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To: All Members of the Borough Council

You are requested to attend the meeting of the Charnwood Borough Council to be held in The Preston Room, Woodgate Chambers, Woodgate, Loughborough on Monday, 4th November 2019 following the conclusion of business at the extraordinary meeting for the following business.

Chief Executive

Southfields
Loughborough

25th October 2019

AGENDA

1. APOLOGIES
2. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS
3. MINUTES OF THE PREVIOUS MEETING 7 - 14

To confirm the minutes of the Council meeting held on 2nd September 2019.

4. ANNOUNCEMENTS
 - 4.1. MAYOR'S ANNOUNCEMENTS

To receive announcements from the Mayor (if any).

4.2. LEADER'S ANNOUNCEMENTS

To consider significant, recent matters affecting the Council or the Borough (if any).

4.3. CHIEF EXECUTIVE'S ANNOUNCEMENTS

To receive announcements from the Chief Executive (if any).

5. PETITIONS

To allow councillors to formally submit petitions for consideration under the Council's petition scheme, as set out in Full Council Procedure 9.8.

6. BUSINESS RESERVED TO COUNCIL

To consider the following matters reserved to Council in accordance with Section 5 of the Constitution:

6.1. INVESTMENT STRATEGY

15 - 41

A report of the Cabinet to consider the adoption of an Investment Strategy for the remainder of the financial year 2019/20 and the financial year 2020/21, as recommended by the Cabinet.

7. CALL-IN REFERENCES

There are no references to Council following the call-in of a Cabinet decision under Scrutiny Committee Procedure 11.7.

8. POSITION STATEMENTS

To consider a position statement submitted by the Labour Group under Full Council Procedure 9.10:

8.1. UNITARY STATUS UPDATE

9. MOTIONS ON NOTICE

To consider the following motion on notice submitted under Full Council Procedure 9.12:

9.1. INTERNATIONAL HOLOCAUST REMEMBRANCE
ALLIANCE'S WORKING DEFINITION OF ANTISEMITISM

42 - 43

Motion submitted by Councillor Poland.

10. QUESTIONS ON NOTICE

To deal with the following questions on notice, submitted under Full Council Procedure 9.9(a):

10.1. CLIMATE CHANGE

Question submitted by Councillor Gerrard.

10.2. TOWN DEALS

Question submitted by Councillor Parton.

10.3. LICENSING OF HOUSES IN MULTIPLE OCCUPATION

Question submitted by Councillor Parton.

10.4. LICENSING OF HOUSES IN MULTIPLE OCCUPATION

Question submitted by Councillor Draycott.

10.5. COUNCIL TAX ARREARS

Question submitted by Councillor C. Harris.

10.6. LEISURE CENTRE

Question submitted by Councillor J. Bradshaw.

10.7. SOCIAL HOUSING

Question submitted by Councillor Bolton.

10.8. COUNTY LINES CRIME

Question submitted by Councillor Goddard.

10.9. BUILDING NEW COUNCIL HOUSING

Question submitted by Councillor Ward.

10.10. EXTREME WEATHER EVENTS AND HOMELESSNESS

Question submitted by Councillor Boldrin.

10.11. ENERGY EFFICIENCY STANDARDS FOR NEW BUILDINGS

Question submitted by Councillor Needham.

10.12. ALLOTMENTS

Question submitted by Councillor Forrest.

10.13. FOOD POVERTY AND THE ROLL-OUT OF UNIVERSAL CREDIT

Question submitted by Councillor Brennan.

11. MINUTE REFERENCES

There are no minute references.

12. URGENT EXECUTIVE DECISIONS EXEMPTED FROM CALL-IN - ACQUISITION OF PROPERTIES 44 - 53

A report of the Chief Executive to note a decision taken by the Head of Strategic and Private Sector Housing to acquire properties which were exempted from call-in in accordance with Scrutiny Committee Procedure 11.9.

13. URGENT EXECUTIVE DECISIONS EXEMPTED FROM CALL-IN - MEMBER GRANTS SCHEME 54 - 58

A report of the Chief Executive to note a decision taken by the Lead Member for Communities, Safety and Wellbeing to award a grant which was exempted from call-in in accordance with Scrutiny Committee Procedure 11.9.

14. APPOINTMENTS TO COMMITTEES 59 - 60

To approve changes to the membership of Committees for the current Council year (2019/20).

FORTHCOMING SCHEDULED MEETINGS OF COUNCIL

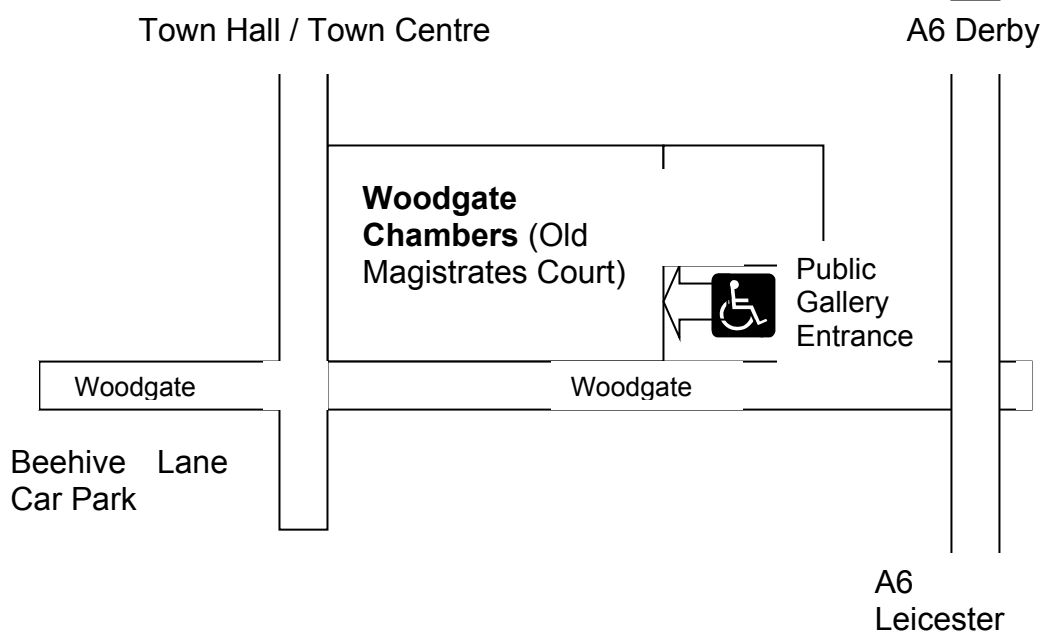
Council Meeting Date	Deadline Date and Time for Councillors to submit Questions on Notice (under Full Council Procedure 9.9(a)), Requests for Position Statements (under Full Council Procedure 9.10) and Motions on Notice (under Full Council Procedure 9.11(a))
Monday, 20th January 2020	Friday, 10th January 2020 at noon
Monday, 24th February 2020	Friday, 14th February 2020 at noon
Monday, 27th April 2020	Friday, 17th April 2020 at noon
Monday, 18th May 2020	Annual Council – No Questions on Notice, Position Statements and Motions on Notice

Councillors, please send your question, request for position statement or motion on notice to:

Karen Widdowson, Democratic Services Manager
Council Offices, Southfield Road, Loughborough, LE11 2TX
Email: democracy@charnwood.gov.uk

WHERE TO FIND WOODGATE CHAMBERS AND PUBLIC ACCESS

Woodgate Chambers
70 Woodgate
Loughborough
Leics
LE11 2TZ



INFORMATION FOR ATTENDING THE MEETING



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CHARNWOOD BOROUGH COUNCIL

**MEETING OF THE CHARNWOOD BOROUGH COUNCIL
HELD IN
THE PRESTON ROOM, WOODGATE CHAMBERS, WOODGATE,
LOUGHBOROUGH
ON 2ND SEPTEMBER 2019**

PRESENT

The Mayor (Councillor Seaton)
The Deputy Mayor (Councillor Snartt)

Councillor Bailey	Councillor Lowe
Councillor Baines	Councillor Mercer
Councillor Bentley	Councillor Miah
Councillor Bokor	Councillor Morgan
Councillor Boldrin	Councillor Needham
Councillor Bolton	Councillor Pacey
Councillor J. Bradshaw	Councillor Paling
Councillor S. Bradshaw	Councillor Parsons
Councillor Brennan	Councillor Parton
Councillor Brookes	Councillor Poland
Councillor Campsall	Councillor Popley
Councillor Capleton	Councillor Radford
Councillor Charles	Councillor Ranson
Councillor Draycott	Councillor Rattray
Councillor Forrest	Councillor Rollings
Councillor Fryer	Councillor Savage
Councillor Grimley	Councillor Shepherd
Councillor Hadji-Nikolaou	Councillor Smidowicz
Councillor Hamilton	Councillor Tassell
Councillor Harper-Davies	Councillor Taylor
Councillor C. Harris	Councillor Tillotson
Councillor K. Harris	Councillor Ward
Councillor Hunt	

Honorary Aldermen R Shields

35. APOLOGIES

Apologies for absence had been received from Councillors Barkley, Goddard, Howe and Murphy, and from Honorary Aldermen John Bush and Joe Tormey.

36. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

The following disclosures of pecuniary and personal interests were made:

Councillor Parton disclosed a personal interest in agenda item 10.2 as a County Councillor member of the Loughborough Town Team.

Councillor Tillotson disclosed an interest in agenda item 6.3 and stated that she would not take part in any vote on that matter.

37. MINUTES OF THE PREVIOUS MEETINGS

The minutes of the ordinary and extraordinary meetings of Council held on 24th June 2019 and of the extraordinary meeting held on 29th July 2019 were confirmed and signed.

38. ANNOUNCEMENTS

39. MAYOR'S ANNOUNCEMENTS

The Mayor made no announcements.

40. LEADER'S ANNOUNCEMENTS

The Leader made the following announcements:

RETIREMENT OF THE CHIEF EXECUTIVE

The Leader expressed his thanks to the Chief Executive, as this was the last Council meeting he would be attending, and wished him a long and happy retirement.

FORMER COUNCILLOR ERIC VARDY

Following the recent resignation of Councillor Vardy, the Leader thanked him for his service to the Council in a number of senior roles and wished him well for the future.

