



**CABINET**

This meeting will be recorded and the sound recording subsequently made available via the Council's website.

Please also note 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. The use of any images or sound recordings is not under the Council's control.

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

All other members of the Council  
(for information)

You are requested to attend the meeting of the Cabinet to be held in Virtual Meeting - Zoom on Thursday, 13th August 2020 at 6.00 pm for the following business.

Chief Executive

Southfields  
Loughborough

31st July 2020

**AGENDA**

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

3 - 11

To approve the minutes of the previous meeting.

5. QUESTIONS UNDER CABINET PROCEDURE 10.7

The deadline for questions is noon on Wednesday, 5th August 2020.

6. COMMERCIALISATION SCRUTINY PANEL

12 - 49

A report of the Head of Strategic Support.

7. OPTIONS FOR 2020 LOUGHBOROUGH EVENTS -  
REMEMBRANCE PARADE, FAIR, CHRISTMAS LIGHTS AND  
PANTOMIME

50 - 58

A report of the Head of Leisure and Culture.

*Key Decision*

8. EXEMPT INFORMATION

It is recommended that members of the public be excluded from the meeting during the consideration of the following item 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 and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

9. LEISURE CENTRE CONTRACT UPDATE

An exempt report of the Head of Leisure and Culture circulated to members.

Notification was given on 15th July 2020 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*

## CABINET 9TH JULY 2020

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

Councillor Seaton  
Councillor Bolton (Item 5 – Questions)  
Mr M. Hunt (Item 5 – Questions)

Chief Executive  
Strategic Director of Corporate Services  
Strategic Director - Commercial Development  
Head of Strategic Support  
Head of Finance and Property Services  
Head of Neighbourhood Services  
Neighbourhoods and Partnerships Manager  
Democratic Services Manager  
Information Development Manager  
Democratic Services Officer (LS)

APOLOGIES: Councillor Morgan

In the absence of the Leader, this meeting was chaired by the Deputy Leader.

The Deputy Leader stated that this meeting was being livestreamed as a public meeting and would also be recorded and the 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.

### 10. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

The following disclosures were made:

- (i) Councillor Smidowicz – a personal interest as a trustee of The Carpenter's Arms, that organisation was referred to in an item on the agenda.
- (ii) Councillor Poland – an interest in item 12 on the agenda as a member of Leicestershire Fire Authority.

### 11. LEADER'S ANNOUNCEMENTS

On behalf of the Leader, the Deputy Leader made the following announcement:

Srebrenica Memorial Day 2020

“This year marks the 25th anniversary of the Srebrenica genocide, in which over 8,000 Muslim men and boys were murdered in the worst atrocity on European soil since the Second World War, simply because of their religious identity. As an organisation we believe that we must ensure that we never forget about the genocide and reaffirm our commitment to standing up against all forms of hatred and prejudice that targets groups based on their religion, ethnicity, gender, sexuality or any type of difference.

The theme of 2020, “Every Action Matters” seeks to encourage every person to reflect upon their own behaviour and choices that they make, and demonstrate that however insignificant it may seem, every action matters, whether positive or negative. It aims to show that those who stand up and unite against hatred can make a difference. It sets out to dispel the notion that one person cannot make a difference and show that the action of one individual does matter and that they can achieve a great deal, however small their action may appear initially.

It is now more important than ever for us to come together, no matter what our background, to celebrate diversity and to stand together in solidarity against hatred and discrimination by mourning the loss of those who died at Srebrenica and reflecting on how we as individuals, groups and communities can come together to build a better future without hatred”.

12. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 4th June 2020 were confirmed as a correct record.

13. QUESTIONS UNDER CABINET PROCEDURE 10.7

A. Mr M. Hunt – Garendon Obelisk and Woods Surrounding

“Would the Leader thank officers for the recent attention they have given to the protection and refurbishment of the Garendon Obelisk and their on-going care for the monuments and listed landscape?

The woods surrounding the Obelisk are within the Garendon Development Site Area, and at one end integral to Booth Wood in a continuous landscape feature. What are the current and future plans for these woods which lie within the development site?

Would the Leader agree that it would be silly not to manage this area of woodland jointly for the protection of wildlife and controlled public access?

When do we expect Booth Wood to become Local Nature Reserves?”

The following response had been published prior to the meeting:

*Booth Wood lies within the boundary of the Garendon SUE development area and is part of a wider area of woodland that surrounds the Obelisk.*

*The woodland within the Garendon estate will be managed for conservation and to control access/recreational use as the new housing develops but its characteristics*

*are quite different from Booth Wood. Booth Wood is an established semi natural woodland with a varied structure and canopy composition whilst the woodland elsewhere on the Garendon estate is even aged plantation with a closed canopy and is understood to have fairly limited ground cover. It is therefore appropriate to treat them differently.*

*The Estate woodland is to be managed by a Management Company as set out in the legal agreement to the planning permission. Booth Wood is owned and managed by the Borough Council and that arrangement is expected to continue alongside those of the Management Company.*

*The Council expects Booth Wood to be declared as a Local Nature Reserve later this year.*

Mr Hunt wished to ask the following supplementary question:

“My sincere thanks for this important background information and the welcome prospect of declaring Booth Wood a Local Nature Reserve. I am a little confused by the statement that Booth Wood is “within the boundary of the Garendon SUE development area” and would be grateful for clarification of this because the wood clearly lies outside the red line defined in the latest Master Plan\*.

Whilst I understand that some of the extensive woodland on the estate is different from Booth Wood, would you confirm that the adjoining wood to Booth Wood, extending as far as the Obelisk, is particularly different from Booth Wood in terms of its characteristics and in what way?”

\*Mr Hunt had submitted his supplementary question to officers in advance of the meeting and had included a map to illustrate this point.

In response, the Deputy Leader stated that, in light of the supplementary question, the application details had been checked and it had been confirmed Booth Wood was adjoining but outside the boundary as indicated by Mr Hunt. An apology was given for the oversight. The Deputy Leader added that the Council’s Senior Ecologist advises that woodland within the Garendon estate will be managed for conservation and to control access/recreational use as the new housing develops but its characteristics are quite different from Booth Wood. Booth Wood is an established semi natural woodland with a varied structure and canopy composition while the woodland in question on the Garendon estate is even aged plantation with a closed canopy and fairly limited ground cover. It would be considered not necessarily to make sense therefore to treat them in the same way.

B. Mr M. Hunt - Jubilee Park Outdoor Gym (Loughborough)

“What was the final cost of the Jubilee Park Outdoor Gym, how is use monitored and do we have plans to increase its use?”

The following response had been published prior to the meeting:

*The outdoor gym at Jubilee Park was installed at a cost of £20,000, following consultation with local Councillors and feedback received about improvements to open*

*spaces in the area. Outdoor gyms provide free access to gym equipment in the outdoor environment for those who wish exercise outside or who may not feel comfortable in a gym.*

*The Council monitors use and condition of the equipment through its regular programme of inspections for play and outdoor equipment. Users of the equipment can download the Proludic Sports app to monitor and track their exercises on the outdoor gym. We will continue to work with Active Charnwood to encourage healthy lifestyles and access to sports and recreation across all parks in the Borough for local residents.*

C. Councillor Bolton – Council Tax Support and Payment

- “(i) How many residents have put in claims for council tax support since 1st April 2020?
- (ii) Of those who have put in a claim, how many have been successful?
- (iii) How many residents have failed to pay their council tax on time in the period April to June 2020?
- (iv) How many residents took up the option of deferring their council tax payments to a later date?”

The following response had been published prior to the meeting:

- (i) *902 claims have been received during this time.*
- (ii) *Identifying the successful and unsuccessful new claims can only be done by a manual check and count which would be extremely labour intensive, estimated to take approx. 1.5 days work. Based on the current workload of the team this would be difficult to provide at present.*
- (iii) *Approximately 2500 (this figure has been calculated by taking the number of unpaid Direct Debits plus the approximate number of reminders issued last week relating to this financial year).*
- (iv) *3063 accounts.*

In making a statement, Councillor Bolton referred to her disappointment and surprise that no analysis of successful versus unsuccessful claims was available, although she understood these were very difficult times. She wished to ask the following supplementary question:

“What are Charnwood Borough Council planning to do to further help residents in difficult financial circumstances to pay their Council Tax and any associated arrears?”

In response, the Deputy Leader referred to the availability of a hardship fund for Council Tax to which residents could apply if they so wished. Also, to the option of deferring payment as referenced in the published question and response. Officers would willingly speak to any resident regarding arrears and how those could possibly be extended over a period. The Council was not unreasonable, would consider all circumstances and try to accommodate those as far as it could. In respect of an analysis of successful and unsuccessful claims not being available, that was done on an equitable basis, but the work involved to provide the information would be substantial. Councillor Bolton’s disappointment was recognised, but there was no

intention to be obstructive, rather it was due to pressures, indeed the service concerned had dealt with substantial numbers of grant applications to assist businesses. The Council would do everything it could to help residents.

Both Mr Hunt and Councillor Bolton wished to thank the Cabinet for the responses provided.

14. GENERAL FUND AND HRA REVENUE OUTTURN REPORT 2019/20 AND CARRY FORWARD OF BUDGETS

Considered, a report of the Head of Finance and Property Services setting out the General Fund and Housing Revenue Account (HRA) Outturn position for 2019/20 compared with Original budget and requesting budget carry forwards of £5.6k for the General Fund (item 6 on the agenda filed with these minutes).

Councillor Seaton, Chair of the Scrutiny Commission, presented a report setting out the Commission's pre-decision scrutiny of the matter and recommendation (copy filed with these minutes).

The Head of Finance and Property Services assisted with consideration of the report.

**RESOLVED**

1. that the Revenue Outturn positions of the General Fund and Housing Revenue Account for 2019/20 be noted;
2. that carry forwards of budgets amounting to £5.6k for Unit 4 upgrades, Making Tax Digital/GDPR Financial System upgrades that are still to be finalised in 2020, this is be funded from the General Fund working balance;
3. that the report of the Scrutiny Commission be noted.

Reasons

1. To enable the information to be used when considering future budgets and the Medium Term Financial Strategy.
2. To enable the budgets to be carried forward to cover costs of committed services in 2020-21.
3. To acknowledge the work undertaken by and the views of the Scrutiny Commission.

15. CAPITAL PLAN OUTTURN REPORT 2019/20

Considered, a report of the Head of Finance and Property Services setting out total expenditure on the Capital Plan for 2019/20 compared with the current budget and detailing those schemes that required carry forward of budget to 2020/21 and 2021/22 and the provisional arrangements for the financing of the Plan (item 7 on the agenda filed with these minutes).

Councillor Seaton, Chair of the Scrutiny Commission, presented a report setting out the Commission's pre-decision scrutiny of the matter and recommendation (copy filed with these minutes).

The Head of Finance and Property Services assisted with consideration of the report.

It was agreed that the Head of Planning and Regeneration would be asked to provide information to Councillor Rattray on the current position with the Shepshed Bull Ring scheme. It was understood that recent progress had been made with the scheme.

