



CORPORATE SERVICES SCRUTINY COMMITTEE

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To: Councillors Parsons (Chair), Baines (Vice-Chair), Boldrin, Goddard, Paling, Radford and Shepherd (For attention)

All other members of the Council
(For information)

You are requested to attend the meeting of the Corporate Services Scrutiny Committee to be held in Committee Room 2 - Council Offices on Tuesday, 17th September 2019 at 6.00 pm for the following business.

Chief Executive

Southfields
Loughborough

9th September 2019

AGENDA

1. APOLOGIES
2. MINUTES OF THE PREVIOUS MEETING 3 - 10
To approve the minutes of the previous meeting.
3. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS
4. DECLARATIONS - THE PARTY WHIP

5. QUESTIONS UNDER SCRUTINY COMMITTEE PROCEDURE 11.16
- No questions were submitted.
6. PERFORMANCE MONITORING (PERFORMANCE INDICATORS QUARTER 1) AND ANNUAL REPORT 2018/19 11 - 48
- A report of the Strategic Director of Corporate Services providing performance information in respect of the Corporate Plan objectives and key performance indicators within the Committee's remit (Quarter 1 2019/20).
- The report also includes the Council's Annual Report 2018/19 that reviews how effectively the Council has delivered the themes set out in the Corporate Plan (2016-2020).
7. REVENUE MONITORING (GENERAL FUND AND HRA) PERIOD 4 49 - 57
- A report of the Head of Finance and Property Services to assist the Committee in monitoring the General Fund and HRA Revenue position (Period 4 2019/20).
8. MEDIUM TERM FINANCIAL STRATEGY 2020-2023 58 - 100
- A report of the Head of Strategic Support following a request by the Scrutiny Commission that this Committee considers proposals for the Medium Term Financial Strategy 2020-2023, to give the Committee an opportunity to be involved in pre-decision scrutiny at an earlier stage.
9. UPDATE - PURCHASE OF FLEET (ENVIRONMENTAL SERVICES CONTRACT)
- This item has been included on the agenda at the request of the Chair and Vice-chair.*
- A report of the Strategic Director of Corporate Services to provide an update on progress with the Council's purchase of fleet (Environmental Services Contract). Cabinet Minute 29, 13th September 2018 and Overview Scrutiny Group Minute 22, 10th September 2018 refer. **To follow.**
10. WORK PROGRAMME 101 - 106
- A report of the Head of Strategic Support to assist the Committee in determining its work programme.

CORPORATE SERVICES SCRUTINY COMMITTEE 25TH JUNE 2019

PRESENT: The Chair (Councillor Parsons)
The Vice Chair (Councillor Baines)
Councillors Boldrin, Goddard, Radford and
Shepherd

Councillors Barkley (Deputy Leader of the Council
and Cabinet Lead Member for Finance and
Property Services) and Rollings (Cabinet Lead
Member for Customer Services and Digital
Transformation)

Strategic Director of Corporate Services
Head of Customer Experience
Head of Finance and Property Services
Democratic Services Manager
Democratic Services Officer (LS)

APOLOGIES: Councillor Paling

The Chair stated that the meeting would be recorded and the sound recording subsequently made available via the Council's website. He also advised that, under the Openness of Local Government Bodies Regulations 2014, other people may film, record, tweet or blog from this meeting, and the use of any such images or sound recordings was not under the Council's control.

1. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

No disclosures were made.

2. DECLARATIONS - THE PARTY WHIP

No declarations were made.

3. QUESTIONS UNDER SCRUTINY COMMITTEE PROCEDURE 11.16

No questions had been submitted.

4. NEW SCRUTINY COMMITTEE STRUCTURE - TERMS OF REFERENCE

Considered a report of the Head of Strategic Support to provide the Committee with information regarding its own remit and terms of reference and the new scrutiny committee structure in general (item 5 on the agenda filed with these minutes).

Assisting with consideration of the report: Democratic Services Manager.

RESOLVED that the report be noted.

Reason

So that the Committee was aware of its remit and terms of reference and the new scrutiny committee structure in general.

5. REVENUE MONITORING (GENERAL FUND AND HRA REVENUE OUTTURN 2018/19)

Considered a Cabinet report of the Head of Finance and Property Services setting out the revenue outturn position of the General Fund and Housing Revenue Account (HRA) for 2018/19 (item 6 on the agenda supplement filed with these minutes).

Assisting with consideration of the report: Cabinet Lead Member for Finance and Property Services, Strategic Director of Corporate Services, Head of Finance and Property Services.

Summary, key points of discussion:

- (i) The larger variances and the reasons behind those.
- (ii) The need to be more accurate in setting the Medium Term Financial Strategy (MTFS) and yearly budgets, and how that could be assisted.
- (iii) The uncertainties faced in setting budgets and predicting future circumstances, and the generally challenging environment in that respect.
- (iv) The financially sound position of the Council.
- (v) The main risks and opportunities in relation to the Council's income and expenditure, including the effect of other providers reducing services, the move towards a more commercial approach and the savings available from digitalisation.
- (vi) The Council having maintained services and Customer Service Excellence despite the savings it had achieved.
- (vii) The make-up of the Council's funding and how that had changed/was likely to change, also that the Government announced local government funding at a late stage in the process and that the Fairer Funding review was unlikely to be undertaken in the current year.
- (viii) Explanation of how revenue contribution to capital had been budgeted for and funded, and how the capital programme was reviewed and amended throughout the year.
- (ix) Concern regarding the large overspend in the planning service, in particular given the changes that had been agreed to the service structure and its financing and advice that there would be income from major applications that had not then been received. Reference to that income still being expected, just not realised in 2018/19.
- (x) The more detailed information on variances available in the 2018/19 Statement of Accounts, the importance of scrutiny better understanding that detail, the expertise needed to do so, the internal and external checks undertaken to ensure accuracy of the Council's accounts, and the suggestion that the focus be on strategic direction, rather than detail.
- (xi) Whether the large HRA carry forward request (planned maintenance) could be spent in 2019/20, on top of the budget for that year. That was an operational

question for the Head of Landlord Services, although it was understood that the contractor was increasing capacity to enable that.

- (xii) Explanation of how the revenue budget was monitored over the year, including by the Council's Audit Committee.

It was stated that the Cabinet Lead Member for Housing could be contacted directly in respect of Councillor Boldrin's concern that the response given at the Council meeting the previous evening regarding the impact of Universal Credit did not accord with the information provided in paragraphs 25 and 26 of Part B of the report.

RESOLVED

1. that the Head of Finance and Property Services be asked to note that it would be useful for future outturn reports to also include the outturn figures for the previous two years;
2. that the Committee seeks a reassurance that the new planning service structure and its financing are sufficient given the large overspend by the service in 2018/19;
3. that, further to resolution 2. above, the Housing, Planning and Regeneration and Regulatory Services Scrutiny Committee be informed of this Committee's concern as to whether the new planning service structure is enabling the service to progress in the right direction;
4. that the Cabinet report setting out the revenue outturn position of the General Fund and Housing Revenue Account (HRA) for 2018/19 be noted, subject to the resolutions and discussion set out above.

Reasons

1. To assist in making comparison and understanding trends.
 2. The Committee wished to be reassured that the overspend would not be repeated in future years.
 3. This was of concern to the Committee, but not a matter within its remit.
 4. The Committee's remit included receiving regular financial monitoring reports and, having noted matters of concern, it was content to note the revenue outturn position.
6. CAPITAL MONITORING (CAPITAL OUTTURN 2018/19)

Considered a Cabinet report of the Head of Finance and Property Services setting out the capital outturn position for 2018/19 (item 7 on the agenda supplement filed with these minutes).

Assisting with consideration of the report: Cabinet Lead Member for Finance and Property Services, Strategic Director of Corporate Services, Head of Finance and Property Services.

Summary, key points of discussion:

- (i) Areas where spending of the budget was outside of the Council's control, for example Section 106 monies spent by parishes, and the intention to separate out those elements in the future.
- (ii) That contractors did not always undertake work at the agreed time and the extent to which the Council could ensure that.
- (iii) The need to improve project management and for better information/assessment of when a project could be delivered.
- (iv) The need to better manage the capital programme and to use quarterly monitoring arrangements to move and remove items from it where appropriate.
- (v) The pattern of continual and significant underspend on the capital programme over recent years and how scrutiny could act as a critical friend to enable that position to be improved. The intention of this Committee to do so moving forward. Reference to some schemes having been in the capital programme for a number of years without delivery.
- (vi) Concern that it was difficult for councillors to get schemes added to the programme, yet there was continual underspend.

RESOLVED

1. that the Committee's intention of being a better critical friend to the Cabinet in respect of a realistic and deliverable capital programme moving forward be noted;
2. that the Cabinet report setting out the capital outturn position for 2018/19 be noted.

Reasons

1. The Committee agreed with the comments made by the Cabinet Lead Member and the Chair at this meeting regarding the position with the capital programme needing to be improved, in particular its accuracy as to when projects would be delivered, and recognised its role in assisting that.
2. The Committee's remit included receiving regular financial monitoring reports and, having noted its need to be a better critical friend in respect of this matter, it was content to note the capital outturn position.

The Cabinet Lead Member for Finance and Property Services left the meeting due to another appointment.

7. AGENDA VARIANCE

RESOLVED that item 9 on the agenda be considered prior to the remaining items on the agenda.

Reason

The Cabinet Lead Member for Customer Services and Digital Transformation and the Head of Customer Experience were in attendance to assist with item 9 and considering the item next would ensure that they were not detained any longer than necessary.

8. PERFORMANCE MONITORING (PERFORMANCE INDICATORS QUARTER 4 - YEAR END)

Considered a report of the Strategic Director of Corporate Services providing performance information in respect of the Corporate Plan objectives and key performance indicators within the Committee's remit (Quarter 4 2018/19, year end) (item 9 on the agenda filed with these minutes).

Assisting with the consideration of the report: Cabinet Lead Member for Customer Services and Digital Transformation, Strategic Director of Corporate Services, Head of Customer Experience.

The Cabinet Lead Member for Performance of Major Contracts had sent an apology.