FOOD SAFETY TEAM AWARD

The Leader congratulated the Regulatory Services team on winning an award for the 'Best Small Business Friendly Regulatory Approach' at a recent ceremony.

ARMED FORCES COVENANT EMPLOYER SCHEME

The Leader stated that he was proud that the Council had become one of the first in the East Midlands to receive a gold award for its support for the Armed Forces Community together with Rushcliffe Borough Council.

MEMBER CHAMPION ROLES

The Leader confirmed the following Member Champion appointments for 2019 to 2023:

Councillor Howe – Tree Planting

Councillor Parton – Loneliness

Councillor Needham – Climate Change

41. CHIEF EXECUTIVE'S ANNOUNCEMENTS

The Chief Executive made no announcements.

Councillors Popley and Tassell joined the meeting at 6:44pm.

42. PETITIONS

The following Councillors presented petitions submitted on behalf of residents in their wards:

Councillor Lowe in respect of noxious fumes being released from a business on Carls Way Industrial Estate, Thurmaston.

Councillor Hunt in respect of a Council owned boundary fence in Quorn.

Councillor Bokor on behalf of Wymeswold Parish Council in respect of a complaints about racing noise at Wymeswold airfield.

Councillor J Bradshaw in respect of charges for bulky waste collections.

Councillor Radford in respect of funding to resurface Jubilee Walk in Shepshed.

The Mayor confirmed that the petitions would be considered and responded to in accordance with the Council's petitions scheme.

43. BUSINESS RESERVED TO COUNCIL

44. LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL REVIEW LETTER FOR 2018/19

A report of the Monitoring Officer presenting the Local Government and Social Care Ombudsman's annual review letter for 2018/19 was considered.

Councillor Miah welcomed the report and suggested that a scrutiny panel might be established at some point to review the Council's interaction with its customers.

It was proposed by Councillor Poland and seconded by Councillor Ranson and

RESOLVED

1. That the Local Government and Social Care Ombudsman's review letter form 2018/19, attached as Appendix A to the report, and the summary of upheld complaints set out in Part B of the report, be noted.

Reason

To comply with the guidance from the Local Government and Social Care Ombudsman that the Monitoring Officer should make Members aware of upheld complaints on a periodic basis.

45. APPOINTMENTS TO THE INDEPENDENT REMUNERATION PANEL

A report of the Monitoring Officer making a recommendation for an appointment to the Independent Remuneration Panel was considered.

It was proposed by Councillor Poland and seconded by Councillor Grimley and

RESOLVED

1. That Mr Sumeet Dhul be appointed to the Independent Remuneration Panel until the end of the 2023/24 civic year.

Reason

To fill a vacancy on the Independent Remuneration Panel.

Councillor Draycott joined the meeting at 6:52pm.

46. ADOPTION OF MODEL BYELAWS TO REGULATE THE HYGIENE AND PRACTICE STANDARDS IN PREMISES CONDUCTING COSMETIC PIERCING, SEMI-PERMANENT SKIN COLOURING AND ACUPUNCTURE, TATTOOING AND ELECTROLYSIS

A report of the Licensing Committee recommending the adoption of relevant model byelaws was considered.

It was proposed by Councillor Lowe and seconded by Councillor Forrest and

RESOLVED

1. That the byelaws outlined in Appendix 1 to the report of the Head of Regulatory Services (attached as an Annex to the report to Council) be adopted.
2. That the Head of Regulatory Services be given delegated authority to take all such steps as may be necessary to make, seal, advertise and obtain confirmation, under S.235 of the Local Government Act 1972, of the byelaws from the Secretary of State, so as to bring them into effect.
3. That the existing byelaws relating to ear piercing, acupuncture, tattooing and electrolysis in the Borough of Charnwood, made by the Council on 7th March 1984 and confirmed by the Secretary of State, be revoked.
4. That the Head of Regulatory Services be given delegated authority to introduce a fee in line with our current fee for skin piercing activities and in line with the Council's fees and charging policy.

Reasons

1. To ensure that businesses undertaking cosmetic piercing and semi-permanent skin colouring are registered under the Local Government (Miscellaneous Provisions) Act 1982 and appropriate controls are in place to protect public health and the spread of blood-borne viruses such as HIV, hepatitis N and hepatitis C and other infections.
2. To enable appropriate steps to be taken to introduce the byelaws.
3. To enable the revocation of the existing byelaws, subject to the introduction of the proposed new update byelaws.
4. To enable an appropriate fee to be charged for the registration of relevant individuals and businesses.

47. CALL-IN REFERENCES

There were no call-in references from Scrutiny.

48. POSITION STATEMENTS

No position statements had been requested.

49. MOTIONS ON NOTICE

No motions on notice had been submitted.

50. QUESTIONS ON NOTICE

The questions on notice and the responses of the Leader or his nominee were submitted (item 10 on the agenda filed with these minutes).

BANNING SALE OF FUR ITEMS

Councillor Campsall thanked the Lead Member for the response and stated that he looked forward to the conclusion of the further work that was underway in relation to this matter.

FUTURE HIGH STREET FUND

Councillor Parton thanked the Lead Member for the response and stated that he was very positive about the future of Loughborough town centre and was excited about the various projects that were in development.

Councillor Bokor agreed with Councillor Poland and that it was an exciting time for the town centre and its future.

VICTORIA STREET FLATS REGENERATION

Councillor Parton thanked the Lead Member for the response and stated that it was the residents of the areas who mattered, and that there was huge Police action underway to deal with local problems, and that he felt the opening up of Southfields Park to the community would be a great benefit.

Councillor Harper Davies thanked Councillor Parton for bringing the issues to her attention and explained that some excellent stakeholder engagement was ongoing.

HOUSING DEVELOPMENT COMPANY

Councillor Boldrin thanked the Lead Member for the response but stated that he felt progress was lack lustre and asked what was being done to increase social housing building and when further information would come before Members.

Councillor Morgan stated that the Council was continuing to purchase further Housing Revenue Account properties and that the report to Cabinet concerning the housing development company had outlined its remit and that a further Cabinet report would be coming forward about stage two.

HOMELESSNESS REDUCTION ACT 2017

Councillor Draycott thanked the Lead Member for the response and stated that it confirmed that the number of homeless cases had increased by 121%. She referred to the current Leicestershire County Council proposal to cut out-reach support funding by £300,000 for Charnwood, and asked whether the Lead Member was aware of this and whether the Borough Council was prepared for the potential impact it would have.

Councillor Mercer confirmed that he was aware of the County Council's proposals and that he had submitted a response to them. He explained that the increase in cases was due to a change in the definition of priority need under the Act, and that he was pleased with what the Council was achieving it meeting its extended responsibilities.

CLIMATE EMERGENCY

Councillor Bolton thanked the Lead Member for the response but stated that it had not answered her question. She queried why, given that 60% of UK councils, the UK parliament and the Local Government Association had all declared a climate emergency, this Council had not, and asked when it would.

Councillor Rollings referred to the motion on notice that had been approved by the Council at its meeting on 24th June 2019 concerning climate change. He also congratulated Councillor Needham on her appointment as the Member Champion for climate change.

BULKY WASTE COLLECTION

Councillor Bolton thanked the Lead Member for the response and referred to Cabinet having rejected the recommendations of the Scrutiny Commission regarding the

introduction of charges. She stated that the poorest residents in the Borough would suffer most as a result of charges, and she asked how the waiving of charges in cases of exceptional hardship would work and who would make the decisions.

Councillor Harper Davies stated that she had nothing to add to the response that had already been given.

THE 'BIG SWITCH' SCHEME

Councillor Needham thanked the Lead Member for the response and asked whether he would commit to requesting that the company who administer the scheme should only offer energy from 100% renewable sources.

Councillor Mercer stated that he would encourage the scheme to look into it, but that the primary aim was to address fuel poverty and offer savings to local residents.

STRATEGIC GROWTH PLAN

Councillor Needham thanked the Lead Member for the response and asked how the strategic growth plan could be compatible with the Council's climate change targets and whether specific examples could be given.

Councillor Hunt stated that the strategic growth plan set out a vision for development in the County over a period of time, including plans for better use of resources and planned infrastructure designed to reduce congestion and pollution.

51. MINUTE REFERENCES

There were no minute references.

52. URGENT EXECUTIVE DECISIONS EXEMPTED FROM CALL-IN

A report of the Chief Executive, informing the Council of an urgent decision made by the Head of Strategic and Private Sector Housing that was exempted from call-in in accordance with Scrutiny Committee Procedure 11.9, was submitted (item 12 on the agenda filed with these minutes).

Councillor Miah reiterated previous concerns that properties being purchased in this manner were subject to the right to buy scheme and asked for clarity on why properties other than those having two bedrooms were being purchased when Members had been informed that was where the greatest demand lay.

Councillor Morgan stated that he believed a response had been given previously to the same question.

53. APPOINTMENTS TO COMMITTEES

It was proposed by Councillor Morgan and seconded by Councillor Poland and

RESOLVED

1. That Councillor Hadji-Nikolaou be appointed to the Scrutiny Commission to fill the vacancy arising from Councillor Hunt having become a Cabinet member.
2. That Councillor Rattray be appointed as the Chair of the Scrutiny Commission to replace Councillor Hunt.
3. That Councillor Rattray be appointed to the Housing, Planning and Regeneration Scrutiny Commission to replace Councillor Hunt.
4. That Councillor Popley be appointed as a Conservative representative on the Neighbourhoods and Community Wellbeing Scrutiny Committee to replace Councillor Rattray.

It was proposed by Councillor Needham and seconded by Councillor Snartt and

RESOLVED

That Councillor Campsall be appointed as a non-grouped representative on the Neighbourhoods and Community Wellbeing Scrutiny Committee to replace Councillor Popley.

Note:

These minutes are subject to confirmation as a correct record at the next meeting of the Council which is scheduled for Monday 4th November 2019

COUNCIL – 4TH NOVEMBER 2019

Report of the Cabinet

Part A

ITEM 6.1 INVESTMENT STRATEGY

Purpose of Report

To consider the adoption of an Investment Strategy for the remainder of the financial year 2019/20 and the financial year 2020/21, as recommended by the Cabinet.

Recommendation

That the proposals set out at Appendix B to the report of the Strategic Director of Corporate Services (attached as an Annex) are adopted and incorporated into the extant Capital Strategy.