## **RESOLVED**

1. that the outturn position for 2019/20 be noted and that slippage of capital budgets totalling £9,292,200 be carried forward into 2020/21 be approved (General Fund £8,404,100 and HRA £886,100) and the slippage will be added to the new 3 Year Capital Plan;
2. that the provisional financing of the Plan set out in Table 2 in Part B of the report of the Head of Finance and Property Services be noted;
3. that the report of the Scrutiny Commission be noted.

## **Reasons**

1. To enable projects to be completed.
2. To indicate how the Plan is likely to be financed.
3. To acknowledge the work undertaken by and the views of the Scrutiny Commission.

## 16. **AMENDMENTS TO ANNUAL PROCUREMENT PLAN**

Considered, a report of the Head of Finance and Property Services setting out proposed additions to the Annual Procurement Plan 2020/21 (item 8 on the agenda filed with these minutes).

The Head of Finance and Property Services assisted with consideration of the report.

## **RESOLVED**

1. that the contracts, over £25,000 and up to £75,000, listed in Appendix A to the report of the Head of Finance and Property Services, be let in accordance with Contract Procedure Rules;
2. that the contracts, over £75,001 and up to £500,000, listed in Appendix B to the report of the Head of Finance and Property Services, be let in accordance with Contract Procedure Rules.



## Reason

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

17. CHARNWOOD COMMUNITY DEVELOPMENT AND  
ENGAGEMENT/LOUGHBOROUGH GRANTS REDESIGNATION

Considered, a report of the Head of Neighbourhood Services seeking agreement to proposed amendments to the Charnwood Community Development and Engagement (including environmental) and Loughborough Community Grant Schemes in 2020/21 to ensure the provision of a grants scheme that supports the local voluntary and community sector (VCS) to recover from the impact of the COVID-19 pandemic (item 9 on the agenda filed with these minutes).

The Head of Neighbourhood Services and the Neighbourhoods and Partnerships Manager assisted with consideration of the report.

Councillor Mercer referred to question 4 e) on the application form attached at appendix 2 to the report. He considered that it would be useful to ask applicants to give details if they had applied for or received any other emergency funding during the current pandemic as this may affect the decision on the application. In response, the Head of Neighbourhood Services stated that that was implied by the question, but it could be made more explicit that those details were needed.

## **RESOLVED**

1. that approval is given to the amalgamation of the Charnwood Community Development and Engagement (including environmental) and the Loughborough Community Grant Schemes in 2020/21 into a single grants scheme renamed Charnwood VCS COVID-19 Recovery Grants;
2. that the Charnwood VCS COVID-19 Recovery Grants Scheme as outlined in Part B, sections 13 to 29 of the report of the Head of Neighbourhood Services is approved as the way forward for 2020/21;
3. that the draft Application Form and Guidance Notes (containing the criteria) attached at Appendices A and B to the report of the Head of Neighbourhood Services are approved and that the Head of Neighbourhood Services, in agreement with the Cabinet Lead Member, is given delegated authority to finalise these documents;
4. that the Head of Neighbourhood Services, in agreement with the Cabinet Lead Member, is given delegated authority to determine the Charnwood VCS COVID-19 Recovery Grants to be awarded in 2020/21;
5. that the Head of Neighbourhood Services is given delegated authority to finalise the terms and conditions of the awarded Charnwood VCS COVID-19 Recovery grants.

## Reasons

1. To ensure the 2020/21 grants programme is responsive to meeting the needs of the local voluntary and community sector to recover from the impact of the COVID19 pandemic for the period up to 31 March 2021.
2. To enable the delivery of a grants scheme in 2020/21 that is responsive to the impact of COVID-19 on the VCS and assists with its recovery.
3. To enable any further amendments that are required to be made in the required timescales.
4. To ensure that decisions regarding the award of grants, following recommendations from the Grants Panel, can be made in a responsive and timely way to ensure that the required support to the VCS is provided as quickly as possible.
5. To enable the grants awarded to be finalised and appropriate information to be supplied to the Council about the outcomes of the project.

## 18. URGENT DECISIONS TAKEN DURING COVID-19 PANDEMIC

Considered, a report of the Chief Executive setting out actions taken by the Chief Executive and/or Strategic Directors and Heads of Service which were made under urgency provisions due to the COVID-19 pandemic (item 10 on the agenda filed with these minutes).

The Chief Executive and the Democratic Services Manager assisted with consideration of the report. It was acknowledged that the requirements of Section 8.3 of the Council's Constitution had been incorrectly stated in the report in that the requirement was for the action to be reported to the next meeting of the Cabinet and not to a future meeting of the Cabinet as appropriate. On this occasion, the action had been reported as soon as possible, but that had not been to the next meeting of the Cabinet. The Chief Executive added that there remained some further urgent decisions taken by officers that would be reported to Cabinet.

**RESOLVED** that the actions taken by the Chief Executive, and/or Strategic Directors and Heads of Service, which were made under urgency provisions due to the COVID-19 pandemic, be noted.

## Reason

To ensure that the actions have been reported to the Cabinet.

## 19. EXEMPT INFORMATION

**RESOLVED** that members of the public be excluded from the meeting during the consideration of the following item on the grounds that it would involve the likely disclosure of exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972 and it is considered that the public

interest in maintaining the exemption outweighs the public interest in disclosing the information.

*The Information Development Manager confirmed that the meeting was no longer being livestreamed.*

## 20. ENTERPRISE ZONE UPDATE

Considered, an exempt report of the Chief Executive to consider the Legal Agreement between the Council and the Local Enterprise Partnership (item 12 on the agenda filed with these minutes).

Councillor Seaton, Chair of the Scrutiny Commission, presented an exempt report setting out the Commission's pre-decision scrutiny of the matter and recommendation (copy filed with these minutes).

The Scrutiny Commission was thanked for its useful pre-decision scrutiny work, both in respect of this item and items considered earlier in the meeting.

The Chief Executive assisted with consideration of the report.

### **RESOLVED**

1. that decisions be made as detailed in the exempt minute (Cabinet Minute 20E 2020/21);
2. that the exempt report of the Scrutiny Commission be noted.

### Reasons

1. As set out in the exempt minute (Cabinet Minute 20E 2020/21).
2. To acknowledge the work undertaken by and the views of the Scrutiny Commission.

### NOTES:

1. The decisions in these minutes not in the form of recommendations to Council will come into effect at noon on Friday, 17th July 2020 unless called in under Scrutiny Committee Procedure Rule 11.7. Decisions in the form of recommendations to Council are not subject to call in.
2. No reference may be made to these minutes at the next available Ordinary Council meeting unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on Friday, 17th July 2020.
3. These minutes are subject to confirmation as a correct record at the next meeting of the Cabinet.

## CABINET – 13TH AUGUST 2020

### Report of the Head of Strategic Support

#### Part A

#### ITEM 6 COMMERCIALISATION SCRUTINY PANEL

##### Purpose of Report

To consider the recommendations of the Commercialisation Scrutiny Panel following its scrutiny of the Council's existing commercialisation strategy, its future strategy and to identify areas where the Council's income could be maximised, or further improved.

##### Recommendation

Set out below are the Panel recommendations to the Cabinet (1-16), followed by the officer response and recommendation in each case. The Cabinet is asked to consider each of these and decide which recommendations it wishes to agree, if any.

In addition, the Panel made four observations for the Cabinet to note.

##### Reason

To acknowledge the work undertaken by and the views of the Commercialisation Scrutiny Panel and to ensure implementation of scrutiny recommendations where agreed by the Cabinet.

##### **Panel Recommendation 1**

*That all assets owned by the Council are reviewed immediately and annually thereafter to identify revenue and sale opportunities.*

##### Response of the Senior Leadership Team

The Council actually owns dozens of assets so it is not practical to literally review *all* assets *immediately*, particularly in light of pressures created by the COVID-19 outbreak.

However, the Senior Leadership Team (SLT) agree that this is a priority activity which should be undertaken for all material assets to inform the forthcoming budget setting exercise, and on an ongoing basis.

##### **Officer Recommendation 1**

That a review of all material assets be undertaken to inform the forthcoming budget setting exercise, and that this exercise be continued on an ongoing basis.

## **Panel Recommendation 2**

*That the Council should consider hiring out other council facilities for corporate events, examples include, but are not exclusive to, the Charnwood museum, the Town Hall and Council meeting rooms.*

### **Response of the Senior Leadership Team**

The Council currently hires out rooms for let at the Museum and the Town Hall. Other lets can be considered but may also be subject to operational constraints (e.g. facilitation of access to the main Council offices where no Council host is present).

The proposed initiative should not be discounted but likely revenue streams do not suggest that this be a priority initiative in the context of overall budgetary challenges and resource constraints.

Furthermore, the challenges presented with the current pandemic reduce the likelihood that this will result in any benefit.

## **Officer Recommendation 2**

That this review be considered in future periods when resource constraints permit.

## **Panel Recommendation 3**

*That the Council develops criteria to maximise revenue opportunities from existing services and then pursue those that provide the best opportunity to generate income.*

### **Response of the Senior Leadership Team**

A set of criteria was provided to the Commercialism Scrutiny Panel in response to a question asking why the Council felt a focus on commercial property investment was appropriate. Whilst other circumstances may now suggest that focus should be amended, the underlying situation remains the same and the commentary and criteria listed below are still considered relevant.

The latest version of the Medium Term Financial Strategy (covering financial years 2020-2023) set out the likely scale and timing of financial challenges facing the Council in the short and medium term. Although the precise quantum and timing of these challenges is inevitably somewhat speculative it is clear that if commercial activities are to contribute significantly to their mitigation then:

- Income needs to be achievable at a scale that makes a difference
- Income needs to come on stream at significant scale within a relatively short time (realistically within the 2020/21 financial year)

There are also other factors relating to risk, opportunities, and the internal skills and capacity available to the Council. Taking into account these factors, and the requirement for commercial income to be achievable at scale and in the

short term, allowed the following criteria to be derived when assessing potential commercial opportunities.

*Criteria for assessing commercial opportunities*

1. Can income be generated at scale?
2. Can income streams be developed (at scale) within the next financial year?
3. Can the income streams be delivered with relative certainty?
4. Are there significant financial risks associated with the opportunity?
5. Is there a track record within the Council – or other local authorities – which demonstrate the opportunity is viable?
6. Does the Council have any commercial advantage in addressing an opportunity compared to the private sector (or – potentially – neighbouring local authorities or other public bodies)?
7. (Conversely) is the Council at a commercial disadvantage compared to existing players in the market who may have existing brands, infrastructure or track record of service delivery?
8. Could the private sector respond to the Council entering the market by competing aggressively – e.g. through price competition - such that an initial or extended period of trading losses might ensue?
9. Does the Commercial opportunity come with significant legal or regulatory risk?
10. Does the Council have skills and capacity within the existing workforce that enable the delivery of the commercial opportunity?
11. Could the Council easily access skills and capacity from the employment / interim / consultancy markets that enable the delivery of the commercial opportunity?
12. Are there political or ethical reasons which may constrain the Council's ability to provide services on a commercial basis?

**Officer Recommendation 3**

That Cabinet note the criteria set out above.

**Panel Recommendation 4**

*That the Council undertakes pricing analyses, e.g. competitor price analyses or cost analyses, to ascertain if the prices charged for its goods and services are appropriately priced.*

**Response of the Senior Leadership Team**

The cost structure of the Council is very different to that of private sector competitors. As evidenced by many other local authorities, market competition

delivers limited success. A review of Council structural costs will prove more beneficial.