Summary, key points of discussion (red indicators):

- (i) ERM5 – CIS (1) (agenda page 19): Red due to criteria B (90% of complaints not proceeding past stage 1 of the process), target had been missed by 0.53%. Disappointing, but there was no clear reason for the outcome, would continue to monitor and work with departments/learn lessons. The Council monitored complaints in several ways, including complaints resolved, satisfaction surveys, upheld complaints. There were numerous ways of approaching, subjective area.
- (ii) ERM5 – SS (agenda page 20): Under remit of the Leader and the Head of Strategic Support. 5.25% below target (52% of customers giving feedback on web-related service they received as "good"). Levels of satisfaction for web-related service were always lower than telephone/face-to-face, reasons for which were outlined. Reference to Govmetric 3 point scale of measuring satisfaction being unusual, usually 7 point scale. There may be better ways of obtaining feedback on web service, would like to do better. Redesign of website had caused dip in satisfaction (change in location of information for regular users).
- (iii) DES2 – CIS (agenda page 21): There had been delays in introduction of webchat and call recording due to the telephony system, officers had been dependent on those issues being resolved. Upgrade to telephony software was due shortly, this would allow progression as detailed in the report. Disappointing that delayed, but progress now happening, weekly meetings being held to ensure that.
- (iv) DES3 – FP (agenda page 24): The Investment Strategy would consider the Council's appetite for risk and set out its approach/policies for investment in assets and what those should be. It would be submitted to Cabinet in September or October 2019.
- (v) DES3 – PROG (agenda page 25): The Customer Service Programme had reached a natural conclusion, objective would be superseded by 2019/20

Business Plan “Digital Transformation Programme”. An important area for scrutiny by the Committee moving forward.

- (vi) BP14 (agenda page 28): As paragraph (ii) above.
- (vii) K18 (agenda page 29): The Council continued to have robust/rigorous process to collect Council Tax. A new reminder service had been implemented and charging order process was being reviewed to ensure it was as effective as possible. Reasons were outlined as to why the percentage collected was higher in earlier quarters of the year, this included that most direct debits over were 10 months. No incentives for different ways of payment. Universal credit did not provide Council Tax support automatically and some were not applying for that. In response to a suggestion, the Chair stated that it was not appropriate to seek to change the target at tonight’s meeting or without sufficient information/evidence to support doing so. Some debt was written off, bad debt figure was not known at this meeting.

RESOLVED

1. that the Committee’s intention to possibly scrutinise performance information in a different way moving forward be noted;
2. that the report providing performance information in respect of the Corporate Plan objectives and key performance indicators within the Committee’s remit (Quarter 4 2018/19, year end) be noted.

Reasons

1. The previous scrutiny structure had received performance monitoring reports on a quarterly basis and had focused scrutiny on the red indicators each time. The Committee followed that practice at this first meeting, but consideration of the best and most effective way of undertaking this part of its scrutiny remit moving forward would be useful and appropriate.
2. The Committee’s remit included receiving regular performance monitoring reports and, having noted the discussion at this meeting and that it may wish to do this differently in future, it was content to note the performance information report.

The Chair thanked Cabinet Lead Members and officers for their attendance and assistance.

9. BUDGET SCRUTINY (2020/21 DRAFT BUDGET)

The Committee was asked to begin the process of scrutiny of the Council’s 2020/21 budget by:

- (i) considering the 2018/19 revenue and capital outturn positions (as context for the development of the Medium Term Financial Strategy and the 2020/21 budget). Those positions were set out under items 6 and 7 on the agenda for this meeting.

- (ii) discussion of the planned methods for development of the MTFS and 2020/21 budget.

The Committee's work programme provided for further scrutiny of the Council's 2020/21 budget at its meetings on 17th September and 3rd December 2019, with an additional meeting of the Committee required in January 2020 to agree any recommendations it wishes to make.

Assisting with the consideration of the item: Strategic Director of Corporate Services, Democratic Services Officer.

The above budget scrutiny process was further detailed by the Strategic Director of Corporate Services. Having been part of the process for several years, the Chair considered that budget scrutiny warranted a separate scrutiny panel or sub-committee to ensure a focused, detailed and comprehensive consideration that would be difficult at meetings of this committee. The Committee agreed that such an approach would be the most effective one. It noted that the Scrutiny Commission, at its first meeting, had agreed that a scrutiny panel could be set up if the Committee considered that to be the best approach to budget scrutiny. It also noted that a scrutiny panel would enable a wider membership than a sub-committee and, therefore, enable best use of financial skills and experience among scrutiny councillors.

RESOLVED

1. that a scrutiny panel be established to undertake scrutiny of the Council's 2020/21 budget, in accordance with the Scrutiny Commission's agreement to this at its first meeting on 3rd June 2019;
2. that the above scrutiny panel be chaired by Councillor Parsons, as Chair of the scrutiny committee responsible for budget scrutiny;
3. that the process for scrutiny of the Council's 2020/21 budget and the meetings required to do so be decided by the Chair and Vice-chair of this Committee;
4. that, in due course, expressions of interest be invited from scrutiny councillors to sit on the above scrutiny panel, with membership to be decided in accordance with the Council's Constitution, but that it be noted that the Committee would wish to make best use of scrutiny councillors' financial skills and experience;
5. that advice be sought from the Democratic Services Manager in respect of the required reporting of the recommendations of the above scrutiny panel via the scrutiny structure and to Cabinet.

Reasons

1. The Committee considered this to be the most suitable and effective approach to budget scrutiny for the reasons set out above.
2. To enable the panel to be progressed.

3. To ensure the process is reviewed to ensure it is as effective as possible and to take account of previous experience of budget scrutiny.
4. To ensure a suitable panel membership for the most effective outcomes.
5. To ensure this matter is clear, can be included in the process and suitably scheduled. The Committee expressed a wish to see the Panel's outcomes before submission to Cabinet, but it might also be a requirement that the Scrutiny Commission did so.

10. WORK PROGRAMME

Considered a report of the Head of Strategic Support to assist the Committee in determining its work programme (item 10 on the agenda filed with these minutes).

Assisting with consideration of the report: Strategic Director of Corporate Services, Democratic Services Officer.

The Chair referred to the current programme having been carried over from the previous scrutiny structure. He hoped that the Committee would take a new, more efficient, effective and prioritised approach to its scrutiny work, including the involvement of the public at a future stage. To that end, he suggested that he and the Vice-chair review the work programme following this meeting and with input from all members of the Committee, with a view to a revised work programme being submitted to the next meeting for consideration. That revised work programme would include amendment to take account of the Committee's earlier decision to transfer budget scrutiny to a scrutiny panel. The Committee supported the suggestion. Reference was also made to the Committee's remit including several areas that were not finance related.

RESOLVED that the Chair and Vice-chair of the Committee review the Committee's work programme following this meeting, with input from all members of the Committee during that process, and the resulting proposed work programme be considered at the next meeting of the Committee.

Reason

To work towards an efficient, effective and prioritised approach to the scrutiny undertaken by this Committee.

NOTES:

1. No reference may be made to these minutes at the Council meeting on 2nd September 2019 unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on the fifth working day following publication of these minutes.
2. These minutes are subject to confirmation as a correct record at the next meeting of the Corporate Services Scrutiny Committee.

CORPORATE SERVICES SCRUTINY COMMITTEE 17TH SEPTEMBER 2019

Report of the Director of Corporate Services Lead Member: Various

ITEM 6 2019-20 QUARTER 1 PERFORMANCE MONITORING REPORT & 2018-19 ANNUAL REPORT

Purpose of Report

1. To provide performance monitoring information and results for the first quarter of 2019-20 and end of year outturn, in respect of the Corporate Plan Objectives and Key Performance Indicators for the Corporate Services Directorate. Directorate.
2. To present the Annual Report for 2018-19, that reviews how effectively the Council has delivered the themes set out in the Corporate Plan (2016-2020). This is the third Annual Report of this four-year Corporate Plan.

Action Requested

The Committee is requested to note the performance results; associated commentary and the explanations provided and secondly, note the Annual Report 2018-19.

Reason

To ensure that targets and objectives are being met, and to identify areas where performance might be improved.

Policy Context

Quarterly reporting of performance is a key element of monitoring progress towards delivering the Council's Corporate Objectives and Initiatives as set out in the Corporate Plan and Annual Business Plan.

Background

The Committee receives performance reports on a quarterly basis to allow it to monitor progress against achieving the agreed targets which support the delivery of the Council's objectives as set out in the Corporate Plan (2016-2020). As part of the scrutiny arrangements it is envisaged that the Committee will be forward and outward

looking and review performance through investigating how performance can be improved, for example by visiting Council's where performance exceeds that of Charnwood.

The attached report presents detailed performance results for quarter one 2019-20, of the fourth and final year of the Corporate Plan (2016-2020) for the Corporate Services Directorate. It provides explanations and commentary in respect of poor performance or non- achievement of targets and details of remedial actions being taken where appropriate. The report focuses on detailed information and dashboard reporting in order to provide the Committee with the information required to sufficiently scrutinise performance.

Annual Reports are an integral component of the Council's performance management framework. The purpose is to provide opportunity to present and review how effectively the Council has delivered the themes set out in the Corporate Plan and met the actions approved in the Annual Business Plan. Attached is the third Annual Report of the Corporate Plan (2016-2020).

Options Available with Reasons

The Committee has the option to use the performance information to suggest new items for the scrutiny work programme of the Scrutiny Commission.

Financial and Legal Implications

None directly arising from this report.

Risk Management

The risks associated with the options available and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Risk Management Actions Planned
Failure to maintain a rigorous and embedded performance management framework could adversely impact on the achievement of the outcomes and objectives set out in the Council's Corporate Plan.	Low	High	Quarterly performance monitoring, including reporting to the Senior Management Team, and to this Panel.

Background Papers: None

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Suzanne Kinder
 Corporate Improvement and Policy Officer
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Charnwood Borough Council

Corporate Services Directorate

Corporate Performance Report

Quarter 1: 2019-2020



Corporate Plan (2016-2020) Priorities



Creating a Strong and Lasting Economy

“A strong growing and diverse economy is good for every business, community and household.”

New businesses, new homes and improved infrastructure will be key features in the next four years, with a range of affordable homes, new schools, shops and leisure facilities being planned to accommodate growth. We will support our rural communities, maintaining the characteristics that make them special, whilst encouraging the rural economy through small business investment and tourism opportunities. We will embrace innovation and technology so that Charnwood can compete on a worldwide platform at the highest level. We will maintain our commitment to our environment, celebrating its significance to both our heritage and future.



Every Resident Matters

“Every resident is important to us. Our vision is to make sure that Charnwood is a great place to live for families by creating a safe, secure & caring environment.”