Reason

To provide additional clarity to the extant Capital Strategy and enable the Council to increase the range of its investment activities.

Policy Justification and Previous Decisions

At its meeting on 19th September 2019, the Cabinet considered a report of the Strategic Director of Corporate Services to consider the adoption of an Investment Strategy for the remainder of the financial year 2019/20 and the financial year 2020/21.

A copy of the report considered by the Cabinet is attached as an Annex to this report. The report has been updated to incorporate an amendment agreed by the Cabinet on 19th September 2019, detailed below.

The following extract from the minutes of the Cabinet's meeting on 19th September 2019 details its consideration of the matter:

“32. INVESTMENT STRATEGY

Considered a report of the Strategic Director of Corporate Services to consider an Investment Strategy for the remainder of financial year 2019/20 and the financial year 2020/21, for recommendation to Council (item 12 on the agenda filed with these minutes).

The Strategic Director of Corporate Services assisted with consideration of the report.

RESOLVED that it **be recommended to Council** that the proposals set out at Appendix B to the report of the Strategic Director of Corporate Services are adopted

and incorporated into the extant Capital Strategy, subject to the following amendment to Appendix B:

Section entitled 'Proposal – Investment in Commercial Property'. Sentence reading "All property acquisitions will be located within the Borough" be amended to read "All property acquisitions will *normally* be located within the Borough". (Amendment shown in italic).

Reason

To provide additional clarity to the extant Capital Strategy and enable the Council to increase the range of its investment activities."

Policy justification is as set out in the report of the Strategic Director of Corporate Services.

Implementation Timetable including Future Decisions

The implementation timetable is as set out in the report of the Strategic Director of Corporate Services

Report Implications

The following implications have been identified for this report:

Financial Implications

Financial implications are as set out in the report of the Strategic Director of Corporate Services.

Risk Management

Risks are as set out in the report of the Strategic Director of Corporate Services.

Annex: Cabinet Report 19th September 2019 "Investment Strategy", amended to incorporate the amendment agreed by the Cabinet on 19th September 2019, detailed above.

Background Papers: None further to those detailed in the report of the Strategic Director of Corporate Services.

Officer to Contact: Karen Widdowson
Democratic Services Manager
01509 634785
karen.widdowson@charnwood.gov.uk

CABINET - 19TH SEPTEMBER 2019**Report of the Director of Corporate Services
Lead Member: Councillor Barkley****Part A****ITEM INVESTMENT STRATEGY****Purpose of Report**

This report proposes an investment strategy that the Council would adopt for the remainder of financial year 2019/20 and the financial year 2020/21.

If adopted, the Investment Strategy would be incorporated within the overarching annual Capital Strategy, the first version of which was prepared and approved by a meeting of full Council on 25 February 2019.

As part of the budgetary and policy framework, adoption of this strategy will require approval by Council.

Recommendation

That it is recommended to Council that the proposals set out at Appendix B of this report are adopted and incorporated into the extant Capital Strategy.

Reason

To provide additional clarity to the extant Capital Strategy and enable the Council to increase the range of its investment activities.

Policy Justification and Previous Decisions

This decision supports the overall objective of delivering better services, by enabling the Council to make better use of its assets.

The overarching Capital Strategy, in which these investment strategy proposals would be incorporated, was approved by Council on 25 February 2019 (minute reference 77.2).

Implementation Timetable including Future Decisions and Scrutiny

The investment strategy will become extant once (and if) approved by Council. The next appropriate meeting of full Council would be 4 November 2019.

It is envisaged that this document will be scrutinised by the Corporate Services Scrutiny Committee at its meeting of 17 September 2019 and by the Scrutiny Commission should they select this report for Scrutiny.

Report Implications

The following implications have been identified for this report.

Financial Implications

Whilst approval of the Investment Strategy would enable the Council to undertake significant investment activity, this report does not of itself commit the Council to any financial transactions.

There are therefore no direct financial implications.

Risk Management

All significant investments enabled by this proposed strategy would be the subject of a separate Cabinet decision. There are therefore no direct risks associated with this report.

Key Decision:	Yes (reserved to Council)
Background Papers:	Capital Strategy – report to Council of 25 February 2019
Officer to contact:	Simon Jackson Strategic Director of Corporate Services 01509 634699 simon.jackson@charnwood.gov.uk

Part B – INVESTMENT STRATEGY

Background

Previous reports on this topic

1. The Council is now required to prepare an annual Capital Strategy. The first of these was prepared and approved by a meeting of full Council on 25 February 2019, to take effect from 1 April 2019¹.
2. This version of the strategy discussed Commercial Investment in broad terms and noted (Section 4) that a further report with firmer proposals would be brought forward subsequently; those proposals are contained within this report.

Scope of this report

3. This report covers treasury management and non-core activities undertaken primarily or partially to generate income and support the delivery of a balanced budget. Reference within the report is made to Housing Revenue Account activities but the focus of the report is on the General Fund, and the potential impact of commercial activities in the General Fund budget.
4. This report sets out:
 - The Council's existing custom and practice in respect of investment activities
 - Possible options available to the Council should a more proactive investment approach be deemed appropriate
 - Alternatives to investment – paying off existing loans and liabilities
 - Proposed investment strategy for the remainder of financial year 2019/20 and financial year 2020/21
 - Assumptions arising from the proposed investment strategy used for the construction of the Medium Term Financial Strategy 2020-2023 and the next iterations of the budget and capital plan.

Existing custom and practice

5. Historically, the Council's approach to investment of all types can be described as low-risk, or generally risk averse.
6. Since April 2018 the Council has had, at any point in time, between £36m and £60m invested in short term financial instruments, in accordance with its

¹ See <https://charnwood.moderngov.co.uk/ieListDocuments.aspx?CId=138&Mid=228>

Treasury Management Strategy². Much of this money does not actually belong to the Council; some, for example, is the share of council tax collections due to be paid over to the major preceptors, but it is apparent that this level of cash holding represents significant revenue generating opportunities. The precise mix and quantum of investment balances varies with the Council's cash flow, but generally the bulk of investment is in short or very short-term money market instruments with a smaller proportion invested in the form of loans to other local authorities for longer periods of up to two years. This approach to investment is prudent, both in terms of counter party risk, and liquidity (the ability to access investments and convert them to cash), but with a corresponding restriction on investment returns.

7. Recognising that investment returns from short term investment were low, the Council took the decision to invest up to £5m in Property Funds. Two funds were selected (Lothbury and Hermes) and the investments were placed in 2018. These investments were envisaged as being for the long term and with a view to achieving returns significantly above those available on the money markets. To date this (relatively small) element of the Council's overall investment portfolio has performed in line with expectations.
8. At the snapshot date of 31 March 2019, the Council had investments of some £50m, distributed as follows:
 - 'Specified investments' of £39m – being short term and very short term financial instruments; interest rates payable on these deposits are typically well below 1%, reflecting current bank base rates
 - Loans in other local authorities, accounting for £6m of treasury investments at 31 March 2019, which typically generate returns in the order of 0.7% - 1.4%, which are again a reflection of base rates
 - Property Funds in which £5m has been invested across two funds for the longer term, which are currently achieving their target return of around 6%.

This activity generated income to the Council of £540,000 in 2018/19.

9. The Council also has a direct investment in properties in the Borough, comprising a portfolio of storage compounds, light industrial units and office accommodation which are let to business tenants at commercial rents. This is summarised at Appendix A. Occupation levels are generally good and overall the portfolio makes a positive return for the Council. However, the development of this portfolio has been somewhat piecemeal and can be attributed to historical or opportunistic factors rather than as being driven by an investment strategy.

² See Capital Strategy, Council 25 February 2019

<http://intranet.charnwood.local/papers/council/20190225/Published%20Items/Cnl%2025%20February%202019%20Complite%20Agenda.pdf>

10. Notwithstanding recent diversification of investment, in totality this portfolio can be viewed as being low-risk.

Existing approach to borrowing

11. The Council has taken on a significant amount of debt required to refinance the Housing Revenue Account, some £80m, arising from the government decision to abolish housing subsidy arrangements, but within the General Fund the Council carries only minimal debt of £2m relating to a very old loan taken out in 1984 and the Council has not exercised its ability to borrow within the General Fund since this date. This has not been necessary, as usable capital receipts and revenue funding has been sufficient to finance the Council’s capital programme over this period.
12. Other local authorities have borrowed long-term money at low interest rates available from the Public Works Loan Board (recently around 3% depending on the term of the loan), to create property portfolio that generates a net return to the authority with an explicit purpose of providing financial support to the General Fund (thereby enabling a greater level of spending on services). This policy carries more risk than traditional investments in financial instruments but is designed to generate greater returns than would be available through the money markets. It is not a policy that the Council has followed to this point in time.

Options

13. There are a wide range of options that could be available to the Council if a more proactive approach to investment was considered. Most would require the Council accepting higher levels of risk in exchange for higher financial returns and/or facilitation of policy objectives (particularly those around regeneration or housing delivery). A range of these options – which in practice might be combined in hybrid arrangements - are outlined below:

1. *Do nothing (continue with existing approach)*

Continuing with the existing approach would be appropriate if the current investment portfolio, with its associated level of risk and return, is considered acceptable. However, opportunities to achieve higher levels of financial return or facilitate policy objectives may be missed. Generally, in an environment of financial scarcity continuation of the current approach may be viewed as unacceptably passive.

<i>Positive aspects</i>	<i>Negative aspects</i>
<ul style="list-style-type: none"> + Known (low) portfolio risk + Acceptable level of financial return in relation to risk + No implementation costs 	<ul style="list-style-type: none"> - Opportunities to increase financial returns may be missed - Opportunities to facilitate other policy objectives are foregone - Generally passive

2. *Review Treasury Management Strategy to target higher financial returns*

A relatively simple option would be to review the current protocols to target higher returns from the Council's treasury activities; recent initiatives along this line contributed to the Council generating £540,000 in 2018/19, versus £337,000 in the previous year. The extant Treasury Management Strategy does restrict the Council's actions to some extent, but the protocols embedded within this Strategy are partly self-imposed. Amendment of this Strategy could be implemented in line with the usual timetable and take effect from the 2020/21 financial year.