#### **Officer Recommendation 4**

That officers begin this review as soon as is reasonably possible, given current resource constraints.

#### **Panel Recommendation 5**

*That the Council reviews goods and services offered for a fee to residents by other similar councils to assess whether it may offer additional discretionary services for a charge or fee to Charnwood residents.*

#### **Response of the Senior Leadership Team**

Fees and charges are reviewed annually, and where possible, uplifts and or additional fees will be recommended.

#### **Officer Recommendation 5**

That officers review fees and charges in line with budget preparation for financial year 2021/2022.

#### **Panel Recommendation 6**

*That all Council Service areas are evaluated to determine whether they may be subcontracted more efficiently and whether capabilities exist in house that may be sold to other organisations.*

#### **Response of the Senior Leadership Team**

The Council plans a programme of service reviews which will, in the life of the programme, cover all service areas. These reviews will consider alternative methods of service delivery.

#### **Officer Recommendation 6**

That Cabinet notes the intention to implement a programme of service reviews.

#### **Panel Recommendation 7**

*That a central innovation unit based on NWL DC's Think Tank is created to develop, monitor, evaluate, and control commercialisation projects and is part of the new Commercial Development strategic directorate.*

#### **Response of the Senior Leadership Team**

Prior to the COVID-19 outbreak it was intended that a Commercialism Board be set up which would have considered the above within the development of its terms of reference.

Given current resource constraints it is unlikely that the Board will be constituted in the near future but the concept of such a Board, and the NWL DC Think Tank is supported.

#### **Officer Recommendation 7**

That the Senior Leadership Team response above is noted.

#### **Panel Recommendation 8**

*That a training and development programme is developed and implemented for officers on the Council's commercialisation strategy and skills required to embed an entrepreneurial culture and innovative ways of working.*

#### **Response of the Senior Leadership Team**

A commercial enterprise strategy will be presented in October for consideration by Members, which will take into account whether training and development is required and to what extent.

#### **Officer Recommendation 8**

That the commercial enterprise strategy is presented for adoption as noted above.

#### **Panel Recommendation 9**

*That an exercise is carried out to examine internal controls and eradicate those that are surplus with a view to increasing entrepreneurial activity and reducing bureaucracy.*

#### **Response of the Senior Leadership Team**

Constitutional governance, as well as existing Legislation, controls how decisions are taken, by whom, and in what timeframes. Another large element is culture and risk-appetite. The former is relatively easy to execute, while the latter will require time to alter.

#### **Officer Recommendation 9**

That the commercial enterprise strategy lay out the tenants of what is meant by commercial and the principles by which commercial activity must be delivered.

#### **Panel Recommendation 10**

*That non-property related investments and other commercial opportunities considered by the Council are scrutinised prior to the decision being taken and that a monetary value / investment level is set above which decisions are assessed and scrutinised in advance of being made.*



### Response of the Senior Leadership Team

Commercial investment decisions are often done at speed and within very short timeframes, often precluding the ability for scrutiny or traditional approval routes. This is where targets and parameters, set out in a strategy, form a useful set of controls to guide activity. Where possible, the standard routes for scrutiny and approval will be used, but where they cannot, decisions will be taken in consultation with the appropriate officers and members.

### **Officer Recommendation 10**

That for urgent commercial decisions, members be made aware of the process and how it will be executed.

### **Panel Recommendation 11**

*That given the budget pressures identified in the MTFs, the Council borrow more than £10million to invest in commercialisation projects including projects other than commercial property investment.*

### Response of the Senior Leadership Team

The capital programme is currently being reviewed. It should be noted that all borrowing incurs a cost and that cost will vary according to the length of the borrowing and the life of the asset(s) acquired. Further, some projects may not be able to be financed by borrowing.

### **Officer Recommendation 11**

That a revised capital programme is brought to Council once the review is complete.

### **Panel Recommendation 12**

*That the Council considers creating a balanced portfolio of commercial properties, whereby a proportion of properties are purchased within the borough's boundaries and aligned with the Council's strategic objectives.*

### Response of the Senior Leadership Team

In light of current consultations on access to the Public Works Loan Board, officers are reconsidering options concerning property investment. Once the outcomes of this consultation are known, officers can consider how to approach this activity

### **Officer Recommendation 12**

That options concerning investment are reviewed once HM Treasury has updated rules and policy regarding access to the Public Works Loan Board.

### **Panel Recommendation 13**

*That opportunities to improve and increase car parking and car parking enforcement are investigated.*

#### **Response of the Senior Leadership Team**

The Council will need to consider its approach to car parking as part of the recovery agenda and the new economic context we find ourselves in. Opportunities to maximise income will need to be balanced with supporting footfall and regeneration of town centres.

### **Officer Recommendation 13**

That Cabinet note the officer response.

### **Panel Recommendation 14**

*That the ties between the Council and Loughborough University, other regional universities and further education colleges, and other economic development agencies such as the Midlands Engine, are explored and investigated to see if they can be further strengthened to enable all organisations to benefit commercially from joint initiatives.*

#### **Response of the Senior Leadership Team**

Officers are engaging and will continue to engage with our partners in search of viable opportunities for revenue generation.

### **Officer Recommendation 14**

That this engagement continue and any viable opportunities be brought to Cabinet and/or Council for approval when appropriate.

### **Panel Recommendation 15**

*That Council owned garage sites in the Borough be redeveloped for Council owned affordable housing.*

#### **Response of the Senior Leadership Team**

As has been identified previously, the challenge of redeveloping the sites as noted will be the development and financial viability of these schemes and whether the Housing Revenue account can support the such schemes.

### **Officer Recommendation 15**

That the review of garage sites for prospective redevelopment continues in line with existing practice.

## **Panel Recommendation 16**

*That the Council creates a business case for a street cleaning, grounds maintenance company similar to the 'Streetwise Environmental Limited' company of Rushcliffe Borough Council.*

### **Response of the Senior Leadership Team**

The council faces significant financial challenges in the very short term. It is highly unlikely, if not impossible, that such a development would deliver the financial benefits required in the short term.

## **Officer Recommendation 16**

That officers review and target activities that deliver cost savings and/or income generation in the very short term as a priority.

## **Panel Observations**

The Panel also made the following observations, officers may comment if they consider it appropriate.

1. That the Council ensures it develops individual performance targets relating to commercialisation for Council Service areas, and that these be included in the Key Performance Indicator (KPI) list for assessment annually;
2. That the Council considers how empty shops might be used to generate income;
3. That prior to undertaking any commercialisation activity the Council ensures that the purpose of its commercialisation strategy aligns fully with the key corporate objectives and robust risk management processes;
4. That the central Innovation unit (Think Tank) develops a clear and transparent process for evaluating all commercialisation projects using criteria important to the Council.

## **Policy Justification and Previous Decisions**

The Scrutiny Commission, on 6th July 2020, agreed that the report of the Commercialisation Scrutiny Panel be submitted for consideration by the Cabinet.

Scrutiny Committee Procedure 11.12(a) sets out the procedures by which a report of a Scrutiny Committee should be considered by the Cabinet.

In accordance with Scrutiny Committee Procedure 11.12(d), background information and officer advice has been provided within this report to enable the Cabinet to make any decisions without undue delay.

### Implementation Timetable including Future Decisions and Scrutiny

The Cabinet's response to the Panel's recommendations will be fed back to the Scrutiny Commission, indicating what (if any) action the Cabinet proposes to take. Where necessary, the Scrutiny Commission will review the implementation of any Cabinet decisions at an appropriate time, usually after 6 months.

### Report Implications

Implications, if any, are as set in out in the above officer responses.

Key Decision: No

Background Papers: None

Officer to contact: Nicky Conway  
Democratic Services Officer  
(01509) 634787  
[nicky.conway@charnwood.gov.uk](mailto:nicky.conway@charnwood.gov.uk)

## **Part B**

### **Background**

1. At its meeting held on 4th August 2019, the Scrutiny Commission resolved to establish the Commercialisation Scrutiny Panel as an informal Panel. At its meeting on 14th October 2019 the Commission resolved to change the Panel to a formal Panel.
2. The Panel's first (informal) meeting was on 5th November 2019 with the first formal meeting held on 28th November 2019. The Panel concluded its business at its fourth and final meeting on 5th March 2020.
3. The Scrutiny Commission considered the Panel's report at its meeting on 6th July 2020 and resolved that the observations and recommendations of the Panel be submitted for consideration by the Cabinet. The report agreed by the Scrutiny Commission is set out at Annex 1. This includes a foreword by the Chair of the Panel, Councillor Baines. The report also sets out the reasons given by the Panel for each of its recommendations.

Annex 1 - Report of the Commercialisation Scrutiny Panel, July 2020

## **REPORT OF THE SCRUTINY PANEL: How the Council can generate commercial income?**

### **Foreword by Councillor Baines, Chair of the Scrutiny Panel**

*The overall funding base for local authorities has continued to shrink. As central government funding allocations to local authorities are reduced, so councils are forced to either cut their costs with as little impact on frontline services as possible, raise their revenues through council tax or by selling supplementary goods and services to residents, or by some combination of these. Many other councils have already developed, or begun to develop, their commercialisation strategies given the changes in the external financial environment. For Charnwood Borough Council, the requirement is that a shortfall of circa £3m needs to be generated from commercial income between 2020-2023 in order to plug the gap in the Medium-Term Financial Strategy. This report sets out the findings and recommendations of the Commercialisation Scrutiny Panel which sought to gain information into how the Council can generate commercial income to fulfil the need for potential new sources of revenue and to make recommendations as appropriate.*

The Panel wishes to acknowledge and thank all those who acted as witnesses or provided written evidence to assist the Panel with its deliberations.

## 1. Background

The topic for this Panel was suggested at the meeting of the Scrutiny Commission on 3th June 2019 and agreed to be progressed as an informal Panel at its meeting on 4th August 2019. On 14th October 2019 it was resolved by the Commission to change the Panel to a formal Panel.

The Panel's first meeting was an informal meeting on 5th November 2019, followed by its first formal meeting which took place on 28th November 2019. After a third meeting the Panel concluded its initial business at its fourth meeting on 5th March 2020.

## 2. Panel Membership

Chair: Councillor Baines

Councillors Boldrin, Bolton, Charles, Hamilton, and Ranson.

NOTE: Councillor Snartt was identified as a member but when the meeting dates were arranged, he could no longer attend.

## 3. Terms of Reference and Reason for Scrutiny

The Panel's Terms of Reference, agreed by the Panel at its informal meeting on 5th November 2019 and confirmed by Scrutiny Commission on 9th December 2019 were as follows:

*The Panel will:*

- *consider if there are any areas for improvement or change in the Council's existing commercialisation strategy, and whether other policies require updating, and how they relate to national policy framework.*
- *put forward recommendations for future strategy.*
- *undertake informal factfinding research to establish what income generating activities are already in place at the Council and compare with information gathered from other similar types of Councils locally and nationally.*

The Scrutiny Commission wished the Panel to identify areas where the Council's income could be maximised, or further improved.