We want everyone to feel valued, have a sense of belonging, share in our successes and enjoy life. We will provide opportunities to participate in social, leisure and cultural activities and in community life. We will also look after the more vulnerable members of our community and give support to those who need it most, especially older people and those less able to cope. We will nurture our young people and celebrate our rich cultural mix. We will welcome new communities so that we can all celebrate and enjoy our diverse culture.



Delivering Excellent Services

“We will maintain our focus on meeting our customers’ and residents’ needs.”

We will provide high quality, affordable and responsive services and improve online access to them. We are always seeking to improve the services that we deliver, by providing strong community leadership, being well governed, accountable, open and transparent. We will maintain the financial stability of the Council whilst continuing to seek ways to deliver better services as efficiently as possible.

Performance Overview

Quarterly reporting of performance is a key element of monitoring progress towards delivering the Council's Corporate Objectives and Initiatives as set out in the Corporate Plan (2016-2020) and Annual Business Plan (2019-2020). This report presents detailed performance results for the Quarter 1 of 2019-2020, in respect of the Corporate Plan Objectives and Key Performance Indicators for the **Corporate Services Directorate**. It provides explanations and commentary in respect of poor performance, or non-achievement of targets, and details of remedial actions being taken where appropriate.

Corporate Performance Objectives: Quarter 1 2019-2020

Overall, at Quarter 1 there are **53** activities in the Annual Business Plan (2019-2020) which address the objectives outlined in the Corporate Plan. There is **1** objective reported as red, **5** objectives graded as amber in status this quarter and **44** are assessed as green. In addition, **3** objectives are assessed as not yet started (as they are scheduled for reporting in future quarters).

Corporate Services Directorate: Quarter 1 2019-2020

At Quarter 1 there are **15** activities which are assigned to and are the responsibility of the **Corporate Services Directorate**. There is **1** objective reported as red, **3** objectives graded as amber in status this quarter and **9** are assessed as green. In addition, **2** objectives have not yet started this quarter (as these are scheduled for reporting in future quarters).

Corporate Performance Indicators: Quarter 1 2019-2020

Corporate performance against the Business Plan Indicators at Quarter 1 includes **1** indicator assessed as red, **2** as amber, and **7** are green and **16** have not yet started (as they are scheduled for reporting in future quarters).

Performance against the Key Indicators associated with the Corporate Plan at Quarter 1 includes **9** assessed as green, **1** indicator rated at amber, **1** indicator is red and **6** have not yet started (as they are scheduled for reporting in future quarters).

Corporate Services Directorate Indicators: Quarter 1 2019-2020

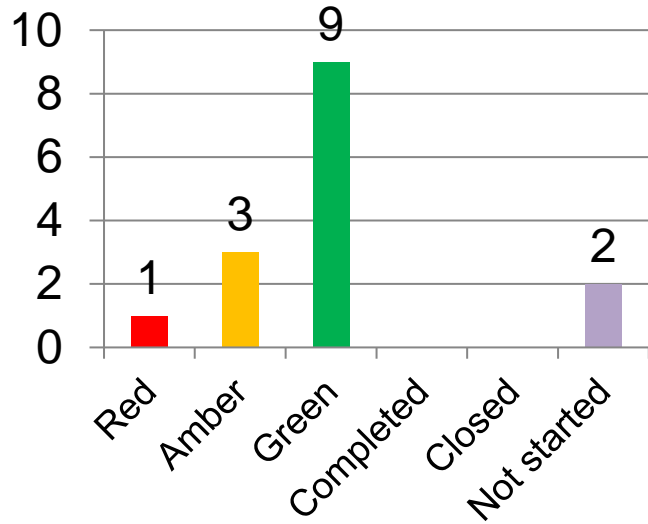
At Quarter 1 there are 9 Business Plan Indicators which are assigned to and are the responsibility of the **Corporate Services Directorate**. At Quarter 1 there are **3** Business Plan Indicators reported as green, **2** are **amber** and **4** have not yet started (as they are scheduled for reporting in future quarters).

Directorate performance against the Council's Key Indicators, at Quarter 1, includes **1** indicator assessed as amber and **3** indicators graded as green.

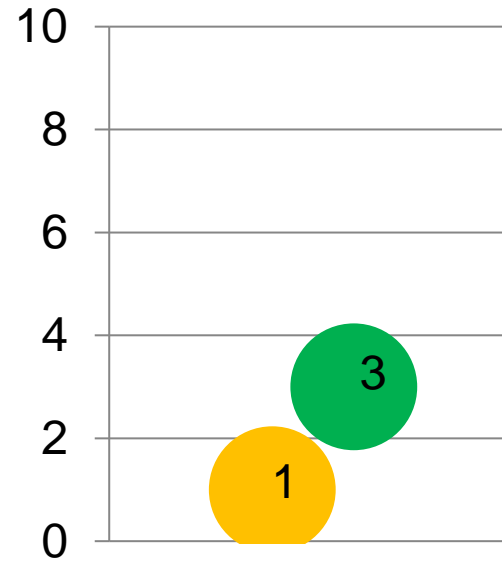
Corporate Services Directorate Dashboard

Quarter 1: 2019-2020

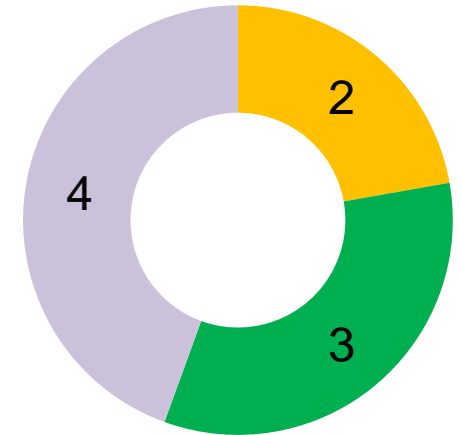
Business Plan Objectives



Key Performance Indicators



Business Plan Indicators



Creating a Strong and Lasting Economy

Corporate Plan Outcome (2016-2020)	Business Plan Action (2019-2020)	Measurable Success Criteria	Progress	RAG	Linked Indicators	
SLE1 - FP (1) - Encourage new jobs to the Borough through promoting the delivery of the Science Park and Enterprise Zone and encouraging new businesses to towns and villages.	Industrial and business units are fit for purpose and encourage an increase in the number of new businesses into Charnwood.	A) 100% of Council owned industrial units are fit for purpose. B) Return/ yield of 5% across individual unit portfolio.	A) 100% business and industrial units are maintained and fit for prospective tenants. Occupancy at the close of Quarter 1 was 96.00%. Occupancy overall remains high and is forecast to remain similar for the next 3 months. B) Not scheduled to report until Quarter 4.	G	BP1	G
					BP2	NS

Every Resident Matters

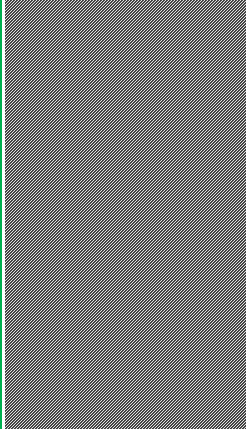
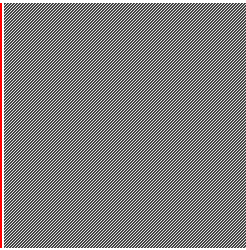
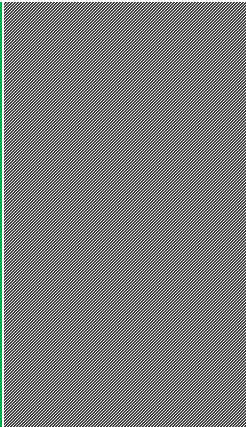
Corporate Plan Outcome (2016-2020)	Business Plan Action (2019-2020)	Measurable Success Criteria	Progress	RAG	Linked Indicators	
ERM1 - SS - Keep our residents safe through implementing a new community safety plan, combatting ASB and investing in emergency planning, food safety and safeguarding.	Maintain, and aim to increase the current numbers of Flood Wardens and Emergency Centre Volunteers by ensuring all volunteers are regularly and appropriately trained.	Maintain or improve upon current numbers of: A) 50 Emergency Centre Volunteers B) 32 Flood Wardens	A) There were 21 trained emergency centre volunteers at the close of Quarter 1. B) There are currently 32 flood wardens at the close of Quarter 1.	A	BP18	NS
ERM5 - CIS (1) - Listen to and communicate with our residents and act on their concerns	Undertake regular satisfaction surveys with members of the public to ensure improvement in those services that use Govmetric and the Contact/ Customer Service Centre.	A) 87% of customers satisfied with the face to face service. B) 87% of customers satisfied with the telephone service they received for calls taken in the contact centre.	A) 90% of customers surveyed (632 out of 706) rated their face to-face service as 'Good' in the first Quarter. B) 92% of customers surveyed (234 out of 253) rated their telephone service from the Contact Centre as 'Good' in the first Quarter.	G	BP12	G
					BP13	G
ERM5 - CIS (2) - Listen to and communicate with our residents and act on their concerns	Review the current Customer Standards Policy to ensure it is fit for purpose and relevant.	A) Implement a new 'Customer Promise' by April 2020 B) Implement a consistent method of collecting Customer Satisfaction feedback across the Council.	A) The revised 'Customer Promise' has been subject to a consultation period throughout Quarter 1. Once it has been agreed it will be launched and promoted at various training sessions throughout Quarter 2 and Quarter 3.	G	BP11	A

			B) At present information is being gathered on how all services collect levels of satisfaction, the questions they currently ask and how this is utilised before a recommendation can be made on the future collection of such information.			
ERM5- SS (1) – Listen to and communicate with our residents and act on their concerns.	Undertake regular satisfaction surveys with members of the public to ensure improvement in the web service they receive.	52% of customers satisfied with the web related service they receive.	51.49% of customers surveyed 603 out of 1171 rated the web service they received as 'Good' in the first quarter. This reflects an upward trend since the end of the last year.	A	BP14	A
ERM5 - SS (2) - Listen to and communicate with our residents and act on their concerns	Complete the 2019 Residents Survey to ensure that residents views are incorporated into the development of the Corporate Plan (2020-2024).	Residents Survey completed by December 2019.	Action not scheduled to commence until Quarter 2.	NS		