In practice adopting this Option would mean:

- Expanding the range of financial institutions with whom the Council would invest; at present the approved list is restricted to institutions with superior credit ratings
- Expanding the range of financial instruments within the Council would invest; for example, this could include investment in bonds with underlying assets in non-property assets such as renewable energy schemes, or portfolios of business loans through institutions such as Funding Circle
- Allowing investments to be placed for longer periods of time

In each case, this would mean accepting higher levels of risk and / or lower liquidity. The pros and cons of such an approach are tabulated below:

<i>Positive aspects</i>	<i>Negative aspects</i>
<ul style="list-style-type: none">+ Higher financial returns achievable+ Relatively easy to implement+ Would use existing cash balances; no additional borrowing required	<ul style="list-style-type: none">- Non-financial (policy) objectives are not addressed- Would probably require professional support for implementation and monitoring of investment portfolio- Higher risks have to be accepted

3. *Proactive investment in property assets*

Investment in property might be with the objective of:

- Maximising financial return
- Facilitation of policy objectives – such as delivery of affordable housing

At 31 March 2019 the Council had some £10.4m in usable capital receipts (funds available specifically for capital expenditure) and other revenue reserves that could be used to fund capital expenditure. Much of this funding is committed in the existing Capital Plan and it likely that any significant investment in property would need at least partial funding from new borrowing. However, it may be argued that given historically low interest rates and the Council's access to cheap

money via the Public Works Loan Board that a more aggressive capital programme with a specific objective to acquire assets with a view to making a financial return could be implemented.

Current practice is to create a three-year Capital Plan which is refreshed every two years; the next refresh is due for the 2020/21 financial year, which could incorporate a programme to acquire investment properties.

Minimum Revenue Provision

14. Minimum Revenue Provision (MRP) is the requirement of the Council to set aside cash sums to repay borrowing. The key features of MRP are:
- MRP would result in a charge to the General Fund
 - Generally, the annual MRP charge would equate to the term of the underlying loan; so a 50 year loan would require an annual MRP charge of 2% - after 50 years the cash set aside would therefore cover the loan principal
 - The charge to the General Fund would be in addition to the annual interest charge
15. MRP may not apply in certain circumstances (often associated with borrowing to finance subsidiary companies) but in a simple case where a loan is taken out to finance a property asset, the combination of interest and MRP charges may offset the rental yield generated by that asset. Generally, where MRP does apply, the net yield achieved by local authorities through property acquisitions may only be in the order of 1% - 2%; the implications of this is that very significant investment may be required to make a material contribution to the General Fund.

Borrowing in advance of need

16. The Ministry for Housing Communities and Local Government (“MHCLG”) issued revised Investment Guidance (“the Guidance”) in February 2018 which made significant changes in the previous guidance in relation to borrowing in advance of need. It now states that authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. Where a local authority chooses to disregard the requirements of the CIPFA Prudential Code and the Guidance and borrows or has borrowed purely to profit from the investment of the extra sums borrowed the authority should explain:
- Why the local authority has decided not to have regard to the Guidance or to the Prudential Code in this instance
 - The local authority’s policies in investing the money borrowed, including management of the risks, for example, of not achieving the desired profit or borrowing costs increasing

17. The related Informal Commentary to the Guidance states that this principle applies to both borrowing taken on to finance the acquisition of non-financial, as well as financial investments, so includes loans to third parties.
18. Traditionally, “borrowing in advance of need”, has been widely held to relate to instances where an authority identifies a borrowing need based on its projections of its Capital Financing Requirement (CFR) and opts to secure a preferential rate. Therefore, ability to borrow would be linked to the increasing CFR, demonstrating that borrowing has only been undertaken to support a capital purpose.
19. Overall, the Guidance and Informal Commentary would create a confusing picture around borrowing and what constitutes ‘investment’.
20. Generally, local authorities continue to borrow for investment purposes (so it is clearly a viable course of action) but prior to undertaking borrowing for investment the Council will take professional advice in order that the Council can satisfy itself it has the appropriate legal and constitutional powers to support the proposed loan.

Non-financial objectives

21. In addition to generating financial returns, the Council could also attach other objectives to investment, by, for example, requiring that the investment be in property assets within the Borough, thereby supporting the Corporate Plan objective of creating a ‘strong and lasting economy’. Further, the investment strategy could accept a lower than generally achievable rate of return if specific policy objectives, such as support for new businesses, were satisfied.

<i>Positive aspects</i>	<i>Negative aspects</i>
<ul style="list-style-type: none"> + Higher financial returns achievable + Conceptually straightforward; risks and rewards should be knowable, if not known + Non-financial (policy) objectives could be addressed 	<ul style="list-style-type: none"> - Would require professional support for implementation and possible also monitoring of property portfolio - Higher risks have to be accepted - Likely to require some level of General Fund borrowing

4. Investment in economic infrastructure and regeneration

More complicated schemes could involve the Council acquiring land and buildings with a view to redevelopment, or financing infrastructure in the Borough such as roads or power supply. Such schemes are likely to require significant investment, would therefore create a need to borrow, and may also feature:

- Multiple funding sources from government, partner organisations, ‘s106 contributions’ levied through the planning process, or business rate generation facilitated through the infrastructure created

- Delivery involvement from joint venture partners
- The creation of ‘Special Purpose Vehicles’ – corporate arrangements, such as limited companies – set up to channel funding and provide governance on complex projects

Cabinet has already approved the creation of a Housing Development Company (December 2018³) in principle which, when operating, is likely to be an example of this type of investment. The high-level pros and cons of such an investment are set out below.

<i>Positive aspects</i>	<i>Negative aspects</i>
<ul style="list-style-type: none"> + Higher financial returns could be possible + Complexity likely to increase cost and risk + Non-financial (policy) objectives can be addressed as a matter of priority + More opportunities for returns to be enhanced by avoiding MRP, and generally via ‘financial engineering’ of the arrangement 	<ul style="list-style-type: none"> - Would require professional support for implementation and possible also monitoring of property portfolio - Complexity is likely to increase implementation time - Higher risks have to be accepted - Likely to require some level of General Fund borrowing (an HDC would probably not be necessary if housing was developed through the HRA)

5. *Other complex transactions*

Examples of complex transactions could be:

- Providing loans to partners at rates in excess of the Council’s cost of borrowing
- ‘Income-strip’ type arrangements where the Council guarantees the future income streams of third-party investors generated by an asset in exchange for a fee and / or future rights over that asset

In the former case, the Council would take advantage of access to low interest rate loans, and provide finance to bring forward delivery of a project (usually fulfilling other policy objectives) in exchange for a ‘turn’ on interest rates (ie. the Council would offer a loan to a third party at rates above those at which it could borrow⁴).

In income-strip type arrangements the Council need not necessarily be an investor in a project but instead provides a covenant guaranteeing future income to investors (typically Pension Funds) who will accept lower returns from investment providing those returns are virtually certain. An example of the latter

³ See <https://charnwood.moderngov.co.uk/ieListDocuments.aspx?CId=137&MId=175&Ver=4>

⁴ This mechanism could be used, for example, to create revenue out of a loan to a SPV or Council trading company

type of transaction is that of 'Wirral Waters One', an income-strip arrangement being brought forward by Wirral Council⁵. In this transaction Wirral agree to guarantee a minimum level of housing rental income to Aviva in years 11 to 50 of the fifty-year agreement. At the end of this period Wirral have the option to take a peppercorn lease over the majority of housing units for a further 200 years.

As can be evidenced by the Wirral case study, this type of transaction may be very long term in nature and contain risks that are both long term and difficult to quantify. Income-strip schemes provide viable solutions for bringing forward development but must be handled with great care.

<i>Positive aspects</i>	<i>Negative aspects</i>
<ul style="list-style-type: none"> + Otherwise very difficult (financially) projects can be delivered + Higher financial returns could be possible + Complexity likely to increase cost and risk + Non-financial (policy) objectives can be addressed as a matter of priority + More opportunities for returns to be enhanced by avoiding MRP, and generally via 'financial engineering' of the arrangement 	<ul style="list-style-type: none"> - Would require professional support for implementation - Transactions may be very complex - Associated professional fees may be significant – and may have to be written off if project not ultimately viable - Complexity is likely to increase implementation time - Higher risks have to be accepted and these may be in the very long term - Some level of General Fund borrowing may be necessary

6 Investment in social housing through the Housing Revenue Account

The Council already has a £2.8m programme of investment within the Capital Plan to acquire properties and increase the Council's social housing stock. Some additional borrowing headroom could be identified within the Housing Revenue Account (HRA) to accelerate this process if such a policy were pursued. Investment within the HRA however, has no impact on the General Fund budget and could not be a contributor to the overall financial sustainability of the Council.

Alternatives to investment – paying down existing debt

22. Paying down existing debt may in theory provide a superior financial returns to available investment opportunities. Two possibilities are open to the Council:

Early repayment of £2m loan within the General Fund

23. This loan was taken out in 1984 at what now appears a punitive interest rate of 11.625%. Given the disparity between prevailing interest rates and that payable

⁵ <https://democracy.wirral.gov.uk/documents/g7390/Public%20reports%20pack%2001st-Oct-2018%2010.00%20Cabinet.pdf?T=10>

on the loan the Council has periodically requested early repayment terms. Unfortunately the terms have been such that early repayment has not represented value for money; the loan is now approaching the end of its term (which will be in 2024) and it is envisaged that it will now run its course.

Reduction in pension liability

24. The Council’s liability for pension commitments, calculated by the Local Government Pension Scheme (LGPS) actuaries and reflecting the difference between scheme assets and obligations to members stood at £78m at 31 March 2019. In practice the Council will not suddenly need to repay this amount, but it will need to increase its employer contributions over time, such that the scheme deficit is reduced. The current employer pension contribution is around 30%, and given the existing situation, is set for a ‘smooth’ increase over the medium term⁶. One option available to the Council is to pay a lump sum into the LGPS which would minimise or reverse employer contribution increases.
25. At the point of drafting this report figures for the Council are not available given the current actuarial LGPS revaluation exercise; however, calculations will be available in the autumn which would enable the Council to assess this alternative.

<i>Positive aspects</i>	<i>Negative aspects</i>
+ Very low risk	<ul style="list-style-type: none"> - Returns may be limited - Impact of repayment may not be visible - Opportunities to facilitate other policy objectives are foregone

26. Should a reduction in pension fund liabilities appear attractive a report will be brought to Cabinet for consideration.