The Scope Document for the scrutiny review undertaken by the Panel is attached at **Appendix 1**. This sets out the above Terms of Reference and Reason for Scrutiny. The document outlines the position at the conclusion of the Panel's work and, therefore, includes additional stakeholders and resources identified by the Panel as its work progressed, notes added to assist the Panel and a summary of the progress made by the Panel.

#### **4. Evidence, Stakeholders and Witnesses**

The Panel received information from the following stakeholders and witnesses:

##### Information from officers within the Council

- Introduction from Chief Executive on the current position with respect to commercial income.
- Commercial strategy updates by the Strategic Director of Corporate Services.
- Ideas suggested by the Council's Staff Forum and feedback on suitability by relevant officers.

##### Information from other Councils

- Question session with Colin Sharpe, Deputy Director of Finance, Leicester City Council.
- Presentation by Elizabeth Warhurst, Head of Legal and Commercial Services and Lee Mansfield, Environmental Health Team Manager, North West Leicestershire District Council.
- Presentation by Peter Linfield, Executive Manager of Finance and Corporate Services, Rushcliffe Borough Council.
- Exempt briefing by Councillor Baines of meeting with Andy Vaughan, Corporate Director of Commercial and Operations, Nottingham City Council.
- Exempt briefing by Councillor Boldrin of meeting with Justin Henry, Commercialisation Manager, Ashfield District Council.

##### Information from other sources

- Presentation by Vivien Holland, Associate Director, Grant Thornton UK .
- Briefing from Cllr Bolton, attending LGiU Seminar titled 'Commercialisation training, developing a commercially aware organisational culture'.
- Question session with Councillor Jonathan Morgan, Leader of Charnwood Borough Council.

##### Documentation

The Panel had access to a library of guidance documents and copies of commercialisation strategies of other regional authorities as follows:

- House of Commons – Local Government – Alternative Models of Service Delivery
- Localis – Commercial Councils
- Grant Thornton – Commercial Health check in local Authorities
- CfPS – Risk and Commercialisation
- Kettering Borough Council, Commercialisation Strategy 2019
- Bromsgrove District Council, Commercialisation and Financial Strategy 2017-20
- Lincolnshire County Council, Commercialisation Strategy



- Derbyshire County Council, Enterprising Council Strategy 2018-2021

These documents can be found in the Members Library at:

[https://charnwoodextranet.moderngov.co.uk/ecCatDisplay.aspx?sch=doc&cat=13354&\\$LO\\$=1](https://charnwoodextranet.moderngov.co.uk/ecCatDisplay.aspx?sch=doc&cat=13354&$LO$=1)

Technical Support was provided to the Panel by:

- Rob Mitchell – Chief Executive
- Simon Jackson – Strategic Director of Corporate Services

## 5. Summaries of Panel Meetings

Summaries of the work undertaken at each meeting of the Panel are set out in the “Progress of Panel Work” section of the Scope Document at **Appendix 1**.

Full details of the information provided by witnesses and the issues considered by the Panel are detailed in the notes of the Panel’s meetings listed in Background Papers section of this report, also attached at **Appendix 2**.

The Panel met a total of four times as follows:

Meeting 1 (informal) – 5th November 2019

Meeting 2 – 28th November 2019

Meeting 3 – 23rd January 2020

Meeting 4 – 5th March 2020

## 6. Equality Impact Assessment (EIA)

The Improvement and Organisational Development Manager stated that the need for an Equality Impact Assessment would be considered following the final submission of the report.

## 7. Key Findings

The Panel obtained evidence from a range of sources both internal and external as described in section 4 above. In doing so the Panel made use of the evidence provided of practice at other councils who had implemented a commercialisation strategy or were in the process of doing so. The following summarises the key findings of the Panel.

### The Commercialisation mindset

The Panel considered evidence from other councils regarding the importance of developing the appropriate mindset to enable the Council to maximise its commercial potential.

North West Leicestershire District Council (NWLDC) was at the start of its commercialisation journey and had focused particularly on building the appropriate culture within its organisation. This featured:

- a 'Think Tank & ToolKit' - a team that had been created for generating and reviewing ideas within the organisation;
- a desire to improve in-house commercial skills of staff through training and embedding commercial activity into team planning and the performance reporting processes.

The commercialisation mindset was well established at Rushcliffe Borough Council, as officers had attended courses to upskill and member development groups had been initiated with councillors.

The Panel also considered how to utilise the resources available to the Council to generate commercial ideas. It considered that staff and residents were a valuable source of ideas and consulting councillors with private sector experience could be of benefit.

### Decision making and scrutiny

The Panel considered evidence from other councils regarding the importance of developing a streamlined but effective decision-making policy for commercial investment. Rushcliffe Borough Council (RBC) and Leicester City Council (LeCC) shared their approaches to decision making. The overarching policy at RBC had been agreed at Full Council, with a small team of six comprising three councillors and three senior officers approving the expenditure for commercial property. Scrutiny of the property portfolio's performance occurred after the investment.

At Leicester City Council processes in place to make fast decisions included a nominated Commercialisation Officer and officer group. If a project seemed viable the Lead Member would be consulted. North West Leicestershire DC had created a decision-making continuum, attached at **Appendix 3**. They also sought to embed a culture in its organisation which accepted failure that could be dealt with quickly and efficiently before moving onto new projects.

### Investment in Commercial property

Initially the Panel focused its attention on why the Council had chosen to progress its investment in commercial property. Officers highlighted that the Council believed investment in commercial property was the correct approach in the short term to mitigate its budget pressures and that the income needed to be achievable at a scale that made a difference and come on stream at significant scale within a relatively short time (realistically within the 2020/21 financial year).

Evidence was provided to the Panel by RBC, Ashfield District Council and LeCC regarding the conflicts that purchasing of commercial property within the Borough's boundary could create between its need for pure commercial income and its strategic objectives, impacting the Council's decision making with respect to its relationship with residents, and its social and regeneration strategic objectives.

Examples of commercial property investment that were less successful in generating income were provided by case studies from Grant Thornton UK, Nottingham City Council, and Leicester City Council. The reasons ranged from shared services

projects struggling with austerity cuts, challenges with social care services linked to national minimum wage, local energy supplies being complex to set up, and shopping centres being susceptible to national chains moving away.

The criteria for assessing potential commercial opportunities was key to making fast decisions. RBC shared its Commercial Property Investment assessment matrix, attached at **Appendix 4**, which the Panel considered helpful. The key to property investment was managing the risk and being proportionate to the size of the council.

The Panel concluded that the Council was focusing its commercialisation strategy heavily in one area, namely commercial property development. The Panel considered this was because it was a risk averse strategy and there had been insufficient investigation made into other options.

#### Ways to generate income from existing assets

The Panel considered methods by which the Council could generate income from existing assets or by streamlining services. Considering evidence provided by other Councils, Grant Thornton, and Panel members, suggestions included:

- reviewing existing fees and charges.
- reviewing the Council's Asset Register – are assets being efficiently handled, review returns on assets.
- selling the Council's services to other businesses.
- progressing the Housing Development company (as agreed by Cabinet).
- consider bringing contracts in-house and reviewing whether older contracts were still fit for purpose.
- progressing the digitalisation of services.

#### Future commercialisation opportunities

Evidence provided to the Panel suggested that Charnwood Borough Council could consider other areas for generating commercial income in the longer-term including:

- working with partners such as Loughborough University, LLEP or companies in the private sector
- commercial development, social and private rental housing / building
- investing in warehouses, industrial and office space,
- investing in hotels, shopping centres,
- installing solar farms, developing enterprise zones,
- borrowing to fund infrastructure investment, local loan funding scheme to promote economic regeneration.

## **8. Observations made by the Panel**

The Panel wished to make the following observations in respect of how the Council could generate commercial income:

1. that the Council ensures it develops individual performance targets relating to commercialisation for Council Service areas, and that these be included in the Key Performance Indicator (KPI) list for assessment annually.
2. That the Council considers how empty shops might be used to generate income.
3. That prior to undertaking any commercialisation activity the Council ensures that the purpose of its commercialisation strategy aligns fully with the key corporate objectives and robust risk management processes.
4. That the central Innovation unit (Think Tank) develops a clear and transparent process for evaluating all commercialisation projects using criteria important to the Council.

## **9. Recommendations made by the Panel**

The Panel wishes to make the following recommendations in respect of how the Council could generate commercial income:

1. That all assets owned by the Council are reviewed immediately and annually thereafter to identify revenue and sale opportunities.
2. That the Council should consider hiring out other council facilities for corporate events, examples include, but are not exclusive to, the Charnwood museum, the Town Hall and Council meeting rooms.
3. That the Council develops criteria to maximise revenue opportunities from existing services and then pursue those that provide the best opportunity to generate income.
4. That the Council undertakes pricing analyses, e.g. competitor price analyses or cost analyses, to ascertain if the prices charged for its goods and services are appropriately priced.
5. That the Council reviews goods and services offered for a fee to residents by other similar councils to assess whether it may offer additional discretionary services for a charge or fee to Charnwood residents.
6. That all Council Service areas are evaluated to determine whether they may be subcontracted more efficiently and whether capabilities exist in house that may be sold to other organisations.

7. That a central innovation unit based on NWL DC's Think Tank is created to develop, monitor, evaluate, and control commercialisation projects and is part of the new Commercial Development strategic directorate.
8. That a training and development programme is developed and implemented for officers on the Council's commercialisation strategy and skills required to embed an entrepreneurial culture and innovative ways of working.
9. That an exercise is carried out to examine internal controls and eradicate those that are surplus with a view to increasing entrepreneurial activity and reducing bureaucracy.
10. That non-property related investments and other commercial opportunities considered by the Council are scrutinised prior to the decision being taken and that a monetary value / investment level is set above which decisions are assessed and scrutinised in advance of being made.
11. That given the budget pressures identified in the MTFS, the Council borrow more than £10million to invest in commercialisation projects including projects other than commercial property investment.
12. That the Council considers creating a balanced portfolio of commercial properties, whereby a proportion of properties are purchased within the borough's boundaries and aligned with the Council's strategic objectives.
13. That opportunities to improve and increase car parking and car parking enforcement are investigated.
14. That the ties between the Council and Loughborough University, other regional universities and further education colleges, and other economic development agencies such as the Midlands Engine, are explored and investigated to see if they can be further strengthened to enable all organisations to benefit commercially from joint initiatives.
15. That Council owned garage sites in the Borough be redeveloped for Council owned affordable housing.
16. that the Council creates a business case for a street cleaning, grounds maintenance company similar to the 'Streetwise Environmental Limited' company of Rushcliffe Borough Council.

### Reasons

1. The Panel considered it important that the Council maximised on its current assets.
2. The Panel considered that the Council's facilities were not being fully utilised for corporate events, although it was aware that some of the facilities were being booked for non-corporate events.

