths and cycle routes do not always require planning permission, but where they do, the Plan can support their delivery. In some cases, development proposals which have an impact on the roads within the Parish means that contributions may be sought to help deliver these routes and discourage the use of the private car. The policy above supports schemes which seek to achieve this.

## Leisure and Recreation

### L1- Tourism Activities

*The enhancement of existing tourism assets within Thrussington will be supported, especially those that:*

- *Promote appropriate and reasonable farm diversification and meet criteria outlined in B2*
- *Enhance the Parish's offer for walking and cycling and sustainable modes, in line with policy T4*
- *Provide small-scale overnight accommodation*
- *Promote equestrian facilities, routes and activities*

*Applications for the establishment of new tourism activities must demonstrate that they are sensitive in scale and type to Thrussington's existing rural character.*

**NP Objective: 3, 5**

#### Explanatory

Thrussington aspires to enhance its tourism and the quality of life for residents through encouraging a greater social and cultural offer in the village. This policy seeks to cluster these uses within and in close proximity to the village centre to encourage a vibrant core to the Parish. Temporary uses such as markets and stalls are encouraged in this policy.

### L2- Leisure and Recreation Activities

*Recreational facilities will be protected from inappropriate redevelopment. Enhancement to existing, or provision of new multifunctional open space, will be supported by the plan, provided that it retains and enhances biodiversity, does not harm neighbouring amenity, protects local character, and is well-surveilled.*

*The Plan will also seek the enhancement and delivery of footpaths and the national cycle route that improve access to the countryside in line with policy T4.*

**NP Objective: 2, 5, 6**

#### Aspiration L2a – Park and Play Area

**The Parish Council will work with relevant stakeholders to explore provision of a park and play area targeted towards children and incorporating sport facilities.**

#### Explanatory

The open and recreational space in and around Thrussington is a key community facility. This policy seeks to retain, improve and positively promote these recreational facilities and wider countryside within the Parish in the interest of the health and wellbeing of the community.

As per the Plan's Aspiration, schemes which seek to deliver children's play will be strongly supported.

### **L3- Community Facilities**

*Proposals that encourage the delivery of new services and facilities, principally A1 Retail Use (including a newsagent, post-office and/or convenience stores) and A3 Restaurants and cafés, together with other complementary uses, commensurate in scale to the settlement will be supported.*

*Proposals must also respect neighbouring uses and amenity and should accord with other relevant policies.*

*In as much as planning permission is required, unless it can be demonstrated that it is no longer economically viable to retain a community facility, conversion of buildings in A1 (retail) use and/or A3 (cafés) and/or public houses to C3 (residential) use will not be supported.*

*The Neighbourhood Plan will support the diversification of community buildings (such as public houses, schools, churches and the village hall) and associated land which is ancillary to their existing use. Community-led schemes will be considered favourably.*

*Planning applications for buildings with a mixture of uses, as set out above, will be looked upon favourably.*

### **NP Objective: 3, 5**

#### **Explanatory**

This policy reflects the desire of the community to attract new services and facilities to Thrussington and accords with the sustainable objective of the National Planning Policy Framework (NPPF) to promote a strong rural economy. It is recognised that it may not be viable to bring forward new small standalone services. For this reason this policy supports the integration of new services and facilities into existing ones. This reduces start-up and running costs and so increases the likelihood of new provision being brought forward and also assists in the protection of new and existing community assets.

The pressure to convert buildings to residential dwellings is significant. This policy seeks to protect and retain in the first instance community assets, supporting the conversion of buildings only where it can be demonstrated that retention of the building for the permitted business and/or for use by the community or for public services is no longer a viable option.

### **L4- Local Green Spaces**

*The Neighbourhood Plan designates areas as Local Green Spaces due to their special character, significance and community value. These sites will be protected from development except in exceptional circumstances. The boundaries of these Local Green Spaces are shown within Map 4 Local Green Spaces (L4). These spaces are listed below;*

1. *Rearsby Road Corridor*
2. *The Green*
3. *Flower Bed, Hoby Road*
4. *Holy Trinity Church Grounds*
5. *Back Lane planted area*
6. *Hoby Road Cemetery*
7. *Thrussington School Playing Field*
8. *Village Hall Grounds*
9. *Nature Reserve*
10. *Area to the rear of the Star Inn*

### **NP Objective: 5, 6**

#### **Explanatory**

These spaces have been identified by this policy as Local Green Spaces. Paragraph 77 of the National Planning Policy Framework has provided the opportunity for these spaces to be designated and protected from inappropriate development by policy commensurate with that of Green Belt. For these spaces to be designated they need to meet a series of tests which are set out in paragraph 77. All of the spaces designated meet these criteria and a full assessment of these against the criteria is set out in Appendix B – Local Green Space Table (L4) of this Plan.

## Design, Heritage and Character

### D1 - Protection of Heritage Assets

*All new development must take account of its impact on heritage assets, both designated and non-designated.*

Schemes which seek to ensure that heritage assets and key buildings remain in long-term active and viable use, and/or seek to bring existing heritage assets back into use in a manner sensitive to their heritage value, will be strongly supported.

Applications which negatively impact the collective value of buildings within the Conservation Area, including the historic plots and grid patterns will be resisted.

Development should, where possible, seek to preserve and enhance the conservation area as well as the fabric and setting of Listed Buildings within the Plan area. Planning applications which affect either directly or the setting of the following proposed locally listed buildings, which are non-designated heritage assets, will be expected to demonstrate that it has had regard to the scale of any harm or loss to the significance of the heritage asset:

1. Thrussington Church of England Primary School
2. Holy Trinity Church Yard and wall
3. The Old Cemetery, (including Reverend Gahan's grave)
4. Pentland Room, former Methodist Chapel
5. Barns and outbuildings associated with the Homestead
6. The Star Inn, The Green
7. The Blue Lion, Rearsby Road
8. River Wreake Bridge, Rearsby Road
9. Wreake Valley Craftsman Original Building, Rearsby Road
10. Thrussington Mill Bridge
11. 20 Regent Street
12. Cottage, 5 Regent Street
13. The Coach House, Seagrave Road

All new buildings must take account of known surface and sub-surface archaeology, and ensure previously

unknown and potentially significant deposits are identified and appropriately considered during development. Lack of current evidence of sub-surface archaeology must not be taken as proof of absence.

**NP Objective: 4, 5, 6**

### Aspiration D1a – Conservation Area Expansion

Expand the Conservation Area in line with recommendations made by Charnwood Borough Council in the Thrussington Conservation Area Character Appraisal.

### Aspiration D1b – The Star Inn

The Neighbourhood Plan and Parish Council seek the listing of the Star Inn within the village.

### Explanatory

The community highly values the heritage and conservation area assets within their Parish and the distinct character of the village is a key factor in encouraging people to live, work and visit the Parish. Policy D1 seeks to add a number of local buildings to the local list to afford them formal protection. Appendix C Heritage Assets (D1) shows a range of the heritage assets as taken from the Historic Environment Record (HER) with those recommended for local listing also included. Applicants are encouraged to consult the HER early in the process of developing their development proposals to ascertain the likely impacts on heritage assets.

## **D2 - Design and Development Character**

*New development should, at all times, promote high quality design and offer a positive, contextually responsive contribution to Thrussington's historic built environment and landscape. High quality design is vital to achieving this goal.*

*Development which makes sustainable use and consumption of energy and water within properties shall also be supported subject to compliance with other Development Plan policies.*

*Schemes should demonstrate how they have considered the relevant section of the Character Assessment and responded to the design guidance with respect to use of materials, architectural detailing, form and mass, plot size and provision of public and private space. Contemporary and innovative design which respects its context and takes these factors into account will be supported.*

### **NP Objective: 4, 6**

#### **Explanatory**

Policy D2 seeks to ensure that development of all types makes a positive contribution to the character of Thrussington. The Character Assessment (available at [www.thrussingtonvillage.org.uk](http://www.thrussingtonvillage.org.uk)) sets out the key features and elements which make up the identity of the Parish. Applicants should demonstrate how they are promoting schemes which are sensitive to surrounding density, plot size, architectural style and nearby heritage assets. Integration of schemes within their context is key in terms of streets, spaces and green and blue infrastructure. Overall, the policy requires applicants to demonstrate that they are promoting a high standard of design appropriate for its situation within the Parish.

## 7. Monitoring and Review

### Monitoring

The Neighbourhood Plan, once made, will form part of the Development Plan for Charnwood Borough Council, and will be subject to the Council's Local Plan Annual Monitoring Report (AMR) regime. The AMR provides many of the monitoring and review mechanisms relevant to Neighbourhood Plan policies, as they sit within the wider Strategic Policies of the Local Plan, including matters of housing and employment delivery.

Consequently, it is considered that the existing monitoring arrangements for the strategic policies of the Core Strategy will be sufficient for most of the Neighbourhood Plan policies.

It may be necessary to monitor separately a number of other specific indicators which should be conducted in partnership with the Council and the Parish Council every five years. These indicators will establish whether the policies are having the desired outcomes and will highlight policies requiring immediate or timely review to align them with their original purpose.

Subsequently, key indicators from approved planning applications and relevant policies, covering applications only within Thrussington relating to the Neighbourhood Plan are:

- Development proposals submitted and/or permitted on sites designated as Local Green Spaces and their outcome
- A change of Charnwood's Core Strategy, or supporting evidence such as Housing Requirement
- Adoption of the Leicester & Leicestershire Strategic Growth Plan
- Proposed developments that border the Parish.

### Review

The Neighbourhood Plan has been prepared to guide development up to 2028. This is in line with the Core Strategy for Charnwood Borough Council – the document which provides the strategic context for the Neighbourhood Plan. It is unlikely that the Neighbourhood Plan will remain current and completely relevant for the entire Plan period and may, in whole or in part, require some amendments before 2028.

There are a number of circumstances under which a partial review of the Plan may be necessary. These may include revision of the following existing local planning documents or in the event that the monitoring of the policies are not adequately addressing the objectives set for the Plan. In all cases, the Parish Council and its partners should consider undertaking a partial review of the Neighbourhood Plan in five to six years from adoption (around 2021-22) and then a full review should be no later than 2026.



## Maps

Map 1 – Wildlife Corridors (E3)

Map 2 – Views and Vistas (E4)

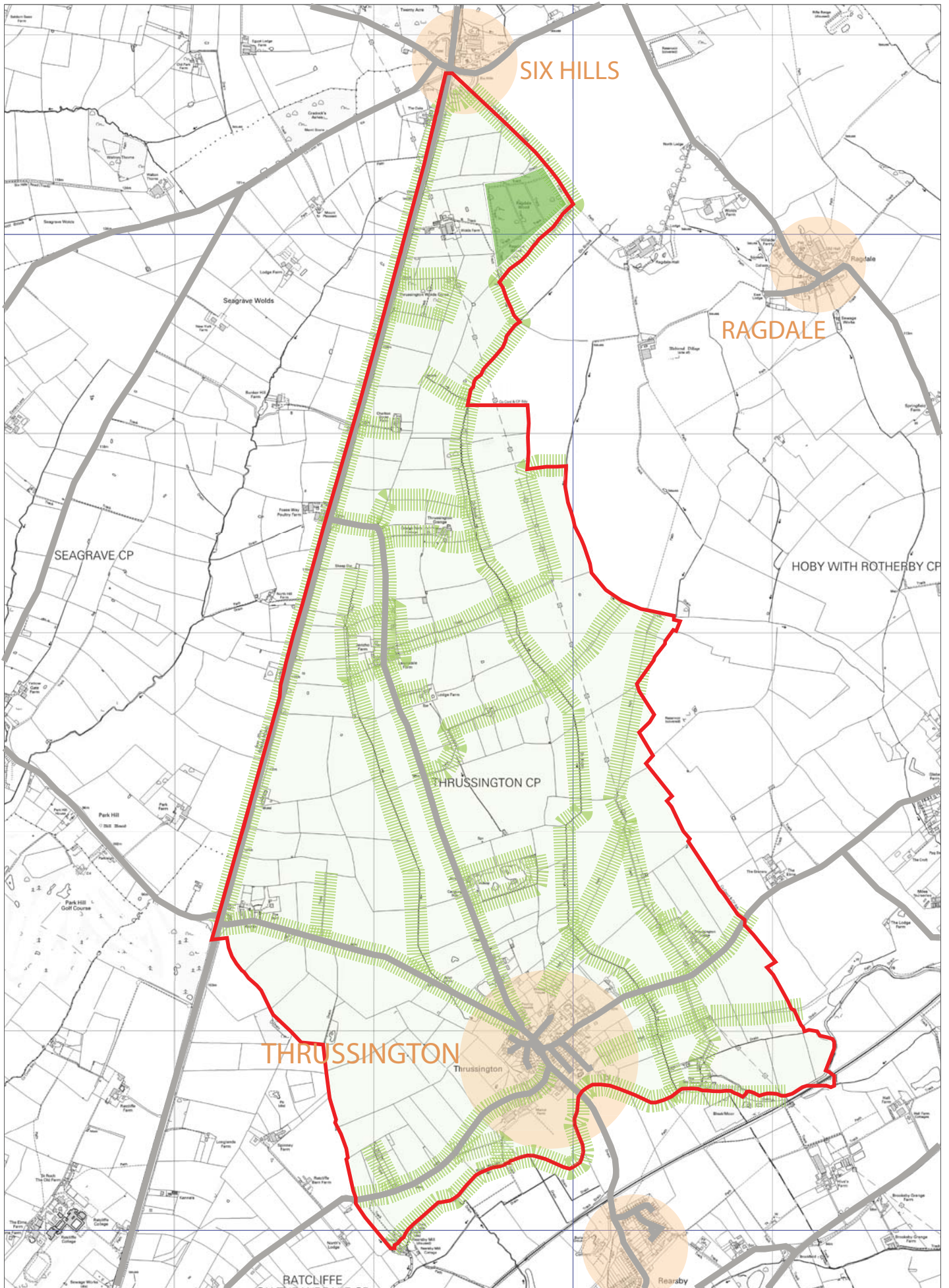
Map 3 – Footpath and Cycle Routes (T4)

Map 4 – Local Green Spaces (L4)

Map 5- EA Flood Map (E1)

Map 6- Strategic Flood Risk Assessment (E1)

# Map 1 - Thrussington Wildlife Corridors: Policy E3



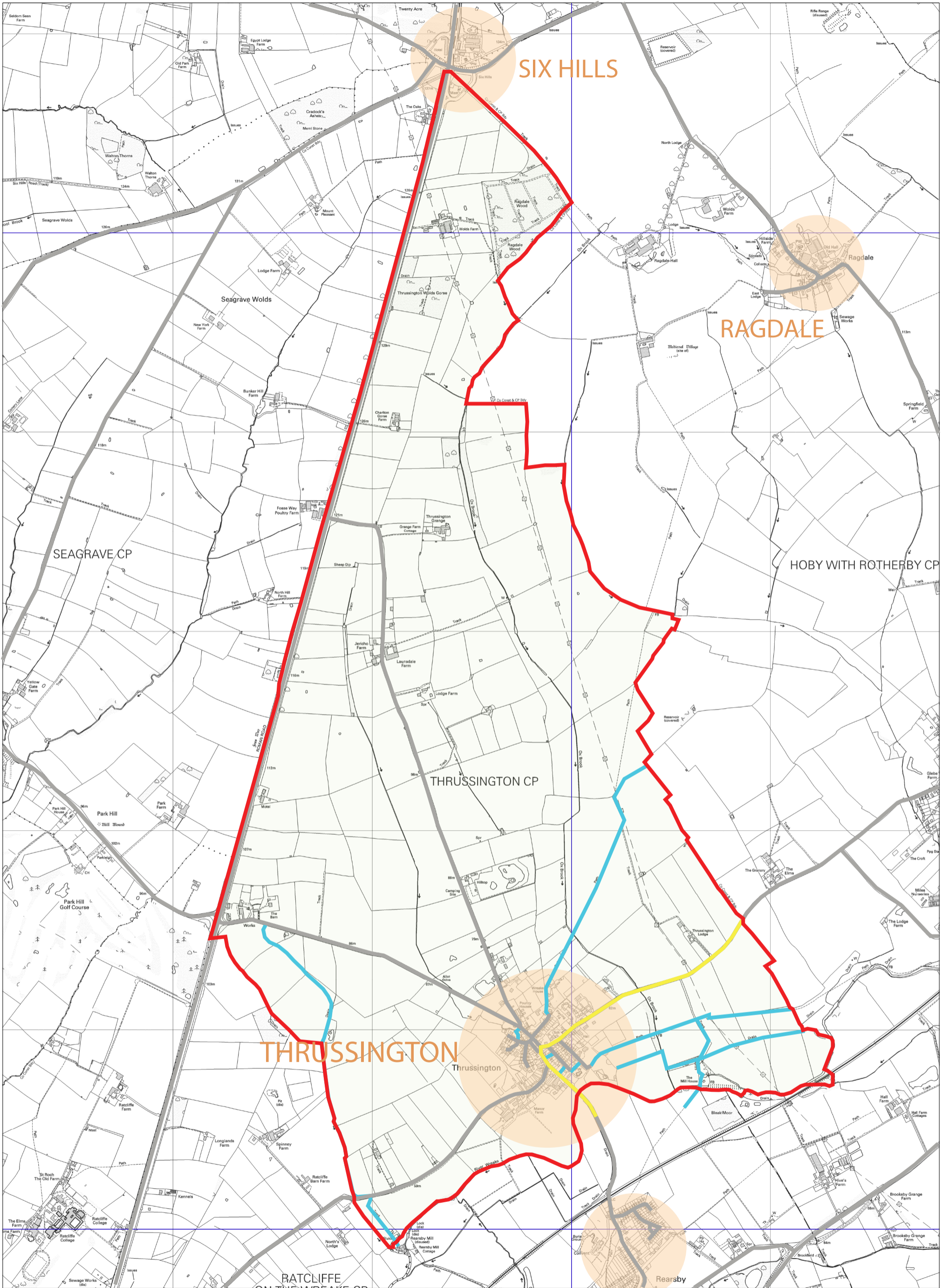
	Designated Thrussington Neighbourhood Plan Area		Road		Wildlife Corridor
	Settlement		Habitat Area		

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**Page 154**

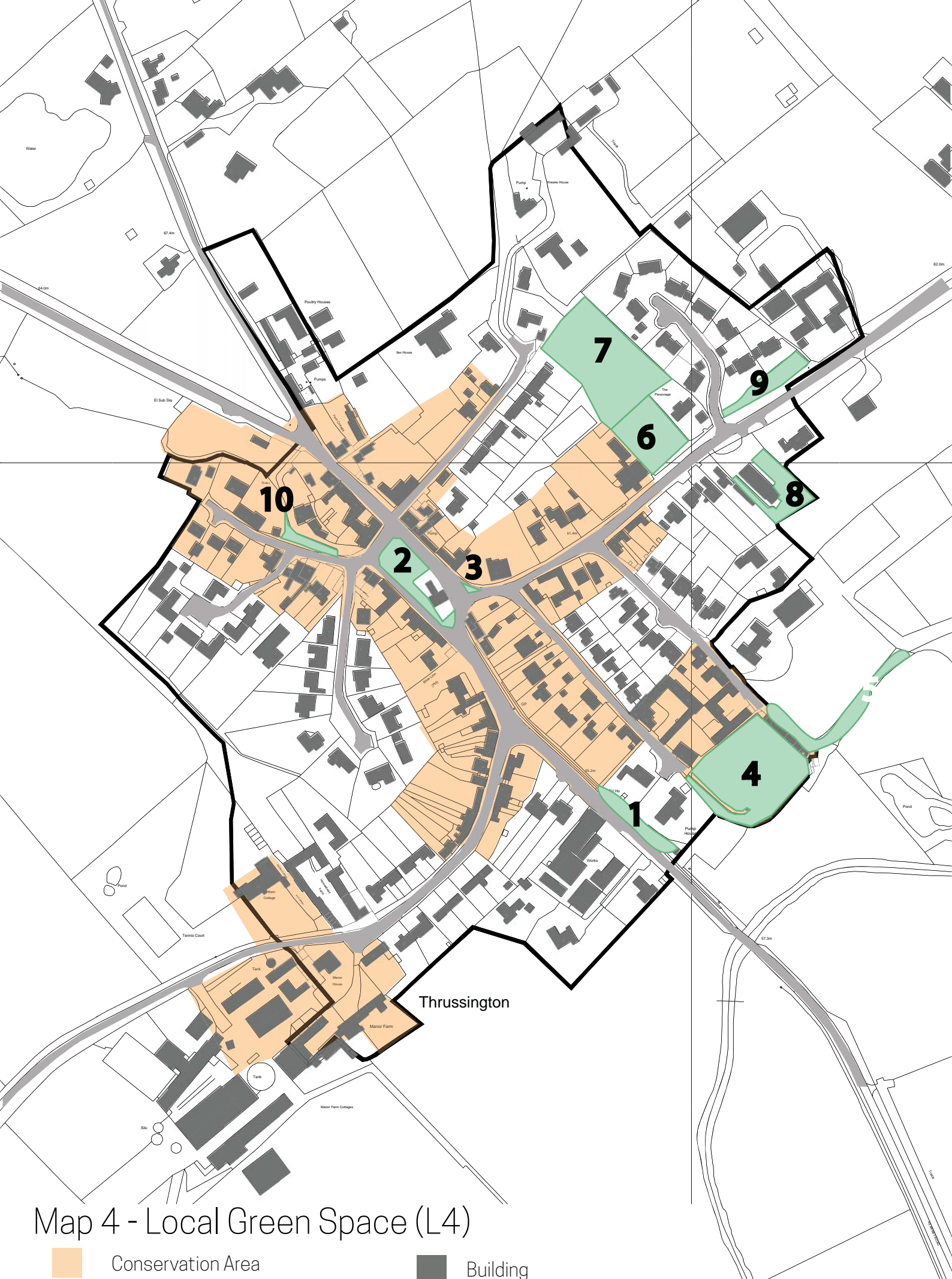




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Map 4 - Local Green Space (L4)