Proposed investment strategy for the remainder of financial year 2019/20 and financial year 2020/21

27. The proposals set out below are designed to comply with the Statutory Guidance on Local Government Investments (‘the Guidance’), effective from 1 April 2018.

A. Specified investments and loans to other local authorities

28. The Guidance defines in detail what criteria an investment would meet to be categorised as ‘specified’ but essentially this would include investments falling within the Council’s treasury management activities, the management of which is governed according to the Council’s Treasury Management Strategy Statement (TMSS), which in turn is in accordance with the guidance.

⁶ The LGPS trustees allow gradual, or smoothed, contribution increases for local authority members to avoid significant and adverse changes in contribution rates in the short term

29. One of the criteria of specified investments is that the local authority has a contractual right to repayment within 12 months. Certain loans to other local authorities made by the Council have a term of up to two years, so do not fall strictly within the definition. However, management of this type of financial instrument falls within the TMSS.
30. It is essentially a legal requirement that the Council manages treasury operations in line with the TMSS so this is and will remain a Council policy. The Council is required to review the TMSS on an annual basis.

PROPOSAL – REVIEW OF TREASURY MANAGEMENT STRATEGY

From a strategic perspective it is proposed that the TMSS be reviewed in conjunction with our professional advisers with a view to relaxing the existing investment criteria in a judicious manner, accepting additional risk and with a view to achieving additional returns. This would be undertaken for financial year 2020/21 and incorporated in the revised TMSS for this year.

31. Interest rates are at historically low levels and are expected to remain so for several months ahead. Based on an average fund under management of £50m, and an increase in return by an average of 0.1%, this would generate additional income of £50,000 per annum.

B. Loans

32. The Guidance states that a local authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for economic growth. This course of action is appropriate providing:
 - Total financial exposure to this type of loan is proportionate
 - An allowed ‘expected credit loss’ model for assessing credit risk is adopted⁷
 - Appropriate credit control arrangements to cover overdue payments are in place
 - The local authority has formally agreed the total level of loans by type that it is willing to make, and the total loan book is within that self-assessed limit

PROPOSALS

Loan to third parties

33. The Council will not proactively seek to market loans to third parties but will consider offering loans to local enterprises, local charities, on a case by case basis, as and when approached.

⁷ As defined within International Financial Reporting Standard 9 – in broad terms the likelihood of a creditor defaulting in future must be considered in accounting for impairment (compared to previous Standards in which accounting was based on actually incurred losses)

No money will be set aside within the forthcoming Capital Plan.

Should an opportunity to offer a loan to a third party arise reports will be taken to Cabinet, and Council if required, to seek specific approval for that transaction.

All prospective debtor organisations will be either be located, or will have substantial operations, within the Borough.

Any asset created through the loan will be located within the Borough.

The purpose of the loan will support local economic growth as defined within the extant Corporate Plan.

The maximum total loan book the Council would manage will be £10m.

The maximum single loan to an individual organisation will be:

- Secured loan £5m
- Unsecured loan £2m

The maximum total value of unsecured loans will be £4m.

Loans will be offered on a commercial basis with rates offered dependent on risk; unsecured loans will attract higher interest rates. Rates offered will be in accordance with independent professional advice

Due diligence will be carried out on prospective debtor organisations.

34. Generally, independent professional advice will be taken to ensure that the structure of loan finance offered, and the risk and return associated with that structure is appropriate.

Loans to joint venture and wholly owned subsidiary companies

35. The Council has already stated it intends to set up a Housing Development Company (HDC)⁸. Detailed proposals for the corporate structure of the HDC or specific site development are not yet available but to reiterate that statement of intent it is proposed as follows:

⁸ See: [http://intranet.charnwood.local/papers/cabinet/20181213/Published%20Items/Cab%2013%20December%202018%20Agenda%20Pack%20\(modern.gov\).pdf](http://intranet.charnwood.local/papers/cabinet/20181213/Published%20Items/Cab%2013%20December%202018%20Agenda%20Pack%20(modern.gov).pdf)

An amount of £10m to fund the HDC will be allocated within the forthcoming Capital Plan.

This funding *may* be in the form of a loan to the HDC, upon which interest and subsequent repayment of principal will be due to the Council.

Pro tem it will be assumed that this funding is phased £5m in 2021/22 and £5m in 2022/23.

It is assumed that this funding be financed through Council borrowing, as and when investment is required.

At minimum, interest and principal repayments will cover all of the Council's borrowing costs, in cases where the subsidiary company is wholly owned by the Council.

At minimum interest and principal repayments will cover all of the Council's borrowing costs, plus a margin of in cases where a subsidiary company or joint venture is only partially owned by the Council. This margin will be assessed on a case by case basis and set to ensure both compliance with State Aid rules and an appropriate representation of underlying loan risks and collateral.

Professional advice will be taken to ensure:

- The loans are structured in the most advantageous way, having regard to risk, prospective returns, and tax implications
- MRP can be avoided or mitigated through the loan structure

Appropriate due diligence will be carried out on prospective partner organisations.

36. Given that no concrete proposals are yet in place, no impact is assumed on the Council's finances for the purposes of the MTFS projections.

C. *Non-financial and ad-hoc investments*

37. This category could include investment in, for example:

- Investment properties
- Wholly owned companies and joint ventures
- Wider scale and more ambitious regeneration projects
- Ad-hoc complex investments

38. The Guidance describes non-financial investment as being in non-financial assets held primarily or partially to generate a profit. Usually it will be expected that the underlying asset could be 'realised' to recoup the capital invested.

39. In terms of reporting it will be necessary to state whether:

- The fair value of non-financial investments is sufficient to provide security against losses, and that the underlying assets provide adequate security for the originating capital investment

- Where the fair value is insufficient detail of mitigating actions should be provided to protect the capital invested
- Additionally, where the fair value assessment recognises a loss in the non-financial investment the subsequent Capital Strategy will need to reflect the impact of loss of security and the associated revenue consequences

40. Fair value accounting in this context is covered by International Financial Reporting Standard 9, as modified by a five-year statutory override applicable to local authorities (covering financial years from 2018/19). The implication of the override is that if a local authority recognises a loss on investment then this will not impact on the general fund, or, therefore, on an authority's ability to set its budget. However, the override is (currently) time limited and a major downturn in the value of specific assets, or the property market generally, represents a clear risk in future financial periods.

Investment properties

PROPOSAL – INVESTMENT IN COMMERCIAL PROPERTY

An amount of £10m to expand the Council's commercial property portfolio will be added to the forthcoming capital plan.

A maximum of £5m will be invested in any single property.

The minimum gross yield acceptable will be based on extant commercial yields and informed by professional advice:

- Default minimum yield would be in line with benchmark commercial property yields (currently around 7%)
- Where additional policy objectives are also satisfied a yield equating to the default amount, less 2% would be acceptable (ie. 5% in current market conditions)

All property acquisitions will normally be located within the Borough.

Reserves will be created out of rental income to allow for the impact of:

- MRP requirements
- Allowance for void rental periods and landlord repair obligations

After creation of reserves, and taking account of actual or notional⁹ borrowing costs, the minimum net yield expected on individual acquisitions will be 1.6% (based on current market conditions, representing a 1% uplift on the return on the specified investment portfolio).

Appropriate independent professional advice will be sought for each property acquisition.

All acquisitions will be subject to separate evaluation and approval by Cabinet.

Pro tem it will be assumed that this funding is phased £5m in 2021/22 and £5m in 2022/23.

41. For the purposes of MTFs projections it is assumed that:

⁹ In evaluating prospective acquisitions it will be assumed that borrowing costs will be incurred (whether or not borrowing is required); this is to allow like for like evaluation of acquisitions independent of financing.

- £5m will be invested in 2021/22
- A further £5 will be invested in 2022/23
- Average net yield, as set out above, will be 1.5%; this equates to a contribution to the general fund of £75,000 in 2021/22 and £150,000 in 2022/23

Investment in wholly owned companies and joint ventures

42. Should circumstances suggest, it may be appropriate to invest directly in the equity of a Housing Development Company, rather than in the form of a loan, as described above. The basis of investment will be equivalent, as described below.

PROPOSAL – INVESTMENT IN HOUSING DEVELOPMENT COMPANY

An amount of £10m to fund the HDC will be allocated within the forthcoming Capital Plan.

This funding *may* be in the form of an equity investment in the HDC, upon which dividends or and / or management fees will be due to the Council.

Pro tem it will be assumed that this funding is phased £5m in 2021/22 and £5m in 2022/23.

It is assumed that this funding be financed through Council borrowing, as and when investment is required.

At minimum, dividends and management fees will cover all of the Council's borrowing costs, in cases where the subsidiary company is wholly owned by the Council.

At minimum dividends and management fees will cover all of the Council's borrowing costs, plus a margin of in cases where a subsidiary company or joint venture is only partially owned by the Council.

Professional advice will be taken to ensure:

- The loans are structured in the most advantageous way, having regard to risk, prospective returns, and tax implications
- MRP can be avoided or mitigated through the loan structure

Appropriate due diligence will be carried out on prospective partner organisations.

43. In total, the maximum investment in a HDC, whether by loan or equity investment, will be an amount of £10m.

Other non-financial and ad-hoc investments

44. Investment in other types of asset, or in larger and more complex arrangements, is not considered within this iteration of the Commercial Investment strategy. In practice, should opportunities arise, the Commercial Investment and Capital Strategies could be amended, subject to the approval of full Council, to allow emerging opportunities to be exploited. It can also be assumed that any significant investment would be subject to the specific approval by Cabinet.
45. For clarity, the above proposals are summarised at Appendix B.

MTFS / budget assumptions

46. Based on the above proposals, the impact on the Councils general fund budget in future years is projected as follows:

Projected contributions to the general fund

PROPOSAL	<i>2020/21 £000</i>	<i>2021/22 £000</i>	<i>2022/23 £000</i>
Review of TMSS	50	50	50
Investment in commercial properties	0	75	150
TOTAL ASSUMED	50	125	200

47. Investment in the Housing Development Company may be undertaken on a 'break-even' basis hence no positive contribution is assumed.