- 3-6. The Panel were concerned to ensure that existing services were being robustly assessed for savings and the potential to generate income.
7. The Panel considered that the Think Tank utilized by NWL DC was effective in managing the implementation of commercialisation projects and wished to see a similar unit created at Charnwood Borough Council.
8. Training was perceived as a key element of engaging staff in the commercialisation mindset and also maximised on potential talent and skills within the Council.
9. The Panel were particularly keen that internal controls were assessed as it was aware that over time layers of controls tended to be created that, when reviewed, are no longer necessary.
10. The Panel accepted that as commercial property decisions would be made in 'real time' and would be required to be taken quickly, the Council would not be able to undertake pre decision scrutiny. However it considered that non-property related commercial decisions and other commercialisation projects incurring expenditure, should be scrutinised prior to the decision being taken and that projects above a set expenditure amount should be reviewed.
11. The Panel believed there was a need to borrow more to reduce the financial gap identified in the MTFS.
12. The Panel was aware that, in the short term, the Council wished to invest in properties for purely commercial income. However, it considered it was crucial that for future commercial property investment decisions, the Council takes into account its own overall strategic objectives, and purchases some properties within the borough.
13. The Panel was aware that a Scrutiny Panel looking into car parking had been proposed and wished to emphasise the value of scrutiny in this matter.
14. The Panel was keen to emphasise partnership working.
15. The Panel acknowledged that a review of garage sites within the borough had been completed and wished to see the sites identified, developed with council owned affordable housing.
16. The Panel considered that the 'StreetWise' company of Rushcliffe Borough Council was a good example of maximizing on skills and capabilities within a council and believed it would be a good opportunity for Charnwood Borough Council.

## **10. Background Papers**

Agenda Papers and Notes of formal Panel meetings available on the Council's website at:

<https://charnwood.moderngov.co.uk/ieListMeetings.aspx?CId=235&Year=0>

Informal meeting (1) notes as detailed in paragraph 5 of this report can be accessed at:

<https://charnwoodbc.sharepoint.com/sites/papers/exempt/Forms/AllItems.aspx?viewid=c950fdd3%2D963e%2D4777%2Da220%2D84dce826906e&id=%2Fsites%2Fpapers%2Fexempt%2FCommercialisation%20Scrutiny%20Panel>

Exempt Information considered by the Panel as detailed in Paragraph 4 of this report can be accessed at:

<https://charnwoodbc.sharepoint.com/sites/papers/exempt/Forms/AllItems.aspx?viewid=c950fdd3%2D963e%2D4777%2Da220%2D84dce826906e&id=%2Fsites%2Fpapers%2Fexempt%2FCommercialisation%20Scrutiny%20Panel>

## **11. Appendices**

Appendix 1	Scope Document
Appendix 2	Notes of meetings nos. 2, 3, 4
Appendix 3	Decision making Continuum from North West Leicestershire District Council
Appendix 4	slide of Rushcliffe Borough Council's Commercial Property Investment assessment matrix

**SCRUTINY REVIEW: SCOPE Commercialisation**

**REVIEW TITLE: How the Council can generate commercial income**

**SCOPE OF ITEM / TERMS OF REFERENCE**

The Panel will:

- consider if there are any areas for improvement or change in the Council's existing commercialisation strategy, and whether other policies require updating, and how they relate to national policy framework.
- put forward recommendations for future strategy.
- undertake informal factfinding research to establish what income generating activities are already in place at the Council and compare with information gathered from other similar types of Councils locally and nationally.

**REASON FOR SCRUTINY**

Charnwood Borough Council has identified significant challenges within the MTFS and as some future income is highly uncertain, a need has been identified for potential new sources of revenue and to make recommendations as appropriate.

The Panel topic was suggested at the meeting of the Scrutiny Commission on 3th June 2019 and agreed to be taken forward as an informal Panel at its meeting on 4th August 2019. On 14th October 2019 it was resolved by the Commission to change the type of panel to a formal panel.

**MEMBERSHIP OF THE GROUP**

Councillor Baines (Chair)  
Councillors Boldrin, Bolton, Charles, Hamilton, Ranson,

**WHAT WILL BE INCLUDED**

All non-statutory activity that generates income.

**WHAT WILL BE EXCLUDED**

All statutory activity that generates income.



**KEY TASKS** \* \* including consideration of efficiency savings

- Evaluate existing Council commercialisation initiatives and procedures
- Make recommendations on future strategy
- Review other Local Authority commercialisation programmes to learn best practice
- Provide input into the Council's Commercialisation Strategy
- Interviewing witnesses and Council officers

**STAKEHOLDERS, OUTSIDE AGENCIES, OTHER ORGANISATIONS \***

Other Local Authorities  
 Local Government Association  
 Strategic Director Charnwood Borough Council  
 Relevant Borough Council departments  
 Residents

**EQUALITY IMPLICATIONS**

Is an impact needs assessment required? – not required

**LINKS/OVERLAPS TO OTHER REVIEWS**

Digital Transformation Panel

**RESOURCE REQUIREMENTS**

Support from Democratic Services

**REPORT REQUIREMENTS (Officer information)****REVIEW COMMENCEMENT DATE****COMPLETION DATE FOR DRAFT REPORT**

March 2020

\* Key tasks and stakeholders may be subject to change as the review progresses.

**PROGRESS OF PANEL WORK**

MEETING DATE	PROGRESS TO DATE
5th November 2019 (informal)	Considered: <ul style="list-style-type: none"> <li>• Updated Scope</li> <li>• Presentation by Strategic Director of Corporate Services and Chief Executive regarding Council's existing commercialization strategy</li> <li>• Review of research to be undertaken</li> </ul>
Thursday 28th November 2019	Considered; <ul style="list-style-type: none"> <li>• Update from Strategic Director of Corporate Services</li> </ul>

	<ul style="list-style-type: none"> <li>• Presentation by C. Sharpe Leicester City Council</li> <li>• Staff Consultation responses</li> <li>• Feedback from Cllr Bolton (LGiU Seminar)</li> <li>• Feedback from Cllr Boldrin (meeting with J Henry, Ashfield District Council)</li> <li>• Register of Assets owned by the Council</li> </ul>
Thursday 21st January 2019	<p>Considered:</p> <ul style="list-style-type: none"> <li>• Presentations by NWL District Council and Rushcliffe Borough Council</li> <li>• Presentation by Grant Thornton UK LLP</li> <li>• Question Session with Leader of Charnwood Borough Council</li> <li>• Update from Strategic Director of Corporate Services</li> <li>• Feedback from Cllr Baines (telecon with Notts City Council)</li> <li>• Staff Consultation - officer responses</li> </ul>
Thursday 5th March 2020	<ul style="list-style-type: none"> <li>• reviewed draft recommendations for inclusion in the Panel's final report</li> <li>• reviewed the Panel's final report for submission to the Scrutiny Commission</li> </ul>

#### **REPORT SUBMITTED TO SCRUTINY COMMISSION**

The Panel completed its work and submits its report to the Scrutiny Commission meeting on 6th April 2020.

PRESENT: The Chair (Councillor Baines)

Councillors Boldrin, Bolton, Charles, Hamilton and  
Ranson

Colin Sharpe, Deputy Director of Finance,  
Leicester City Council

Strategic Director of Corporate Services  
Democratic Services Officer (NC)

The Chair stated that the meeting would be recorded and the sound recording subsequently made available via the Council's website. He also advised that, under the Openness of Local Government Bodies Regulations 2014, 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.

1. SCOPE DOCUMENT

Scope document noted.

2. UPDATE REGARDING MTFs AND CORPORATE PLAN

Considered a presentation by the Strategic Director of Corporate Services.

Summary of discussion:

- Further information provided about the financial situation suggested a greater level of financial challenge than previously projected. It was possible some services could be impacted but the Council would prioritise increasing efficiency, the digitalisation of services, transforming ways of working and increasing income sources first.
- in house skills would be utilised but where necessary the Council would acquire external expertise, ensuring that due diligence was carried out.
- streamlining of council processes could be required to enable the Council to act quickly. This could result in members scrutinising decisions retrospectively and scrutiny of performance of the property portfolio would be necessary.
- Commercial property with sitting tenants would be preferable, but new developments could also be considered. It was a balance between cost and return.

Members considered the Asset Register circulated by email prior to the meeting. It was noted that items in red were considered 'surplus' and either empty or available to sell. It was intended to review all assets in the Council and consider whether to retain, invest in or sell the asset; income received would support the commercialisation strategy.

### 3. INFORMATION FROM OTHER COUNCILS

The Deputy Director of Finance from Leicester City Council attended and provided the following responses to questions supplied prior to the meeting:

An overview of the Leicester City Council approach to commercialisation?

- not seen as a core business, delivery of key services was a priority.
- traditionally income generated where spare capacity was available, e.g. schools changing to academies, purchasing their services from the Council.
- not aiming to compete in the market with local providers by taking away jobs.
- focussed on sharing services with other councils and organisations, e.g. treasurer for the Fire Service, data centre for other councils.

What commercialisation projects have the Council embarked on in the last five years?

- Schools – provide professional services.
- Framework contracts – access for a fee.
- Training with other public sector services – procurement support.
- Local housing company – not fully progressed since the Government removed the borrowing cap on the HRA, council now providing new social housing through the HRA.
- Local energy supply – too complex to set up, partner with Robin Hood Energy through 'Fosse Energy' white label.
- Commercial property – portfolio included small/medium work spaces, property purchased in city centre over many years to support regeneration and employment. Considered swapping assets but challenging and little real benefit to be gained thus far.
- Local loan funding scheme to promote economic regeneration – limited uptake, competing with good market loan rates.
- Future considerations – enterprise zones, borrowing to fund infrastructure investment, but primarily to support regeneration strategy.

Have you undertaken any commercialisation projects that have failed and if so why?

- no, mindful of other council projects that had failed. Examples such as shared services projects struggling with austerity cuts, social care services linked to national minimum wage were challenging, local energy supplies were complex to set up, shopping centres were susceptible to national chains pulling out or seeking rent reductions.

What risk appetite does the council have for commercialisation?

- not significant appetite for commercially driven risk, would continue to progress current projects linking to overall Council strategies, interest in green energy investments by other councils, which may consider in the future.

What advice would you give Charnwood Borough Council?

- be clear on your objectives, appetite for risk and ability to sustain losses.
- deliver services with strategic objectives through commercialisation, for example property investments to improve strategic areas.
- be aware some projects will fail, balance the portfolio.
- avoid competing in a crowded market, learn from others.

- consider accounting implications, loan write down etc. do the research.

In response to questions from the Panel:

- be aware of taking on a project and what it then means if the Council cannot pursue.
- processes were in place to enable the City Council to make fast decisions, including a nominated officer and officer group. If a project seemed viable the Lead Member would be consulted. A cultural shift in staff was required.
- the Council considered investment from a strategic benefit viewpoint and how it matched its strategic objectives, and not for a purely commercial income stream.

#### 4. LGIU LEARNING AND DEVELOPMENT SEMINAR

Considered a report by Councillor Bolton, who stated that the seminar had been worthwhile and had highlighted the wider scope of commercialisation. Two councils had been identified as potential witnesses for a future Panel meeting and had already been contacted for availability.

Report noted.

#### 5. STAFF CONSULTATION FEEDBACK

Considered report of Democratic Services regarding staff consultation feedback.