- Conservation Area
- Road
- Settlement Limits
- Building
- Local Green Space

# Map 5 - EA Flood Risk (E1)



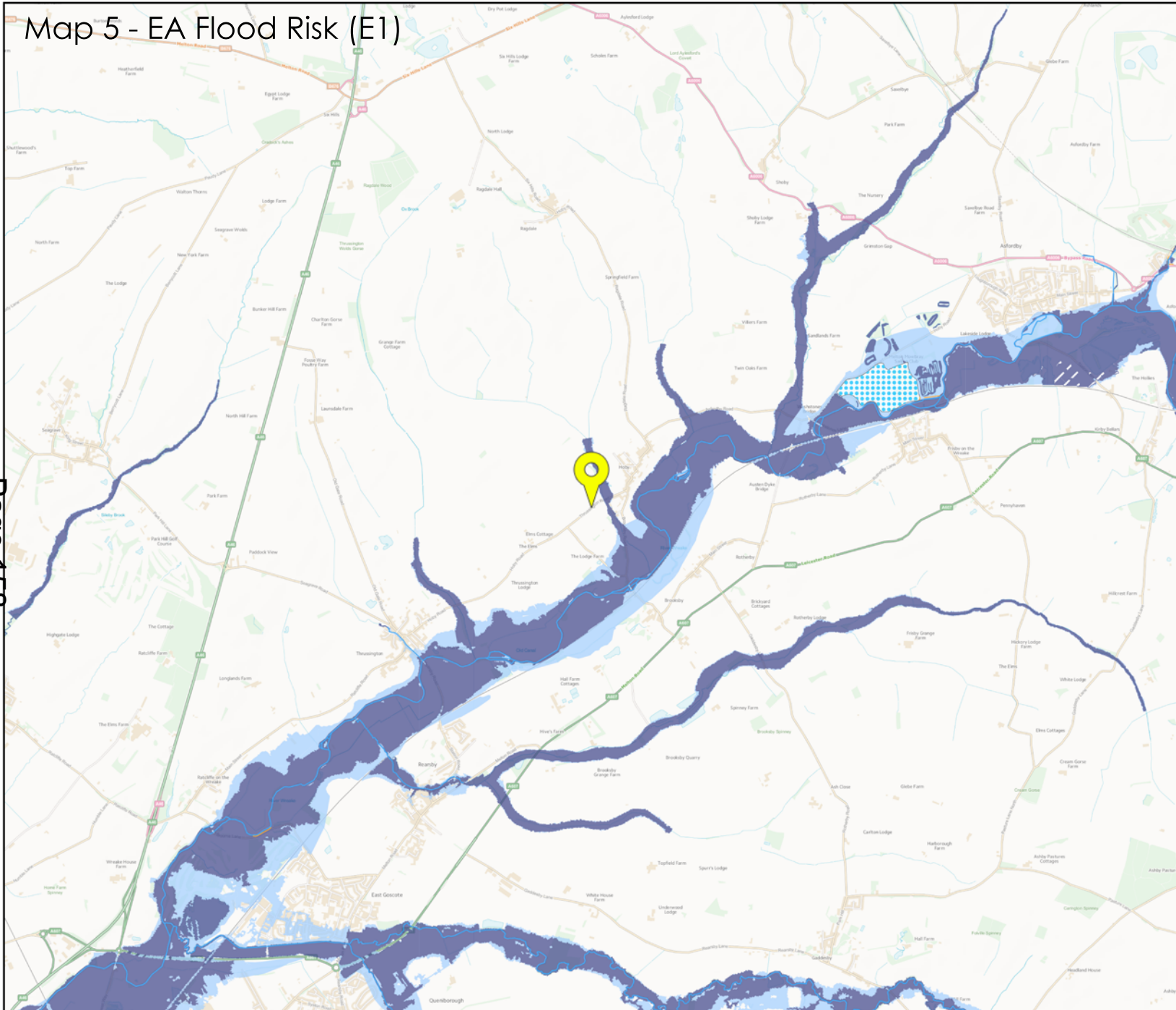
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Your reference  
**thrusington**

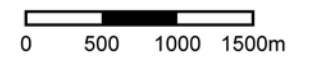
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Scale  
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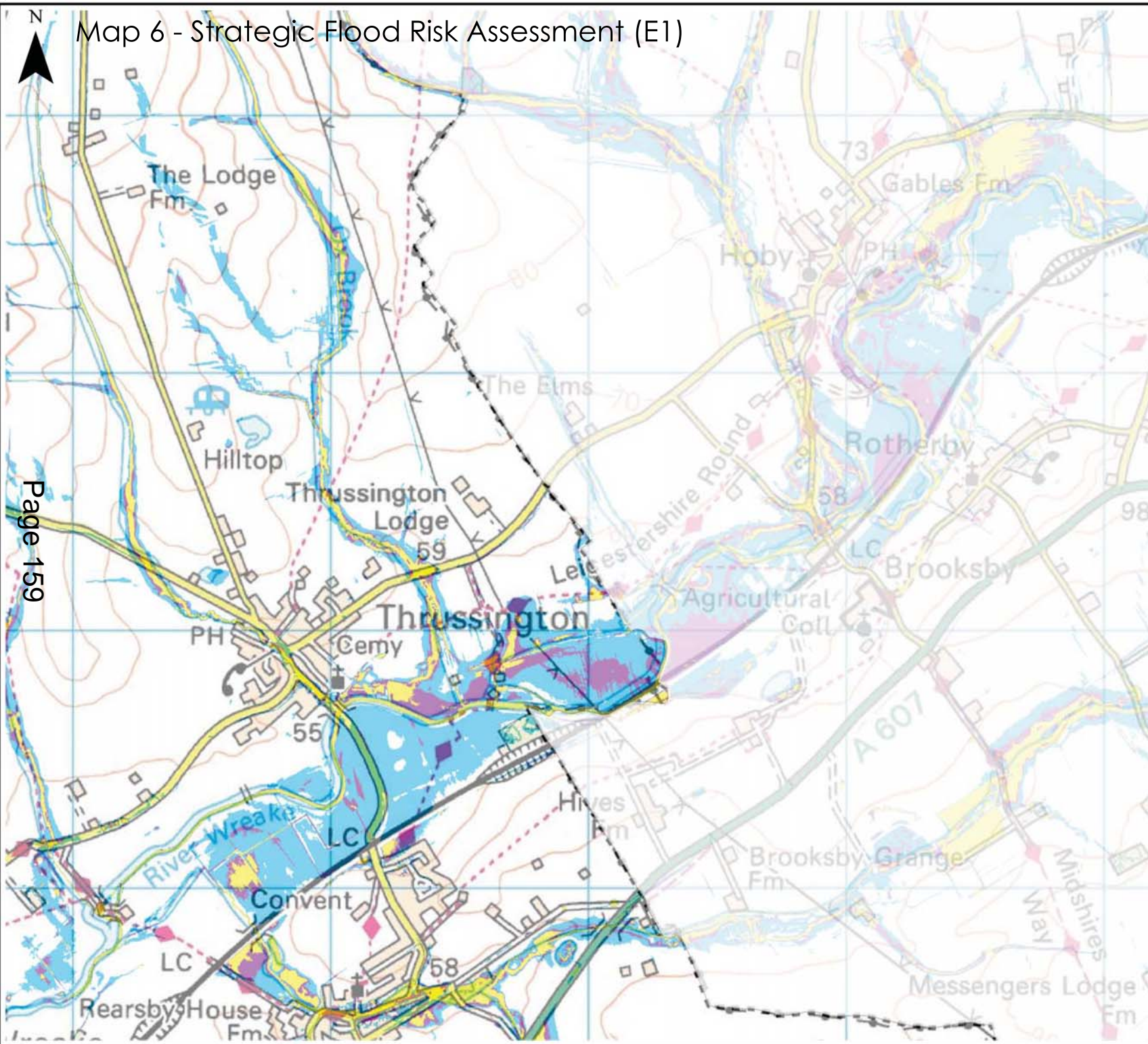
Created  
**23 Apr 2018 10:39**



- Selected point
- Flood zone 3
- Flood zone 3: areas benefitting from flood defences
- Flood zone 2
- Flood zone 1
- Flood defence
- Main river
- Flood storage area



# Map 6 - Strategic Flood Risk Assessment (E1)



Page 159

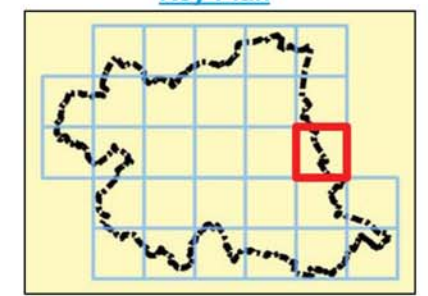
## Notes

The uFSISW shows the flooding that takes place from the 'surface runoff' generated by rainwater (including snow and other precipitation) which:  
 (a) is on the surface of the ground (whether or not it is moving), and  
 (b) has not yet entered a watercourse, drainage system or public sewer.

The updated Flood Map for Surface Water will pick out natural drainage channels, rivers, low areas in the floodplain and flow paths between buildings but it will only indicate flooding caused by local rainfall.

Note: The updated Flood Map for Surface Water shows predictions of flooded areas but does not show whether individual properties will be affected by surface water flooding or have been affected in the past. The updated Flood Map for Surface Water should not be used to predict if individual properties will flood.

## Key Plan



## Legend

- uFMSW 30-year Extent
- uFMSW 100-year Extent
- uFMSW 1,000-year Extent
- CBC Boundary



REF	Date	Comments
A	Feb 2014	Draft
B	March 2014	Final
C		

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**SFRA**

APPENDIX F

SURFACE WATER FLOOD MAPS

Sheet No: 17 of 29      Index Number: CBC\_INDEX\_17

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# Appendix

Appendix A – Highways Works (T2)



Appendix B – Local Green Space Table (L4)

Appendix C – Heritage Assets

Appendix D – Glossary of Terms





-  Proposed 5m x 2.1m wide island
-  Priority working system signing



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TRANSPORT DEPARTMENT

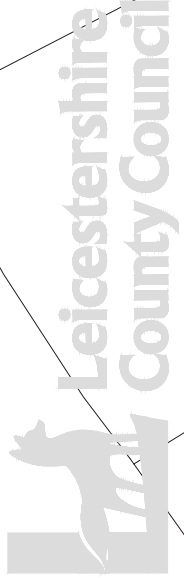
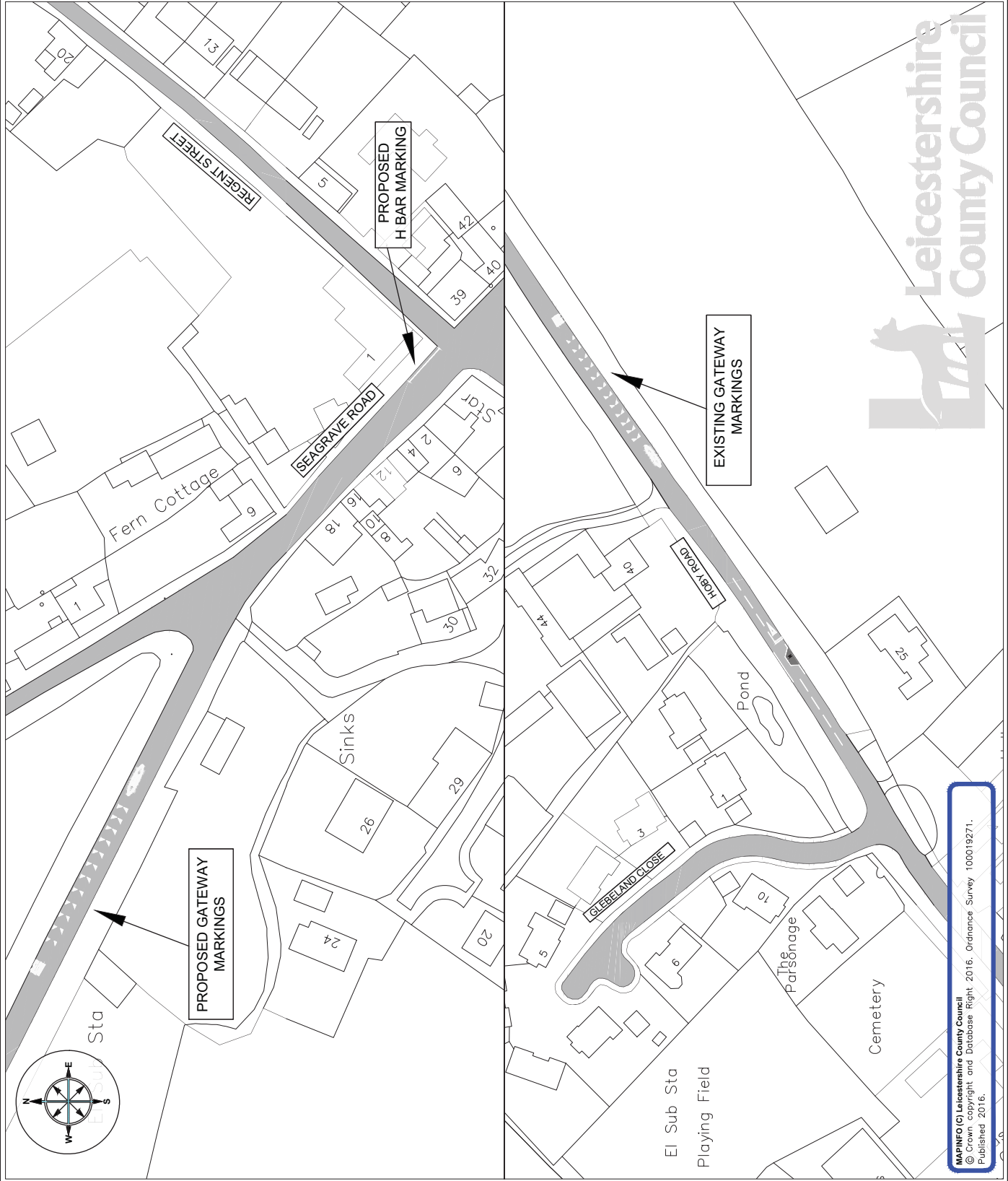
PHIL CROSSLAND  
DIRECTOR

DESIGN & DELIVERY  
GROUP

SEAGRAVE ROAD & HOBY ROAD,  
THRUSSINGTON

TITLE:  
PROPOSED GATEWAY TREATMENT  
AND PRIORITY WORKING SYSTEM

DRAWING NUMBER	SCALE
TM4172/1/2016	NTS
PREPARED BY: R DAVIS	DATE: MAY 2016
CHECKED BY: S BULLEN	SIZE: A3
APPROVED BY: S BULLEN	CORR. FILE :
COUNTY HALL * GLENFIELD * LEICESTER * LE3 8ST Tel: 01163 050001 * Fax: 0116 3050006 E-Mail address: <a href="mailto:customerservices@leics.gov.uk">customerservices@leics.gov.uk</a> Website: <a href="http://www.leicestershire.gov.uk">www.leicestershire.gov.uk</a>	



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HIGHWAYS & TRANSPORT  
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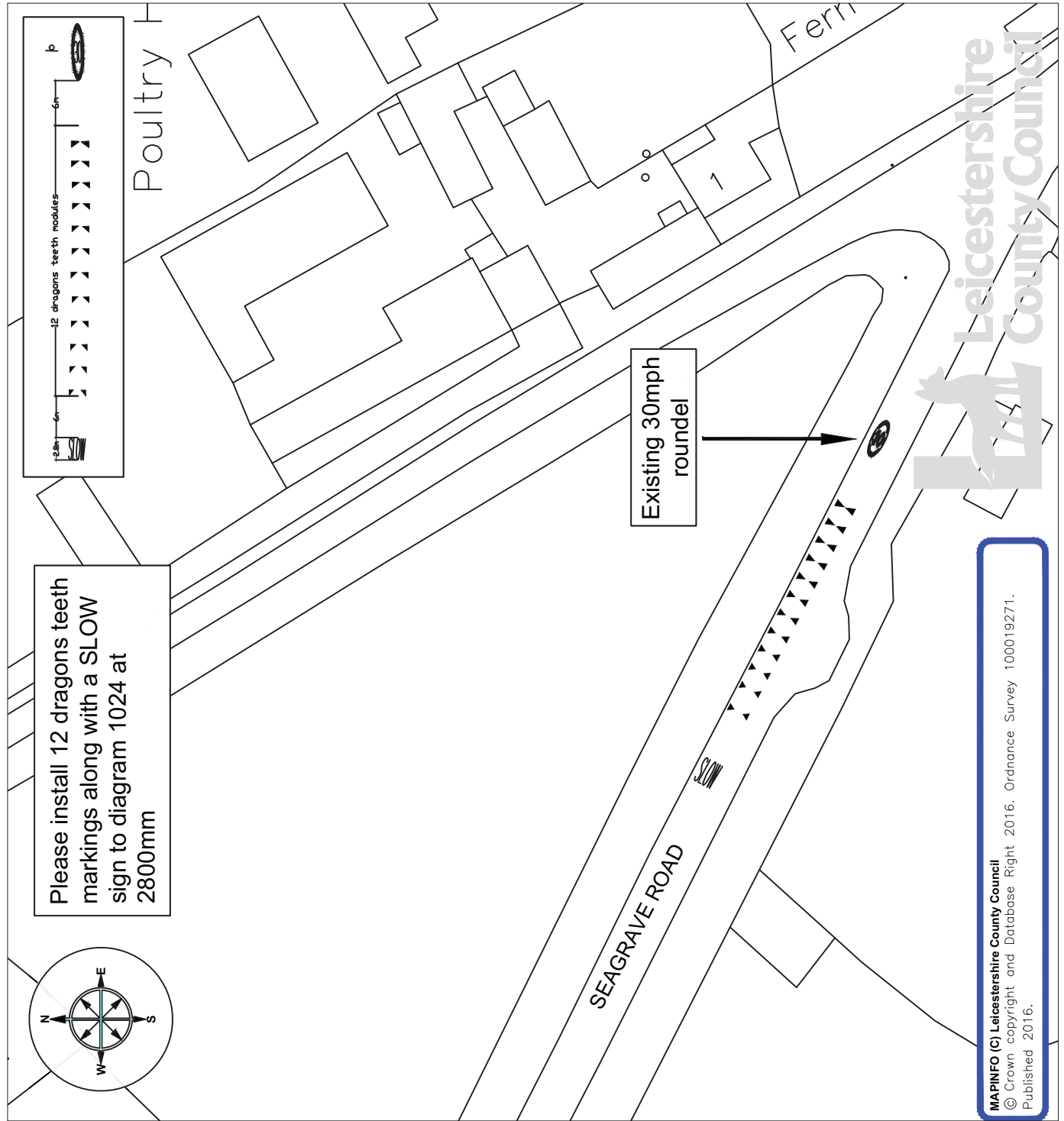
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TITLE:  
DRAGONS TEETH LINING PLAN

DRAWING NUMBER	SCALE
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PREPARED BY: Z NOVYARKA	
CHECKED BY: L MEASURES	DATE: DEC 2016
APPROVED BY: S BULLEN	SIZE: A4