48. Other investment would occur on an opportunistic basis; hence again, no positive contribution is assumed.

Appendices

Appendix A – Summary of the Council's current commercial property portfolio

Appendix B – Summary of specific Commercial Investment proposals

APPENDIX A – REVIEW OF PRINCIPAL COMMERCIAL PROPERTY PORTFOLIO

(All numbers £000 unless stated, derived from 2019/20 original budget)

Woodgate Chambers (budget M825)

INCOME	Direct costs	Directly attributable recharges	Capital financing	TOTAL COSTS	NET SURPLUS / (DEFICIT)	LATEST VALUATION	CALCULATED YIELD
81.6	28.8	5.0	15.4	49.2	32.4	646.3	5.0%
		Based on 5% salary cost of Facilities Manager and Building Surveyor Other indirect overheads, such as finance, legal, etc, are ignored within these calculations	Finance charge equivalent to depreciation			Value per Wilks Head & Eve, 2019 (This is below the c.£1+m cost of this asset)	Based on the cost of the asset, yield would be c.3%

Chainbridge Industrial Estate (budget P105)

INCOME	Direct costs	Directly attributable recharges	Capital financing	TOTAL COSTS	NET SURPLUS / (DEFICIT)	LATEST VALUATION	CALCULATED YIELD
130.2	3.4	3.0	15.1	21.5	108.7	1,207.1	9.0%
		Based on 5% salary cost of Facilities Manager				Value per Wilks Head & Eve, 2019	

Meadow Lane Industrial Site (budget P125)

INCOME	Direct costs	Directly attributable recharges	Capital financing	TOTAL COSTS	NET SURPLUS / (DEFICIT)	LATEST VALUATION	CALCULATED YIELD
168.3	11.1	5.0	16.7	32.8	135.5	1,325.1	10.2%
		Based on 5% salary cost of Facilities Manager and Building Surveyor				Value per Wilks Head & Eve, 2019	

Ark Business Centre (budget P135)

INCOME	Direct costs	Directly attributable recharges	Capital financing	TOTAL COSTS	NET SURPLUS / (DEFICIT)	LATEST VALUATION	CALCULATED YIELD
77.6	50.9	39.4	5.4	95.7	(18.1)	446.4	Negative
		Based 5% share of FM and BS (as above), plus direct staffing of reception				Value per Wilks Head & Eve, 2019	NOTED AS REQUIRING ATTENTION AS PART OF COMMERCIALIS'N AGENDA

Oak Business Centre (budget P136)

INCOME	Direct costs	Directly attributable recharges	Capital financing	TOTAL COSTS	NET SURPLUS / (DEFICIT)	LATEST VALUATION	CALCULATED YIELD
189.7	75.7	39.4	15.2	130.3	59.4	1,217.0	4.9%
		Based 5% share of FM and BS (as above), plus direct staffing of reception				Value per Wilks Head & Eve, 2019	

Messenger Close (budget P115)

INCOME	Direct costs	Directly attributable recharges	Capital financing	TOTAL COSTS	NET SURPLUS / (DEFICIT)	LATEST VALUATION	CALCULATED YIELD
43.8	0	3.0	1.8	4.8	39.0	441.6	8.8%
	Newly created compounds – no maintenance budget early years	Based on 5% salary cost of Facilities Manager				(£380k land + ~ £130k site development costs incurred) Value per Wilks Head & Eve, 2019	Based on original land value + development costs yield would be ~ 7%

Town Hall Chambers (part budget M835)

INCOME	Direct costs	Directly attributable recharges	Capital financing	TOTAL COSTS	NET SURPLUS / (DEFICIT)	LATEST VALUATION	CALCULATED YIELD
23	0	3.0	2.1	5.1	17.9	None available	N/A
	Full tenant repairing lease	Based on 5% salary cost of Facilities Manager	Apportionment – third of £6.4k				Building is unlikely to be valued in excess of £250k – yield therefore exceeds 7%

Other properties of note

- Southfields offices – not principally held as a commercial property but generates £198k p.a through hosting partner organisations (LCC, DWP)
- Limehurst Depot – vacant brownfield site; work ongoing to overcome planning constraints and develop this site

APPENDIX B – SUMMARY OF SPECIFIC COMMERCIAL INVESTMENT PROPOSALS

Proposals for prospective adoption within the Capital Strategy are as follows:

PROPOSAL – REVIEW OF TREASURY MANAGEMENT STRATEGY

From a strategic perspective it is proposed that the TMSS be reviewed in conjunction with our professional advisers with a view to relaxing the existing investment criteria in a judicious manner, accepting additional risk and with a view to achieving additional returns. This would be undertaken for financial year 2020/21 and incorporated in the revised TMSS for this year.

PROPOSALS IN RESPECT OF LOANS

Loan to third parties

The Council will not proactively seek to market loans to third parties but will consider offering loans to local enterprises, local charities, on a case by case basis, as and when approached.

No money will be set aside within the forthcoming Capital Plan.

Should an opportunity to offer a loan to a third party arise reports will be taken to Cabinet, and Council if required, to seek specific approval for that transaction.

All prospective debtor organisations will be either be located, or will have substantial operations, within the Borough.

Any asset created through the loan will be located within the Borough.

The purpose of the loan will support local economic growth as defined within the extant Corporate Plan.

The maximum total loan book the Council would manage will be £10m.

The maximum single loan to an individual organisation will be:

- Secured loan £5m
- Unsecured loan £2m

The maximum total value of unsecured loans will be £4m.

Loans will be offered on a commercial basis with rates offered dependent on risk; unsecured loans will attract higher interest rates. The rates offered will be assessed on a case by case basis and set to ensure both compliance with State Aid rules and an appropriate representation of underlying loan risks and collateral.

Due diligence will be carried out on prospective debtor organisations.

Loans to joint venture and wholly owned subsidiary companies (Housing Development Company)

An amount of £10m to fund the HDC will be allocated within the forthcoming Capital Plan.

This funding *may* be in the form of a loan to the HDC, upon which interest and subsequent repayment of principal will be due to the Council.

£10m will be the maximum amount of investment and will cover potential loans and equity investment

Pro tem it will be assumed that this funding is phased £5m in 2021/22 and £5m in 2022/23.

It is assumed that this funding be financed through Council borrowing, as and when investment is required.

At minimum interest and principal repayments will cover all of the Council's borrowing costs, plus a margin. This margin will be assessed on a case by case basis and set to ensure both compliance with State Aid rules and an appropriate representation of underlying loan risks and collateral.

Professional advice will be taken to ensure:

- The loans are structured in the most advantageous way, having regard to risk, prospective returns, and tax implications
- MRP can be avoided or mitigated through the loan structure

Appropriate due diligence will be carried out on prospective partner organisations.

PROPOSAL – INVESTMENT IN COMMERCIAL PROPERTY

An amount of £10m to expand the Council's commercial property portfolio will be added to the forthcoming capital plan.

A maximum of £5m will be invested in any single property.

The minimum gross yield acceptable will be based on extant commercial yields and informed by professional advice:

- Default minimum yield would be in line with benchmark commercial property yields (currently around 7%)
- Where additional policy objectives are also satisfied a yield equating to the default amount, less 2% would be acceptable (ie. 5% in current market conditions)

All property acquisitions will normally be located within the Borough.

Reserves will be created out of rental income to allow for the impact of:

- MRP requirements
- Allowance for void rental periods and landlord repair obligations

After creation of reserves, and taking account of actual or notional borrowing costs, the minimum net yield expected on individual acquisitions will be 1.6% (based on current market conditions, representing a 1% uplift on the return on the specified investment portfolio).

Appropriate independent professional advice will be sought for each property acquisition.

All acquisitions will be subject to separate evaluation and approval by Cabinet.

PROPOSAL – INVESTMENT IN HOUSING DEVELOPMENT COMPANY

An amount of £10m to fund the HDC will be allocated within the forthcoming Capital Plan.

£10m will be the maximum amount of investment and will cover potential loans and equity investment.

This funding *may* be in the form of an equity investment in the HDC, upon which dividends or and / or management fees will be due to the Council.

Pro tem it will be assumed that this funding is phased £5m in 2021/22 and £5m in 2022/23.

It is assumed that this funding be financed through Council borrowing, as and when investment is required.

At minimum, dividends and management fees will cover all of the Council's borrowing costs, in cases where the subsidiary company is wholly owned by the Council.

At minimum dividends and management fees will cover all of the Council's borrowing costs, plus a margin of in cases where a subsidiary company or joint venture is only partially owned by the Council.

Professional advice will be taken to ensure:

- The loans are structured in the most advantageous way, having regard to risk, prospective returns, and tax implications
- MRP can be avoided or mitigated through the loan structure

Appropriate due diligence will be carried out on prospective partner organisations.

COUNCIL – 4TH NOVEMBER 2019

ITEM 9

MOTIONS ON NOTICE

9.1 International Holocaust Remembrance Alliance's Working Definition of Antisemitism

The following Motion on Notice has been submitted by Councillor Poland in accordance with Full Council Procedure Rule 9.12:

In order to demonstrate this Council's commitment to engaging with the experiences of the Borough's Jewish community and supporting them against the contemporary challenges they face, I propose that the Council adopts the International Holocaust Remembrance Alliance's Working Definition of Antisemitism as follows:

“Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.”

I also propose that the Council notes that to provide guidance in applying the working definition, the following examples may serve as illustrations:

Manifestations might include the targeting of the state of Israel, conceived as a Jewish collectivity. However, criticism of Israel similar to that levelled against any other country cannot be regarded as antisemitic. Antisemitism frequently charges Jews with conspiring to harm humanity, and it is often used to blame Jews for “why things go wrong.” It is expressed in speech, writing, visual forms and action, and employs sinister stereotypes and negative character traits.

Contemporary examples of antisemitism in public life, the media, schools, the workplace, and in the religious sphere could, taking into account the overall context, include, but are not limited to:

- Calling for, aiding, or justifying the killing or harming of Jews in the name of a radical ideology or an extremist view of religion.
- Making mendacious, dehumanizing, demonizing, or stereotypical allegations about Jews as such or the power of Jews as collective — such as, especially but not exclusively, the myth about a world Jewish conspiracy or of Jews controlling the media, economy, government or other societal institutions.
- Accusing Jews as a people of being responsible for real or imagined wrongdoing committed by a single Jewish person or group, or even for acts committed by non-Jews.
- Denying the fact, scope, mechanisms (eg. gas chambers) or intentionality of the genocide of the Jewish people at the hands of

National Socialist Germany and its supporters and accomplices during World War II (the Holocaust).