Summary of discussion:

- some suggestions related to activities already in progress, such as the redevelopment of the Limehurst Depot and selling off garages, and other suggestions tended to relate to service issues and council objectives, rather than generating commercial income. It was important to feed back to officers after the consultation.
- the Council had sought staff views previously through the 'Big Ideas' initiative which had generated projects to be taken forward like charging for trade waste and the Charnwood Lottery. Officers had also visited other councils to review their strategy, and in consultation with the Cabinet Lead Member, had determined either not to compete with the private sector in a particular field or that the idea wasn't considered sufficiently profitable to proceed.
- it was unclear how previous ideas for generating commercial income had been assessed for their profitability and viability and what the rationale was for not progressing them. The information was available but not in a single formal document and staff availability to collate the information was limited.
- it was noted that although several commercial opportunities were being advanced, the shortfall in the next three years' MTFS required a significant income to address it and generating income by purchasing commercial property provided a quick and tried and tested way to do so.

#### 6. EXEMPT INFORMATION

**RESOLVED** that members of the public be excluded from the meeting during the consideration of the following item on the grounds that it would involve the likely

disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

*The Democratic Services Officer stopped the sound recording of the meeting.*

7. FEEDBACK FROM ASHFIELD DISTRICT COUNCIL

Considered exempt report of Councillor Boldrin.

Information noted.

8. ACTIONS / TIMETABLE FOR REVIEW

*The Democratic Services Officer switched the recording on, and the meeting continued in public session.*

It was agreed that information be considered at future meetings as follows:

Thursday 23rd January 2020

- Invite the Leader of the Council to attend
- Witnesses – invite representatives from North West Leicestershire and company Grant Thornton to attend
- To review ideas generated
- To consider recommendations for inclusion in the Panel's final report

Thursday 5th March 2020

- To consider the Panel's final report for submission to the Scrutiny Commission

It was noted that it was too early in the process to survey the residents of the Borough for ideas about commercialisation.

Actions agreed:

1. The Democratic Services Officer circulate the staff consultation feedback to relevant Heads of Service for their responses and report back to the Panel at its next meeting.
2. The Strategic Director provides the justifications for why the Council was focussing on commercial property as the preferred strategy, what opportunities were available in this field and a breakdown of the types of properties to be considered with potential returns, taking into account their square footage to the Panel at its next meeting.
3. The Chair of the Panel to consider if it was appropriate to meet with representatives from Rushcliffe Borough Council prior to the meeting on 23rd January 2020.

NOTES:

1. These minutes are subject to confirmation as a correct record at the next meeting of the Commercialisation Scrutiny Panel.

**COMMERCIALISATION SCRUTINY PANEL  
21ST JANUARY 2020**

PRESENT: The Chair (Councillor Baines)

Councillors Boldrin, Bolton, Charles, Hamilton and Ranson

Associate Director of Grant Thornton UK  
Executive Manager of Finance and Corporate Services  
- RBC  
Head of Legal and Commercial Services - NWL DC  
Environmental Health Team Manager NWL DC

Strategic Director of Corporate Services (items 7 & 8)  
Democratic Services Officer (NC)

APOLOGIES: none

The Chair stated that the meeting would be recorded and the sound recording subsequently made available via the Council's website. He also advised that, under the Openness of Local Government Bodies Regulations 2014, 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.

9. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

No disclosures were made.

10. NOTES OF THE PREVIOUS MEETING

The notes of the previous meeting held on 28th November 2019 were confirmed as a true record.

The updated Scope Document was noted.

11. PRESENTATION BY GRANT THORNTON UK

Considered a presentation by the Associate Director of Grant Thornton UK. She explained that the information and case studies related to their company's research across the country, exploring what local authorities were doing by way of commercialisation and trading companies. She had considered the latest trends across the sector to provide inspiration and possible warning signs to consider when starting in commercialisation.

Summary of discussion:

- outsourced contracts arranged by local authorities during austerity in 2010 were not necessarily still efficient or fit for purpose. Local authorities could be more profitable by bringing services in-house if it also had the expertise and



- knowledge to manage the investment programme and maintain service delivery.
- if properties were purchased outside of the local authority's boundary it could be more challenging to re-purpose if it was running at a loss. If purchased within its boundaries, assets could also meet other strategic objectives of the Council.
  - depending on the type of company that was set up, it could take up to two years before benefits were accrued by a council. A mixed model including direct investment programmes and reviewing other council services for investment opportunities could make up the shortfall in the short term whilst also creating a trader company, if that was direction a council wished to go.
  - the size of local authority did not necessarily impact the success of a commercialisation venture or influence the type of model used. In Grant Thornton's experience, companies that it had helped create for smaller authorities tended to be more innovative in terms of improved service delivery and direct investment development.
  - Local authorities tended to be more risk averse and less agile than the private sector. Being less agile was more likely to impact the success of the commercialisation programmes. This was particularly highlighted by case study no. 3.
  - areas that local authorities tended to invest in were commercial development, social and private rental housing / building (particularly in London boroughs), warehouses, industrial and office space, hotels, shop centres. Combined authorities tended to invest in infrastructure.

## 12. PRESENTATION BY RUSHCLIFFE BOROUGH COUNCIL

Considered a presentation by the Executive Manager of Finance and Corporate Services from Rushcliffe Borough Council (RBC). He explained that the Council had been investing for over five years and could demonstrate the benefits and risks it had faced and provide advice from its experience. The key to investment was managing the risk and being proportionate to the size of the council.

Summary of discussion:

- RBC had invested in a number of properties within the local authority boundary but had also invested just outside its boundary for purely financial objectives. The assets outside the Borough had been chosen carefully to be within commuting distance and where the local market was well understood.
- changing the mindset of councillors and staff was key. Officers had attended courses to upskill and member development groups had been initiated with councillors. Members own private sector experiences could be utilised.
- its company, Streetwise Environmental Ltd, sold its service to other businesses. The main concern for members had been to ensure the service to the residents of the Borough was maintained.
- although Bingham Leisure Hub was not anticipated to provide significant returns, the benefit provided by the service to the local community was considered by the Council to be of priority.
- the structure to enable its commercialisation strategy to function had been agreed at Full Council, but a degree of trust was required in the decision

makers for individual asset purchases. A small team of six comprising three councillors and three senior officers approved the budget. Scrutiny occurred after the investment into its performance.

### 13. PRESENTATION BY NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

Considered a presentation by the Head of Legal and Commercial Services and the Environmental Health Team Manager from North West Leicestershire District Council. She explained that the Council's investment strategy had been adopted in 2018 and that it was at the beginning of its commercialisation journey, focussing on developing the right culture in the council before starting any commercial activity.

Summary of discussion:

- a more commercial outlook was being established by encouraging staff to take a collective responsibility for finances and reviewing how the organisation ran its business. It involved being more business-like in the day to day job, improving in-house commercial skills of staff through training and embedding commercial activity into team planning and the performance reporting process.
- the 'Think Tank' had been created to support development of the new mindset and to vet new ideas. A tool kit was utilised to assess potential opportunities, and it was important to understand that to fail quickly and efficiently was OK.
- work had been completed by Services to understand their business and to review fees and charges. Some costs were found to be accurate, and some were not, which resulted in opportunities for savings.

*Councillor Ranson left the meeting at 7.25pm.*

- The Council used a continuum of decision making to simplify assessing the decision and the risk and agility required. Some opportunities could be developed immediately whilst others required more project management.
- themed corporate branding was being implemented to emphasise the one council approach.

### 14. QUESTION SESSION WITH LEADER OF THE COUNCIL

The Leader of the Council attended and in response to questions submitted by the Panel prior to the meeting, he stated that:

- the majority of the Council's assets had been extensively analysed, but the Council's garages were currently under active review. Some of the re-investment reserve agreed by Cabinet in October had been used to employ a property skills consultant to investigate the Council's assets, its housing, and to provide commercial property advice, assisting the Council to understand the practicalities of purchasing and quick decision making.
- the Chief Executive had initiated the Council's transformation programme which would include service reviews, assessing silo working and implementing strategies to encourage the organisation to work together as one council. As part of this process, mapping exercises could be completed to show how processes link to the Councils strategic objectives.

- commercialisation was a way of thinking; how the Council operated internally, how councillors performed their roles, how the Council interacted with residents. Investments in commercial property had been identified as the most promising source of income to cover the shortfall left by the withdrawal of central government funding. Fees and charges would also be reviewed but charges would need to be appropriate and not compete significantly with private sector business.
- office or industrial property types with sitting tenants would be preferred as it was a proven method of generating income streams, but the Council was also considering solar farms, working with partners such as Loughborough University. Purchasing of businesses was perceived as riskier as the Council could lose their investment.

#### 15. UPDATE ON COUNCIL'S COMMERCIALISATION STRATEGY

Considered a report of the Strategic Director of Corporate Services who stated that a report would be submitted to Cabinet in March to provide further detail regarding the commercialisation strategy and outline the process being followed.

Summary of discussion:

- the detail of why the Council had chosen to focus on commercial property and its criteria for assessing commercial opportunities as listed in the report were welcomed.
- a property skills consultant had been employed by the Council to look into commercialisation options such as the Limehurst depot and solar farms. External property expertise was also being sought. The need for increased resources (staff) would be monitored as the commercialisation project was progressing.
- the approach chosen by Rushcliffe Borough Council with respect to assessing property assets before purchase was useful and could be utilised by the Borough Council.

#### 16. STAFF CONSULTATION - OFFICER FEEDBACK

Considered a report of Democratic Services regarding officer feedback to suggestions by the Council's Staff Forum. It was noted that part of the new property skills consultant's role would be to consider ideas such as those detailed in this report.

Summary of Discussion:

- The creation of a Housing Development Company had been agreed, but there were some issues with obtaining land.
- the database of assets was extensive and an asset review was being accelerated. Garage sites were being considered but as they were part of the HRA budget, which was relatively healthy, the priority to evaluate their status was lower.

The Panel considered different methods to encourage ideas from residents and staff and how to evaluate and feedback in an efficient way on these ideas once obtained. It

also suggested utilising the diversity of experiences of councillors to generate ideas to benefit the Council in its commercialisation strategy.

17. EXEMPT INFORMATION

**RESOLVED** that members of the public be excluded from the meeting during the consideration of the following item on the grounds that it would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

*The Democratic Services Officer stopped the sound recording of the meeting.*

18. COMMERCIALISATION STRATEGY AT NOTTINGHAM CITY COUNCIL

Considered exempt report of Councillor Baines.

Information noted.

19. ACTIONS / TIMETABLE FOR REVIEW

*The Democratic Services Officer switched the recording on, and the meeting continued in public session.*

It was agreed that information be considered at final meeting as follows:

Thursday 5th March 2020

- To consider the Panel's final report including recommendations for submission to the Scrutiny Commission.

Actions agreed:

1. that Panel members consider providing 4-6 draft recommendations to be then reduced to a smaller number of key recommendations for submission to the Scrutiny Commission;
2. that the Panel share ideas for recommendations to be submitted to the Scrutiny Commission by using an email contact group consisting of panel members;
3. that the Democratic Services Officer consult the relevant Head of Service regarding a review of garage sites and circulate the information if available, to the Panel;
4. that the presentation from Rushcliffe Borough Council including the Commercial Property Investment assessment matrix be circulated to the Strategic Director of Corporate Services for his consideration of use in Charnwood Borough Council;

5. that North West Leicestershire District Council be asked if its willing to share information regarding in-house commercialisation training courses with Charnwood Borough Council with a view of utilising the courses for Borough Council staff.