COUNTY HALL \* GLENFIELD \* LEICESTER \* LE3 8ST  
Tel: 0116 3050001 \* Fax: 0116 3050006

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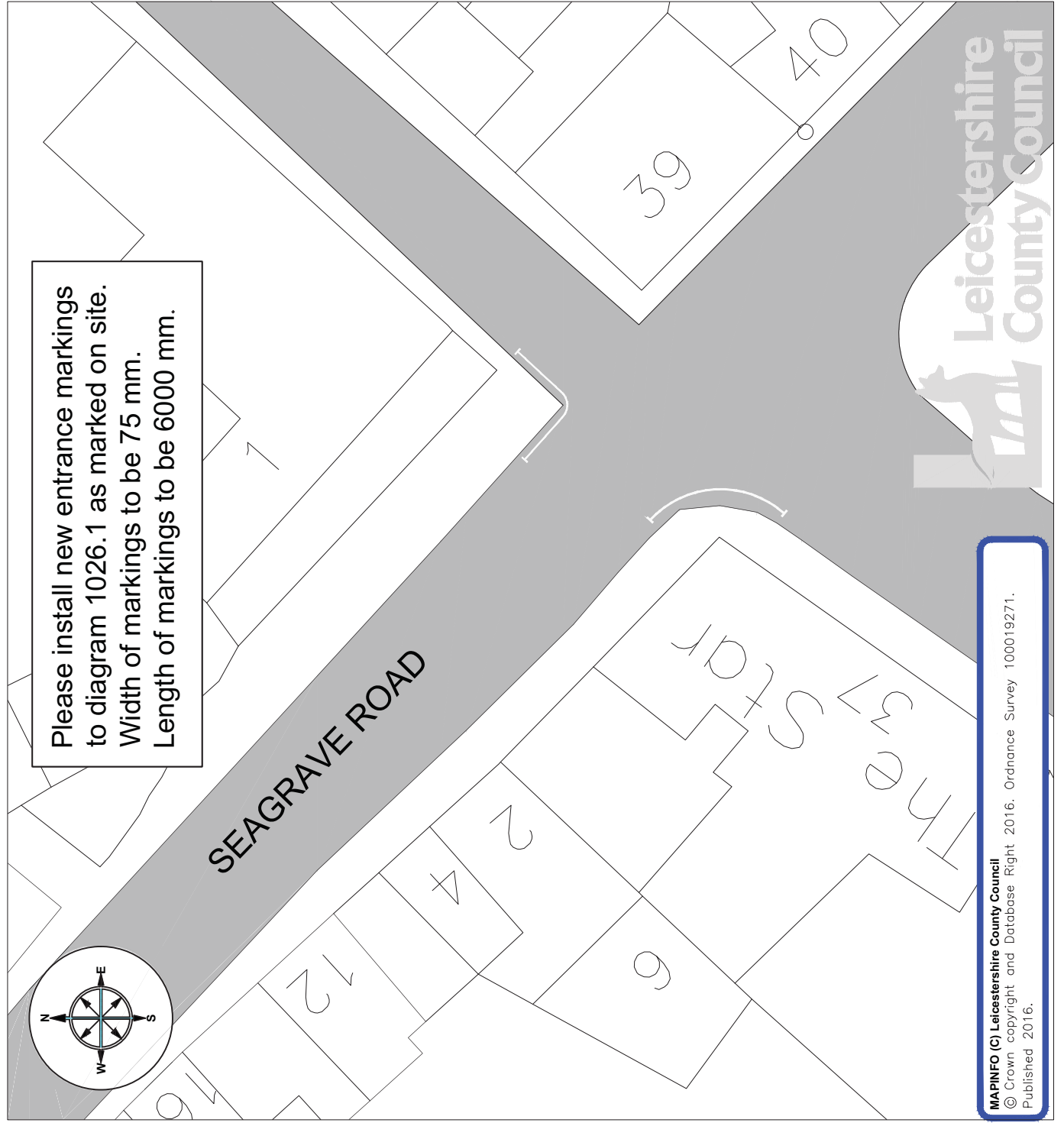
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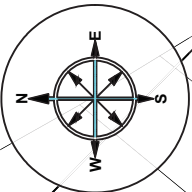
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PREPARED BY: Z NOVOSARKA	
CHECKED BY: R DAVIS	DATE: JAN 2017
APPROVED BY: S BULLEN	SIZE: A4

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Tel: 0116 3050001 \* Fax: 0116 3050006

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Please install new entrance marking to diagram 1026.1 as marked on site.  
Width of marking to be 75 mm.  
Length of marking to be 10000 mm.

SEAGRAVE ROAD



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SEAGRAVE ROAD, THRUSSINGTON

TITLE:  
LOCATION LINING PLAN

DRAWING NUMBER	SCALE
TM****	NTS
PREPARED BY: Z NOVOSARKA	
CHECKED BY: R DAVIS	DATE: DEC 2016
APPROVED BY: S BULLEN	SIZE: A4

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RATCLIFFE ROAD, THRUSSINGTON

TITLE:  
DRAGONS TEETH LINING PLAN

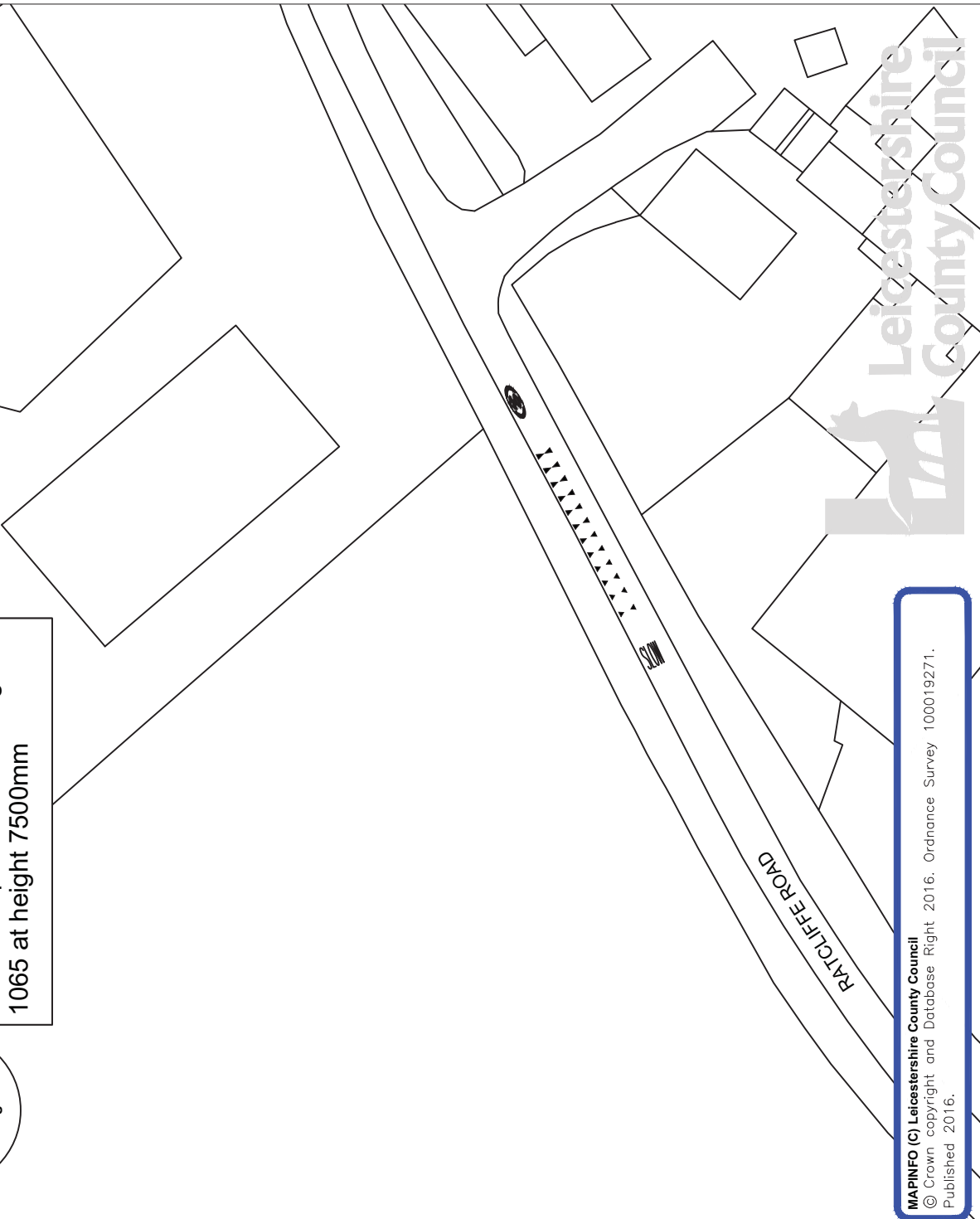
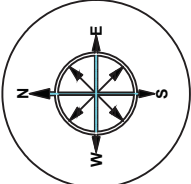
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Tel: 0116 3050001 \* Fax: 0116 3050006

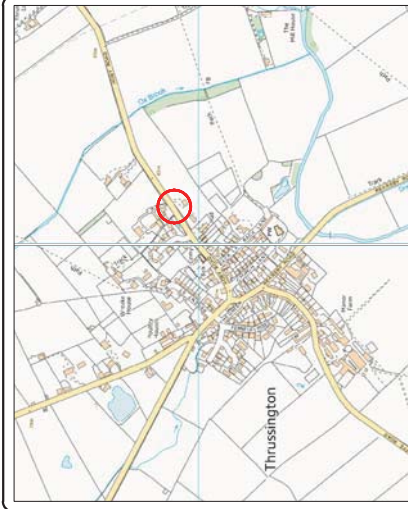
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Please install 12 dragons teeth modules along with a SLOW sign to diagram 1024 at 2800mm and a 30mph roundel to diagram 1065 at height 7500mm



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TRAFFIC & SIGNALS

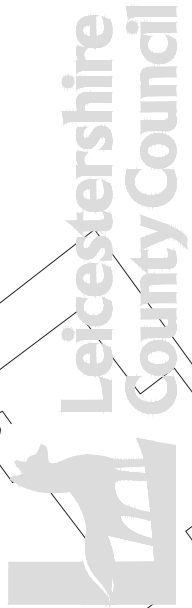
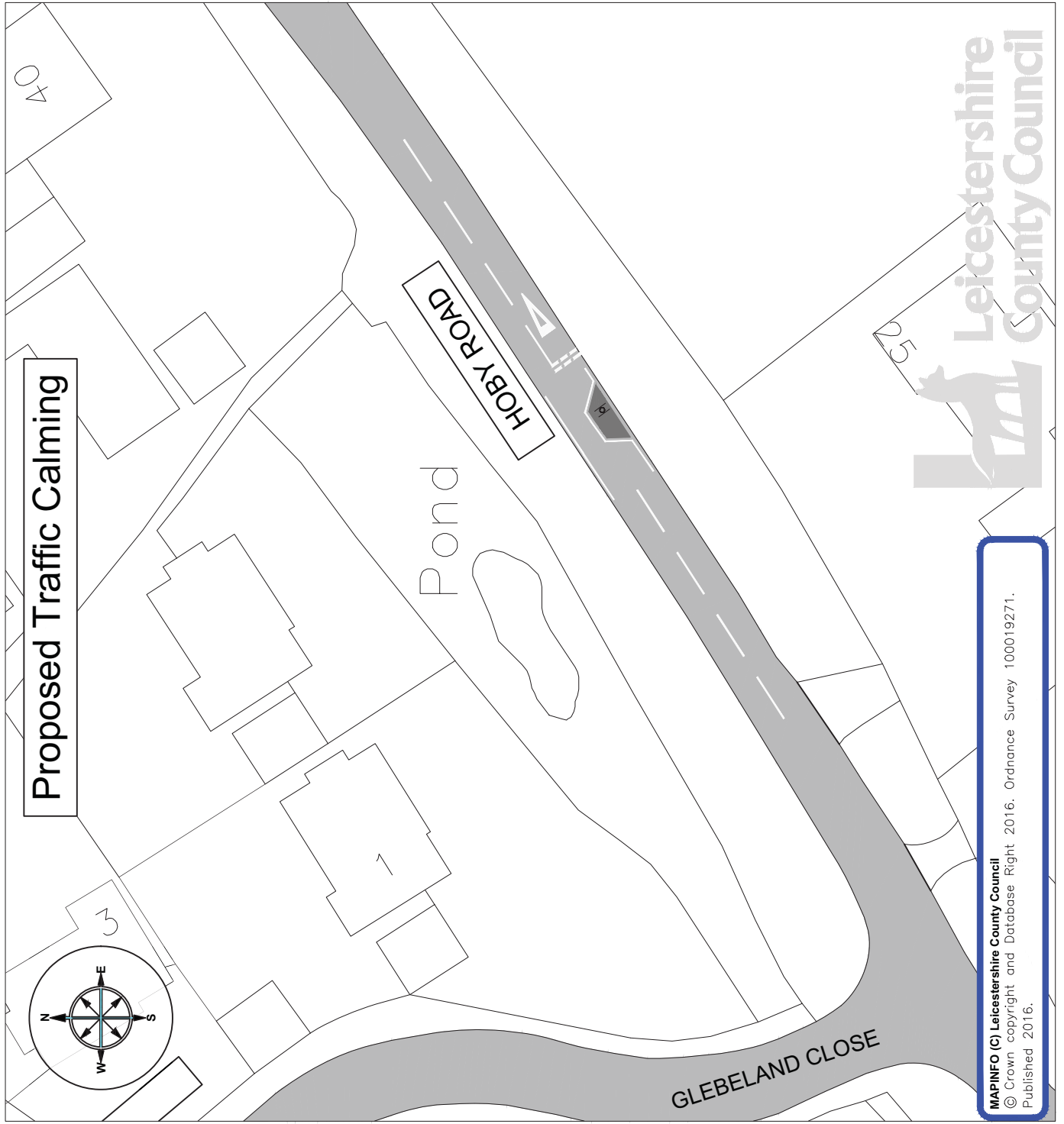
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PRIORITY WORKING SYSTEM

DRAWING NUMBER	SCALE
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PREPARED BY: D SAVILLE	
CHECKED BY: R DAVIS	DATE: DEC 2016
APPROVED BY: S BULLEN	SIZE: A4

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Appendix B - Local Green Space Table (L4)

Assessment of Open Space against the NPPF criteria for protection of Local Green Spaces. Thrussington Neighbourhood Plan.										
Site	Description	Name	NPPF Criteria 1: Reasonable Distance	NPPF Criteria 2: Special Character					Criteria 3: Not being extensive tracts of land.	Fulfil LGS criteria?
				Beauty	Historic Significance	Recreational Value	Tranquility	Rich in Wildlife		
1	Green corridor on entering Thrussington via Rearsby Road.	Rearsby Road corridor	The Green corridor lies within the boundary and forms an important Gateway into Thrussington	An attractive row of verges, hedges and trees that enhance the Gateway				Although small in scale, the Green corridor provides a protective barrier from the road to potential wildlife habitats	The corridor covers a small stretch of Rearsby Road and is narrow in nature.	
2	The Green and trees on the Green	The Green	The Green is a central feature within the settlement boundary	The Green is an important central feature, which is well-maintained and is aesthetically pleasing; this is especially due to the traditional buildings framing it.	There is a small war memorial to the southern point of The Green.	The Green is one of the main recreational green spaces in the area.			In proportion to Thrussington, The Green is appropriate in terms of its scale.	
3	Grass verge and flower bed on Hoby Road	Flower bed, Hoby Road	The flower bed is located centrally within the settlement boundary	The flower bed is aesthetically appealing and enhances the environmental quality within the area. The flowers brighten up the local area.			The flower beds altogether improve the appearance and tranquility of the centre of Thrussington.		The flower bed is small-scale and appropriate for its location within Thrussington.	
4	Church yard	Holy Trinity Church Grounds	The Church yard lies within the settlement boundary	Extensive views are offered into the open countryside	The land and graveyard surrounding the Church of the Holy Trinity date back to 1877	The church yard is used for church-related ceremonies and as a grave yard	The open views and use on the site enhance the tranquility of the area surrounding the church		The Church yard is appropriate in its scale and proportion within the settlement	
5	Planted area and trees on Back Lane at edge of settlement boundary	Back Lane planted area	The tree line lies within the boundary of the settlement	The area of planting provides an attractive green wall leading to the church area				The planted area consists of dense and mature woodland trees, which may harbour some wildlife habitats	The planted area is modest and appropriate in scale	
6	New cemetery Hoby Road	Hoby Road Cemetery	The cemetery lies within the settlement boundary	The cemetery is open and hosts a range of mature and attractive trees	The site is used as a cemetery and therefore possesses some historical value	The site is used as a cemetery and therefore is of recreational value and is open to the public	Due to the nature of its use, the cemetery is tranquil and planting is well-maintained		The cemetery is not an extensive use of Green Space within Thrussington	
7	School playing field	Thrussington School playing field	The playing field lies within the settlement boundary			The field is used by the school as its main playing field			The playing fields are appropriate in scale in terms of their use by the school	
8	Green space around village hall	Village Hall Grounds	The park lies within the settlement boundary			The park is used for community events run in the Village Hall			The park is an appropriate scale	
9	Nature Reserve, corner of Glebeland Close and Hoby Road	Nature Reserve	The Nature Reserve lies within the settlement boundary					The Nature Reserve is an area of dense, untouched vegetation that also acts as a buffer to the road	The nature reserve is modest in scale	
10	Area of green space on Upper Green to the rear of The Star	Area to the rear of the Star Inn	The area lies within the settlement boundary	The area occupies an attractive and mature silver birch. This breaks up the built form and enhances the aesthetic appeal of the street scene.					The area is small-scale and necessarily breaks up the built form with an area of attractive greenery	





## Appendix C - Heritage Assets (D1)

- |  |                                  |   |                            |
|--|----------------------------------|---|----------------------------|
|  | Thruslington Settlement Boundary |  | Conservation area          |
|  | Road                             |  | Listed Buildings           |
|  | Building                         |  | Significant Heritage Asset |

## Appendix D – Glossary of Terms

Term	Definition
<b>Affordable Housing</b>	<p>Affordable housing is sub-divided into three distinct types of housing:</p> <ul style="list-style-type: none"> <li>• Social Rented</li> <li>• Affordable Rented; and</li> <li>• Intermediate Housing</li> </ul> <p>Affordable Housing: Social Rented, Affordable Rented and Intermediate housing which is provided to eligible households whose needs are not met by the market and which will remain affordable unless the subsidy is recycled for alternative affordable housing provision.</p> <p>Affordable Rented Housing: Housing which meets the Housing Corporation’s Design and Quality Standards (or replacement standards) and which is let by a Registered Provider of Social Housing to a person allocated that Dwelling in accordance with the Council’s Allocation Scheme at a controlled rent of no more than 80% of the local market rent.</p> <p>Intermediate Housing: Discounted Sale housing and Shared Ownership housing.</p> <p>Social Rented Housing: Housing which meets the Housing Corporation’s Design and Quality Standards (or replacement standards) and which is let by a Registered Provider of Social Housing to a person allocated that dwelling in accordance with the Council’s Allocation Scheme at a rent determined through the national rent regime (Rent Influencing Regime guidance).</p>
<b>Bad Neighbour Uses</b>	<p>A planning term describing the uses or industrial processes which may cause nuisance by reason of noise, vibration, smell, fumes, smoke, soot, ash, dust or grit; they include uses which are visually unattractive such as those involving large areas of open storage. (Milton Keynes Council)</p>
<b>Community Asset</b>	<p>A place, building or service which is deemed to be of importance for the community and for the use and benefit of the community.</p>
<b>Contextually Responsive</b>	<p>Design of development which reflects, complements and respects its surrounding uses and context.</p>
<b>Development</b>	<p>Development is defined in planning terms under the 1990 Town and Country Planning Act. Broadly, it is considered to be ‘the carrying out of building, engineering, mining or other operation in, on, over or under land, or the making of any material change in the use of any building or other land’. Most, but not all, forms of development require planning permission.</p>
<b>Development Plan</b>	<p>A development plan is a document which details the overall strategy of the council for the proper planning and sustainable development of an area and generally consists of a written statement and accompanying maps. The plan usually includes the broad aims of the council for specific topics, e.g. housing, infrastructure, community facilities which are reinforced by more detailed policies and objectives. (Source: Meath County Development Plan) A Neighbourhood Plan is statutorily part of the Development Plan and is used to determine planning decisions within the relevant area. Examples of development plans include the Charnwood Core Strategy adopted in 2011, and the Thrussington Neighbourhood Plan once adopted.</p>