Delivering Excellent Services

Corporate Plan Outcome (2016-2020)	Business Plan Action (2019-2020)	Measurable Success Criteria	Progress	RAG	Linked Indicators	
DES1 - SS (1) - Put customers at the heart of everything we do and provide strong community leadership	Deliver local elections and any by-elections in accordance with Electoral Commission requirements.	Less than 0.5% complaints received about an election as a percentage proportion of the number of people voting	In the local council and European elections, held in May 2019, 4 complaints were received (from a total of 85,081 combined voters) totalling 0.004%.	G	BP22	NS
DES1 - SS (2) - Put customers at the heart of everything we do and provide strong community leadership	Develop Corporate Plan (2020-2024) with an aim to creating positive and lasting outcomes for our customers.	Final Corporate Plan agreed and published by March 2020.	An approach to developing the Corporate Plan (2020-2024) was agreed by SMT on the 19th June 2019. Work continues to be undertaken to identify potential organisations to deliver the Residents Survey in Quarter 2 and Quarter 3.	G		
DES2 - CIS (1) - Improve the way in which customers can access our services.	Explore and evaluate opportunities to offer webchat, to improve customer access and customer satisfaction when contacting the Council.	Pilot of webchat completed, and findings/ recommendations actioned as appropriate.	Not scheduled to begin reporting until Quarter 2.	NS		

<p>DES2 - CIS (2) - Improve the way in which customers can access our services.</p>	<p>Extend and enhance the way customers can interact with the Council by improving the online experience provided.</p>	<p>A) Introduce a new online customer self-service portal.</p> <p>B) Increase the number of services available online by 10%</p>	<p>A) Customers are currently benefiting from an improved leisure holiday programme which is accessible on-line for the first year. Additionally, Loughborough Fair Traders can now apply online (take-up is currently at 18% and no paper applications have been received to date).</p> <p>B) Not scheduled to report until Quarter 4.</p>	<p>G</p>	<p>BP23</p>	<p>NS</p>
<p>DES3 - CIS (1) - Continuously look for ways to deliver services more efficiently</p>	<p>Deliver modern and secure hardware and software solutions to enable efficient and effective service delivery.</p>	<p>A) Rollout of Windows 10 and Office 365 across the Council.</p> <p>B) Upgrade the current VDI environment.</p>	<p>A & B) Phase 3 of the Windows 10, Office 365 rollout plan is on track against the set timescales. This also includes migrating desk centric users onto the new VDI environment.</p>	<p>G</p>	<p></p>	<p></p>
<p>DES3 - CIS (2) - Continuously look for ways to deliver services more efficiently</p>	<p>Introduce call recording to the contact centre to improve call quality.</p>	<p>A) Call recording implemented in the contact centre.</p> <p>B) Call quality baseline established.</p>	<p>A) The introduction of call recording has faced a slight delay pending implementation of PCI-compliant telephone payments solution. It is anticipated implementation will take place throughout Quarter 2 and Quarter 3.</p> <p>B) A call quality baseline has been established but we will look to recreate this once the new call quality process is fully implemented.</p>	<p>A</p>	<p></p>	<p></p>

<p>DES3 - CMT - Continuously look for ways to deliver services more efficiently</p>	<p>Establish a Transformation Programme for the Council.</p>	<p>Programme Board established, and key transformation projects initiated and on target.</p>	<p>The Chief Executive has delivered a presentation to the Corporate Management Team outlining a transformation programme. This has been followed up with a workshop with the Corporate Management Team to identify key areas for transformation. In addition, these ideas have been presented to Cabinet.</p>	<p>G</p>	
<p>DES3 - FP - Continuously look for ways to deliver services more efficiently</p>	<p>Development of an Investment Strategy setting out the Council's approach to investment decisions and detailing the evaluation criteria to be used.</p>	<p>Final Strategy agreed and published by July 2019.</p>	<p>The Investment Strategy is currently in development, however is behind anticipated timescales. The Strategy is now scheduled for Cabinet in September 2019.</p>	<p>R</p>	
<p>DES3 - SS - Continuously look for ways to deliver services more efficiently</p>	<p>Review the Personal Review process, for staff, to ensure it promotes personal leadership, empowerment and innovation by focussing on managing personal effectiveness through outputs and outcomes.</p>	<p>Revised Personal Review Process fully implemented by March 2020.</p>	<p>Plans are currently being drawn up for a survey to identify views from staff and managers on the current system.</p> <p>Discussions are continuing with other District Councils in Leicestershire to potentially purchase a shared upgrade to Learning Pool that can host appraisals.</p>	<p>G</p>	

Business Plan Indicators

The Business Plan indicators below are those which Charnwood Borough Council directly impacts:

Indicator	Quarter 1		Target	Commentary
BP1 - Percentage of industrial units that are fit for purpose	100.00%	G	100.00%	All fit for purpose and occupancy overall remains high for Quarter 1 and is forecast to remain similar for the next 3 months.
BP2 - Percentage return/ yield across individual unit portfolio		NS		Annual Target- to be reported in Quarter 4 only.
BP11 - Percentage of complaints not proceeding past 'Stage 0' of the corporate complaints process	88.00%	A	90.00%	Although we are just under the 90% performance target, we have seen a reduction of 'Stage 1' complaints since last quarter (Q4 18/19: Stage 1= 26; Q1 19/20: Stage 1= 22).
BP12 - Percentage of customers satisfied with the face to face service they receive	90.00%	G	87.00%	632 out of 706 respondees rated the face-to-face service they received as 'Good'
BP13 - Percentage of customers satisfied with the service they receive for those calls taken in the contact centre.	92.00%	G	87.00%	234 out of 253 respondees rated the telephone service they received as 'Good'.
BP14 - Percentage of customers satisfied with the web related service they receive	51.49%	A	52.00%	603 out of 1171 respondees rated the web service they received as 'Good'.
BP18 - Number of Emergency Centre Volunteers & Flood Wardens		NS		Annual Target- to be reported in Quarter 4 only.
BP22 - Percentage of complaints received about an election		NS		Annual Target- to be reported in Quarter 4 only.
BP23 - Percentage increase in number services available online		NS		Annual Target- to be reported in Quarter 4 only.

Key Corporate Indicators

The key indicators below are those which Charnwood Borough Council directly impacts:

Indicator	Quarter 1		Target	Commentary
KI7 - Time taken to process Housing Benefit/Council Tax Benefit new claims and change events	10.50 Days	G	17 Days	The performance is currently well with the target for this indicator and is being closely monitored to ensure performance is maintained.
KI8 - Percentage of Council Tax Collected (Cumulative Target)	29.36%	G	29.32%	The first quarter results are positive and show a small improvement against Quarter 1 in 2018/19.
KI9 - Percentage of non-domestic rates collected (Cumulative Target)	30.27%	G	30.24%	Business rates collection has started in a positive position and has exceeded the current target for Quarter 1.
KI10 - The number of working days/ shifts lost to the local authority due to sickness absence (Cumulative Target)	1.94 Days	A	1.8 Days	Over the period there have been 149 people reporting as sick, totalling 721 days. The most common causes of sickness were stomach ailments, cold and influenza and operations and recovery. Operations and recovery account for the largest number of days lost.



CHARNWOOD BOROUGH COUNCIL
ANNUAL REPORT
2018-2019

LEADER'S INTRODUCTION



I am pleased to present to you the Council's Annual Report for 2018-2019.

The report covers the third year of our Corporate Plan (2016-20) and looks at how we have progressed in this particular year.

I am delighted to say the vast majority of targets have been achieved and while some areas may require more focus, I am confident that overall our current corporate plan is on track.

It is important we use these annual reports to ensure residents and partners can clearly see how our services are performing. It is also important to showcase how we are delivering excellent customer service and value for money.

There are many examples of great work in this report and I would like to thank staff, members, partners and residents for their support. Collaboration is key to any success and that need for joint working will only become more important in the future.

While this Annual Report highlights that we are heading in the right direction, we will never stand still and already the Council is looking at its next Corporate Plan for 2020-24.

We will be selecting new priorities, based on the views and needs of residents and partners.

And while funding will always remain a challenge in local government, I am pleased to say this Council remains financially robust.

Our next Corporate Plan will continue to put people at the heart of everything we do and we remain committed to making our communities stronger, the local economy more vibrant and protecting our environment for future generations.

As always, we welcome your input and involvement about decisions affecting your local area so please contact us here at the Council (contact details on the back of this report) if you would like to discuss anything further.

Cllr. Jonathan Morgan

Leader of Charnwood Borough Council



CREATING A STRONG AND LASTING ECONOMY

1,117

new homes built in 2018-19
(exceeding target by 36%)



98.75%

occupancy rate of industrial units
(achieved against a target of 90%)

Consultation on a draft
Local Plan to take place in
October 2019 (originally
October 2018)



55

empty homes have been
brought back into use during
2018-19, against a target of 50

189 affordable homes
delivered in 2018-19
(exceeding target by 7.5%)

0.6%

cleansing inspections
falling below a Grade B,
against a target of <1.5%

Food Safety Team won Best 'Small
Business Friendly' Regulatory
Approach (for support given to
new businesses to help them
comply with the food law)

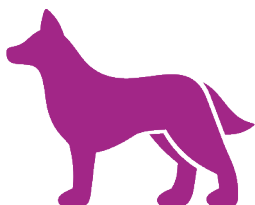


Stray dog service achieves
RSPCA Golden Footprints
Award for 3rd year running



79%

decrease in
dog fouling in 4
targeted areas



Bradgate Park Dog Control
Public Spaces Protection
Order amended and came
into force

CREATING A STRONG AND LASTING ECONOMY

16,601



stalls let on Loughborough Market throughout 2018-19



3 Green Flag Sites

- Queen's Park
- The Outwoods
- Forest Road Green Belt

2 Local Nature Reserve accredited sites



- Stonebow Washlands
- Gorse Covert

High-Level Stewardship (HLS) site

- Morley Quarry

56%

increase in awareness of fly-tipping offences amongst surveyed residents, following a joint multi-media campaign

76



Fixed Penalty Notices issued for littering & fly-tipping

838

fly-tipping cases investigated



Refurbishment of the Carillon Tower completed



EVERY RESIDENT MATTERS

99%

of high-risk inspections (179 of 180) completed on open food businesses

97.7%

 (1409 out of 1442) of food businesses scored Level 3 or above on the National Food Hygiene Rating Scheme

24

 new door entry systems to communal doors installed, for enhanced security to residents.