NOTES:

1. No reference may be made to these minutes at the Council meeting on 24th Febraury 2020 unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on the fifth working day following publication of these minutes.
2. These minutes are subject to confirmation as a correct record at the next meeting of the Commercialisation Scrutiny Panel.

## COMMERCIALISATION SCRUTINY PANEL 5TH MARCH 2020

PRESENT: The Chair (Councillor Baines)

Councillors Boldrin, Bolton, Hamilton and Ranson

Democratic Services Officer (NC)

APOLOGIES: Councillor Charles

This meeting would be recorded and the sound recording subsequently made available via the Council's website. Under the Openness of Local Government Bodies Regulations 2014, 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.

### 20. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

No disclosures were made.

### 21. NOTES OF THE PREVIOUS MEETING

The notes of the previous meeting held on 21st January 2020 were confirmed as a true record subject to the correction of a typographical error on page 6 in the first bullet point of Notes: Febraury to be amended to February.

### 22. DRAFT PANEL REPORT AND RECOMMENDATIONS

Considered a draft report of the Scrutiny Panel compiled in consultation with the Chair of the Panel and proposed draft recommendations from Panel Members with a view to agreeing a final version for submission to the Scrutiny Commission. The Commission would be requested to recommend the Panel's report to the Cabinet at its meeting on 7th May 2020.

Summary of discussion:

- inclusion in the foreward of the report the Panel's thanks to all those who acted as witnesses or had provided written evidence to assist the Panel with its deliberations.
- amendments to the key findings section of the draft report to reflect the Panel's observations.
- a detailed review of the draft recommendations from all Panel Members resulting in 16 recommendations and 4 observations proposed to be included in the final Panel report.
- whether the Council had focussed its commercialisation strategy heavily on commercial property investment and was risk averse.
- whether there had been insufficient investigation made into other commercialisation options and that the Council should consider property investment inside the borough.

- that the timings of the meetings of the Panel and the development of the Council's commercialisation strategy, as reflected in the report to be submitted to the Cabinet on 12th March had not been ideal, but the Panel considered it had influenced the Council's approach to commercialisation.

## 23. ACTIONS / TIMETABLE FOR REVIEW

### Actions Agreed:

1. That the draft report of the Scrutiny Panel be amended in accordance with the comments and alterations made by the Panel during the meeting;
2. That the draft recommendations proposed by the Panel during the meeting be inserted into the draft report;
3. That following actions #1 and #2, the draft report be considered as final and circulated to the Panel for its last review before submission to the Scrutiny Commission;
4. That the final report as agreed by the Panel following action #3 is submitted to the Scrutiny Commission at its meeting on 6th April 2020;

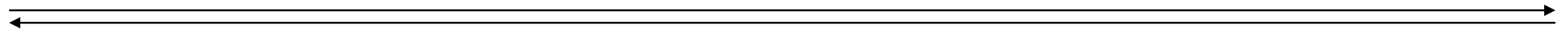
### NOTES:

1. No reference may be made to these minutes at the Council meeting on 27th April 2020 unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on the fifth working day following publication of these minutes.
2. These minutes are subject to confirmation as a correct record at the next meeting of the Commercialisation Scrutiny Panel.

# Decision making

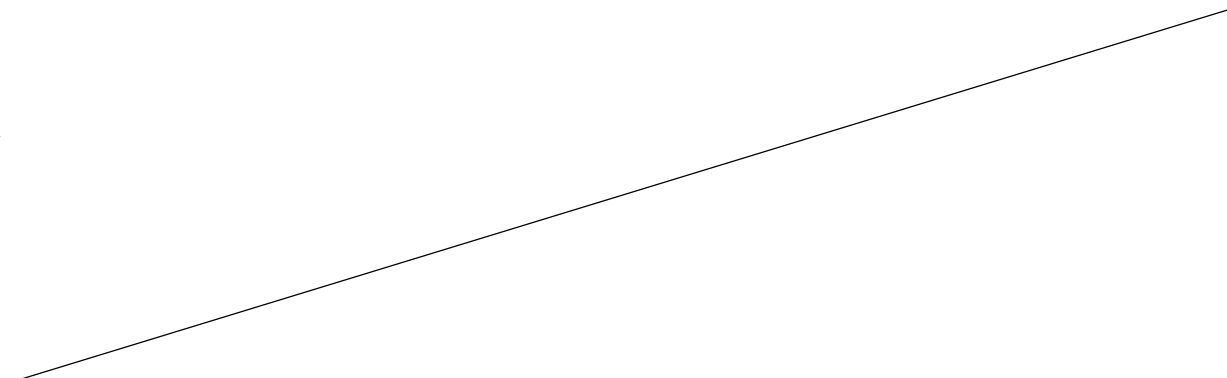
Ideas from all. Get on and do. Strong governance

Officer	Team Manager	Director / Head of Service	Think Tank Project Team	J2SS Board Chaired by Glyn Jones	Internal groups AMG Extended Leadership Team	CLT	Strategy Group	Cabinet or Council
---------	--------------	----------------------------	----------------------------	-------------------------------------	--	-----	----------------	--------------------



Continuum of decision making

- **Low value, low risk opportunities**
- **Efficiencies / service improvements**



- **High value**
- **High risk**
- **Political steer required**
- **Legal requirements around decision making**



## COMMERCIAL PROPERTY INVESTMENT STRATEGY ASSESSMENT MATRIX

To complete, highlight the applicable box and 50% of answers should be in Excellent, Good or Satisfactory - to be appraised alongside the contextual information in tab 2

PROPERTY	Property address				
PROPERTY TYPE	Office				
TENANT	xxxxxx				
ASSESSMENT CRITERIA	Excellent / very good	Good	Satisfactory	Marginal	Uncertain
Tenancy strength	Multiple tenants with strong financial covenant	Single tenant with strong financial covenant	Single or multiple tenants with good financial covenant	Tenants with average financial covenant	Tenants with poor financial covenant strength
Lease length and break (for main tenants/income)	>15 years	11 - 15 years	10 - 8 years	7 - 5 years	<5 years or vacant (unless reflected in price)
Rate of Return - % rent against capital	>8%	7%-8%	5%-7%	3%-5%	<3%
Portfolio mix (asset type is balanced in portfolio - no more than x% of portfolio)	<50%	50%-60%	>60%-70%	70%-80%	>80% of portfolio
Property Sector & Risk	Industrial (lower risk)	Office (lower-mid risk)	Warehouse Retail (med risk)	Retail, Leisure (higher risk)	Residential (not part of investment strategy)
Void (after Lease end including marketing, fit out and rent free)	0-9 months	9-12 months	12-18 months	18-24 months	>24 months
Location	Prime	Not prime but in established location	Secondary	Remote from other developments	Isolated, undeveloped area, limited infrastructure links
Tenure	Freehold	Lease >200 years	Lease 100 - 199 years	Lease 75 - 99 years	Lease <75 years
Repairing terms links to Building quality	Full repairing & insuring	Internal repairing 100% recoverable	Internal repairing partially recoverable	Internal repairing non recoverable	Landlord
Building Quality/Age	<10 years	10-20 years	21-30	31-35	>35
Rental Growth	within 1 year	within 2-5 years	within 6-7 years	within 8-10 years	>11 years
Purchase Price	<£2m	Between £2m and £3m	Between £3m and £4m	Between £4m and £7m	>£7m
Proximity to Borough	within Borough	within Nottinghamshire	within East Midlands	within the Midlands	National
Energy Rating (2018 legislation can't let with F/G assessment)	A/B	C	D	E	F/G

## CABINET - 13TH AUGUST 2020

### Report of the Head of Leisure and Culture

Lead Members: Councillor Jenny Bokor and Councillor Shona Rattray

#### Part A

#### ITEM 7      OPTIONS FOR THE 2020 LOUGHBOROUGH REMEMBRANCE PARADE, LOUGHBOROUGH FAIR, LOUGHBOROUGH CHRISTMAS LIGHTS SWITCH ON AND TOWN HALL PANTOMIME

##### Purpose of Report

This report discusses major Loughborough events during the remainder of 2020 and seeks support for proposals for alternative delivery or cancellation of these events.

##### Recommendations

That:

1. The delivery of Loughborough Fair in its current format should not proceed for 2020.
2. The 799th year of the Royal Charter Fair will be celebrated with a few children's rides and food stalls along with an opening ceremony, commissioned in a Covid-secure manner, to reflect the importance and history of the Royal Charter Fair.
3. The Loughborough Remembrance Day event should go ahead without a parade and in a revised format with additional social media/virtual elements.
4. The Loughborough Christmas Lights switch on event be cancelled but the usual Christmas lights display be erected alongside a Special Christmas Market.
5. The Town Hall Pantomime be cancelled and rebooked for 2021.
6. Alternative uses for the Town Hall auditorium be considered for the 2020 pantomime season.

##### Reasons

1. The safety, economics and management issues are too great to make Loughborough Fair viable or safe in its current format.
2. To uphold the Royal Charter Fair by staging an alternative and appropriate event to celebrate its rich history and heritage.
3. The management of large numbers of people attending a parade, many of whom will be from more vulnerable groups, means safety cannot be ensured. A small service, with social media support, will enable the event to go ahead in a different format.
4. To avoid a large number of people coming together at a specific time (lights switch on) a Christmas market, lit by the festive lights, will provide an alternative option with visitors and activity spread across several days.
5. It takes months rather than weeks to organise the Town Hall Pantomime, preparations made to date will contribute to the delivery of next year's pantomime. A decision to cancel the Pantomime in August will prevent any further expenditure being committed in the next few months.

6. With the seating retracted the space in the auditorium can support a range of financially viable shows and events that are in line with Government guidance.

Note in all cases the Council is considering these options with regards to our ability to meet the Covid Secure Guidance relative to the event or activity under consideration.

#### Policy Justification and Previous Decisions

The Council has a duty to consider the Coronavirus (COVID -19) guidance in all its decision making in relation to planned events and activity. Specific guidance in relation to the above events includes:

Keeping workers and audiences safe during COVID – 19 in the outdoor event industry in England

Operating safely during COVID – 19 Performing arts returning to training, rehearsal space and performance

Public places – urban centres, green places.

The Recommendations set out above provide an alternative way of delivering the Councils event programme and objectives set out in the Councils Corporate Plan while meeting current Government Guidance.

The Council's Corporate Plan sets out to increase tourism and support initiatives to help our towns and villages to thrive. In addition, under Every Resident Matters, the Corporate Plan sets out to celebrate the rich culture of the Borough.

#### Implementation Timetable including Future Decisions and Scrutiny

The recommendations for alternative Remembrance Day, Loughborough Fair and Christmas Lights events will be implemented immediately. Discussion is ongoing about alternative events at the Town Hall but work to cancel the pantomime will begin immediately.

#### Report Implications

The following implications have been identified for this report.

##### *Financial Implications*

Last year Loughborough Fair generated income of £99.4k against a budget of £93.7k delivering an overall profit of £12k taking into account all attributable costs. With this small profit margin, it is unlikely that all the additional costs required to deliver the traditional Fair while supporting social distancing could be realistically delivered. The event proposed for 2020 will act as a symbol of the Fair and will have limited associated costs.