<b>Gateway</b>	Main roads and routes into a settlements can be seen as gateways, as can significant junctions or sites on the edge of town centres.
<b>Green Infrastructure</b>	Green infrastructure is a phrase used to describe all green and blue spaces in and around our towns and cities. The term allows us to refer to – and consider the collective value of – all of these spaces at once. Component elements of green infrastructure include parks, private gardens, agricultural fields, hedges, trees, woodland, green roofs, green walls, rivers and ponds. The term covers all land containing these features, regardless of its ownership, condition or size.
<b>Heritage Assets</b>	A building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions, because of its heritage interest. Heritage asset includes designated heritage assets and assets identified by the local planning authority (including local listing).
<b>Infill Development</b>	Use of land located within a built-up area that is currently not developed on for further construction, especially as part of a community redevelopment or growth management program.
<b>Infrastructure</b>	The term infrastructure refers to the basic physical and organization of structures and facilities needed for the operation of a society or community.
<b>Local Green Space</b>	<p>The National Planning Policy Framework (NPPF) introduced a new concept of a Local Green Space designation. This is a discretionary designation to be made by inclusion within a local development plan or neighbourhood development plan.</p> <p>The designation should only be used where the land is not extensive, is local in character and reasonably close to the community; and, where it is demonstrably special, for example because of its beauty, historic significance, recreational value (including as a playing field), tranquility or richness of its wildlife (NPPF Paragraph 77).</p> <p>Policies within the local development plan or neighbourhood development plan for managing development within a Local Green Space should be consistent with the policies protecting green belts within the NPPF (NPPF Paragraph 78). (English Heritage)</p>
<b>Local Plan</b>	The Local Plan expresses the vision, objectives, overall planning strategy, and policies for implementing these, for the whole Borough. It is the policy against which development requiring planning consent in local authorities is determined.
<b>Local Planning Authority (LPA)</b>	A local planning authority is the local authority of council that is empowered by law to exercise statutory town planning functions for a particular area.
<b>Localism Act</b>	The Localism Act (2011) was a feature introduced by central government containing a number of proposals to give local authorities new freedoms and flexibility. Devolving power from local government to the community level.
<b>Locally Listed</b>	A Locally Listed Heritage Asset is one that makes a positive contribution to its local character and sense of place because of its heritage value. Although such heritage assets may not be nationally designated or even located within the boundaries of a conservation area, they may be offered

	some level of protection by the local planning authority identifying them on a formally adopted list of local heritage assets. (Source: Historic England).
<b>Landscape Plan</b>	The manner in which the landscape associated with development is to be treated.
<b>National Planning Policy Framework (NPPF)</b>	Guidance provided from central government for local planning authorities and decision-takers, on drawing up plans and making decisions about planning applications.
<b>Neighbourhood Plans</b>	A Plan prepared by a Parish Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Act 2044) which sets out specific planning policies for the Parish which are the primary policies for determining planning applications within that parish.
<b>Public Realm</b>	The space between buildings comprising the highways land, footpaths and verges.
<b>Recreation</b>	Recreation includes a many different activities, as a result a concise definition is difficult to establish. For the purposes of this Neighbourhood Plan, recreation can include but is not restricted to the following types of activity; spending time outdoors, informal games and play, walking and cycling, sporting activities.
<b>Streetscene</b>	Elements which comprise the street environment, including roadways, pavements, street furniture etc.
<b>Street Trees</b>	Trees found within the street scene.
<b>Sustainable Development</b>	The Bruntland Report provides the accepted definition of sustainable development as 'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs' (WCED, 1987). The principle of sustainable development may be broadly described as encompassing social, environmental and economic issues, and also entailing concern with intra-generational and inter-generational themes.
<b>Sustainable Urban Drainage (SUDs)</b>	A series of processes and design features to drain away surface water in a sustainable manner.
<b>Townscape</b>	The appearance and general 'environment' of a built-up area. Townscape rather than landscape. This term can be used to describe: hamlets, villages, towns, and dense urban cities.
<b>Use Classes Orders/Use Classes</b>	The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as 'Use Classes'. Examples of use classes, include Shops (A1), General Industry (B2) and Dwelling House (C3).
<b>Vernacular Design</b>	Design which takes account of its surrounding setting, character and existing development form.



Urban Imprint Limited  
16 -18 Park Green  
Macclesfield  
SK11 7NA

01625 265232  
info@urbanimprint.co.uk  
www.urbanimprint.co.uk



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## CABINET – 13TH SEPTEMBER 2018

### Report of the Strategic Director of Corporate Services

Lead Member: Councillor Tom Barkley

#### ITEM 13 UPDATED TREASURY MANAGEMENT PRACTICES

##### Purpose of Report

To bring forward the revised Treasury Management Practices for consideration by Cabinet.

##### Recommendations

1. That the revised Treasury Management Practices, attached as an Appendix, be approved.
2. That delegated authority be given to the s151 Officer to make future amendments to the Treasury Management Practices document in line with changes agreed in the Treasury Management Strategy which is approved annually by Council.

##### Reasons

- 1&2. To ensure that the Council's Treasury Management Practices reflect best practice and comply with the CIPFA Treasury Management in the Public Services Code of Practice, Guidance Notes and Treasury Management Policy Statement.

##### Policy Justification and Previous Decisions

Amendments to Treasury Management Practices require approval by Cabinet. The document has been amended and updated to take account of changes resulting from 2017 Treasury Management and Prudential Codes and Ministry of Housing Communities and Local Government (MHCLG) guidance for investments and Minimum Revenue Provision (MRP). Changes have been made to take into account the implementation of Markets in Financial Instruments Directive (MIIFID) II requirements where the Council has opted up to professional investor status, minor process changes discussed with internal audit to bring these up-to-date with new technology and the inclusion of a capital strategy as part of the documents which will be available for public inspection from 2019/20 onwards. Changes to the Code and to investments included in this document have previously been approved by full Council as part of the Treasury Management and Annual Investment Strategy.

Additionally where sections are likely to change annually as part of the Treasury Management and Investment Strategy document which goes to full Council for approval in February each year, readers have been provided with the most current information at the time of writing this document and have been signposted to the Strategy for the most up-to-date information at that time. This removes the need to

update the practice document for changes that have already been approved as part of the strategy.

### Report Implications

The following implications have been identified for this report.

#### *Financial Implications*

There are no direct financial implications arising from this report.

#### *Risk Management*

There are no direct risks associated with the decision Cabinet is asked to make in respect of this report which is updating the practice statement in line with the current prudential code. The investment decisions and associated risks are considered annually as part of the strategy document approved by full Council.

Key Decision:	No
Background Papers:	None
Officer to contact:	Clare Hodgson Head of Finance and Property Services 01509 634810 <a href="mailto:clare.hodgson@charnwood.gov.uk">clare.hodgson@charnwood.gov.uk</a>

Appendix – Treasury Management Practices Document



**CHARNWOOD BOROUGH  
COUNCIL**

**TREASURY MANAGEMENT  
PRACTICES**

**Revised at: 24 August 2018**



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# TMP1 Risk Management

The Council regards a key objective of its treasury management and other investment activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures covering all external investment including investment properties.

The S.151 Officer, currently the Director of Corporate Services, will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting Requirements and Management Information Arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

## 1.1 Credit and Counterparty Risk Management

Credit and counter-party risk is the risk of failure by a counterparty to meet its contractual obligations to the Council under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or revenue resources.

This Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments Methods and Techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

### 1.1.1 Policy on the use of credit risk analysis techniques

This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. As at the date of this document the Council will use counterparties within the following durational bands:

- Dark pink      5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink     5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple           2 years
- Blue            1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange         1 year
- Red             6 months

- Green 100 days
- No colour not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

The Link Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings. The most recent creditworthiness information will be included in the Council's Treasury Management and Annual Investment Strategy – please refer to this document for an up-to-date list.

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored at least weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

This organisation will not rely solely on credit ratings in order to select and monitor the creditworthiness of counterparties. In addition to credit ratings it will therefore use other sources of information including: -

- The quality financial press
- Market data
- Information on government support for banks and
- The credit ratings of that government support

The S.151 Officer will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising maturity periods, type, group, sector, country and counterparty limits.

Credit ratings for individual counterparties can change at any time. The Head of Finance & Property Services (HOF) is responsible for applying approved credit rating criteria for selecting approved counterparties. Treasury management staff will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection of counterparties.

**Country limits** - The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch, other than the UK where the Council has set no limit. The list of countries that qualify using this credit criteria as at the date of the current Treasury Management Strategy are;

## AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

## AA+

- Finland
- Hong Kong
- U.S.A.

## AA

- Abu Dhabi (UAE)
- France
- U.K.

## AA-

- Belgium
- Qatar

This list will be amended by officers should ratings change in accordance with this policy. The most up-to-date list will be included annually as an appendix to the Treasury Management and Annual Investment Strategy statement – please see this document for the current list.

The Council currently only deals in what are termed specified investments and a list of these is set out in schedule 1 at the end of TMP 1. Should the Council appoint external fund manager(s) then they will adhere to the counterparty credit criteria and maximum individual limits set by the Council; however it is understood that the fund manager(s) may use a subset of the counterparty list so derived. In addition, they would be allowed to invest in non-specified investments based on their own counterparty procedures and knowledge and experience. Parameters for such non-specified investments would be agreed at the time with the manager(s) by the S.151 Officer.

## 1.2 Liquidity Risk Management

This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business/service objectives will be thereby compromised.

The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of

funds available to it which are necessary for the achievement of its business/service objectives. The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

### **1.2.1. Amounts of approved minimum cash balances and short-term investments**

The Treasury Team shall seek to minimise the balance held in the Council's main bank accounts at the close of each working day. Borrowing or lending shall be arranged in order to achieve this aim.

### **1.2.2. Details of:**

#### **1.2.2.1 Standby facilities**

The Council's aim is to minimise any surplus balances each day and surplus funds are invested each day or monies brought back to cover expected payments.

#### **1.2.2.2 Bank overdraft arrangements**

The Council does not currently have an overdraft facility and this policy is reviewed on a regular basis.

#### **1.2.2.3 Short-term borrowing facilities**

The Council accesses temporary loans through approved brokers on the London money market. The approved borrowing limit for short term debt is £10m.

#### **1.2.2.4 Insurance/guarantee facilities**

There are no specific insurance or guarantee facilities as the above arrangements are regarded as being adequate to cover all unforeseen occurrences.

### **1.3 Interest Rate Risk Management**

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting Requirements and Management Information Arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

#### **1.3.1 Details of current approved interest rate exposure limits:**

<b>Interest rate exposures</b>	
	<b>Upper</b>
Limits on fixed interest rates based on net debt	100%
Limits on variable interest rates based on net debt	90%

#### **1.3.2 Trigger points and other guidelines for managing changes to interest rate levels**

All but one of the Council's current borrowings are at fixed rates and therefore there are no formal trigger points. The one variable borrowing is at an interest rate that is unlikely to change in the near future and this position is monitored periodically.

**1.3.3** Current upper limits for fixed interest rate exposure are:

<b>Maturity structure of fixed interest rate borrowing</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	5%
12 months to 2 years	0%	10%
2 years to 5 years	0%	30%
5 years to 10 years	0%	40%
10 years to 20 years	0%	45%
20 years to 30 years	0%	50%
30 years to 40 years	0%	15%
40 years and above	0%	20%

**1.3.4** Current upper limits for variable interest rate exposure are:

<b>Maturity structure of variable interest rate borrowing</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	5%
12 months to 2 years	0%	10%
2 years to 5 years	0%	20%
5 years to 10 years	0%	40%
10 years and above	0%	100%

**1.3.5 Policies concerning the use of instruments for interest rate management.**

**1.3.5.1** Forward dealing

Consideration will be given to dealing from forward periods dependant upon market conditions. When forward dealing is more than two weeks forward then the approval of the S.151 Officer is required.

**1.3.5.2** Callable deposits

The Council will use callable deposits as part as of its Annual Investment Strategy (AIS). The credit criteria and maximum periods are set out in the Schedule of Specified Investments appended to the AIS.

**1.3.5.3** LOBOS (borrowing under lender's option/borrower's option)

Use of LOBOs is considered as part of the annual borrowing strategy. All borrowing for periods in excess of 364 days must be approved by S.151 Officer.

**1.4 Exchange Rate Risk Management**

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The Council only lends/borrows in sterling therefore there is no exchange rate risk.

**1.5 Refinancing Risk Management**

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the Council for those refinancing, both capital and revenue, and/or that the terms are inconsistent with prevailing market conditions at the time.

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

#### **1.5.1. Debt/Other Capital Financing, Maturity Profiling, Policies and Practices**

The Council will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

- a) the generation of cash savings at minimum risk;
- b) to reduce the average interest rate;
- c) to amend the maturity profile and/or the balance of volatility of the debt portfolio.

Rescheduling will be reported to the Audit Committee at the half yearly or annual review meeting immediately following its action.

#### **1.5.2. Projected Capital Investment Requirements**

The S.151 Officer will prepare a three year plan for capital expenditure for the Council. The capital plan will be used to prepare a three year revenue budget for all forms of financing charges. In addition, from April 2019 the s151 Officer will draw up a capital strategy report which will give a longer term view.

The definition of capital expenditure and long term liabilities used in the Code will follow recommended accounting practice as per the Code of Practice on Local Authority Accounting.

#### **1.5.3 Policy Concerning Limits on Affordability and Revenue Consequences of Capital Financing**

In considering the affordability of its capital plans, the Council will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax and housing rent levels. It will also take into account affordability in the longer term beyond this three year period. (Note: paragraph 30 of the Prudential Code gives examples of matters relevant to the consideration of affordability, although this is not an exhaustive list.)

The Council will use the definitions provided in the Prudential Code for borrowing (65), capital expenditure (66), capital financing requirement (67), debt (68), financing costs (69), investments (70), net borrowing (71), net revenue stream (72) and other long term liabilities (73).

#### **1.5.4. PFI, Partnerships, ALMOs and guarantees**

The Council currently has no such arrangements.

## 1.6 Legal and Regulatory Risk Management

The risk that the Council itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.

This Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.

### 1.6.1 References to Relevant Statutes and Regulations

- **Statutes**
- Local Government Finance Act 1988 section 114 – duty on the responsible officer to issue a report if the Council is likely to get into a financially unviable position.
- Requirement to set a balanced budget - Local Government Finance Act 1992 section 32 for billing authorities and section 43 for major precepting authorities.
- Local Government Act 2003
- S.I. 2003 No.2938 Local Government Act 2003 (Commencement No.1 and Transitional Provisions and Savings) Order 2003 13.11.03
- S.I. 2003 No.3146 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and associated commentary 10.12.03
- S.I. 2004 No.533 Local Authorities (Capital Finance) (Consequential, Transitional and Savings Provisions) Order 2004 8.3.04
- S.I. 2004 No.534 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 8.3.04
- S.I. 2004 no. 3055 [The Local Authorities \(Capital Finance and Accounting\) \(Amendment\) \(England\) \(No. 2\) Regulations 2004](#)
- S.I. 2006 no. 521 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006
- S.I. 2007 no. 573 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007
- Local Government and Public Involvement in Health Act 2007 s238(2) – power to issue guidance; to be used re: MRP
- S.I. 2008 no. 414 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2008
- S.I. 2009 no. 321 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2009
- S.I. 2009 no. 2272 The Local Authorities (Capital Finance And Accounting) (England) (Amendment) (No.2) Regulations 2009
- S.I. 2009 no. 3093 The Local Government Pension Fund Scheme (Management and Investment of Funds) Regulations 2009
- S.I. 2010 no. 454 (Capital Finance and Accounting) (Amendment) (England) Regulations 2010
- Localism Act 2011



- S.I. 2012 no. 265 Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2012
- S.I. 2012 No. 711 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2012
- S.I. 2012 No. 1324 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.3) Regulations 2012
- S.I. 2012 No. 2269 [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) \(No. 4\) Regulations 2012](#)
- S.I. 2013 no. 476 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2013
- S.I. 2015 no. 234 Accounts and Audit Regulations 2015
- There has not been an issue of a Local Authorities (Capital Finance and Accounting) (England) Regulations statutory instrument in 2005, 2011 and 2016

### ***Guidance and codes of practice***

- CIPFA's Treasury Management Codes of Practice and Guidance Notes 2011,
- CIPFA Prudential Code for Capital Finance in Local Authorities revised 2011
- CIPFA Prudential Code for Capital Finance in Local Authorities – guidance notes for practitioners 2013
- CIPFA Local Authority Capital Accounting - a reference manual for practitioners 2014 Edition
- CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities 1996
- CIPFA Standard of Professional Practice on Treasury Management 2002
- CIPFA Standard of Professional Practice on Continuous professional Development 2005
- CIPFA Standard of Professional Practice on Ethics 2006
- The Good Governance Standard for Public Services 2004
- CIPFA's Treasury Management Codes of Practice and Guidance Notes 2017,
- CIPFA Prudential Code for Capital Finance in Local Authorities revised 2017
- CIPFA Prudential Code for Capital Finance in Local Authorities – guidance notes for practitioners 2013
- MHCLG Revised Guidance on Investments Feb 2017
- MHCLG guidance on minimum revenue provision – Feb 2017
  
- LAAP Bulletins
- IFRS - Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of recommended Practice
  
- PWLB circulars on Lending Policy
- The UK Money Markets Guide. (was formerly known as the
- Financial Conduct Authority's Code of Market Conduct
  
- The Council's Standing Orders relating to Contracts
- The Council's Financial Regulations
- The Council's Scheme of Delegated Functions

### **1.6.2 Procedures for Evidencing the Council's Powers/Authorities to Counterparties**

The Council's powers to borrow and invest are contained in legislation.

- Investing: Local Government Act 2003, section 12
- Borrowing: Local Government Act 2003, section 1

In addition, it will make available on request the scheme of delegation of treasury management activities which is contained in this document which states which officers carry out these duties. Which officers act as authorised signatories varies depending on the requirements of the particular investment or borrowing and, for security reasons these would not be released.

Required Information on Counterparties:

Lending shall only be made to counterparties on the Approved Counterparty List. This list has been compiled using advice from the Council's treasury advisers and other sources as explained above.

### **1.6.3 Statement on the Council's Political Risks and Management of Same**

The S.151 Officer shall take appropriate action with the Council, the Chief Executive and the Leader of the Council to respond to and manage appropriately political risks such as change of majority group, leadership in the Council, change of Government etc.

### **1.6.4 Monitoring Officer**

Currently the monitoring officer is the Head of Strategic Support and the duty of this officer is to ensure that the treasury management activities of the Council are lawful.

### **1.6.5. Chief Financial Officer**

The Chief Financial Officer is currently the Director of Corporate Services and S.151 Officer and the duty of this officer is to ensure that the financial affairs of the Council are conducted in a prudent manner and to make a report to the Council if he has concerns as to the financial prudence of its actions or its expected financial position.

## **1.7 Fraud, Error and Corruption, and Contingency Management**

The risk that a Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

The Council will therefore:-

- a) Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- b) Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.

- c) Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- d) Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

### **1.7.1. Details of Systems and Procedures to be followed, including Internet Services**

#### **Authority**

- The Scheme of Delegation to Officers sets out the delegation of duties to officers.
- All loans and investments are negotiated by the S.151 Officer or authorised persons.
- Loan procedures are defined in the Council's Financial Regulations.

#### **Procedures**

- The Council currently uses HSBCNet for its electronic banking and this is a proprietary system owned and operated by the Council's main bank, HSBC Plc. All transactions require a division of duties with appropriate levels of staff compiling the transfer and senior staff then approve the transfer. CHAPS payments operate in a similar manner.

#### **Investment and borrowing transactions**

- A detailed register of all loans and investments is maintained electronically in the Income section which covers treasury matters.
- A written acknowledgement of each fixed term deal is sent promptly to the lending or borrowing institution where transactions are done directly with the Council.
- Variable length investments are verified shortly after the deal or on a monthly statement basis.
- Written confirmation is received and checked against the dealer's records for the transaction.
- Any discrepancies are immediately reported to the Senior Income Officer and lender/borrower for resolution.
- All transactions placed through brokers are confirmed by a broker note showing details of the loan arranged. Written confirmation is received and checked against the dealer's records for the transaction. Any discrepancies are immediately reported to the Senior Income Officer and broker for resolution.
- Contract notes for transactions carried out by any external fund manager(s) are retained by the fund manager(s) and reported on monthly.

#### **Regularity and security**

- Lending is only made to institutions on the Approved Counterparty List.
- A diary system is used to prompt the Treasury Team that money borrowed/lent is due to be repaid.
- All loans raised and repayments made go directly to and from the bank account of approved counterparties.
- Counterparty limits are set for every institution that the Council invests with.
- Brokers have a list of named officials authorised to agree deals.
- There is a separation of duties in the Treasury Team between dealers and the checking and authorization of all deals.
- No dealer in the Treasury Team is an authorised signatory.
- Payments, where required, can only be authorised in a formal letter by an authorised signatory, the list of signatories having previously been agreed with the S.151 Officer.
- The HSBCNet system can only be accessed by pin numbers and other security measures.

- There is adequate insurance cover for employees involved in loans management and accounting.
- When applicable, capital and interest withdrawals and capital injections in respect of monies managed by external fund managers can only be carried out in writing by the authorised signatories to the fund management agreement and notified to the fund manager(s).