- Accusing the Jews as a people, or Israel as a state, of inventing or exaggerating the Holocaust.
- Accusing Jewish citizens of being more loyal to Israel, or to the alleged priorities of Jews worldwide, than to the interests of their own nations.
- Denying the Jewish people their right to self-determination, eg. by claiming that the existence of a State of Israel is a racist endeavour.
- Applying double standards by requiring of it a behaviour not expected or demanded of any other democratic nation.
- Using the symbols and images associated with classic antisemitism (eg. claims of Jews killing Jesus or blood libel) to characterize Israel or Israelis.
- Drawing comparisons of contemporary Israeli policy to that of the Nazis.
- Holding Jews collectively responsible for actions of the state of Israel.

Antisemitic acts are criminal when they are so defined by law (for example, denial of the Holocaust or distribution of antisemitic materials in some countries).

Criminal acts are antisemitic when the targets of attacks, whether they are people or property – such as buildings, schools, places of worship and cemeteries – are selected because they are, or are perceived to be, Jewish or linked to Jews.

Antisemitic discrimination is the denial to Jews of opportunities or services available to others and is illegal in many countries.

COUNCIL – 4TH NOVEMBER 2019

Report of the Chief Executive

ITEM 12 URGENT EXECUTIVE DECISIONS EXEMPTED FROM CALL-IN -
ACQUISITION OF PROPERTIES

Purpose of Report

To note a decision taken by the Head of Strategic and Private Sector Housing to acquire properties which were exempted from call-in in accordance with Scrutiny Committee Procedure 11.9.

Action Requested

In accordance with Full Council Procedure 9.11(d) questions may be asked of the Leader in relation to the urgent decisions that were taken. The Leader may ask the relevant Lead Member to respond.

Policy Justification and Previous Decisions

The call-in procedure provides for a period of five clear working days during which councillors can ask for decisions taken by the Cabinet and key decisions taken by officers to be reviewed. With the agreement of the Chair of the Scrutiny Commission (or in his/her absence the Mayor or Deputy Mayor) a decision can be exempted from call-in if the decision to be taken is both urgent and reasonable and the delay caused by the call-in process would not be in the interests of the Council or the public. Scrutiny Committee Procedure 11.9 requires that decisions that are exempted from call-in are reported to Council.

On 19th October 2017 the Leader delegated authority to the Head of Strategic and Private Sector Housing to acquire additional Housing Revenue Account (HRA) properties for rental. It is likely that any properties acquired will exceed £150,000 in value, and therefore each purchase will be a key decision. It would not be practical for the usual call-in arrangements for key decisions to be applied as any delay caused could result in the purchase falling through, and therefore the then Mayor, in the absence of the Chair of the Scrutiny Management Board, gave her approval for decisions taken under this delegated authority to be exempted from call-in under Scrutiny Procedure Rule 11.9. The Chair of the Scrutiny Commission has subsequently confirmed that she is happy with these arrangements. These arrangements were reported to Council on 6th November 2017 (minute 57 2017/18 refers), and the changes to the Scrutiny function and subsequent changes to the Constitution were confirmed by Council on 25th March 2019 (minute 91.2 2018/19 refers).

The purchase of properties being reported to this meeting of Council:

- 87 Valley Road, Loughborough (2 bed house)
- 63 Glebe Close, Mountsorrel (2 bed house)
- 26 Duncan Way, Loughborough (2 bed bungalow)
- 12 Winterburn Way, Loughborough (2 bed house)

The decisions of the Head of Strategic and Private Sector Housing to exchange contracts on the purchases can be found in the Annex to this report.

Implementation Timetable including Future Decisions

As detailed within the report of the Head of Strategic and Private Sector Housing, attached as an Annex.

Report Implications

As detailed within the reports of the Head of Strategic and Private Sector Housing, attached as an Annex.

Background Papers: [Council 6th November 2017, Item 14, Changes to Membership of the Cabinet and the Delegation of Executive Functions: Acquisition of Additional Housing Revenue Account Properties for Rental](#)

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Annex

Reports of the decisions taken by the Head of Strategic and Private Sector Housing in respect of the acquisition of the properties.

Acquisition of Properties

87 Valley Road, Loughborough

Decision under Delegated Powers

Officer Requesting Decision

Beverly Wagstaffe - Housing Strategy and Support Manager

Officer Making the Decision

Alison Simmons - Head of Strategic and Private Sector Housing

Recommendation

To approve the purchase of 87 Valley Road, Loughborough and for the Council to formerly Exchange Contracts and Complete the purchase.

Reason

To utilise approved funding for the purchase of additional HRA rental properties.

Authority for Decision

Section 8.3, of the Constitution gives delegated authority to the Head of Strategic and Private Sector Housing to acquire additional properties for rent via the HRA where approved funding exists within the Capital Plan for the relevant financial year, and where any property acquired is subject to a Condition Survey, an Independent Valuation, Standard Legal checks, and meets identified housing needs (item 20 on page 8-20).

Decision and Date

Signed:



Date: 4th October 2019

Head of Strategic and Private Sector Housing

Background

The following property has now been identified to purchase:

- 87 Valley Road, Loughborough – 2 bed house

There is an identified need for this size of property.

The seller of the property has accepted an offer of £173,000.

A Condition Survey and Valuation have been satisfactorily completed. Legal checks have identified that there is a Suspended Improvement Notice on the property requiring Category 1 and Category 2 Hazards to be rectified before the property is occupied. The Condition Survey and Valuation are based on the current condition of the property. These Works will be carried out before the property is let.

Comments from HR

Not applicable

Financial Implications

The cost of acquiring this property is £173,000 with associated fees estimated at £2,500 and stamp duty of £6,150 (total cost of £181,650).

In August 2018, Cabinet approved a budget of £2,797,000 for 2019-2020 to support delivery of the Housing Acquisition Policy in acquiring additional HRA properties for rent.

To date the Council has purchased 2 other properties during 2019-2020 for the sum of £432,624 including associated fees with a further £1,512,700 committed with 9 other purchases including this property.

The total spent to date and including the funds committed equal £1,945,324, leaving a balance of £851,676 available for 2019-2020.

There is sufficient budget to cover the cost of acquiring 87 Valley Road, Loughborough.

Risk Management

No risks identified

Key Decision:

Yes, but exempted from call-in. See agenda item 14; Full Council meeting dated the 6th November 2017.

Background Papers:

Housing Acquisition Policy approved by Cabinet on the 10th May 2018; reviewed and updated June 2019, DD084

Acquisition of Properties**63 Glebe Close, Mountsorrel****Decision under Delegated Powers****Officer Requesting Decision**

Beverly Wagstaffe - Housing Strategy and Support Manager

Officer Making the Decision

Alison Simmons - Head of Strategic and Private Sector Housing

Recommendation

To approve the purchase of 63 Glebe Close, Mountsorrel and for the Council to formerly Exchange Contracts and Complete the purchase.

Reason


To utilise approved funding for the purchase of additional HRA rental properties.

Authority for Decision

Section 8.3, of the Constitution gives delegated authority to the Head of Strategic and Private Sector Housing to acquire additional properties for rent via the HRA where approved funding exists within the Capital Plan for the relevant financial year, and where any property acquired is subject to a Condition Survey, an Independent Valuation, Standard Legal checks, and meets identified housing needs (item 20 on page 8-20).

Decision and Date

Signed:



Date:

4th October 2019

Head of Strategic and Private Sector Housing

Background

The following property has now been identified to purchase:

- 63 Glebe Close, Mountsorrel - 2 bedroom house

There is an identified need for this size of property.

The seller of the property has accepted an offer of £145,000.

A Condition Survey and Valuation have been satisfactorily completed. Legal checks have identified that the property has a potential Chancel Repair Liability.

The Council's appointed Legal team, North West Leicestershire District Council Legal Services, have been instructed to ensure that Chancel Repair Insurance is in place before the Council Completes on this property.

Comments from HR

Not applicable

Financial Implications

The cost of acquiring this property is £145,000 with associated fees estimated at £2,500 and stamp duty of £4,750 (total cost of £152,250).

In August 2018, Cabinet approved a budget of £2,797,000 for 2019-2020 to support delivery of the Housing Acquisition Policy in acquiring additional HRA properties for rent.

To date the Council has purchased 2 other properties during 2019-2020 for the sum of £432,624 including associated fees with a further £1,512,700 committed with 9 other purchases including this property.

The total spent to date and including the funds committed equal £1,945,324, leaving a balance of £851,676 available for 2019-2020.

There is sufficient budget to cover the cost of acquiring 63 Glebe Close, Mountsorrel.

Risk Management

No risks identified

Key Decision:

Yes, but exempted from call-in. See agenda item 14; Full Council meeting dated the 6th November 2017.

Background Papers:

Housing Acquisition Policy approved by Cabinet on the 10th May 2018; reviewed and updated June 2019, DD084

Acquisition of Properties
26 Duncan Way, Loughborough
Decision under Delegated Powers

Officer Requesting Decision

Beverly Wagstaffe - Housing Strategy and Support Manager

Officer Making the Decision

Alison Simmons - Head of Strategic and Private Sector Housing

Recommendation

To approve the purchase of 26 Duncan Way, Loughborough and for the Council to formerly Exchange Contracts and Complete the purchase.

Reason

To utilise approved funding for the purchase of additional HRA rental properties.

Authority for Decision

Section 8.3, of the Constitution gives delegated authority to the Head of Strategic and Private Sector Housing to acquire additional properties for rent via the HRA where approved funding exists within the Capital Plan for the relevant financial year, and where any property acquired is subject to a Condition Survey, an Independent Valuation, Standard Legal checks, and meets identified housing needs (item 20 on page 8-20).

Decision and Date

Signed:



Date: 4th October 2019

Head of Strategic and Private Sector Housing

Background

The following property has now been identified to purchase:

- 26 Duncan Way, Loughborough – 2 bedroom bungalow
-

There is an identified need for this size of property.

The seller of the property has accepted an offer of £185,000.

A Condition Survey, Valuation and Legal checks have all been satisfactorily completed.