12

Silver safeguarding face to face training sessions have been delivered to help keep children, young people and vulnerable adults safe



144

 members of staff completed the silver safeguarding e-learning

8

 crime prevention campaigns delivered with partners to deter and prevent crime

11

 Gambling Premises inspected for compliance over the year

Gambling Act 'Statement of Principles' came into effect in January 2019



Increased volunteering opportunities for residents with 8,264 hours achieved

Worked in partnership across Leicestershire and Rutland to support and resettle 27 Refugee families

92

 Disabled Facilities Grants provided to support home adaptations and improvements to help people remain independent in their own homes

7

 Waste Ward Walks took place with resident groups to identify problem streets

13,608 incidents of crime (against a target of 11,995)

0% non-decency in the general needs housing stock

10.7%

 increase in ASB interventions

57%

 decrease in the number of bins on-street offences (at targeted locations)



EVERY RESIDENT MATTERS



1,045,359

visits to Charnwood Borough Council Leisure Centres

Annual participation at Leisure Centres by Supporting Leicestershire Families (SLF) totalled 591 visits

89.47%



of complaints not proceeding past stage 1 of the process (against target of 90%)

87.5%

of customers satisfied with the face to face service they received

93.75%

of customers satisfied with the telephone service they receive for those calls taken in the contact centre

46.75%

of customers satisfied with the web service they receive

334

new individuals participating in the inclusive physical activity programme (for under-represented groups)

Work to develop a Community Hub with Thorpe Acre Residents Association continues

486

improvements made to kitchens, bathrooms and heating in our housing stock (50 less than anticipated target)

10

communal areas on the Bell Foundry estate refurbished

11

properties purchased, using resources from Right to Buy Receipts, to meet the housing needs of those on the housing register

481

new 14-25-year olds living in priority neighbourhoods engaged in sports activity (with 5904 attendances)

Access works to Dishley Pool full completed, to provide wheelchair and mobility scooter access

98,229



attendances at Town Hall shows and events. The relaxed performance of the Panto increased to 109 (from 80 in 2017-18)

94.8%

of residents expressing satisfaction with the household waste collection service



47,293

attendances at Charnwood Museum, with 6 Local History Cafés delivered to support people at risk of social isolation and loneliness

27

weekly draws of the Charnwood Community Lottery have taken place and raised £3,676.20 for the registered good causes



DELIVERING EXCELLENT SERVICES



Customer Service Excellence Award achieved in September 2018

Customer insight software tool purchased and fully implemented across services

193

bookings/ transactions for Lifeline via the new booking live system



Work to investigate opportunities for webchat and call recording, to improve customer access, continues

88%

of school holiday activities booked online using the new online booking service

Restructured the Council's scrutiny function in accordance with recommendations from the Centre for Public Scrutiny (with effect for the 2019/20 council year)



Reviewed, produced and published a new Tenancy Strategy

Developed a new online Housing Register application system



6,172

transactions undertaken online, via the Council's website (169.5% increase from target of 2290)



Continued delivery of the Customer Service Programme with 5 out of 7 projects completed to date

Committee Management Software System implemented with 51 Elected Members successfully using the system



All actions within the People Strategy Action Plan for 2018/19 are complete and fully implemented

Development of an Investment Strategy setting out the Council's approach to investment decisions is postponed until Summer 2019



PERFORMANCE OVERVIEW

Performance is a key element of monitoring progress towards delivering the Council's Corporate Objectives and Initiatives as set out in the Corporate Plan (2016-2020) and Annual Business Plan (2018-2019).

This Annual Report presents performance results for the 2018-2019 Business Plan, in respect of the Corporate Plan Objectives and Key Performance Indicators. It provides explanations and commentary in respect of poor performance or non-achievement of targets and details of remedial actions being taken where appropriate.

PERFORMANCE OBJECTIVES

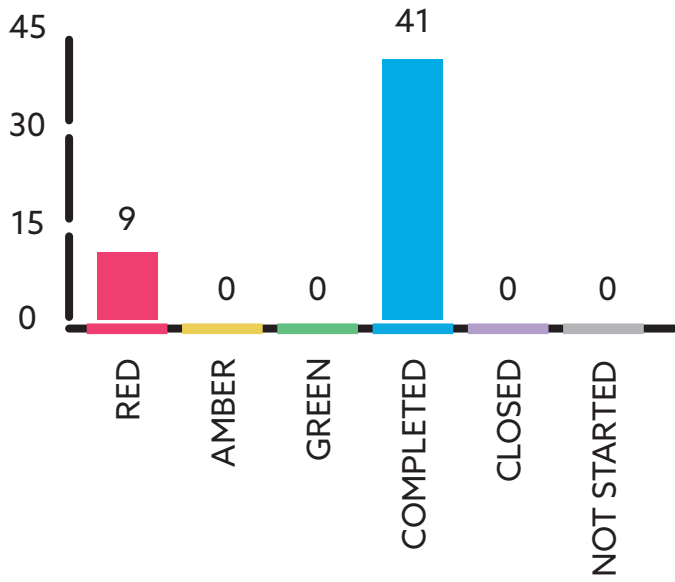
There were **50** activities in the Annual Business Plan (2018-2019) which address the objectives outlined in the Corporate Plan. At the close of the final quarter there were **41** objectives reported as completed in status and **9** graded as red.

PERFORMANCE INDICATORS

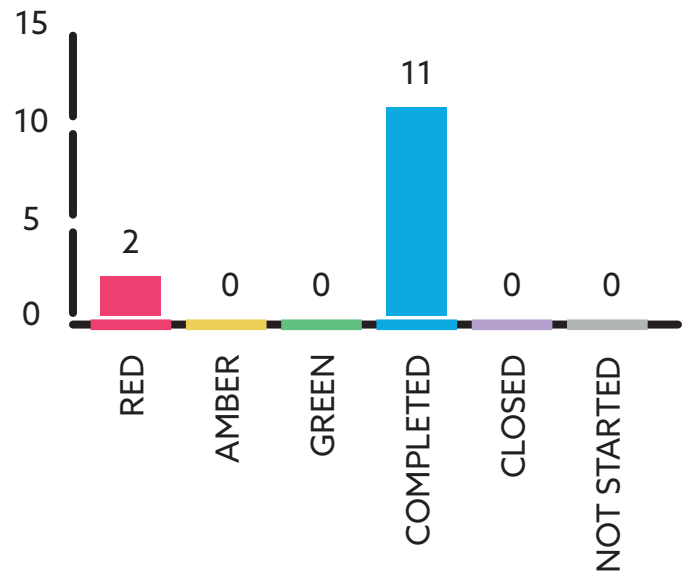
Corporate performance against the Business Plan Indicators, at the annual outturn, includes **1** indicator assessed as red, **3** as amber, and **18** as green. Performance against the Key Indicators associated with the Corporate Plan at the annual outturn was **6** indicators assessed as green, **3** as amber and **3** as red.

PERFORMANCE DASHBOARD (2018-2019)