### **Checks**

- The bank reconciliation is carried out monthly from the bank statement to the financial ledger.
- The electronic system balances are proved to the balance sheet ledger codes at the end of each month and at the financial year end.
- A debt charge/investment income listing is produced every quarter and year end/other when a review is undertaken against the budget for interest earnings and debt costs.
- When applicable, the valuations and investment income statements received monthly from the Council's fund managers will be checked and retained for audit inspection. The authority will ensure that the external funds we invest in are accounted for in accordance with proper accounting practices.
- If we use external fund managers again, then we will comply with the requirements of the Code of Practice on Local Authority Accounting and will account for the fund as Fair Value through Profit or Loss. As a result, all gains and losses and interest (accrued and received) will be taken to the Comprehensive Income and Expenditure Statement.

## Calculations

- The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy against the amount calculated by the Treasury Team.
- Interest and expense rates are used to calculate the principal, interest and debt management expense charges to the Income & Expenditure Statement and the Housing Revenue Account.

### 1.7.2 Emergency and Contingency Planning Arrangements – Disaster Recovery Plan

The Treasury Team, which comprises members of the Income, Accountancy and Procurement sections of the Finance service, is subject to the Council's main Disaster Recovery Procedures and in addition a manual record of Treasury dealings is maintained. In the event of electronic systems not being available transactions could be carried out by telephone with fax confirmations.

All members of the Treasury Team are familiar with this plan and new members will be briefed on it. All computer systems are backed up on the server to enable files to be accessed from remote sites.

### 1.7.3 Insurance Cover Details

#### Fidelity Insurance

The Council has 'Fidelity' insurance cover with Travelers Insurance Company Limited. This covers the loss of cash by fraud or dishonesty of employees. This cover is limited to £4m for any one event with a nil excess for any one event.

#### Business Interruption

The Council also has 'Business Interruption' cover as part of its property insurance with Travelers Insurance Company Limited.

## 1.8 Market Risk Management

The risk that, through adverse market fluctuations in the value of the principal sums the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

### 1.8.1. Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (Gilts, CDs, Etc.)

These are controlled through setting limits on investment instruments where the principal value can fluctuate. The limits are determined and set through the Annual Investment Strategy. The Council does not currently invest directly in such instruments.

## TMP 1 SCHEDULE 1 – SPECIFIED AND NON-SPECIFIED INVESTMENTS

**SPECIFIED INVESTMENTS:** All such investments will be sterling denominated, with **maturities up to maximum of 1 year** with the exception of other Local Authorities which have a maximum of 2 years and investments in Property Funds which are longer-term investments. All investments will meet the minimum 'high' quality criteria where applicable. A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories. The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria / colour band	** Max % of total investments/ £ limit per institution	Max. maturity period
DMADF – UK Government	N/A	Unlimited	6 months
UK Government gilts	UK sovereign rating	Unlimited	12 months
UK Government Treasury bills	UK sovereign rating	Unlimited	12 months
Bonds issued by multilateral development banks	AAA	Unlimited	6 months
Money Market Funds (CNAV, LVAV & VNAV)	AAA	£7m any one institution and £18m in total	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	AAA	£7m any one institution and £18m in total	Liquid
Local authorities	N/A	£5m any one institution and £6m in total	24 months
Property Funds	N/A	£5m in total	20 Years
Term deposits with banks and building societies	Purple	£8m any one institution and £12m in total	Up to 12 months
	Blue	£7m any one institution and £12m in total	Up to 12 months
	Orange	£8m any one institution and £20m in total	Up to 12 months
Term deposits with banks and building societies	Red	£8m any one institution and £40m in total	Up to 6 Months
	Green	£6m any one institution and £20m in total	Up to 100 days
	No Colour	Nil	Not for use

**Non Specified Investments:** In light of the current and forecast low interest rates on specified investments the Council included the opportunity to invest in established Property Funds run by Fund Managers in a previous Treasury Management Strategy. These funds are longer term investments (typically 2-5 years) and give potentially higher returns than more liquid investment categories. It is anticipated that investments will be made in these funds during 2018. These investments will still form part of the £11m limit for investments of over 365 days duration, which is felt to be affordable within the Councils available reserves and balances.

**Accounting treatment of investments.** The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

The information above is correct as at 2018/19. Specified and non-specified investment categories and limits are reviewed annually and the most up-to-date list is included in the Treasury Management and Annual Investment Strategy document. Please refer to this for current information.

## TMP 2 PERFORMANCE MEASUREMENT

### 2.1 Evaluation and Review of Treasury Management Decisions

The Council has a number of approaches to evaluating treasury management decisions:

- a) quarterly reviews carried out by the Treasury Team
- b) reviews with our treasury management consultants
- c) annual review after the end of the year as reported to the Audit Committee

#### 2.1.1 Periodic reviews during the financial year

The HOF reviews actual activity against the Treasury Management Strategy Statement and cash flow forecasts.

This will include:

- a) Total debt including average rate and maturity profile
- b) Total investments including average rate and maturity profile and changes to the above from the previous review and against the TMSS.

#### 2.1.2 Reviews with our treasury management consultants

Members of the Treasury Team hold reviews with our consultants at least every 12 months to review the performance of the investment and debt portfolios.

#### 2.1.3 Review reports on treasury management

An Annual Treasury Report is submitted to the Audit Committee each year after the close of the financial year which reviews the performance of the debt/investment portfolios. This report contains the following: -

- a) total debt and investments at the beginning and close of the financial year and average interest rates
- b) borrowing strategy for the year compared to actual strategy
- c) investment strategy for the year compared to actual strategy
- d) explanations for variance between original strategies and actual
- e) debt rescheduling done in the year
- f) actual borrowing and investment rates available through the year
- g) comparison of return on investments to the investment benchmark
- h) compliance with Prudential and Treasury Indicators
- i) other

#### 2.1.4 Comparative reviews

Due to the size of the Treasury function comparative reviews are not currently undertaken. The Council are however members of a benchmarking group with other local authorities and regularly review returns against those of other group members.

### 2.2 Benchmarks and Calculation Methodology:

#### 2.2.1 Debt management

- Average rate on all external debt
- Average rate on external debt in previous financial year
- Average period to maturity of external debt
- Average period to maturity in previous year

#### 2.2.2 Investment.

The performance of investment earnings will be measured against the following benchmarks: -

- a) 3 month LIBID compounded quarterly



b) Cash fund manager(s) – if and when these are used suitable benchmarks will be agreed.

## **2.3 Policy Concerning Methods for Testing Value for money in Treasury Management**

### **2.3.1 Frequency and processes for tendering**

Tenders are normally awarded on a 3 year basis with the option to extend for 2 years. The process for advertising and awarding contracts will be in line with the Council's Contract Procedure Rules.

### **2.3.2 Banking services**

The Council's banking arrangements are to subject to competitive tender normally every 3 years and the current contact has an option to extend for up to a maximum of a further two years. Should it be considered that reductions in the volume of transactions in the foreseeable future are such that renders a tender inappropriate, a specialist banking review company will be appointed to ensure that the terms offered represent value for money.

### **2.3.3 Money-broking services**

The Council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them. An approved list of brokers will be established which takes account of both prices and quality of services.

### **2.3.4 Consultants'/advisers' services**

The Council's policy is to appoint full-time professional treasury consultants and, if necessary, leasing advisory consultants.

### **2.3.5 Policy on External Managers**

The Council's policy is that it may appoint full-time professional cash/external investment fund managers to manage a proportion of its cash and, if so, will comply with the Local Authorities (Contracting Out of Investment Functions) Order 1996 [SI 1996 No 1883].

The delegation of investment management to external managers would entail the following:

- Formal contractual documentation;
- Agreement on terms for early termination of the contract;
- Setting of investment instruments, constraints/parameters/conditions
- Setting of investment counterparty limits;
- Setting a performance measurement benchmark and a performance target;
- Frequency of performance reporting;
- Frequency of meetings with investment managers;

The Code of Practice places an obligation on the Council to monitor the performance of any fund managers. The Council has appointed Treasury solutions to assist in this respect.

## **TMP 3 DECISION-MAKING AND ANALYSIS**

### **3.1 Funding, Borrowing, Lending, and New Instruments/Techniques:**

#### **3.1.1 Records to be kept**

The Treasury section has a computerised in-house spreadsheet system in which all investment and loan transactions are recorded. Full details of the system are covered in the user manual. The following records will be retained either electronically or manually as appropriate: -

- Daily cash balance forecasts
- Money market rates obtained by telephone from brokers
- Brokers' confirmations for investment and temporary borrowing transactions
- Confirmations from borrowing /lending institutions where deals are done directly
- PWLB loan confirmations
- PWLB debt portfolio schedules.
- Certificates for market loans, local bonds and other loans
- Fund manager(s) valuation statements

#### **3.1.2 Processes to be pursued**

- Cash flow analysis.
- Debt and investment maturity analysis
- Ledger reconciliation
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer value for money)
- Performance information (e.g. monitoring of actuals against budget for debt charges, interest earned, debt management, investment returns, etc).

#### **3.1.3 Issues to be addressed.**

##### **3.1.3.1. In respect of every treasury management decision made the Council will:**

- a) Above all be clear about the nature and extent of the risks to which the Council may become exposed;
- b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained;
- c) Be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interests, and to deliver good housekeeping;
- d) Ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded;
- e) Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

##### **3.1.3.2 In respect of borrowing and other funding decisions, the Council will:**

- a) Consider the ongoing revenue liabilities created, and the implications for the Council's future plans and budgets;
- b) Evaluate the economic and market factors that might influence the manner and timing of any decision to fund;
- c) Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships;
- d) Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

**3.1.3.3 In respect of investment decisions, the Council will:**

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions;
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital.

## TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

### 4.1 Approved Activities of the Treasury Management Operation:

- borrowing;
- lending;
- debt repayment and rescheduling;
- consideration, approval and use of new financial instruments and treasury management techniques;
- managing the underlying risk associated with the Council's capital financing and surplus funds activities;
- managing cash flow;
- banking activities;
- the use of external fund managers (other than the Pension Fund);
- leasing.

### 4.2 Approved Instruments for Investments:

Please see the Annual Investment Strategy.

#### 4.2.2 Implementation of MIFID II requirements

Since 3 January 2018, UK public sector bodies have been defaulted to “retail” status under the requirements of MiFID II. However, for each counterparty it is looking to transact with, (e.g. financial institution, fund management operator, broker), there remains the option to opt up to “professional” status, subject to meeting certain requirements specified by MIFID II and that it has the appropriate level of knowledge and experience and decision making processes in place in order to use regulated investment products.

MIFID II does not cover term deposits so local authorities should not be required to opt up to professional status. However, some non-UK banks do not have the necessary regulatory permissions to deal with retail clients, so opting up to professional status would be required.

For investing in negotiable investment instruments, (e.g. certificates of deposit, gilts, corporate bonds), money market funds and other types of investment funds, which are covered by MIFID II, a schedule is maintained of all counterparties that the treasury management team are authorised to place investments with. This specifies for each investment instrument and for each counterparty, whether the authority has been opted up to professional status. (N.B. some money markets funds will deal with both retail and professional clients.)

A file is maintained for all permissions applied for and received for opt ups to professional status specifying name of the institution, instrument, date applied for and date received.

A separate file is maintained for confirmations that there is an exemption from having to opt up to professional status for a regulated investment, (e.g. to use a money market fund which will deal with retail clients). These files cross reference to the schedules below. *(Alternatively, clients may wish to consider whether one listing and file by counterparty name, and then instrument, may be preferable for ease of working by the treasury management team.)*

## SCHEDULE FOR OPT UPS TO PROFESSIONAL STATUS AND FOR EXEMPTIONS FROM OPTING UP

The list of institutions (including banks and money market funds) for which the Council has opted up to professional status and those for which the Council has exemptions from opting up are available on request from the HOF.

### 4.3 Approved Techniques:

- Forward dealing;
- LOBOs – lenders option, borrower’s option borrowing instrument;
- The use of structured products such as callable deposits.

### 4.4 Approved Methods and Sources of Raising Capital Finance

Finance will only be raised in accordance with the Local Government Act 2003, and within this limit the Council has a number of approved methods and sources of raising capital finance. These are:

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
PWLB	●	●
Municipal bond agency *	●	●
EIB	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Leasing (not operating leases)	●	●
Deferred Purchase	●	●

### Other Methods of Financing:

- Government and EC Capital Grants;
- Lottery monies;
- PFI/PPP;
- Operating leases.

Borrowing will only be done in Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The S.151 Officer has delegated powers in accordance with Financial Regulations, Standing Orders, the Scheme of Delegation to Officers Policy and the Treasury Management Strategy to take the most appropriate form of borrowing from the approved sources.

**4.5 Investment Limits**

The Annual Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument. These can be amended during the year by the S.151 Officer to reflect market changes.

**4.6 Borrowing Limits**

See the Treasury Management Strategy Statement and Prudential and Treasury Indicators.

## **TMP 5 Council, Clarity and Segregation of Responsibilities, and Dealing Arrangements**

### **5.1 Allocation of responsibilities:**

#### **a) Full Council**

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.
- approval of capital strategy (from 2019/20 onwards).

#### **b) Cabinet**

- approval of amendments to the Council's adopted clauses and treasury management policy statement and treasury management practices;
- budget consideration and approval.

#### **c) Audit Committee**

- scrutinising the treasury management policy and procedures and making recommendations to the responsible body;
- reviewing outturn reports.
- scrutinising the treasury management mid-year review.

#### **d) S.151 Officer**

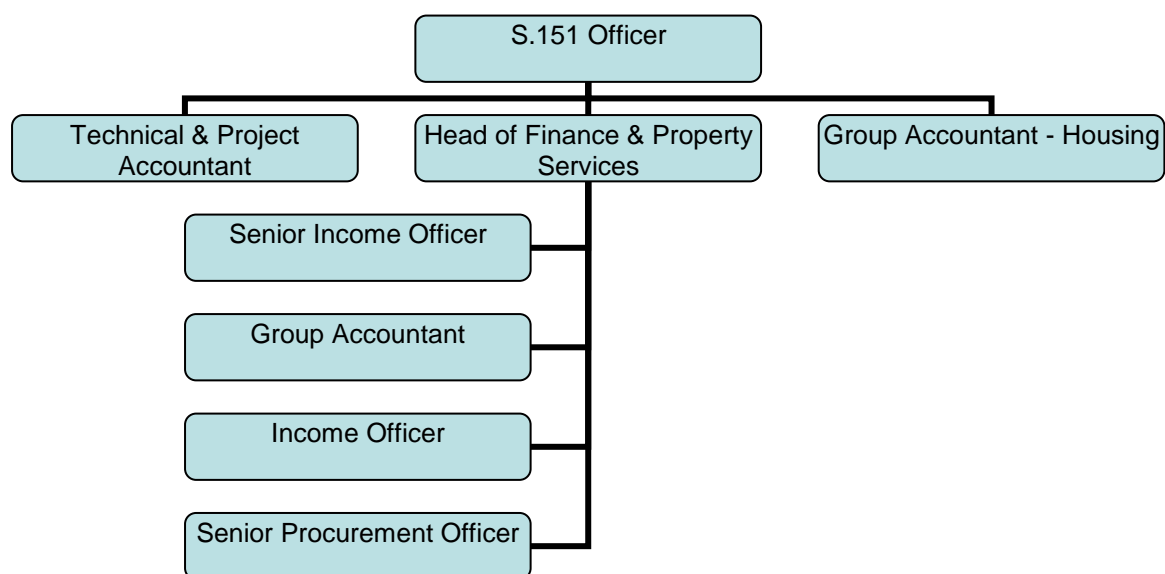
- Preparation and implementation of the Council's Treasury Management Practices as set out in this document.

### **5.2 Principles and Practices Concerning Segregation of Duties**

5.2.1 The following duties must be undertaken by separate officers: -

Dealing	Negotiation and completion of deal
Reconciliations	Reconciliation of cash control account and bank accounts
Entries onto systems	Processing of accounting entry Entry in treasury management system
Authorisation	Approval of transaction and payment

### 5.3 Treasury Management Council Chart



All those below the S.151 Officer form the 'Treasury Team' as referred to elsewhere in this document.

### 5.4 Statement of the treasury management duties/responsibilities of each treasury post

#### 5.4.1. The S.151 Officer

The S.151 Officer is the person charged with professional responsibility for the treasury management function and in this Council is the Corporate Services Director. This person will carry out the following duties: -

- a) recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- b) submitting regular treasury management policy reports;
- c) submitting budgets and budget variations;
- d) receiving and reviewing management information reports;
- e) reviewing the performance of the treasury management function;
- f) ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- g) ensuring the adequacy of internal audit, and liaising with external audit;
- h) recommending the appointment of external service providers;
- i) the S.151 Officer has delegated powers through this policy to make the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments;
- j) the S.151 Officer may delegate their power to borrow and invest to members of the Treasury Team. The Senior Income Officer, the Income Officer, the Group Accountant and the Senior Procurement Officer must conduct all dealing transactions. All transactions must be authorised by one of the Head of Finance & Property Services, the Technical & Project Accountant or the Group Accountant Housing;
- k) the S.151 Officer will ensure that Treasury Management Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible;
- l) prior to entering into any capital financing, lending or investment transaction, it is the



responsibility of the S.151 Officer to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations;

m) it is also the responsibility of the S.151 Officer to ensure that the Council complies with the requirements of The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets;

n) to amend Credit and Counterparty list limits to reflect market changes etc between reports to full Council.

#### **5.4.2 The Head of Finance & Property Services**

The responsibilities of this post are:

- a) ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- b) recommending the appointment of external service providers;
- c) monitor adherence to agreed policies and practices on a day-to-day basis;
- d) maintaining relationships with counterparties and external service providers;
- e) supervising treasury management staff;
- f) prepare the Treasury Management Strategy, Annual Investment Strategy etc;
- g) preparation of the annual budget for treasury management;
- h) ensure that staff receive the appropriate training;
- i) ensure that staff are aware of and comply with the requirements of The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets;
- j) approval of transmission of priority payments and transactions on electronic banking system;
- k) maintain notes for the treasury management function;
- l) submitting management information reports to the S.151 Officer where appropriate;
- m) identifying and recommending opportunities for improved practices.

#### **5.4.3. Senior Income Officer**

The responsibilities of this post are: -

- a) execution of transactions;
- b) adherence to agreed policies and practices on a day-to-day basis;
- c) maintaining day to day relationships with counterparties and external service providers;
- d) monitoring performance on a day-to-day basis;
- e) advise the HoF on Treasury management matters;
- f) monitor and report on the activities of fund managers, if relevant;
- g) maintain cash flow diary and other records;
- h) check daily cash flow and agree dealing;
- i) dealing and recording of deals;
- j) check quarterly reconciliation;
- k) daily reconciliation of bank accounts using electronic banking system;
- l) preparation and transmission of priority payments and transactions on electronic banking system;
- m) preparation of documentation to confirm deals for signature of approved signatories;
- n) check receipt of treasury management funds;
- o) add to and delete as appropriate institutions included in the Approved Counterparty List in accordance with the set policies;
- p) the Senior Income Officer cannot deputise for the HoF.

#### **5.4.4 The Head of the Paid Service – the Chief Executive**

The responsibilities of this post are: -

- a) ensuring that the system is specified and implemented;
- b) ensuring that the S.151 Officer reports regularly to the full Council and Audit Committee (as appropriate) on treasury policy, activity and performance.

#### **5.4.5 The Monitoring Officer, currently the Head of Strategic Support**

The responsibilities of this post are: -

- a) Ensuring compliance by the S.151 Officer with the treasury management policy statement and treasury management practices and that they comply with the law.
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- c) Giving advice to the S.151 Officer when advice is sought.

#### **5.4.6 Internal Audit**

The responsibilities of Internal Audit are: -

- a) Reviewing compliance with approved policy and treasury management practices;
- b) Reviewing division of duties and operational practice;
- c) Assessing value for money from treasury activities;
- d) Undertaking probity audit of treasury function.

### **5.5 Absence and Cover Arrangements**

In order to ensure sufficient day to day as well as holiday cover etc the:

- Technical & Project Accountant and the Group Accountant – Housing will have the same responsibilities and powers, per 5.4.2 above, as the Head of Finance & Property Services;
- The Group Accountant, the Income Officer and the Senior Procurement Officer will have the same responsibilities and powers, per 5.4.3 above, as the Senior Income Officer.

With four staff able to deal and carry out transactions and three staff approved to authorise such transactions there is sufficient resilience in the system. Procedures are in place regarding holiday arrangements etc to ensure that there are always sufficient staff to carry out treasury transactions.

### **5.6 Dealing Limits**

Due to the small numbers of people involved there are no dealing limits for individual posts.