Comments from HR

Not applicable

Financial Implications

The cost of acquiring this property is £185,000 with associated fees estimated at £2,500 and stamp duty of £6,750 (total cost of £194,250).

In August 2018, Cabinet approved a budget of £2,797,000 for 2019-2020 to support delivery of the Housing Acquisition Policy in acquiring additional HRA properties for rent.

To date the Council has purchased 2 other properties during 2019-2020 for the sum of £432,624 including associated fees with a further £1,512,700 committed with 9 other purchases including this property.

The total spent to date and including the funds committed equal £1,945,324, leaving a balance of £851,676 available for 2019-2020.

There is sufficient budget to cover the cost of acquiring 26 Duncan Way, Loughborough.

Risk Management

No risks identified

Key Decision: Yes, but exempted from call-in. See agenda item 14; Full Council meeting dated the 6th November 2017.

Background Papers: Housing Acquisition Policy approved by Cabinet on the 10th May 2018; reviewed and updated June 2019, DD084

Acquisition of Properties
12 Winterburn Way, Loughborough
Decision under Delegated Powers

Officer Requesting Decision

Beverly Wagstaffe - Housing Strategy and Support Manager

Officer Making the Decision

Alison Simmons - Head of Strategic and Private Sector Housing

Recommendation

To approve the purchase of 12 Winterburn Way, Loughborough and for the Council to formerly Exchange Contracts and Complete the purchase.

Reason

To utilise approved funding for the purchase of additional HRA rental properties.

Authority for Decision

Section 8.3, of the Constitution gives delegated authority to the Head of Strategic and Private Sector Housing to acquire additional properties for rent via the HRA where approved funding exists within the Capital Plan for the relevant financial year, and where any property acquired is subject to a Condition Survey, an Independent Valuation, Standard Legal checks, and meets identified housing needs (item 20 on page 8-20).

Decision and Date

Signed:

Date:

25/9/2019

Head of Strategic and Private Sector Housing

Background

The following property has now been identified to purchase:

- 12 Winterburn Way, Loughborough – 2 bed house

There is an identified need for this size of property.

The seller of the property has accepted an offer of £150,000.

A Condition Survey and Valuation have been satisfactorily completed. Legal checks have identified that the property has a potential Chancel Repair Liability.

The Council's appointed Legal team, North West Leicestershire District Council Legal Services, have been instructed to ensure that Chancel Repair Insurance is in place before the Council Completes on this property.

Comments from HR

Not applicable

Financial Implications

The cost of acquiring this property is £150,000 with associated fees estimated at £2,500 and stamp duty of £5,000 (total cost of £157,500).

In August 2018, Cabinet approved a budget of £2,797,000 for 2019-2020 to support delivery of the Housing Acquisition Policy in acquiring additional HRA properties for rent.

To date the Council has purchased 2 other properties during 2019-2020 for the sum of £432,624 including associated fees with a further £1,512,700 committed with 9 other purchases including this property.

The total spent to date and including the funds committed equal £1,945,324, leaving a balance of £851,676 available for 2019-2020.

There is sufficient budget to cover the cost of acquiring 12 Winterburn Way, Loughborough.

Risk Management

No risks identified

Key Decision: Yes, but exempted from call-in. See agenda item 14; Full Council meeting dated the 6th November 2017.

Background Papers: Housing Acquisition Policy approved by Cabinet on the 10th May 2018; reviewed and updated June 2019, DD084

COUNCIL – 4TH NOVEMBER 2019

Report of the Chief Executive

ITEM 13 URGENT EXECUTIVE DECISION EXEMPTED FROM CALL-IN – MEMBER GRANTS SCHEME

Purpose of Report

To note a decision which was exempted from call-in in accordance with Scrutiny Committee Procedure 11.9.

Action Requested

In accordance with Full Council Procedure 9.11(d) questions may be asked of the Leader in relation to the urgent decision that was taken. The Leader may ask the relevant Lead Member to respond.

Policy Justification and Previous Decisions

The call-in procedure provides for a period of five clear working days during which councillors can ask for decisions taken by the Cabinet and individual Cabinet members, and key decisions taken by officers to be reviewed. With the agreement of the Chair of the Scrutiny Commission or in his/her absence the Mayor or Deputy Mayor) a decision can be exempted from call-in if the decision to be taken is both urgent and reasonable and the delay caused by the call-in process would not be in the interests of the Council or the public. Scrutiny Committee Procedure 11.9 requires that decisions that are exempted from call-in are reported to Council.

Member Grants Scheme

On 2nd October 2018, Councillor Morgan, as Leader of the Council, took a decision to allocate Executive functions relating to the determination of applications under the Member Grants Scheme where the ward councillor concerned had a conflict of interest to the Cabinet Lead Member for Communities, Safety and Wellbeing.

In exercising that Executive function the Cabinet Lead Member for Communities, Safety and Wellbeing took a decision to award the following grant on 17th October 2019.

- That £300 be awarded to the Gorse Covert Community Association towards Film Screenings.

The Chair of the Scrutiny Commission has been consulted and has agreed that this decision be exempted from call-in, given its nature and low financial value.

The report considered by the Cabinet Lead Member for Communities, Safety and Wellbeing can be found in the Annex to this report.

Implementation Timetable including Future Decisions

As detailed within the Annex to this report.

Report Implications

As detailed within the Annex to this report.

Background Papers: None

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Annex

Report considered by the Cabinet Lead Member for Communities, Safety and Wellbeing in respect of the Member Grants Scheme

EXECUTIVE DECISION RECORD

CABINET LEAD MEMBER: COUNCILLOR TAYLOR

ITEM MEMBER GRANTS SCHEME

The Decision

That the Lead Member for Communities, Safety and Wellbeing approves the following award under the Member Grants Scheme where the Ward Councillor has declared a personal interest that might lead to bias:

That £300 be awarded to Gorse Covert Community Association towards Community Film Screenings.

Reason

To approve an award under the Member Grants Scheme where the relevant Ward Councillor has declared a personal interest that might lead to bias in connection to the organisation receiving the funding.

Other Options Considered and Rejected

None

Conflicts of Interest Declared by the Decision-Maker

None

Dispensations

None

Reason(s) for the matter being dealt with if urgent

The Chair of the Scrutiny Commission has been consulted and has agreed that these decisions be exempted from call-in, given their nature and low financial value.

Approved: D. Taylor

Date: 17/10/19

Cabinet Lead Member for Communities, Safety and Wellbeing

REPORT

Purpose of Report

To bring forward a recommendation for an award under the Member Grants Scheme where the Ward Councillor has declared a personal interest that might lead to bias.

Background

Cllr Emma Ward is a Ward Councillor representing Loughborough Dishley and Hathern, and wishes to support the award of a grant to the Gorse Covert Community Association. However, she has declared that she is a trustee of Gorse Covert Community Association. Therefore, the Cabinet Lead Member is being requested to act as the final decision maker in respect of the award of the grant.

Recommendation

That £300 be awarded to Gorse Covert Community Association towards Community Film Screenings.

Reason

To approve an award under the Member Grants Scheme where the relevant Ward Councillor has declared a personal interest that might lead to bias in connection to the organisation receiving the funding.

Policy Justification and Previous Decisions

The Member Grants Scheme was approved by Cabinet at its meeting on 12th April 2018 (minute reference 116).

Under the scheme each Councillor is allocated £1,000 to fund local community projects within their ward.

Situations can arise where Ward Councillors are considering awarding grants under the scheme to organisations they have a connection to, which under the provisions of the Member Code of Conduct may result in them having a 'personal interest which might lead to bias'.

The Member Conduct Committee considered this matter at its meeting on 17th September 2018 and was of the view that in cases where a Ward Councillor has a conflict of interest that the grant application should be referred to the Cabinet for decision.

The Leader of the Council on 2nd October 2018 allocated this Executive function to the Lead Member for Communities, Safety and Wellbeing. This is reflected in Section 4.5 of Chapter 4 of the Council's Constitution.

Section 10.9 of Chapter 10 of the Council's Constitution requires that, where executive decisions are the responsibility of an individual member of the Cabinet, details of the decision (including any report) be published after the decision has been taken, as required by law.

Implementation Timetable including Future Decisions and Scrutiny

The Chair of the Scrutiny Commission has been consulted and has agreed that these decisions be exempted from call-in, given their nature and low financial value.

Report Implications

The following implications have been identified for this report.

Financial Implications

The grants can be funded from within existing identified budgets.

Risk Management

There are no specific risks associated with this decision.

Comments of Monitoring Officer

The Lead Member is being requested to make the final decision on the award of the grant in question because the Ward Councillor has declared a personal interest that might lead to bias, and therefore the advice of the Monitoring Officer is that they should not be the final decision makers.

Key Decision:	No
Background Papers:	None
Officer to contact:	Karen Widdowson Democratic Services Manager (01509) 634785 karen.widdowson@charnwood.gov.uk

COUNCIL – 4TH NOVEMBER 2019

Report of the Chief Executive

ITEM 14 APPOINTMENTS TO COMMITTEES

Purpose of the Report

To approve changes to the membership of committees as set out below.

Recommendation

That the appointments set out below be made:

Committee Name	Past representative	New representative
Housing, Planning, Regeneration and Regulatory Services Scrutiny Committee	Councillor Rattray	Councillor Gerrard

Reason

To reflect the wishes of the Conservative group in making appointments to committees and to comply with sections 11.2(d) and 12.4(a) of the Council's Constitution.

Policy Justification and Previous Decisions

Appointments to committees are made by Full Council. All appointments are confirmed at the start of each Council year but can be amended by Council during the course of the year. In addition, the Head of Strategic Support has delegated authority to make interim committee appointments if notice is received from the relevant group leader (section 11.2(d) of the Constitution in respect of scrutiny appointments and section 12.4(a) of the Constitution in respect of other committee appointments).

Implementation Timetable including Future Decisions and Scrutiny

The Council's decision will have immediate effect. Further amendments to committee appointments can be made by Full Council at each of its meetings. The annual review of political balance arrangements and committee appointments will take place at the Annual Council meeting on 18th May 2020.

Report Implications

Financial Implications

There are no additional financial costs, since any expenses claimed relating to these duties would be met from the existing councillors' allowances budget.

Risk Management

No risks have been identified with this decision.

Background Papers: None

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