Going ahead with the Christmas light switch on and Remembrance Day Parade in their normal format would (apart from breaching COVID 19 Secure Guidance) involve increased costs due to measures needed to protect the public.

The alternative proposals that avoid large gatherings in one particular area put forward for the Christmas lights switch on and Remembrance Sunday can be delivered within the current budgets or at a reduced cost.

The delivery of the Panto is not economically viable if the current Government guidance is in place. Costs already incurred in staging a pantomime this year can largely be carried forward to 2021.

An alternative use of the Town Hall auditorium will be designed to be self-financing or to deliver a profit before it is approved.

### *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	Overall Risk	Risk Management Actions Planned
Failure to manage the events in line with Government Guidance. would still not ensure that the events in the current format could be managed in accordance with Government Coronavirus (COVID -19) guidance.	Unlikely (2)	Significant (2)	Low (4)	Cancellation of event or alternative delivery of an event set out in the recommendations above will reduce the numbers attending to ensure social distancing measures are feasible and can be put in place.
Reputational – changes to events are not managed or communicated appropriately.	Unlikely (2)	Serious (3)	Moderate (6)	Consultation with key stakeholders on the likelihood of specific events and the development of plans based on consultation.
Decisions taken at a late stage due to detailed government guidance being available at the time.	Unlikely (2)	Serious (3)	Moderate (6)	Decisions taken in a timely fashion based on the current information available.
Financial liability– costs or charges incurred by the	Unlikely (2)	Significant (2)	Low (4)	Ensure contract position is known and managed, a compromise to be

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
Council due to cancellations.				negotiated if necessary to ensure all parties are in agreement with cancellations.

Key Decision: Yes

Background Papers: None

Officer to contact: Sylvia Wright  
Head of Leisure and Culture  
01509 634658  
Sylvia.wright@charnwood.gov.uk

## Part B

### Background and Proposals

#### 1. Summary table of event proposals

Event	Proposal
Loughborough Remembrance event	Event to go ahead with no parade on a much smaller scale with the use of social media to capture a limited service, and traditional activities including the placing of wreaths and the cascade of poppies from the balcony of the Carillon Tower.
Loughborough Fair	Loughborough Fair is celebrated in 2020 with the operation of a small selection of children's rides, food stalls, and an opening ceremony commissioned to reflect the importance and history of the Royal Charter Fair.
Loughborough Christmas Lights switch-on	Cancellation of this year's event to be replaced with the lights being installed and being on in advance of a Special Christmas market that will take place over several days.
Loughborough Town Hall Pantomime	Cancellation of this year's pantomime so that it can be deferred to 2021. Head of Service to be tasked with alternative use of auditorium space to attract income and provide a Christmas boost to the local economy at no additional cost.

#### 2. Loughborough hosts a number of annual events which are managed by the Borough Council. This year, the Covid 19 Pandemic will impact four key events in Autumn / Winter 2020. These are:

- Loughborough Remembrance event - 8th November 2020
- Loughborough Fair - 11th to 14th November 2020
- Loughborough Christmas Lights switch on - 29 November 2020
- Loughborough Town Hall Pantomime

#### 3. Whilst these events are still a few months away, all are usually in planning early in the year. The situation with the Pandemic is uncertain, with the likelihood of social distancing measures continuing, and the possibility of further localised, or wider, outbreaks occurring also impacting the area. A decision about the staging of these events is needed in a timely way to address public safety, financial implications and protect the Council's reputation, and to focus time and resources on delivering worthwhile, enjoyable and safe alternatives where possible.

#### 4. All the major street or open space events in the Borough are discussed at one or more Event Safety Advisory Group (ESAG) meeting(s). An ESAG meeting was convened recently to discuss the street events in the light of the Pandemic. The ESAG includes Charnwood BC officers (including a Health and Safety

representative), representatives of the emergency services, the Highway Authority and promoters or organisers of the event(s). The ESAG meeting is normally chaired by the Head of Leisure and Culture.

5. The ESAG raised a number of concerns about proceeding with the three street events in the current uncertain circumstances. These include the large numbers of people attending, the location of the events (in that they are not contained within an area to which entry can be controlled), the resulting issues with enforcing social distancing, evacuation of any area in the event of an emergency, the ability of the emergency services to respond to events given other urgent calls on their time due to Covid-19 issues.
6. Each of the street events involves a Temporary Traffic Regulation Order which has a standard lead-in period for legal processing. The deadline for submitting this year's requirements is imminent. The legal Order carries a cost, and the drawing up and enforcing of the details of the Order is also a charge on Council resources.
7. Loughborough Fair
  - i. Issue - Loughborough Fair attracts income for the Council through rental for pitches, but there is also a cost in delivering the event. This year, initial discussion with the Showmen's Guild has indicated that approximately 50% of operators are not touring at present, and are not likely to do this year, thus reducing possible income. In addition, enforcing social distancing for this event would greatly increase the Council's costs and the level of stewarding needed would not necessarily be welcomed by the public. In addition, Government guidance for Fairground operators has not yet been issued.
  - ii. Issue - A smaller event or alternative site has been considered but each of these would involve levels of planning and financial commitments which cannot be supported.
  - iii. Issue – emergency evacuation of such a major event would be extremely challenging with social distancing measures in place.
  - iv. Issue – The Fair is dependent on the support of a wide range of services across the Council as well as the emergency services. At this point in time it is difficult to predict if these services would be available due to the impact of COVID – 19.
  - v. Issue – The Fair occupies all of the available public space when in town apart from a narrow walkway between the rides and the shops. Due to the current social distancing measures in place to support town centre retail and hospitality the space outside premises required for queue management would not be available.
  - vi. Proposal – Loughborough Fair in its traditional format should be abandoned this year because of the safety and financial considerations of a large event with uncontrolled access. An event involving a small number of children's rides and food stalls with an opening ceremony

commissioned to reflect the importance and history of the Royal Charter should be delivered in its place.

#### 8. Loughborough Remembrance Day Parade

- i. Issue - Loughborough Remembrance Parade is delivered by Charnwood BC with advice and support from the local Royal British Legion (RBL). We await national guidance from the RBL on this year's events but the indication to date is that a more modest ceremony is likely to be recommended, especially given the higher numbers of older people attending the events. Some of the groups who take part in the parade element have already said that they will not be attending ceremonies this year.
- ii. Issue - the Remembrance Parade takes place in Queen's Park and Loughborough Town Centre, with additional personnel parading along Burton Walks from the Grammar School. Whilst some support in crowd handling has previously been provided by the RBL and local Armed Forces or Cadet contingents, the RBL nationally have recently indicated that they advise against RBL members providing support of this nature. The cost of the event is borne by Charnwood BC and may be likely to involve additional charges given the stance of the RBL and the need to ensure social distancing.
- iii. Proposal – the Loughborough Remembrance event should be delivered to a smaller scale so that a ceremony, which is valued by so many members of the community, can still take place but numbers be limited so that social distancing can be maintained. Elements such as the prayers, playing of the Last Post and the cascade of poppies from the Carillon Tower can still take place and it is planned to show the ceremony on social media. Official wreaths can be laid, and arrangements put in place for members of the public to lay their wreaths in a socially distant way. We will have other online content to include to make the day relevant to our communities.

#### 9. Christmas Programme and Lights Switch On

- i. Issue - The Christmas Lights switch on in the Market Place has been recently delivered by Charnwood BC with an element of financial support from Loughborough BID. The BID have indicated that they are not able to provide this support this year so the event would potentially need to be reviewed aside from any Covid 19 considerations.
- ii. Issue - the event attracts upwards of 15,000 people in a small space and cannot be adequately controlled in terms of social distancing in its usual format. Additional costs would be attracted to ensure enforcement of Government regulations.
- iii. Proposal - the Christmas Lights switch on should this year be part of a special four-day Christmas Market, for which we already have guidance. To reduce the risk of large numbers of people attending a switch on ceremony, the lights can be turned on earlier in the day via a social media



event and people attending the market can enjoy an enhanced display over a longer period.

#### 10. Christmas Pantomime

- i. Issue - the Loughborough Town Hall pantomime presents significant difficulties to deliver in the usual way. Maintaining current recommendations for social distancing would involve costs to set up (i.e. removing seats and making the area safe) and the numbers which could then be accommodated would be significantly reduced, making the pantomime unprofitable.
- ii. Issue - costs already incurred in staging a pantomime this year can largely be carried forward to 2021, and it would be possible to store Little Wolf's props for next year, giving some welcome support to the company.
- iii. Proposal - The Loughborough Town Hall pantomime should be deferred to Christmas 2021 and the Head of Leisure and Culture tasked with looking at alternative uses of the Auditorium space to attract income and provide a Christmas boost to the local economy.

#### Consultation

11. Consultation has taken place with the Emergency Services and the Highways Authority through the Event Safety Advisory Group for all of the events in question. Whilst they are supportive of the events, as usual, they expressed similar concerns to Council officers about the uncertainty regarding the Covid-19 Pandemic and its effects, and the need to plan adequately for revised events.

#### 12. Specific consultation has taken place as follows:

- i. With regard to the Remembrance Parade, consultation has taken place with the Loughborough Branch of the Royal British Legion, the DMRC Stamford Hall, Loughborough Parish Church and the Army Reserve Centre.
- ii. With regard to Loughborough Fair, initial consultation has taken place with the representative of the local branch of the Showmen's Guild and the emergency services.
- iii. With regard to the Loughborough Christmas Lights switch on, consultation will take place with the Loughborough BID and Market Traders.
- iv. With regard to the Loughborough Town Hall Pantomime, consultation has been ongoing during the year with the Pantomime company, Little Wolf.

## Financial Implications and Considerations

### 13. Loughborough Fair

- i. While contracts to support the Fair are in place, e.g. for traffic management and stewarding, no orders have been placed to date and the administration of the event has been put on hold.
- ii. A decision to abandon this year's event is now necessary to avoid any financial commitments and to allow the Showmen where possible to make alternative bookings. To confirm arrangements for an event to capture and mark this year's Fair through children's rides, food stalls and historically important ceremony.
- iii. The Fair overall makes a small net profit, this year we expect to make a small loss based on previous years' results.

### 14. Remembrance Day Parade

- i. The same contracts to deliver the Fair are in place to deliver the Remembrance Day Parade and it is important that clarity is provided to the companies involved as well as all of the different communities that are involved in the annual parade and service.
- ii. While a Parade is not planned, and budget savings could be possible alternative costs are likely due to the need for virtual activity.

### 15. Christmas Lights Switch On.

- i. This event is usually delivered in partnership with the BID, who amended their budget earlier in the year to support business through direct intervention and cancel their event programme. The alternative event (e.g. a Special Christmas Market supported by activities that are bookable in advance) will look to the support of key town centre stakeholders and partners to ensure the event can be delivered at no additional cost to the Council.

### 16. Pantomime

- i. Due to the lead in time required for the development of the pantomime at the town hall, work has already been in progress to ensure a pantomime would be ready if the situation allowed. A plan has also been in place to defer this year's pantomime if necessary, to 2021 to ensure that any advanced budget commitments can largely support the delivery of next year's pantomime.
- ii. When the auditorium seating is retracted a very large space can be made available for a range of bookable events that would be designed to cover all costs and when possible generate additional income.
- iii. This project will be delivered within existing budgets available.