### **5.7 List of Approved Brokers**

A list of approved brokers is maintained within the Treasury Team and a record of all transactions recorded against them. See TMP 11.1.2

### **5.8 Policy on Brokers' Services**

It is the Council's policy to use more than one broker, where possible.

### **5.9 Policy on Taping Conversations**

It is not the Council's policy to tape brokers' conversations

### **5.10 Direct Dealing Practices**

The Council deals direct with counterparties where it is appropriate and the Council believes that better terms will be available. At present, most deals are arranged through brokers. There are certain types of accounts and facilities, however, where direct dealing is required, as follows;

- Business Reserve Accounts:
- Call Accounts:
- Money Market Funds.

### **5.11 Settlement Transmission Procedures**

This is carried out electronically.

### **5.12 Documentation Requirements**

For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), broker.

### **5.13 Arrangements Concerning the Management of Third-Party Funds.**

The Council holds a number of trust funds. The cash in respect of these funds is held in the Council's bank account but transactions are separately coded. Interest is given on credit balances at the average rate for internal balances for the year.

## **TMP 6 Reporting Requirements and Management Information Arrangements**

### **6.1 Annual programme of reporting**

Annual reporting requirements before the start of the year: -

- 6.1.1 review of the Council's approved clauses in the constitution, treasury management policy statement and practices;
- 6.1.2 strategy report on proposed treasury management activities for the year comprising of the Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Strategy.
- 6.1.3 From 2019/20 capital strategy to give a longer term view of the capital programme and treasury management implications thereof beyond the three year time horizon for detailed planning

Then:

- 6.1.4 Mid-year review
- 6.1.5 Treasury Outturn report after the end of the year.

### **6.2 Annual Treasury Management Strategy Statement**

6.2.1 The Treasury Management Strategy Statement sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Cabinet and then to the full Council for approval before the commencement of each financial year.

6.2.2 The formulation of the annual Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, the Council may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.

6.2.3 The Treasury Management Strategy Statement is concerned with the following elements:

- 6.2.3.1 Prudential and Treasury Indicators
- 6.2.3.2 current Treasury portfolio position
- 6.2.3.3 borrowing requirement
- 6.2.3.4 prospects for interest rates
- 6.2.3.5 borrowing strategy
- 6.2.3.6 policy on borrowing in advance of need
- 6.2.3.7 debt rescheduling
- 6.2.3.8 investment strategy
- 6.2.3.9 creditworthiness policy
- 6.2.3.10 policy on the use of external service providers
- 6.2.3.11 any extraordinary treasury issue
- 6.2.3.12 the MRP strategy

6.2.4 The Treasury Management Strategy Statement will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable), and highlight sensitivities to different scenarios.

### **6.3 The Annual Investment Strategy Statement**

At the same time as the Council receives the Treasury Management Strategy Statement it will also receive a report on the Annual Investment Strategy which will set out the following: -

- 6.3.1 The Council's risk appetite in respect of security, liquidity and optimum performance
- 6.3.2 The definition of high credit quality to determine what are specified investments as distinct from non-specified investments
- 6.3.3 Which specified and non-specified instruments the Council will use
- 6.3.4 Whether they will be used by the in house team, external managers or both, if applicable.
- 6.3.5 The Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- 6.3.6 Which credit rating agencies the Council will use
- 6.3.7 How the Council will deal with changes in ratings, rating watches and rating outlooks
- 6.3.8 Limits for individual counterparties and group limits
- 6.3.9 Country limits
- 6.3.10 Levels of cash balances
- 6.3.11 Interest rate outlook
- 6.3.12 Budget for investment earnings
- 6.3.13 Use of a cash fund manager, if applicable
- 6.3.14 Policy on the use of external service providers

### **6.4 The Annual Minimum Revenue Provision Statement**

This statement will set out how the Council will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted at the same time as the Annual Treasury Management Strategy Statement.

### **6.5 Policy on Prudential and Treasury Indicators**

- 6.5.1 The Council approves before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.
- 6.5.2 The S.151 Officer is responsible for incorporating these limits into the Annual Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the S.151 Officer shall submit the changes for approval to the Cabinet.

### **6.6 Mid-year review**

The Council will review its treasury management activities and strategy on a six monthly basis. This review will consider the following: -

- 6.6.1 activities undertaken
- 6.6.2 variations (if any) from agreed policies/practices
- 6.6.3 interim performance report
- 6.6.4 regular monitoring
- 6.6.5 monitoring of treasury management indicators for local authorities.

## **6.7 Annual Outturn Report on Treasury Management Activity**

An annual Treasury Outturn report will be presented to the Audit Committee at the earliest practicable meeting after the end of the financial year. This report will include the following: -

- 6.7.1 transactions executed and their revenue effects
- 6.7.2 report on risk implications of decisions taken and transactions executed
- 6.7.3 compliance report on agreed policies and practices, and on statutory/regulatory requirements
- 6.7.4 performance report
- 6.7.5 report on compliance with CIPFA Code recommendations
- 6.7.6 monitoring of treasury management indicators

## **6.8 Publication of Treasury Management Reports**

All the above reports are published on the Council's web site under the relevant Cabinet, Council or Committee heading.

## **TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

### **7.1 Statutory/Regulatory Requirements**

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices.

The Council has also adopted the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

### **7.2 Budgets / Accounts / Prudential and Treasury Indicators**

The S.151 Officer will prepare a three year medium term financial plan with Prudential and Treasury Indicators for treasury management which will incorporate the budget for the forthcoming year and provisional estimates for the following two years. This will bring together all the costs involved in running the function, together with associated income. The S.151 Officer will exercise effective controls over this budget and monitoring of performance against Prudential and Treasury Indicators, and will report upon and recommend any changes required in accordance with TMP6.

### **7.3 List of Information Requirements of External Auditors.**

- Reconciliation of loans outstanding in the financial ledger to treasury management records
- Maturity analysis of loans outstanding
- Certificates for new long term loans taken out in the year
- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances
- Interest accrual calculation
- Principal and interest charges reports from the internal system
- Analysis of any deferred charges
- Calculation of loans fund creditors and debtors
- Annual Treasury Report
- Treasury Management Strategy Statement and Prudential and Treasury Indicators
- Review of observance of limits set by Prudential and Treasury Indicators
- Calculation of the Minimum Revenue Provision, where relevant.
- External fund manager(s) valuations including investment income schedules and movement in capital values, where relevant.

## **TMP 8 Cash and Cash Flow Management**

### **8.1 Arrangements for Preparing/Submitting Cash Flow Statements**

Cash flow projections are prepared annually from the previous years' cash flow records, adjusted for known changes in levels of income and expenditure and also changes in payments and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

### **8.2 Bank Statements Procedures**

The Council receives daily bank statements and a daily download of data from its bank. All amounts on the statement are checked to source data from Payroll, Creditors etc. A formal bank reconciliation is undertaken on a monthly basis by the Control section in Accountancy.

### **8.3 Payment Scheduling and Agreed Terms of Trade With Creditors**

Our policy is to pay creditors within 30 days of the receipt of their invoice and this effectively schedules the payments. Certificated payments to sub-contractors must be paid within 30 days.

### **8.4 Arrangements for Monitoring Debtors / Creditors Levels**

The HOF is responsible for monitoring the levels of debtors and creditors. Details are passed to the Treasury Team on a weekly or monthly basis, as appropriate, to assist in updating the cash flow system.

### **8.5 Procedures for Banking of Funds**

All money received by an officer on behalf of the Council will without unreasonable delay be passed to the cashiers section to deposit in the Council's banking accounts. The amounts so received are immaterial from a treasury viewpoint.

### **8.6 Practices Concerning Prepayments to Obtain Benefits**

The Council has no formal arrangement in place. Where such opportunities arise, the prepayment would be sought and authorised by the S.151 Officer.



## **TMP 9 Money Laundering**

### **9.1 Proceeds of Crime Act 2002**

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland;
- being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property;
- acquiring, using or possessing criminal property.

These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences;
- tipping off a suspect, either directly or indirectly;
- doing something that might prejudice an investigation – for example, falsifying a document.

### **9.2 The Terrorism Act 2000**

This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment

### **9.3 The Money Laundering Regulations 2012, 2015 and 2017**

Organisations pursuing relevant business (especially those in the financial services industry regulated by the FCA) are required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions.

### **9.4 Local authorities**

Councils and their staff are subject to the full provisions of the Terrorism Act 2000 and may commit most of the principal offences under the POCA, but are not legally obliged to apply the provisions of the Money Laundering Regulations 2012, 2015 and 2017. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly the Council will do the following: -

- 9.4.1 evaluate the prospect of laundered monies being handled by them;
- 9.4.2 determine the appropriate safeguards to be put in place;
- 9.4.3 require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness;
- 9.4.4 make all its staff aware of their responsibilities under POCA;
- 9.4.5 appoint a member of staff to whom they can report any suspicions. This person is the Head of Strategic Support;

- 9.4.6 in order to ensure compliance is appropriately managed, the Council will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work/product types, systems for monitoring compliance with procedures and methods of communicating procedures and other information to personnel;
- 9.4.7 The officer responsible for the creation and monitoring the implementation of a corporate anti money laundering policy and procedures is the Head of Strategic Support and it shall be a requirement that all services and departments implement this corporate policy and procedures.

## **9.5 Procedures for Establishing Identity / Authenticity of Lenders**

It is not a requirement under POCA for local authorities to require identification from every person or Council it deals with. However, in respect of treasury management transactions, there is a need for due diligence and this will be effected by following the procedures below.

The Council does not accept loans from individuals.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FCA website on [www.fca.gov.uk](http://www.fca.gov.uk).

When repaying loans, the procedures in 9.6 will be followed to check the bank details of the recipient.

## **9.6 Methodologies for Identifying Deposit Takers**

In the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FCA register can be accessed through their website on [www.fca.gov.uk](http://www.fca.gov.uk)).

All transactions will be carried out electronically for making deposits or repaying loans.

## **TMP 10 Training and Qualifications**

The Council recognises that relevant individuals will need appropriate levels of training in treasury management due to its increasing complexity. There are two categories of relevant individuals: -

- a) Treasury management staff employed by the Council, and
- b) Members charged with governance of the treasury management function.

All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Personal Review system which identifies the training requirements of individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job and it will be the responsibility of the HOF to ensure that all staff under their authority receive the level of training appropriate to their duties. This will also apply to those staff who from time to time cover for absences from the treasury management team.

### **10.1 Details of Approved Training Courses**

Treasury management staff and members will go on courses provided by our treasury management consultants, CIPFA, money brokers etc.

### **10.2 Records of Training Received by Treasury Staff**

The Training section will maintain records on all staff and the training they receive.

### **10.3 Approved Qualifications for Treasury Staff**

The S.151 Officer and the Head of Finance & Property Services must both be qualified accountants with one of the main accountancy bodies in the UK, or equivalent.

### **10.4 Statement of Professional Practice (SOPP)**

10.4.1 Where the S.151 Officer is a member of CIPFA, there is a professional need for the person to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.

10.4.2 Other staff involved in treasury management activities who are members of CIPFA must also comply with the SOPP.

10.4.3 The other accountancy bodies have similar requirements for their members.

### **10.5 Member training records**

Records will be kept of all training in treasury management provided to members.

### **10.6 Members charged with governance**

Members charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

## **TMP 11 Use of External Service Providers**

### **11.1 Details of Contracts with Service Providers, Including Bankers, Brokers, Consultants, Advisers**

This Council may from time to time employ the services of other organisations to assist it in the field of treasury management. In particular, it may use external consultants to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this Council, especially in terms of being objective and free from conflicts of interest.

It will also ensure that the skills of the in house Treasury Team are maintained to a high enough level whereby they can provide appropriate challenge to external advice and can avoid undue reliance on such advice.

Treasury staff and their senior management will therefore be required to allocate appropriate levels of time to using the following sources of information so that they are able to develop suitable levels of understanding to carry out their duties, especially in challenge and avoiding undue reliance:

- The quality financial press;
- Market data;
- Information on government support for banks and
- the credit ratings of that government support.

### **11.2 Banking Services**

11.2.1 The Council's supplier is the HSBC Bank Plc.

11.2.2 Regulatory status – HSBC is a banking institution authorised to undertake banking activities by the FCA.

11.2.3 The branch address is Market Street, Loughborough. Tel :- 0845 878 873

11.2.4 The current contract arrangements are due to expire on 31<sup>st</sup> March 2020.

11.2.5 The cost of service is variable depending on schedule of tariffs and volumes.

11.2.6 Payments are due monthly.

### **11.3 Money-Broking Services**

The Council will use money brokers for temporary borrowing and investment and long term borrowing. It will seek to give an even spread of business amongst the approved brokers. The performance of brokers is reviewed by the Senior Income Officer every year to see if any should be taken off the approved list and replaced by another choice and will make appropriate recommendations to change the approved brokers list to the HOF. Brokers currently used are:

- Tradition (UK) Ltd
- King and Shaxson
- RP Martin
- Link Asset Services Agency Treasury Services

These firms operate under FCA Regulations

The current list of approved brokers for investment is included in the Treasury Management and Annual Investment Strategy. Please see this document for the most up-to-date information.

## **11.4 Consultants and Advisory Services**

### **11.4.1 Treasury Consultancy Services**

The Council will seek to take expert advice on interest rate forecasts, annual treasury management strategy, timing for borrowing and lending, debt rescheduling, use of various borrowing and investment instruments, how to select credit worthy counterparties to put on its approved lending list etc.

The performance of consultants will be reviewed by the HOF every year to check whether performance has met expectations.

The current supplier is Link Asset Services, of 40 Dukes Place, London, EC3A 7NH  
Tel: 0871 664 6800.

These contract arrangements are due to expire on 20<sup>th</sup> May 20222.

Regulatory status – an investment adviser authorised by the FCA.

### **11.4.2 Leasing Consultancy Services**

None at present.

### **11.4.3 External Fund Managers**

None at present.

### **11.4.4 Other Consultancy services**

May be employed on short term contracts as and when required.

## **11.5 Credit Rating Agency**

The Council receives a credit rating service through its treasury management consultants, the costs of which is included in the consultant's annual fee.

## **11.6 Procedures and Frequency for Tendering Services**

Tenders are normally awarded on a 3 year basis with the option to extend for 2 years. The process for advertising and awarding contracts will be in line with the Council's Contract Procedure Rules.

## TMP 12 Corporate Governance

### 12.1 List of Documents to be Made Available for Public Inspection

12.1.1 The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions.

12.1.2 It has adopted the CIPFA Code of Practice on Treasury Management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.

12.1.3 The following documents are available for public inspection: -

- Treasury Management Strategy Statement
- Annual Investment Strategy
- Minimum Revenue Provision Strategy
- Treasury Outturn Report
- Mid-year Review of TMSS, AIS and MRPS
  
- Annual Statement of Accounts, which includes financial instruments and disclosure notes
- Annual budget
- Capital Plan
- From 2019/20 onwards Capital Strategy
  
- Minutes of Council, Cabinet and Audit Committee meetings

## **APPENDIX - Investment management practices for non-treasury investments**

This organisation recognises that investments taken for non-treasury management purposes require careful investment management. Such investments could include loans supporting service outcomes, investments in subsidiaries, or investment in commercial property.

The organisation's annual treasury management strategy, Investment Strategy and similar documents will cover all the organisation's investments, and will set out, where relevant, specific policies and arrangements for non-treasury investments.

The Council currently does not have any non-treasury investments. Were this position to change this schedule will be amended to include a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and contingent liabilities and the authority's risk exposure. It will be recognised that the risk appetite for these activities may differ from that for treasury management. It will also note the legal powers the Council has used for each non-treasury investment.

## CABINET – 13TH SEPTEMBER 2018

### Report of the Strategic Director of Corporate Services

Lead Member: Councillor Tom Barkley

#### Part A

#### ITEM 14 DRAFT MEDIUM TERM FINANCIAL STRATEGY 2019 – 2022

##### Purpose of Report

To bring forward the Draft Medium Term Financial Strategy for consideration by Cabinet and scrutiny panels.

##### Recommendation

That the Draft Medium Term Financial Strategy, attached as an Appendix, be approved for consultation generally and for the purposes of scrutiny by the Budget Scrutiny Panel.

##### Reason

To identify the financial issues affecting the Council and the Borough in the medium term in order to inform the Council's budget setting process.

##### Policy Justification and Previous Decisions

The Medium Term Financial Strategy (MTFS) is reviewed annually and is the key document for medium term financial planning within the authority. It is one of the Council's core strategies and helps the Council identify its priorities and set targets for what we plan to achieve.

##### Implementation Timetable including Future Decisions and Scrutiny

It is envisaged that this Draft Strategy will be scrutinised and an amended version be brought back to Cabinet on 15 November 2018 for recommendation to Council.

##### Report Implications

The following implications have been identified for this report.

##### *Financial Implications*

There are no direct financial implications arising from this report.

##### *Risk Management*

There are no direct risks associated with the decision Cabinet is asked to make in respect of this report.



Key Decision: No

Background Papers: None

Officer to contact: Clare Hodgson  
Head of Finance and Property Services  
01509 634810  
[clare.hodgson@charnwood.gov.uk](mailto:clare.hodgson@charnwood.gov.uk)

Simon Jackson  
Strategic Director of Corporate Services  
01509 634699  
[simon.jackson@charnwood.gov.uk](mailto:simon.jackson@charnwood.gov.uk)

## **Part B**

### Background

1. This Medium Term Financial Strategy (MTFS) considers the financial outlook for Charnwood Borough Council for the three financial years 2019/20, 2020/21 and 2021/22. This document, attached as an appendix to this report, is self-contained and includes an executive summary and introduction in its early sections to assist readers.
2. It should be stressed that the MTFS presented is a draft prepared in August 2018. In addition to reflecting feedback from the Budget Scrutiny Panel it is anticipated that the final version of the MTFS will be updated in the light of additional information as it becomes available through the autumn.

### Appendix

Charnwood Borough Council Draft Medium Term Financial Strategy 2019 – 2022



**DRAFT – AUGUST 2018**

**Charnwood Borough Council  
Medium Term Financial Strategy  
2019 – 2022**

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### VERSION CONTROL

<i>Version</i>	<i>Author</i>	<i>Comments</i>
0.0	Simon Jackson	Initial draft (August)
0.1	Simon Jackson	Initial draft – continued (August)
1.0	Simon Jackson	Final SJ version – 17 Aug 2018
1.1	Clare Hodgson	Minor amends – 21 Aug 2018

## 1. Foreword

Mahatma Ghandi is reported to have said “*The future depends on what you do today*”. Here at Charnwood we are laying strong financial foundations for our future which include investing in the local economy and reviewing our treasury strategy in order to be less dependent upon central funding, as well as developing transformation and efficiency plans to ensure we make the most of the resources we have available.



Autumn is the time that we reflect on the Council’s financial position and consider our prospects in the medium term, with the outcome of this process set out in the Medium Term Financial Strategy. I am pleased to share this latest version of our Strategy and hope that it provides a sense of the financial opportunities, uncertainties and challenges facing the Council in the next few years.

The Council remains in a sound financial position with good levels of financial reserves. We have a history of prudent financial management and our expenditure remains under control. However, if there is one message that we should draw from this year’s Medium Term Financial Strategy it is that there is no room for complacency.

It is generally accepted that public finances are limited whilst demand for public services is increasing. Nationally, local government competes for resources with the likes of the NHS, Ministry of Defence and Department for International Aid, in an environment where economic growth – and the associated tax revenues - is uncertain. Within the local government sector there is evidence that some services, such as adult and children’s social care, are under stress and there is lobbying from certain groups of local authorities to secure additional funding in these areas. We have also seen the financial failure of one major local authority and reports suggesting that others are on the brink. The outcome of the government’s ‘Fair Funding review’ which is due in late 2019 and has the potential to create a material impact on local government funding from the 2020/21 financial year is therefore of fundamental interest to all within the sector.

Moving forward, an increasing proportion of our revenue will be generated locally and this offers us an opportunity to contribute to, and benefit from, economic growth across the Borough, particularly that arising from housing growth and our Enterprise Zone sites. However, this opportunity comes with a complex web of rules and restrictions which increase our funding risks and limits the quantum of income we are able to retain for local service delivery and investment. And as I note previously, the Fair Funding review could materially alter our financial position. Combined with the

usual inflationary pressures on our costs and increasing demand for our services, such as those arising from the roll-out of Universal Credit and new responsibilities arising from the Homelessness Reduction Act, taking a forward look at our finances is, as ever, a challenging task.

There are a range of potential outcomes that could occur in the period and many of the assumptions and projections within this Strategy are arguable. I therefore look forward to receiving feedback and comments on the numbers presented which will help us develop a final version of this document and inform the budgetary process for the 2019/20 financial year.