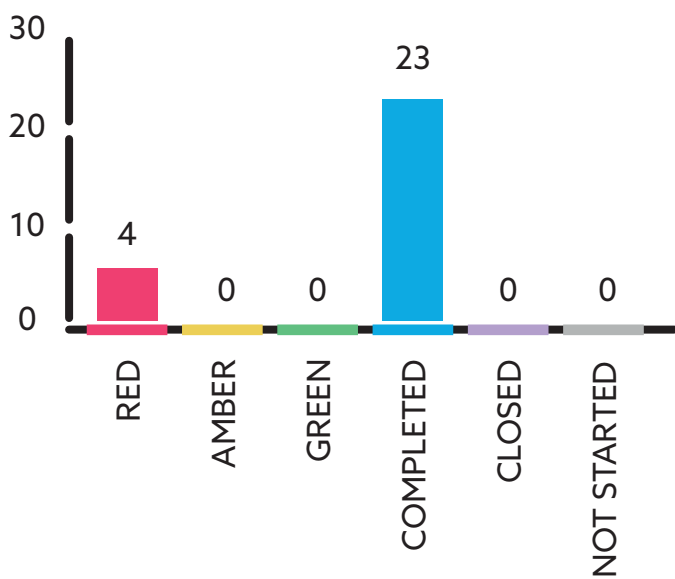
BUSINESS PLAN OBJECTIVES



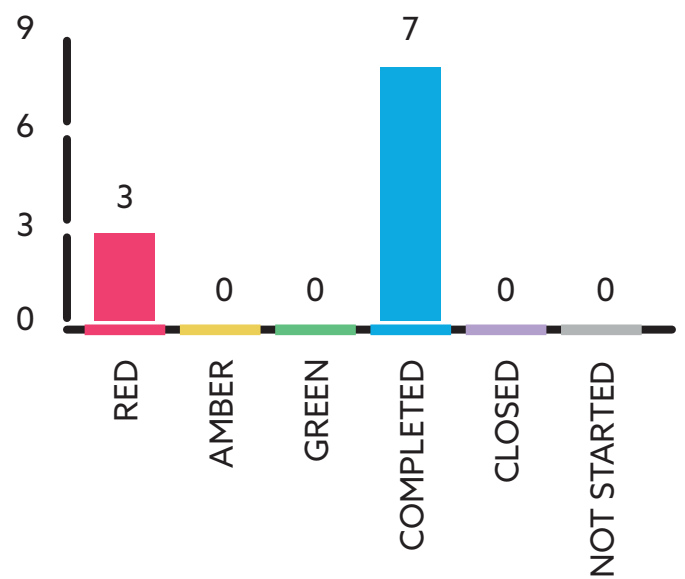
THEME ONE: CREATING A STRONG AND LASTING ECONOMY



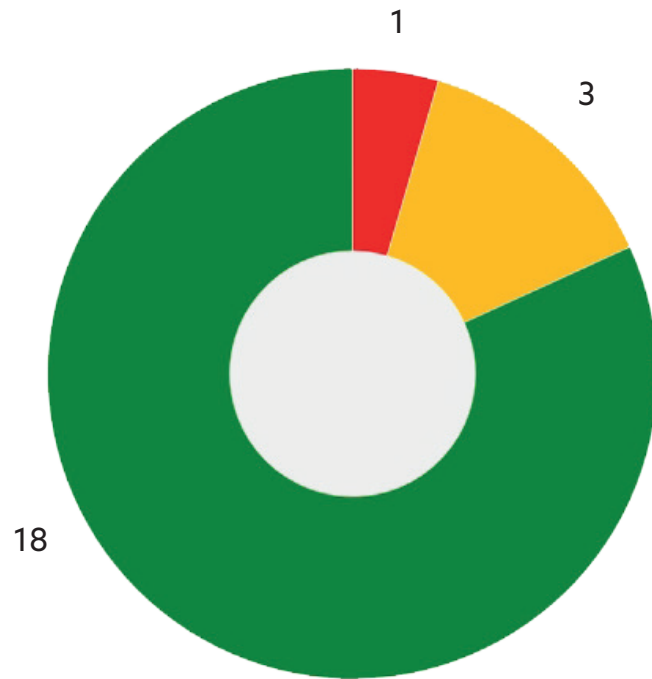
THEME TWO: EVERY RESIDENT MATTERS



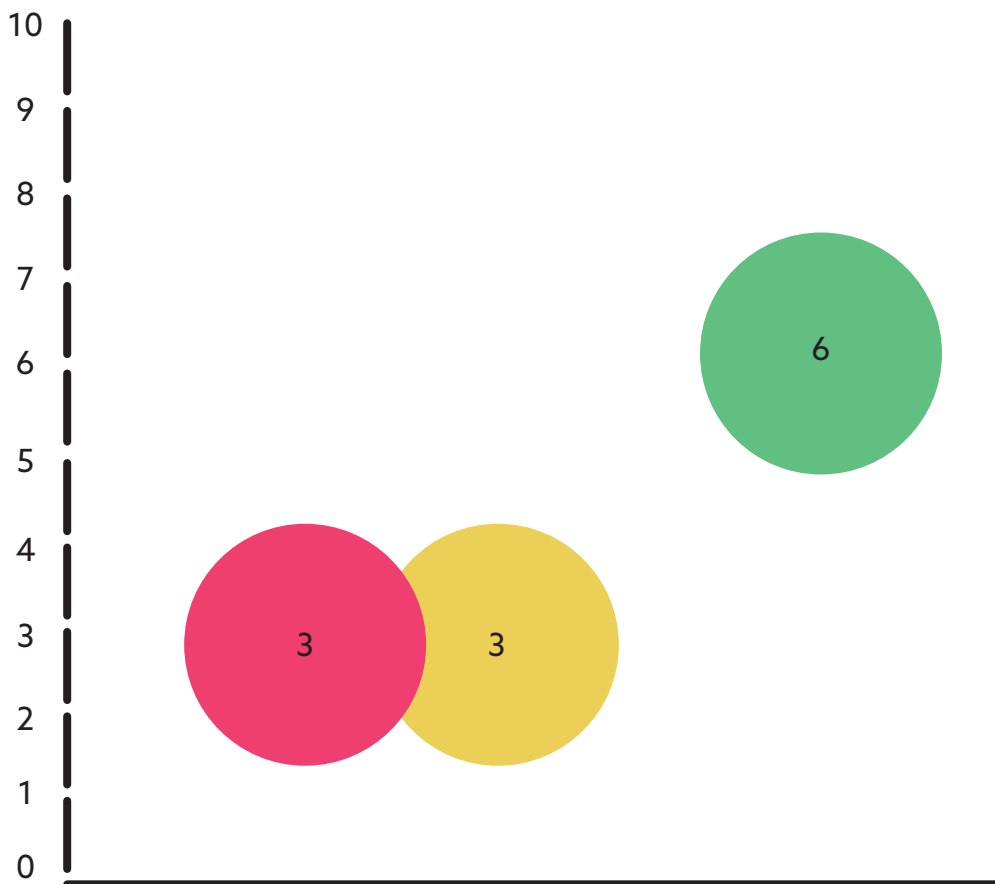
THEME THREE: DELIVERING EXCELLENT SERVICES



BUSINESS PLAN INDICATORS



KEY PERFORMANCE INDICATORS





CREATING A STRONG AND LASTING ECONOMY



What we wanted to achieve...	What we did to achieve it...	How we measured the success...		How we performed...
(SLE1 FP) Encourage new jobs to the Borough through promoting the delivery of the Science Park and Enterprise Zone and encouraging new businesses to towns and villages.	Ensure industrial units are fit for purpose, and they are advertised as soon as they become vacant, to increase the number of new businesses into Charnwood.	A) 100% of industrial units are fit for purpose. B) Increase occupancy by 1% from a baseline as at 31st March 2018 across all units through a review of acceptance criteria.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. A) This success criteria, was completed in Quarter 4 of the 2018/19 Business Plan. All Business and Industrial units are maintained in good condition to enable lettings to new tenants with 100% of industrial units fit for purpose. B) This success criteria, was completed in Quarter 4 of the 2018/19 Business Plan. Occupancy rate rose to 98.75% (exceeding the annual target of 87.87%). The uptake of tenants joining/ leaving the business units does fluctuate, but overall there has been an increase in occupancy at The Ark and Oak Business Centre.
(SLE1 PR) Encourage new jobs to the Borough through promoting the delivery of the Science Park and Enterprise Zone and encouraging new businesses to towns and villages.	Complete the Economic Development Strategy with an aim to create a strong and lasting economy.	Final Strategy agreed and published by September 2018.	C	This action was completed in Quarter 1 of the 2018/19 Business Plan. The Economic Development Strategy was finalised and approved by Cabinet in Quarter 4 of the previous Business Plan (2017-18) and was published in Quarter 1 of the current Plan.

(SLE2 HOU) Ensure that a growth in homes and infrastructure benefits residents through improved community facilities, affordable housing and superfast broadband.	Bring empty homes back into use through housing advice/ assistance and partnership grants.	50 Empty Homes brought back into use as a result of action by the Council.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan, with an annual total of 55 Empty Homes bought back into use against the strategy target of 50 Empty Homes.
(SLE2 PR) Ensure that a growth in homes and infrastructure benefits residents through improved community facilities, affordable housing and superfast broadband.	Complete the milestones in the Local Development Scheme 2018-2021 for the preparation of the local plan.	To publish consultation on a draft local plan by October 2018.	R	The Local Development Framework Project Board has considered the programme for preparing the Local Plan and re-programmed dates identified for the preparation of the draft plan, taking account of a range of factors affecting the timetable including, impacts arising from evidence collection (including traffic modelling) and staff absence. A revised Local Development Scheme was considered by Cabinet in March 2019 setting out a revised consultation date of October 2019. Objective included within the 2019/20 Business Plan for further progression.
(SLE3 COS) Take action to protect the environment for future generations and ensure a clean borough for all to enjoy.	Take appropriate action to ensure the Borough is kept clear of litter.	Less than 1.5% of cleansing inspections falling below a Grade B.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. The annual rolling average for cleansing inspections falling below a Grade B was 0.6%.
(SLE3 RS1) Take action to protect the environment for future generations and ensure a clean borough for all to enjoy.	Review the Bradgate Park Dog Control Public Spaces Protection Order 2016 with a view to extend the current Order to apply all year around.	Review complete and Order extended with controls in place throughout the year.	C	This action was completed in Quarter 3 of the 2018/19 Business Plan. The Bradgate Park Dog Control Public Spaces Protection Order was amended and came into force on the 1st November 2018.

(SLE3 RS2) Take action to protect the environment for future generations and ensure a clean borough for all to enjoy.	As part of the Leicestershire 'Fly-Tipping' promotional and enforcement campaign undertake the following: A) A joint multi-media campaign with all Leicestershire District Councils, Leicester City Council and Leicestershire County Council. B) Investigate all reported fly-tipping incidents and take action where sufficient evidence is obtained.	A) 40% increase in awareness of fly-tipping offences amongst those residents who were surveyed at the start and end of the campaign. B) 80% of fly-tipping cases referred for legal action result in a Fixed Penalty Notice or Prosecution.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. A) This success criteria, was completed at Quarter 2 of the 2018/19 Business Plan. For Charnwood Borough Council, 239 people completed questionnaires before and after the campaign. After the campaign 92% were aware of the 'Duty of Care' offence for their waste, an increase of 56% (against an annual target of 40%). B) This success criteria, was completed at Quarter 4 of the 2018/19 Business Plan. The total annual number of fly-tipping cases investigated was 838, with 76 Fixed Penalty Notices issued for littering & fly-tipping, resulting in total fines of £5,840 with 100% of these paid.
(SLE4 COS) Promote the Borough to increase tourism and support initiatives to help our towns and villages to thrive. Develop new and revitalised Town Centre Masterplans for Loughborough and Shepshed.	Maintain the number of Green Flags parks held to create quality open space for residents to enjoy.	Maintain the number of Green Flags parks held to create quality open space for residents to enjoy.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. There are currently 3 Green Flag Sites in the Borough (Queens Park, The Outwoods, Forest Road Green Belt), 2 Local Nature Reserve (LNR) accredited sites (Stonebow Washlands, Gorse Covert) and a High-Level Stewardship (HLS) site (Morley Quarry). All the above have their own management plan and are maintained in a sustainable way that enhances their attributes.
(SLE4 LC1) - Promote the Borough to increase tourism and support initiatives to help our towns and villages to thrive. Develop new and revitalised Town Centre Masterplans for Loughborough and Shepshed.	Complete the upgrade, refurbishment and modernisation of public toilets at Charnwood Museum to encourage increased tourism and visitors.	Delivery of the refurbished public toilets at Charnwood Museum by February 2019.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan with the Museum toilet upgrade fully complete and in use. All works were completed within the £16,000 Capital Budget.