Councillor Tom Barkley

Cabinet Lead Member for Finance

August 2018

## 2. Executive summary

This Medium Term Financial Strategy considers the financial outlook for Charnwood Borough Council ('Charnwood', or the 'Council') for the three financial years 2019/20, 2020/21 and 2021/22. The document's focus is on the 'General Fund'; certain aspects of the Housing Revenue Account are also discussed but the outlook for this is dealt with separately within the 30 year Housing Revenue Account business plan.

At the core of this document are the financial projections for these three years which show the funding challenges during this period. The numbers set out the challenge in three elements:

1. The core financial projections based on known changes to funding streams and the cost base *and* assuming no management action is taken to otherwise mitigate funding shortfalls
2. Indicative projections of the impact of Council efficiency and transformation projects and initiatives that aim to bridge the funding gaps
3. Funding shortfalls for which other efficiency and transformation will be required, or where reserves will be required to balance the budget

In summary the financial projections show:

- 2019/20 will see £0.9m use of reserves assuming that £0.4m of transformation and efficiency savings can be delivered
- 2020/21 will see a further £0.3m use of reserves assuming that £0.7m of transformation and efficiency savings can be delivered
- 2021/22 will see revenues exceed expenditure by £0.2m, therefore adding this amount back into reserves, assuming that £0.9m of transformation and efficiency savings can be delivered

Over the three year MTFs period this would imply a net use of reserves of £1m, with the Council reaching a stable-state financial position; ie. expenditure would be matched to income. If achieved, this outcome would be very acceptable, but, as the paragraphs below outline, this will require a certain amount of fortune alongside the concerted efforts of both Members and officers of the Council.

### *Health warning*

The numbers presented above come with a very significant health warning. Whilst prepared with all information available, the outcome of the government's Fair Funding

review, due for completion in the latter part of 2019, could result in a fundamental reset of the Council's funding base. This review will inform the future share of business rates that the Council is able to retain under the prospective new business rates retention scheme (due for implementation from 2020/21) and, in particular, the future of the New Homes Bonus Scheme which currently generates around £4m per annum for the Council but which in a worse-case scenario could be discontinued. ***The financial projections for the latter years of the MTFS (2020/21 and 2021/22) therefore carry a significant downside risk.***

#### *Other risks*

Beyond the fundamental funding uncertainty the projections above also contain other inherent risks, principally that the Council experiences unavoidable 'service pressures', or is unable to deliver the transformation and efficiency plan (or generate equivalent savings).

This version of the Medium Term Financial Strategy was prepared in August 2018 for the purposes of consultation. In addition to reflecting feedback from the consultation process, a key action will be to obtain additional clarification on certain elements within the financial projections to provide a firmer basis for budgetary decisions for the 2019/20 financial year. As indicated above, however, the outlook for 2020/21 and 2021/22 will remain very uncertain.

#### *Budgetary approach for 2019/20*

It is true to say that the Council has good levels of revenue reserves and there is certainly no requirement to make any 'knee jerk' decision involving immediate cuts to services. But, although sometimes masked within the budget outturn reports, – due to the necessary timings of the originating budget reports and the estimates contained therein - is the fact that the Council *is* now eating into its reserves. This is apparent from the latest set of financial statements which show that in total, the General Fund revenue reserves (comprising the Working Balance, the Reinvestment Reserve and others) fell from £12.6m on 31 March 2017 to £11.2m on 31 March 2018. So whilst the Council does have the resources to adapt our service offering to reflect future financial realities, this will require proactive planning and effective implementation of these plans. There is no room for complacency.

The budgetary approach proposed is therefore that budgetary targets will be set, informed by the MTFS, that will require the total cost of services to be constrained within an overall affordability envelope.

### **3. Introduction**

The Medium Term Financial Strategy (MTFS) takes a forward look at the political, economic and regulatory environment facing the Council and uses these to create a high level financial model of future potential revenues and costs.

This model is used to identify potentially significant funding surpluses or shortfalls that may arise in the medium term, and to inform the Council's budget setting process.



It takes into account existing expenditure patterns together with identified and material cost pressures. The model also incorporates projected savings and efficiencies from the implementation of existing strategies, policies and projects to attempt a holistic view of the Council's future financial position.

In order to balance the desire to take a long term view of the Council's financial future, and the limits on our ability to create meaningful forecasts over such a period, the MTFS has been developed to cover three years, from 1 April 2019 to 31 March 2022.

The purpose of this document can be summarised as follows:

- Outline the principal factors that will influence the availability of the Council's financial resources in the medium term
- Inform and define the medium term service delivery plans of the Council in financial terms
- Inform the budget setting process for the 2019/20 financial year
- Provide the financial basis for the Council to decide its corporate priorities for future years.

As previously noted, this is a high level strategic document which summarises plans over the medium term as they currently stand, based upon current information, projections and assumptions. As additional updated information becomes available these plans will be subject to change and a comparison of the previous MTFS to this document will reflect such changes. In this document a certain amount of detailed budgetary information is presented but this should be regarded as indicative and illustrative. Whilst this document will inform the 2019/20 budget setting process, some of the figures quoted here will be amended and refined as more information comes to light and the 2019/20 budgets are developed.

#### *Scope of the MTFS*

This strategy document concentrates on the General Fund, which deals with non-housing revenue items and derives its income from charges, government grants, council tax and business rates. The Housing Revenue Account (HRA) has its own business plan and both General Fund and HRA capital expenditure are subject to a three year programme which is reviewed separately from revenue items. However, the impact of capital investment and the HRA on the General Fund is considered as part of this strategy. The Council's finances are actively managed on an ongoing basis and the adoption of this strategy will require executive decisions to carry out any significant actions identified.

#### 4. Political, economic and regulatory outlook

At the time of writing the political and economic outlook appears very uncertain. Within the United Kingdom politics and economics are dominated by the exit from the European Union scheduled for March 2019. The terms of this exit are not yet known and the possibility of delays in the process cannot be ruled out. Internationally, there is a trend of protectionism, resulting in increased barriers to trade, which may reduce global economic growth in the medium term. Analysis from PwC (a consultancy) published in July 2018 summarises the UK outlook as follows:

*In our main scenario, we project UK growth to remain modest at around 1.3% in 2018 and 1.6% in 2019. This is due to continued subdued real consumer spending growth and the drag on business investment from ongoing economic and political uncertainty relating to the outcome of the Brexit negotiations.*

*The stronger global economy, and the competitive value of the pound, have boosted UK exports and inbound tourism, offering some support for overall UK GDP growth that should continue through 2018. However, the Eurozone economy has slowed recently and any further escalation of international trade tensions could dampen global growth in 2019 and beyond.*

*Service sector growth should remain modest but positive in 2018-19, while manufacturing also retains some positive momentum despite a slowdown in early 2018. But the construction sector has fallen back due to the weakness of commercial property investment and this looks set to continue.*

From the Charnwood perspective the key concerns are how the wider political and macro-economic factors feed through into the availability of funding for the public sector, what proportion of this will be allocated to local government, and within this allocation – no doubt informed by the Fair Funding review – what the funding settlement for each Council will be.

Both the demand for the Council's services and its income streams are affected by the general economic health of the Borough, and the prevailing interest rate has a direct impact on interest receipts. Areas of deprivation do exist in the Borough but as a whole Charnwood is above averagely prosperous, with a ranking of 237 out of 326 English local authorities<sup>1</sup> (where '1' is the most deprived and '326' the least deprived local authority respectively). This relative prosperity is an important factor in the projected housing growth in the Borough, as evidenced in our draft Local (Development) Plan. If correct, the growth in housing will generate a significant part of the Council's total income over the next three years based on the current local government financing regime.

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<sup>1</sup> English local authority Index of Multiple Deprivation 2015 (IMD average ranks – File 10; latest result available)

More detailed assumptions around the key individual components of the Council's revenue streams and expenditure are set out in subsequent paragraphs of this Strategy.

## **5. Financial projections - overview**

At the heart of this MTFS is the high level financial model. This is used to derive an estimate of the Council's future revenues and costs and the associated impact on the Council's reserves. Subsequent sections describe how the model has been developed and the key assumptions used, as follows:

- Local government financing regime: discusses the projected mix of council tax and government grant revenues over the period of the MTFS
- Treasury management and investment income: discusses the Council's current approach to fund investment and projected levels of interest receivable, together with comments on envisaged future activities.
- Key operational assumptions: describes the derivation and key assumptions underpinning the projections of operational income and expenditure
- Existing financial resources and use of prudential borrowing: describes how revenue and capital expenditure of the Council may be financed over the period of the MTFS using reserves or prudential borrowing
- General Fund financial projections: presents the projected financial outlook for the Council over the period of the MTFS in tabular form

## **6. The local government financing regime**

The Council's funding is derived from a mixture of council tax receipts, new homes bonus payments, a share of locally collected business rates and direct government grant funding. A key continuing theme from the government is the drive towards financial independence for local authorities and the move towards localism. In practice this means a reduction in levels of direct (formula) grant funding, offset by retention of a share of local business rates and other grant funding relating to housing growth. Development is currently underway around plans for local retention of business rates collected to be increased to 75% (compared to the current 50% retention scheme); it is envisaged, although not formally confirmed, that the new arrangements will be in place from the 2020/21 financial year.

Whilst the future arrangements for local retention of business rates are still somewhat uncertain there seems little doubt that the Revenue Support Grant will be eliminated with the final payments made in the 2019/20 financial year.

For Charnwood, the critical uncertainty is around the future of the New Homes Bonus which forms a major component of Council funding at present. Latest information released by the Government offers no assurances that this funding stream will continue beyond 2019/20; complete elimination of this funding stream, if not otherwise replaced, would create a major financial challenge for the Council.

The principal features of the financing regime and key assumptions and sensitivities in respect of Charnwood are discussed in more detail in the following paragraphs.

#### *Council tax*

Anecdotal evidence suggests that there is resistance from local citizens to any significant increases in Council Tax. With this in mind, the Coalition government (2010 – 2015) introduced legislation requiring council tax increases above a certain level to be endorsed by the public through a local referendum and this restrictive approach has continued under the current Conservative administration. However, in recognition of increasing evidence that local authorities are struggling financially the Government has somewhat relaxed the limits at which a local authority would trigger a referendum and in recent years has allowed all District and Borough Councils to increase council tax by up to a maximum of £5 or three percent per band D property as well as allowing authorities with Social Care responsibilities an additional two percent increase on top of the standard cap that would have triggered a referendum. For the purposes of the MTFs, these limits are assumed to apply to District and Borough Councils for each of the financial years considered.

In comparison to other districts, Charnwood's council tax charges are still amongst the lowest in the country as the data from the Department of Communities and Local Government below illustrates:

Table1: Comparison of District Band D Council Tax Charges 2018/19

	<b>Council Tax Band D</b>	<b>Rank (of 201)</b>		<b>Council Tax Band D</b>	<b>Rank (of 201)</b>
NATIONAL PICTURE			LEICESTERSHIRE AUTHORITIES		
<i>Lowest</i>					
Breckland	£85	1	Hinckley & Bosworth	£127	14
West Oxfordshire	£94	2	<b>Charnwood</b>	<b>£139</b>	<b>23</b>
Hambleton	£104	3	Blaby	£158	54
<b>Charnwood</b>	<b>£139</b>	<b>23</b>	Harborough	£168	79
			North West Leicestershire	£173	90
			Melton	£197	133
			Oadby & Wigston	£218	165
<i>Median</i>					
South Holland	£178	100			
North Devon	£178	101			
East Staffordshire	£179	102			
<i>Highest</i>					
Weymouth & Portland	£301	199			
Preston	£305	200			
Ipswich	£352	201			
			* Calculation includes Band D and Share of Loughborough Special Rate (or Equivalent) spread across whole tax base		
			Source: MHCLG		

Given Charnwood's low tax charge and future funding uncertainties it is assumed that Council Tax will increase by the maximum amount of £5 in all of the financial years covered by this MTFS.

The actual amount of Council Tax collected will also vary in line with the tax base, essentially the number of properties against which Council Tax is levied. The tax base for this purpose is expected to increase by 2% year on year over the period of this document.

Table 2: Projected Council Tax income tax increase

<i>(Amounts £000)</i>	<i>2018/19 budget</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>
Assumed council tax income	6,502	6,917	7,347	7,791

### *Loughborough Special Rate*

The town of Loughborough does not have the equivalent of a Town Council and the role that this organisation would fulfill is therefore undertaken by Charnwood Borough Council.

The Loughborough Special Rate is levied on the residents of Loughborough by the Borough Council and is used for activities specifically related to Loughborough town. This set of activities is comparable to those performed by Towns and Parishes and

used by other Councils in equivalent situations. These activities have been validated by the Council and include maintenance of parks, cemeteries and memorials, management of allotments and costs associated with the Loughborough Fair and festive decorations. A full list of activities is set out in the Budget Book issued by the Council each year and available at:

[https://www.charnwood.gov.uk/files/documents/2018\\_19\\_budget\\_book/2018-19%20Budget%20Book.pdf](https://www.charnwood.gov.uk/files/documents/2018_19_budget_book/2018-19%20Budget%20Book.pdf)

For the purposes of the MTFs the Special Rate is assumed to have no increase in rate for any of the years included within the projections. This will have no overall effect upon the council tax income for the Council as a whole because (as noted below) the £5 cap includes increases to the Loughborough Special Rate. No changes to the items included in the Special Rate have been assumed.

It should be noted that for the purposes of assessing whether Council Tax increases are excessive when the government calculates the year on year level of increase for Charnwood, it includes both the main Borough charge and the Loughborough Special Rate. Even at no increase in rate income increases in line with tax base increases.

Table 3: Projected Loughborough Special Rate income

(Amounts £000)	2018/19 budget	2019/20	2020/21	2021/22
No increase in rate, 2% expansion of tax base	1,194	1,215	1,237	1,259

### *Revenue Support Grant*

Revenue Support Grant (or 'formula' grant) is (historically) allocated to each local authority by the government using an assessment of need based on the characteristics of population, geography and other sources of finance available to an individual local authority. The actual calculations are complex and opaque but a clear trend in the reducing value of this grant is apparent. The Council's RSG reduced from £4.2m in 2014/15 to £3.0m in 2015/16, £2.1m in 2016/17 and £1.3m in 2017/18. The final two years of RSG are £0.7m for 2018/19 and £0.2m for 2019/20; beyond this year no RSG will be receivable.

The RSG figures were given as a multi-year settlement therefore the figures shown below should not be subject to change.

Table 4: Revenue Support Grant

(Amounts £000)	2018/19 budget	2019/20	2020/21	2021/22
As notified	745	165	0	0

### *Local share of national non-domestic rates ('business rates' or 'NNDR')*

From 1 April 2013 the structure of local government finance changed, with local authorities retaining a share of business rates collected in their area. The calculations are based on target rates of collection set by government and

are somewhat complex, but result in Charnwood retaining around 9% of the total collected, equating to around £4.5m. Local authorities can increase their business rate income by growing the business rate take in their area; conversely, if collections fall then local authorities bear an element of risk.

Recent experience in Charnwood suggests a ‘flat’ picture with no material business rates growth envisaged over the period of the MTF5 although in the medium term initiatives such as the development of the Loughborough University Science Park and Charnwood Campus and the inclusion of these in an Enterprise Zone are expected to offer some upside.

In comparison with other authorities Charnwood is comparatively less reliant on locally retained business rates and has relatively few single significant sites in respect of business rate valuations. For example, Charnwood is not the site of a power station, airport, major retail park (such as Fosse Park) or regional distribution centre (such as Magna Park). Some risk does exist however, principally around the long tail of outstanding rate appeals for which we would have to bear our share of lost revenue should those appeals prove successful. Additionally business rate income is now our second largest source of external funding.

The additional revenue from the envisaged 75% business rate retention arrangements may replace reductions in RSG and New Homes Bonus but may also come with additional responsibilities that give rise to additional costs. At this point in time it appears likely that the new arrangements will come into effect from 2020/21 but the details of this arrangement are still under development. Potentially of more import is the outcome of the Government’s Fair Funding review which is due to conclude in 2019. This will inform the Government assessment of Charnwood’s ‘baseline funding need’, around which the new business rate retention arrangements will be based.

In the absence of additional information this MTF5 assumes that the Council’s baseline funding level will remain in line with the current figure, and increase with inflation combined with the projected growth in business rates of 3.4% per annum. This is consistent with the assumption adopted in the previous version of the MTF5.

Table 5: Projected local share of business rates

<i>(Amounts £000)</i>	<i>2018/19 budget</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>
As modelled	4,957	5,125	5,300	5,480

### *New Homes Bonus*

The New Homes Bonus (NHB) was designed to provide an incentive payment for local authorities to stimulate housing growth in their area. The calculation is based on council tax statistics submitted each October and, up to 2016/17, a ‘bonus’ was payable for the following six financial years based on each (net) additional property using a standardised council tax Band D amount (this varies with the

national average but is historically £1,500+ per property). In two-tier local government areas this payment is split in the ratio 20% to county councils, 80% to district councils.

The NHB scheme started in 2011/12, so 2016/17 was the first year in which the Council received a full six years funding. The amount of NHB received has naturally grown rapidly due to the cumulative funding effect since the scheme was introduced in 2011/12. From 2017/18 the mechanism under which NHB funding levels are determined changed. The number of years over which the funding is received reduced to five in 2017/18 then a further reduction to four years applied from 2018/19 onwards. Additionally a ‘deadweight’ growth upon which no bonus is payable (‘deadweight’ growth) was been introduced, further reducing future payments. The deadweight growth was set at 0.4% in respect of 2018/19; in future years it is suggested that this may be subject to change dependent on national affordability criteria.

The figures used in this current MTFS are based upon assumptions derived from historical information and internal estimates of housing growth informed by the extant Local Plan. The calculations are also impacted by the total number empty properties within the housing stock on the effective date on which NHB is calculated; whilst the Council has a programme which seeks to bring empty housing stock back into use there is a stochastic element to this figure which creates a certain volatility in the amount of NHB receivable.

The housing growth in recent years has given rise to NHB as tabulated below.

Table 6: Charnwood New Homes Bonus 2013/14 – 2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19
Additional properties	626	727	569	642	877
Associated NHB (year) £000	733	878	716	829	1,198
Cumulative NHB (grant) £000	2,897	3,775	4,491	4,004	3,621

Historically, housing growth has been in the order of 0.75% to 1.5% of the council tax base but net additions in 2018/19 suggest that the projected housing growth in Charnwood, evidenced through the local plan and the numbers of new homes receiving planning permission, is starting to feed through onto the council tax register.

The calculation of additional properties giving rise to NHB is not performed until October but indicative figures from our council tax database suggest that in the order of 700 properties had been added to our council tax base in the period to 30 June 2018; pro rata this would suggest a net increase for the year in the range 900 – 1,000<sup>2</sup>.

Data from Planning colleagues relating to the five-year housing supply shows the following:

<sup>2</sup> This number will be updated for the final version of the MTFS due at Cabinet in November



Table 7: Housing completions estimated: Five year land supply 2018 - 2023

	2018/19	2019/20	2020/21	2021/22	2022/23
Estimated completions	1,097	1,462	1,218	882	866

It should be noted that the above estimates relate to financial years and that the impact is lagged in respect to NHB. However, these estimates correlate with recent data from the council tax base and indicate that current housing trajectory is around 1,000 net additions per annum.

For the purposes of the MTFs we have assumed 3% annual growth in net additional properties from the 2018/19 baseline, with a continuing 'deadweight growth' of 0.4% and with NHB rules remaining unchanged. The standard Band D council tax amount is assumed to increase by 3% year on year, in line with recent history.

Table 8: Assumed growth in Housing and associated NHB grant receivable

<i>(Monetary amounts £000)</i>	2018/19	2019/20	2020/21	2021/22
Net additional properties	877	903	930	958
Deadweight percentage applied	0.4%	0.4%	0.4%	0.4%
Standardised council tax rate	£1,591	£1,638	£1,687	£1,738
Associated NHB	1,197	1,266	1,338	1,414
<b>Cumulative NHB</b>	<b>3,621</b>	<b>4,008</b>	<b>4,630</b>	<b>5,214</b>

The significant uncertainty around the future of NHB beyond 2019/20 means that this income stream can be regarded as particularly vulnerable. Loss of NHB may be mitigated through increased business rate retention if the Fair Funding review takes account of this income stream, either 'permanently' or through some temporary transition arrangements. The reduction in Council funding under alternative scenarios is tabulated below:

Table 9: Reduction in NHB income under alternative scenarios

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22
Tier split altered – 50% allocation to Districts (80% under current rules)	0	669	1,376
No additional NHB from 2020/21 but NHB paid in respect of previous years	0	1,338	2,752
All NHB discontinued from 2020/21	0	4,630	5,214

## 7. Treasury management and projected investment income

The majority (currently 82%) of Charnwood's investments are short-term, mainly made up of cash deposited for short periods on money markets. The remainder are made up of loans to other local authorities for periods of up to 2 years and longer term holdings in property funds. In recent years these have had a value in the range of £39-56m at any point in time. Broadly, these amounts represent a combination of Council Reserves (such as monies earmarked to fund the Capital Plan), business

rates and council tax collected on behalf of the County Council, local police and fire authorities, and parishes. The investment income generated from these balances remains an important source of funding for the Council despite the ongoing low level of interest rates.

In selecting its investments, the Council must balance the rates of return available whilst ensuring the security and liquidity of its investments. As a body that must take its stewardship of public money seriously, the Council adopts a prudent treasury management strategy. This strategy is subject to Council approval each year and aims to allow the Council's finance team appropriate levels of latitude in the day to day management of treasury operations within closely defined operational parameters.

The investment strategy is weighted towards security and liquidity of capital and, in general, it is envisaged that this approach will continue. However, this strategy assumes a continuation of the trend of recent years to seek increased returns through loans to other public sector bodies and investments in a wider range of financial instruments, such as property funds, in which the Council made an investment earlier this year. Therefore, whilst security and liquidity remain paramount, the Council is now adopting a more proactive approach and is accepting a slight degradation in risk and liquidity factors<sup>34</sup> in exchange for higher returns.

The Council retains the services of treasury consultants to assist in its investment management. Their modelling is reflected in the outlook for investment income set out in the table below. It should be noted that these figures assume a mix of investments in line with that of recent years. The more proactive approach to investment is expected to yield additional returns over and above those shown below; these are analysed separately for presentational purposes in Section 9 of this document, which covers the Council's transformation and efficiency plans.

Table 10: Investment income (interest receivable) projections

<i>(Amounts £000)</i>	2018/19	2019/20	2020/21	2021/22
<b>Assumed returns</b>	300	325	325	325

## 8. Key operational assumptions

The Council's 'Net Service Expenditure' is the total amount spent on services, offset by income associated with the provision of those services such as planning fees receivable, income generated by the Council's car parks, or service specific grant income. The basis of the Council's projected Net Service Expenditure for the purposes of the MTFS is the 2018/19 budget. Known 'one-offs' (income or

<sup>3</sup> Context here is important; the Council's investments can / will still be regarded as low risk within the range of all available financial investment opportunities

<sup>4</sup> Changes such as described have, or would, require Full Council approval of the Treasury Management Strategy

expenditure arising in 2018/19 only) are removed and then the numbers are adjusted for a limited number of known contractual commitments.

The principal adjustments to the 2018/19 budget are tabulated below:

Table 11: Principal adjustments to the 2018/19 budget made for MTFS purposes

<i>(Monetary amounts £000 unless stated)</i>	2019/20	2020/21	2021/22
Wages and salaries <ul style="list-style-type: none"> <li>2% annual increases assumed in line with most recent pay settlement</li> </ul>	+2%	+2%	+2%
Payroll on-costs <ul style="list-style-type: none"> <li>1% annual increases assumed reflecting requirement for increased pension contributions</li> </ul>	+1%	+1%	+1%
<i>Specific contractual commitments:</i>			
Member allowances <ul style="list-style-type: none"> <li>Linked to staff salary increases</li> </ul>	7	7	8
Leisure contract <ul style="list-style-type: none"> <li>Includes more beneficial income terms in later years</li> <li>Includes inflationary element</li> </ul>	9	(35)	(44)
Environmental services contract (refuse collection and street cleaning) <ul style="list-style-type: none"> <li>Increases reflect ending of extension period in 2020 and requirement to replace refuse freighter fleet</li> <li>Includes inflationary element</li> <li>Amounts do not include additional efficiencies separately identified in transformation and efficiency plan (see Section 9)</li> </ul>	358	1,060	1,518
Revenues & Benefits contract (council tax collections and housing benefit disbursements) <ul style="list-style-type: none"> <li>Savings reflect existing contract terms plus anticipated savings arising from cessation of existing contract in 2020</li> <li>Includes inflationary element</li> <li>Amounts do not include additional efficiencies separately identified in transformation and efficiency plan (see Section 9)</li> </ul>	(12)	(109)	(113)

### Operating income

The Council generates income from various activities. For information the top five sources of income and the associated projections are tabulated below:

Table 12: Projected operating income

<i>(Amounts £000)</i>	2018/19 budget	2019/20	2020/21	2021/22
Planning fees	1,293	1,293	1,293	1,293
Garden waste collections (excludes additional amounts presented separately and identified in transformation and efficiency plan - see Section 9)	1,214	1,214	1,214	1,214
Off street car park income	910	910	910	910

Sales - general	682	682	682	682
Rents - general	628	660	660	660

Of note within these projections:

- A prudent view is taken of planning fees as it is believed that many major fee generating applications associated with the Core Strategy have already been submitted
- A similarly prudent view is taken of other fee income except that;
- The potential for the generation of additional fee income (principally related to garden waste collections) is reflected in the transformation and efficiency plan at Section 9.

#### *Expenditure pressures*

Additional expenditure may be unavoidable due to policy, legislative or commercial pressures. Other than set out above these service pressures are not included at this stage as these will form part of the more detailed annual budget setting process which requires a business case to be completed.

Table 13: Total amount – Net Service Expenditure

<i>(Amounts £000)</i>	<i>2018/19 budget</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>
<b>As modelled</b>	<b>18,221</b>	18,656	19,665	20,562

## **9. Transformation and efficiency plans**

Charnwood has a record of generating efficiencies through continuous improvement and is also engaged in a number of initiatives designed to transform the customer experience, existing ways of working, to increase returns on financial and non-financial assets, and to generate efficiencies. The Council's approach to transformation and the generation of efficiencies was discussed as part of the Peer Challenge process undertaken by the Council in March 2018. An agreed action was that the Council would provide more information of these plans and in response a summary of these activities is set out below.

#### *Treasury management*

The Council has always sought to balance security and liquidity of financial assets against available financial returns. Although interest rates may finally be on an upward curve they remain at historically low levels and whilst remaining prudent, it is considered appropriate to widen the range of treasury activities to increase returns generated. This approach is a continuation of that adopted in recent years where the Council has started offering loans to other local authorities and investing in property funds.

### *Asset creation – Messenger Close*

The Council is in the process of developing storage compounds at the 'brown field' Messenger Close site. The site is due for completion and occupation in 2018/19 and should be fully on-stream for the whole of the MTFS period.

### *Investment in commercial assets*

Other Councils have invested in commercial assets, such as warehouses, hotels and retail units, with a primary objective of making a financial return. This approach naturally carries an element of risk, particularly if financed by borrowing, and there are technical constraints that may make investment returns less attractive than immediately apparent. Nonetheless, this is clearly an activity that should at least be considered by Charnwood and exploration of member risk appetite in this regard will be undertaken in forthcoming months.

### *Commercialisation – increased fees and charges*

The Council reviews fees and charges on a regular basis. Whilst not all charges are set with a view to maximising revenue (as other policy considerations may mitigate against this) revenue generation is usually a major consideration. Over the period of this MTFS it is envisaged that, in particular, additional revenue will be generated through increasing charges for the garden waste collection service.

### *Commercialisation – new ventures*

Initiatives are in progress to develop additional revenues through the introduction of a trade waste service and commercialising other services through joint venture (or similar) arrangements with neighbouring local authorities.

### *Major contract efficiencies*

Charnwood has a number of major contracts for the delivery of services including refuse collection, street cleaning, revenues and benefits, maintenance of open spaces, and leisure centres. Two of these – covering environmental services, and revenues and benefits, are due for renewal in 2020 and it is envisaged that some reductions in the cost of the service, over and above the core expenditure assumptions noted in Section 8, can be achieved.

### *Transformation – accommodation*

The Council has yet to take full advantage of new technology that enables 'agile working' a loose concept that could include increased levels of home working and hot desking. Successful implementation should yield cashable savings by reducing the accommodation footprint. Initial exploration of accommodation options is underway and achievement of savings within the MTFS period is realistic.

### *Transformation – efficiencies enabled through ICT*

The existing On-line Customer Experience project seeks to enable and improve the ability of customers to transact with the Council digitally. Having invested in technology it is logical that this initiative, alongside other digital initiatives such as the Document Management and Digital Democracy projects should deliver efficiencies in ways of working.

### *Continuous improvement*

Given the Council's record of continuous improvement – and of outturn underspends versus budgets – it is reasonable to assume further efficiencies at service level can be generated.

The additional income generated or cashable savings deliverable from the above list is inevitably somewhat speculative, and plans and business cases will be refined as far as possible for the final version of this document. For the purposes of this draft MTFS the positive net financial impact of the Council's transformation and efficiency plans is tabulated as follows:

Table 14: Net positive impact of transformation and efficiency plans

<i>(Monetary amounts £000)</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>
Proactive treasury management • Additional amount to that noted in Section 7 Table 10	25	25	25
Asset creation • Reflects full occupation of Messenger Close from 2019/20	15	15	15
Commercial investment • Speculative – assumes £1m generating 5% return in 2020/21 and £2m generating 5% return in 2021/22	0	50	100
Commercialisation – increased fees and charges • Major proportion to be generated through increased garden waste scheme charges • Additional amount to that noted in Section 8 Table 12	250	260	270
Commercialisation – new ventures • Principally trade waste	(10)	0	20
Major contract efficiencies • Potential additional savings through direct Council funding of the new refuse fleet • Additional amount to that noted in Section 8 Table 12	20	60	90
Transformation – accommodation • Speculative, but based on proposition that accommodation footprint will be reduced allowing the ICS building to be vacated	0	0	50
Transformation – ICT enabled new ways of working • 1x FTE cashable saving to be found in each financial year (to be managed through natural wastage)	30	60	90
Continuous improvement – service level efficiencies • Not specified but justified by history of underspends	100	180	250
<b>Total</b>	<b>430</b>	<b>650</b>	<b>910</b>

The figures quoted above should be regarded as indicative and illustrative only for this version of the draft MTFS. Some refinement of the numbers will be possible for the final version of the MTFS, but in many cases will remain somewhat speculative. The key message here however is that should elements of the plan fail to deliver savings (or income growth) in line with those projected above, then other savings will need to be generated from other areas of the Council's operations.

## **10. Existing financial resources and use of prudential borrowing**

Currently, Charnwood retains a number of reserves on its balance sheet, representing amounts that the Council may use to deliver or enhance Council services. Broadly, these are of three types:

- The General Fund balance that can be used to fund any type of expenditure
- Balances that may be used to fund any type of expenditure but which have been earmarked for specific uses by the Council
- Balances that are restricted in use by Government regulation that can be used to fund only specific types of expenditure, usually of a capital nature

There are also other balances on the Council's balance sheet created as a result of Government regulation or accounting rules. These balances are not available to fund expenditure of any type.

In recent years Charnwood has continued to invest in service delivery and the MTFS assumes that:

- The General Fund balance will be maintained at a level of not less than £2m in line with good practice
- Other reserves will be utilised or created during the period of the MTFS as appropriate; additionally, transfers between reserves may be deemed appropriate

As will be seen from the financial projections (Tables 13 and 14) Charnwood has a good level of reserves and even if no management action were taken to address the projected net funding deficit across the period of the MTFS, existing activities could be funded by reserves in the short term.

In addition, the Council could consider utilising reserves in the short term in order that services can be restructured in a cost effective and efficient manner giving a sustainable base for the future.

### *Growth Support Fund and Capital Plan Reserve*

A Growth Support Fund has been established to support growth throughout the Borough. This fund is a revenue reserve and can be used for a variety of purposes, both revenue and capital. In addition, a Capital Plan Reserve has been created so that the Council can supplement its level of usable capital receipts. This reserve is for General Fund capital items only and is not constrained as to the schemes it can fund.

### *Usable Capital Receipts Reserve*

The Usable Capital Receipts Reserve represents the proceeds of asset sales available to meet future capital expenditure. The use of this reserve is restricted for application on items of a capital nature.

Within Charnwood a well-established process exists for the management of the capital plan. For the purposes of the MTFs we are therefore able to assume that sufficient resources exist, or will be generated, to finance all uncompleted schemes within the current Capital Plan. Funding required beyond this point will rely on the Council's ability to generate new receipts from asset sales, or funding from revenue and/or reserves or Prudential Borrowing, which is discussed below.

### *Use of Prudential Borrowing – General Fund*

Charnwood has been able to avoid the use of borrowing in recent years. However, given the level of uncertainty over future funding streams for local government and the desire to stimulate the growth of the local economy, the possibility of raising funds for investment purposes through the use of prudential borrowing is likely to be considered during the period of this strategy document, particularly to finance commercial investments, as envisaged within the transformation and efficiency plan (see Section 9). The interest and principal payable on such loans will be an ongoing 'revenue' charge to the Council that would impact upon funds available for day to day service delivery therefore any such investment will be subject to strict criteria around economic regeneration and rates of return on investment.

### *Use of Prudential Borrowing for Housing*

The Council will externally borrow, if necessary, to undertake works in line with its Housing Capital Investment Programme and 30 Year Housing Business Plan. Where feasible it will 'internally borrow' from the General Fund provided there are surplus amounts available for this purpose. These internally borrowed amounts will be at similar interest rates to those offered by the government's Public Works Loan board (PWLb). The Council retains all its Council dwellings rental income in order to service the HRA debt, pay for repairs and maintenance of the housing stock and for its housing operations generally. This borrowing, and any additional borrowing as mentioned above, is segregated from General Fund borrowing and so does not



directly impact on the MTFS. Further details regarding the HRA are set out in the section covering the Housing Revenue Account.

## 11. Financial Projections 2018 – 2021

Table 13: MTFS financial projections

General Fund Expenditure	2019/20 £000	2020/21 £000	2021/22 £000
<b>Net Service Expenditure</b>	<b>18,656</b>	<b>19,665</b>	<b>20,562</b>
Interest Payable	240	240	240
Interest Receivable	(325)	(325)	(325)
	<u>18,571</u>	<u>19,580</u>	<u>20,477</u>
Transformation and efficiency plan	(430)	(650)	(910)
<b>Total Net Expenditure</b>	<b><u>18,141</u></b>	<b><u>18,930</u></b>	<b><u>19,567</u></b>
<b>Financing Strategy</b>			
Revenue Support Grant	(165)	0	0
Business Rates Funding	(5,125)	(5,300)	(5,480)
Council Tax Receipts	(6,917)	(7,347)	(7,791)
Loughborough Special Rate	(1,215)	(1,237)	(1,259)
New Homes Bonus	(4,008)	(4,630)	(5,215)
Deficit / (surplus) on Collection Fund	200	(50)	(50)
<b>Total income</b>	<b><u>(17,231)</u></b>	<b><u>(18,564)</u></b>	<b><u>(19,795)</u></b>
Total Net Expenditure from above	18,141	18,930	19,567
<b>Funding shortfall / (surplus)</b>	<b><u>910</u></b>	<b><u>366</u></b>	<b><u>(228)</u></b>
Implied use of / (addition to) reserves in year – Service Expenditure	710	416	(178)
Implied use of / (addition to) reserves in year – Collection Fund	200	(50)	(50)
<b>Total Implied use of / (addition to) reserves in year</b>	<b><u>910</u></b>	<b><u>366</u></b>	<b><u>(228)</u></b>
Cumulative use of reserves over period of MTFS	<u>910</u>	<u>1,276</u>	<u>1,048</u>

The impact of these projections on the Council's revenue reserves are set out below:

Table 14: Impact on Revenue Reserves

	2019/20	2020/21	2021/22
	£'000	£'000	£'000
Balances brought forward	8,480	7,570	7,204
Implied use of / (addition to) reserves in year for Service Expenditure	710	416	(178)
Implied use of / (addition to) reserves in year by Collection Fund	200	( 50)	( 50)
<b>Balances carried forward</b>	<b>7,570</b>	<b>7,204</b>	<b>7,432</b>
<i>Analysis of revenue reserves</i>			
Working Balances	4,080	3,714	3,942
Reinvestment Reserve	586	586	586
Growth Support Fund	18	18	18
Capital Plan Reserve	2,081	2,081	2,081
Other Revenue Reserves	805	805	805
<b>Total balances (as above)</b>	<b>7,570</b>	<b>7,204</b>	<b>7,432</b>

#### *Additional notes on the financial projections*

*Council Tax support for Parishes:* an explicit amount was included in the Revenue Support Grant at the inception of the local scheme of council tax support to passport on to town and parish councils as compensation for the reduction in council tax base that arose at that time. In subsequent years there has been no explicit notification of this grant within the RSG but Charnwood established the practice of passporting an amount to towns and parishes in the same proportion as originally created. However, given the elimination of RSG, no further funds will be transferred.

*Collection Fund:* In any year the amounts of council tax or business rates actually collected will differ from that budgeted due to additions or removals of properties from the register, or non-collection of amounts billed. These surpluses or deficits are managed through the collection fund and (effectively) reflected in adjustments to precepts in subsequent years. For 2019/20 the impact of the collection fund deficit (mainly due to business rates) can be seen to increase the balance required from reserves by £200k. This figure is an estimate and is likely to change as updated information becomes available. The collection fund covers all of the Leicester and Leicestershire authorities and a period of three financial years, it is therefore very complex, difficult to project and figures are changing constantly. This is an issue nationwide not just in Leicester and Leicestershire.

## 12. Risk and sensitivities

There are major uncertainties for Charnwood arising from future developments in local government funding from the 2020/21 financial year. These - which are essentially linked – concern the outcome of the Fair Funding review and the future of the New Homes Bonus scheme which will impact the Council from this year. The potential range of funding outcomes is so significant that other sensitivities within the MTFs projections are dwarfed.

Table 9 considered potential shortfalls in grant funding arising from potential changes to the New Homes Bonus scheme. This is expanded below to illustrate the impact on the use of revenue reserves (*ceteris paribus*):

Table 16: Impact on reserve usage following reduction in NHB income under alternative scenarios

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22
<b>Projected use of reserves – main Scenario</b>	<b>910</b>	<b>366</b>	<b>(228)</b>
#1: Tier split altered – 50% allocation to Districts (80% under current rules)	0	669	1,376
<b>Revised use of reserves under Scenario #1</b>	<b>910</b>	<b>1,035</b>	<b>1,148</b>
No additional NHB from 2020/21 but NHB paid in respect of previous years	0	1,338	2,752
<b>Revised use of reserves under Scenario #2</b>	<b>910</b>	<b>1,704</b>	<b>2,524</b>
All NHB discontinued from 2020/21	0	4,630	5,214
<b>Revised use of reserves under Scenario #3</b>	<b>910</b>	<b>4,996</b>	<b>4,986</b>

The latter of these scenarios – which would essentially wipe out all of the Council’s revenue reserves - may be regarded as very extreme and in practice the Government may choose to mitigate a harsh initial impact of funding reductions via some form of transitional grant. Nonetheless, the loss of funding on this scale – which would require a rapid contraction of services and staff - is considered well within the bounds of possibility in the medium term.

### **13. Note on the Housing Revenue Account**

The Housing Revenue Account (or HRA) is a ring fenced set of transactions that sit within the wider financial records of the Council. It had gross income of £22.4m in 2017/18 of which £21.0m was dwelling rents. Expenditure on management and repairs amounted to £10.7m whilst depreciation was £2.9m. A further £2.7m was required for interest payments on its debt and £2.5m was used to fund additional capital expenditure.

There is a surplus or deficit on the HRA each year which is added to the brought forward HRA balance. This balance should always be in surplus and at 31 March 2018 it was £617k against a target balance of £617k. There is an additional £6,982k in a new Housing Financing Fund, the purpose being to help militate against the financial pressures that national policy will place on the HRA in the medium-term.

There is still central government control of rental levels (including a 1% rent reduction) and certain other restraints on how the Council may manage its housing stock. The most recent 30 Year Housing Business Plan, which effectively represents the MTFs for the HRA, was approved by Council in November 2014. It is intended that this will be updated but this is currently on hold until the details behind the new national policy is published and its financial impact on the HRA quantifiable.

### **14. Reserve Strategy**

As outlined above, from 2020/2021 onwards grant funding from central government is highly uncertain. The Council's strategy is to have a minimum of £3m in the working balance going into the 2020/21 financial year, giving at least £1.0m flexibility above the stated 'usual' minimum of £2m in order to give headroom to allow a controlled adaptation of services to match ongoing financial resources. Based on current projections, the working balance at 31 March 2021 will be £3.9m which is acceptable at this time.

### **15. Monitoring, Delivery and Review**

There are well established processes for the monitoring of budgets which include regular outturn reports to the Performance Scrutiny Panel and Cabinet. For example, Revenue and Capital Plan outturn reports are usually presented to Cabinet in the July following completion of the financial year. No additional monitoring is therefore deemed necessary. As discussed previously however, it is envisaged that there will be increased focus on identifying budget areas that show persistent underspending year on year.