(SLE4 LC2) - Promote the Borough to increase tourism and support initiatives to help our towns and villages to thrive. Develop new and revitalised Town Centre Masterplans for Loughborough and Shepshed.	Complete the refurbishment of the Carillon Tower informed by surveys report and project submitted to the War Memorial Trust to promote the profile of the Borough and encourage tourism.	Delivery of the refurbished Carillon Tower by October 2018.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan when the Carillon Tower refurbishment was completed. The specialist architect signed off all the work as complete and to an acceptable standard. His report was also submitted to the War Memorial Trust to draw down the grant that was already allocated by the Trust to the project.
(SLE4 LC3) - Promote the Borough to increase tourism and support initiatives to help our towns and villages to thrive. Develop new and revitalised Town Centre Masterplans for Loughborough and Shepshed.	Deliver a Vision for Loughborough Market by improving the layout, infrastructure and marketing to increase footfall and encourage a wider diversity of traders.	A) 16,000 number of market units let on annual basis. B) Increase the variation of market traders by 5 and number of traders by 7 from a baseline of 85.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. A) This success criteria was complete at Quarter 4 with an annual total of 16,601 stall lets, against the annual target of 16,000. B) This success criteria was complete at Quarter 4 with 100 traders on the market (against a target of 92) and the variation of traders continues to stand at 9.
(SLE4 LC4) - Promote the Borough to increase tourism and support initiatives to help our towns and villages to thrive. Develop new and revitalised Town Centre Masterplans for Loughborough and Shepshed.	Work with Leicestershire Promotions to increase the profile of local businesses in Charnwood, involved in tourism, and effectively deliver a Blue Print for Tourism in Charnwood.	Develop and implement a Blue Print for Tourism in Charnwood.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan when the Blue Print for tourism was successfully completed, in consultation with partners, and launched as part of National Tourism Week (beginning 30th March 2019).
(SLE4 RS) Promote the Borough to increase tourism and support initiatives to help our towns and villages to thrive. Develop new and revitalised Town Centre Masterplans for Loughborough and Shepshed.	Complete phase 1 of the Beehive Lane car park improvements and refurbishment scheme to maintain the long-term viability of the car park and encourage increased customer car parking in Loughborough.	Installation of new car park railings on the top floor of Beehive Lane car park completed by 31st March 2019.	R	At Quarter 4, following the procurement process for the new railing's installation, no suitable Tenders meeting the Council's requirements were received. The procurement process will be reviewed with a view to re-tendering during 2019/20. The procurement of the Fire Detection system was completed, and all contract work was signed with work scheduled to commence in April 2019. Objective included within the 2019/20 Business Plan for further progression.



What we wanted to achieve....	What we did to achieve it....	How we measured the success....		How we performed....
(ERM1 LS) Keep our residents safe through implementing a new community safety plan, combatting ASB and investing in emergency planning, food safety and safeguarding.	Undertake the 2018/19 programme of works to install 23 new communal door entry systems in order to provide enhanced security for tenants.	Completion of works, with 23 new communal door entry systems installed.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan with a total of 24 blocks completed, exceeding the target of 23 blocks.
(ERM1 NS1) - Keep our residents safe through implementing a new community safety plan, combatting ASB and investing in emergency planning, food safety and safeguarding.	Work with partners to deliver 4 initiatives aimed at proactively tackling and reducing incidents of ASB.	5% increase in ASB interventions, from a baseline as at 31st March 2018.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan with a total of four initiatives delivered that aimed to proactively tackle and reduce incidents of ASB. A 10.7% increase (against an annual target of 5%) in ASB interventions was achieved in comparison to the previous year.
(ERM1 NS2) - Keep our residents safe through implementing a new community safety plan, combatting ASB and investing in emergency planning, food safety and safeguarding.	Work with our partners to deliver 8 crime prevention campaigns with the aim of contributing to deterring and preventing crime.	K112: Reduction in all crime	C	This action was completed in Quarter 4 of the 2018/19 Business Plan with a total of eight partnership campaigns delivered which aimed to contribute towards deterring and preventing crime.

(ERM1 NS3) Keep our residents safe through implementing a new community safety plan, combatting ASB and investing in emergency planning, food safety and safeguarding.	Deliver a suite of role appropriate safeguarding training to staff and elected members to keep children, young people and vulnerable adults safe.	Delivery of 6 safeguarding sessions, and silver safeguarding e-learning to 30 staff, to ensure we meet our statutory obligations with regard to safeguarding.	C	This action was completed in Quarter 2 of the 2018/19 Business Plan. In total 12 face to face safeguarding sessions were delivered to 140 internal and 3 external staff during 2018/19 and in addition 144 staff completed Silver level safeguarding e-learning.
(ERM1 RS1) - Keep our residents safe through implementing a new community safety plan, combatting ASB and investing in emergency planning, food safety and safeguarding.	As part of the Food Hygiene Rating Scheme, undertake the following actions: A) Introduce a new procedure to allow food businesses to request a chargeable re-scoring visit prior to the next scheduled inspection. B) Complete a minimum of 95% of High Risk (Risk Ratings A-C's) Food Safety Inspections.	A) The Statement of Principles approved by Full Council by January 2019. B) 90% of premises holding a Gambling Act Licence (of those inspected) comply with the legal standards.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. A) This success criteria was complete at Quarter 3 when the Gambling Act 'Statement of Principles' was approved by Full Council on 05.11.2018, advertised on 07.12.2018 and came into effect on 31.01.2019. B) This success criteria was complete at Quarter 4 with 11 Gambling Premises inspected over the year. 91% (10 Premises) were fully compliant on the first visit with the final premises compliant after a re-visit.
(ERM1 RS2) - Keep our residents safe through implementing a new community safety plan, combatting ASB and investing in emergency planning, food safety and safeguarding.	Review, update and obtain Council approval for the Charnwood Borough Council Gambling Act 2005 'Statement of Principles' in order to protect our children & vulnerable residents by ensuring responsible Gambling Premises operate across the Borough.	A) The Statement of Principles approved by Full Council by January 2019. B) 90% of premises holding a Gambling Act Licence (of those inspected) comply with the legal standards.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. A) This success criteria was complete at Quarter 3 when the Gambling Act 'Statement of Principles' was approved by Full Council on 05.11.2018, advertised on 07.12.2018 and came into effect on 31.01.2019. B) This success criteria was complete at Quarter 4 with 11 Gambling Premises inspected over the year. 91% (10 Premises) were fully compliant on the first visit with the final premises compliant after a re-visit.

<p>(ERM1 RS3) Keep our residents safe through implementing a new community safety plan, combatting ASB and investing in emergency planning, food safety and safeguarding.</p>	<p>As part of the 'Don't Muck Around' campaign undertake the following actions targeted at reducing bin side waste and bins on streets offences:</p> <p>A) Undertake a minimum of 3 Litter & Waste Ward Walks, in areas with the highest number of reports.</p> <p>B) Undertake a minimum of 12 targeted Litter and Waste Patrols in locations with the highest number of reports.</p>	<p>Completion of planned campaigns to achieve 20% reduction in bin side waste and bins on streets offences (baseline set at start of campaign).</p>	C	<p>This action was completed in Quarter 4 of the 2018/19 Business Plan.</p> <p>A) This success criteria was complete at Quarter 3. In total 7 Waste Ward Walks took place with resident groups to identify problem streets.</p> <p>B) This success criteria was complete at Quarter 4. 5 Ward Walks and 12 targeted litter & waste patrols were undertaken during the year. The final monitoring was undertaken in January 2019 and overall for the targeted locations there was a 57% decrease in the number of bins on-street offences (67 bins on street at the start compared to 29 at the final monitoring).</p>
<p>(ERM2 COS) Make Charnwood an attractive place for all through investment in our housing stock, funding community groups, and providing a range of diverse opportunities and events.</p>	<p>Utilise the Ranger Service to deliver volunteering opportunities in Open Spaces.</p>	<p>7000 volunteering hours during 2018/19.</p>	C	<p>This action was completed in Quarter 4 of the 2018/19 Business Plan with 8,264 volunteering hours achieved. The Rangers interacted with various groups and continue to facilitate and oversee many projects and activities on Open Spaces including some of the Borough's key sites such as the Outwoods, Stonebow Washland, Gorse Covert, Booth Wood and Dishley Pool.</p>

<p>(ERM2 LS1) Make Charnwood an attractive place for all through investment in our housing stock, funding community groups, and providing a range of diverse opportunities and events.</p>	<p>Invest in our housing stock through the delivery of (an estimated) 84 kitchens, 144 bathrooms, and 308 heating installations to provide high quality homes for Council tenants.</p>	<p>0% non-decent Council general needs homes.</p>	R	<p>Performance has improved, and the kitchen and heating installation programmes have been completed. At the close of Quarter 4, the following were delivered:</p> <ul style="list-style-type: none"> • Kitchens: 81; • Bathrooms: 109; • Heating: 296. <p>Total = 486 Improvements (50 less than anticipated target). This equates to a 90.7% completion rate for the year against the anticipated target.</p> <p>The bathroom programme is expected to be completed by the end of Q1 2019. The level of non-decency is not affected by the slower than expected progress on this stream.</p> <p>Objective included within the 2019/20 Business Plan for further progression.</p>
<p>(ERM2 LS2) Make Charnwood an attractive place for all through investment in our housing stock, funding community groups, and providing a range of diverse opportunities and events.</p>	<p>Refurbish 10 communal areas on the Bell Foundry estate to provide an enhanced environment for tenants, residents and visitors.</p>	<p>Completion of works, with 10 communal areas refurbished.</p>	C	<p>This action was completed in Quarter 4 of the 2018/19 Business Plan with 10 communal areas fully refurbished, meeting the target set.</p>

(ERM2 LC1) Make Charnwood an attractive place for all through investment in our housing stock, funding community groups, and providing a range of diverse opportunities and events.	Undertake a range of improvements to the Town Hall, including new auditorium seating, installation of a new Wi Fi system and repairs to the Town Hall roof, in order to maintain our assets; provide a better service for customers and increase the revenue stream.	Completion of planned improvements to: A) Increase auditorium income to £678,300 from last year's target of £645,400. B) Increase levels of satisfaction from a base line of 93%.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. A) The completion of planned works resulted in an increase in the auditorium income by circa £284,700 totalling £963,000 against a target of £678,300. B) All of the areas of satisfaction were successfully increased by an average of 5.7% based on a baseline of 93%. The results achieved includes: <ul style="list-style-type: none"> Ease of Booking (99.2%) Value for Money (97.5%) Customer Service (99.6%) Average (98.8%)
(ERM2 LC2) Make Charnwood an attractive place for all through investment in our housing stock, funding community groups, and providing a range of diverse opportunities and events.	Develop (with input from stakeholders) Loughborough Town Centre as a popular destination by refurbishing, replacing and improving the offer of Loughborough festive lights and street dressings to assist in creating an attractive environment for residents and tourists.	Delivery of improved and new lighting/ street dressing scheme by November 2018.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. The new street lighting/ dressing scheme has been successfully commissioned and installed. The project has successfully helped to create an improved and attractive environment for residents and tourists.
(ERM2 NS1) Make Charnwood an attractive place for all through investment in our housing stock, funding community groups, and providing a range of diverse opportunities and events.	Maintain our support to the voluntary and community sector through the introduction of a Charnwood Lottery Scheme.	Charnwood Lottery Scheme fully implemented.	C	This action was completed in Quarter 2 of the 2018/19 Business Plan. Annually, 27 weekly draws of the Charnwood Community Lottery have taken place and raised £3,676.20 for the registered good causes. We currently have 47 Good Causes registered. Average weekly ticket sales were at 720 with 450 players registered.

(ERM2 NS2) Make Charnwood an attractive place for all through investment in our housing stock, funding community groups, and providing a range of diverse opportunities and events.	Facilitate the development of a Community Hub in Thorpe Acre.	Community Hub fully established in Thorpe Acre.	R	The Thorpe Acre Action Group and Thorpe Acre Scouts Group have progressed with the lease agreements and final changes are being made ready for signing. The sourcing of quotes and specifications of mobile/building units has now taken place and options are being costed including the provision of utilities to site. Planning consent will then be sought before all details are finalised. Objective included within the 2019/20 Business Plan for further progression.
(ERM2 HOU1) Make Charnwood an attractive place for all through investment in our housing stock, funding community groups, and providing a range of diverse opportunities and events.	Deploy available resources from the Right to Buy Receipts to acquire additional properties, to meet the housing needs of households on the housing register.	Spend the allocated budget of £1,953k (purchasing between 8 and 10 properties in 2018-2019) to meet the housing needs of the Borough.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. Sales were completed on 11 properties with £2,079,780 spent/ committed (£126,780 of the 2019-2020 budget has been brought forward to cover the additional spend).
(ERM2 HOU2) - Make Charnwood an attractive place for all through investment in our housing stock, funding community groups, and providing a range of diverse opportunities and events.	Implement the Homelessness Strategy Action Plan as approved by Cabinet in March 2018.	Complete the milestones in the Homelessness Strategy Action Plan for 2018-19.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan with all milestones in the Homelessness Strategy Action Plan for 2018/19 fully met.
(ERM3 COS) Encourage healthy lifestyles for all our residents through physical activity programmes and the provision of sports facilities and green spaces.	Complete access works to Dishley Pool to provide wheelchair and mobility scooter access in order to provide access to the whole community.	Access works to Dishley Pool fully completed.	C	This action was completed in Quarter 2 of the 2018/19 Business Plan when the access works to Dishley Pool were fully completed. Moving forward, officers are now also looking to extend the footpaths to other wider areas of the site.

(ERM3 LC) Encourage healthy lifestyles for all our residents through physical activity programmes and the provision of sports facilities and green spaces.	Work proactively with Fusion and the Recreational Services Team to support the 2018-19 programme of supported activity (such as sessions provided for Supporting Leicestershire Families (SLF) and overall deliver effective leisure centres that increase participation in physical activity for Charnwood residents. across the Borough.	1,024,000 annual visits to Charnwood Borough Council Leisure Centres.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. Through the Supporting Leicestershire Families Scheme, individual participation totalled an overall annual attendance of 591, through the issuing of leisure cards for the Loughborough/ Soar Valley/ South Charnwood leisure centres. One family in particular commented, "the swimming lessons have benefited us all, especially the children's confidence". In general, the annual participation figure to Charnwood Borough Council Leisure Centres totalled 1,045,359 Visits.
(ERM3 NS1) Encourage healthy lifestyles for all our residents through physical activity programmes and the provision of sports facilities and green spaces.	As part of the Sport & Physical Activity Programme, deliver Year 3 Plan of Community Sports Activation Fund (specifically targeting 14-25 year olds living in priority neighbourhoods), in order to increase participation.	290 14-25 year olds, living in priority neighbourhoods, engaged in the programme.	C	This action was completed in Quarter 3 of the 2018/19 Business Plan. Annually, the total number of participants (aged 14-25 years old) was 481 and the total number of attendances for the year was 5,904.
(ERM3 NS2) Encourage healthy lifestyles for all our residents through physical activity programmes and the provision of sports facilities and green spaces.	Deliver an inclusive physical activity programme (for under- represented groups), aimed at increasing participation amongst a wide range of residents.	Increased participation from under-represented groups with a target of 2000 total attendances and 250 individuals participating in the programme.	C	This action was completed in Quarter 3 of the 2018/19 Business Plan. Annually, the total number of participants was 334 and the total number of attendances for the year was 2,856. Delivery of the commissioning plan included activities for the South Asian community, women-specific sessions, people who are overweight or obese, people with learning disabilities, people with conditions such as Parkinson's and Dementia, people living in Sheltered Accommodation and older people.

(ERM4 LC1) Celebrate the rich culture of the Borough.	Deliver a programme of major events and activities in our parks, open spaces and venues to develop Loughborough as a popular cultural destination.	Delivery of a targeted programme of events and activities with: A) 70,000 total attendances at the Town Hall. B) 47,000 total attendances at the Museum. C) Hold 3 major events that attract attendance of above 10,000 people for each event.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. A) Total annual attendance at the Town Hall was 98,202 (28,202 over anticipated target). B) Total annual attendance at the Museum was 47,293 (against a target of 47,000). C) This success criteria was complete at Quarter 2. Events have included: <ul style="list-style-type: none">• Loughborough by the Sea 13th Aug 25,660 (+37% on 2017) 14th Aug 26,234 (+40% on 2017) 15th Aug 25,750 (+55% on 2017)• Mela – Sunday 19th August 18,169 (+23% on 2017)• Dog Show – 16th September 18,204 (+58% on 2017)
(ERM4 LC2) Celebrate the rich culture of the Borough.	As part of the Town Hall programme of events and activities undertake the following actions targeted at increasing access to cultural activity for 'hard to reach' groups: A) Delivery of a signed and relaxed performance of the Panto, at the Town Hall, increasing attendance at these events. B) Delivery of a pilot Local History Café project at the Museum to support people who are at risk of social isolation and loneliness.	A) Increased attendance to 100 attendees at this event. B) Deliver a scheme of 6 cafes. Evaluation completed by De Montfort University to determine success with recommended outcomes reviewed and considered as appropriate.	C	This action was completed in Quarter 3 of the 2018/19 Business Plan. A) Relaxed performance of the Panto was an overwhelming success. Attendance increased to 109 (from 80 the previous year) and the impact of the shows led to more SEN schools booking for the school shows. A review of the relaxed performance in the Leicester Mercury was extremely positive. B) The pilot for the Local History Café was very successful with each café attracting around 10 attendees. Funding of £1000 was successfully secured from the Tesco Bags of Help scheme to fund the next round of cafes (which will be 5 in total).
(ERM5 COS) Listen to and communicate with our residents and act on their concerns.	Undertake quarterly resident satisfaction surveys to ensure continually high standards for Environmental Services.	At least 90% of residents expressing satisfaction with the household waste collection service.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. The annual satisfaction level for the collections' service was 94.80%.

(ERM5 CIS1) Listen to and communicate with our residents and act on their concerns.	Review the Corporate Complaint Policy to ensure an effective and efficient process for our Customers from which the Council can learn and improve.	A) Updated Corporate Complaint Policy. B) 90% of complaints not proceeding past stage 1 of the process.	R	A) This success criteria was completed in Quarter 4 of the 2018/19 Business Plan when the Draft Corporate Complaints Policy was fully updated and approved. B) The annual total number of complaints not proceeding past stage 1 of the process was 89.47%. Objective included within the 2019/20 Business Plan for further progression.
(ERM5 CIS2) Listen to and communicate with our residents and act on their concerns.	Undertake regular satisfaction surveys with members of the public to ensure improvement in those services that use Govmetric and the Contact/ Customer Service Centre.	A) 87% of customers satisfied with the face to face service. B) 87% of customers satisfied with the telephone service they received for calls taken in the contact centre.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. A) 87.5% of customers surveyed annually rated their face-to-face service as 'Good'. B) 93.75% of customers surveyed annually rated their telephone service from the Contact Centre as 'Good'.
(ERM5 SS) Listen to and communicate with our residents and act on their concerns.	Undertake regular satisfaction surveys with members of the public to ensure improvement in the web service they receive.	Increased levels of customer satisfaction with the web related service they receive, from a baseline of 52%.	R	46.75% of customers who gave feedback throughout 2018/19 rated the web related service they received as 'Good' (5.25% below the target of 52%). In 2018/19, there were 473,495 users on the website and of these the Council received 1,846 negative or average ratings (for various reasons, many unexplained). Therefore, if each negative or average rating was a person, that would equate to 0.39% of web users. Additionally, following the website redesign and updating the survey in October 2018, the number of Govmetric ratings have increased by 200%. Objective included within the 2019/20 Business Plan for further progression.

(ERM5 NS) Listen to and communicate with our residents and act on their concerns.	Provide opportunities for children and young people to be involved in service design and delivery within Charnwood.	2 opportunities provided for children and young people to be involved.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. The first consultation took place in Quarter 2 and involved a series of 3 engagement days as part of the 'Hit The Street' project. The second consultation took place in Quarter 4 when the views of local young people were sought, to shape and influence the Community Premier League Kicks programme running from Charnwood College (a partnership programme developed by Charnwood Borough Council and Leicester City Community Foundation).
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What we wanted to achieve....	What we did to achieve it....	How we measured the success....		How we performed....
(DES1 SS) Put customers at the heart of everything we do and provide strong community leadership	Undertake Customer Service Excellence (CSE) Assessment by September 2018 and retain CSE accreditation through the independent assessment process.	Retain CSE accreditation by September 2018.	C	<p>This action was completed in Quarter 2 of the 2018/19 Business Plan when the organisation achieved the Customer Service Excellence Award. The assessor was on site from 12th-14th September and he met with over 70 staff from across the Council, including the Senior Management Team and the Leader / Deputy Leader of the Council. He also met various customers and partners at various sites including the MTC Centre / Peel Drive, the Falcon Centre, Green Gym at the Outwoods and Fearon Hall.</p> <p>The assessor identified a number of strengths and awarded a total of five compliance plus ratings for excellent performance.</p>

(DES2 CIS) Improve the ways in which customers can access our services.	Explore and evaluate opportunities to offer webchat and call recording to improve customer access and customer satisfaction when contacting the Council.	<p>A) Pilot of webchat completed.</p> <p>B) Call recording solution and quality monitoring implemented.</p>	R	<p>A) Due to other issues with the telephony system the webchat project was put on hold while resolutions to these outstanding issues were completed. Work will continue to develop this new access channel, which is expected to be delivered in the next financial year.</p> <p>Objective included within the 2019/20 Business Plan for further progression.</p> <p>B) The implementation of call recording is dependent upon the introduction of a way to de-scope payments from the contact centre (to ensure PCI compliance). An order has now been placed for the PCI software and once this is implemented the call recording implementation will be scheduled.</p> <p>Objective included within the 2019/20 Business Plan for further progression.</p>
(DES2 PROG1) Improve the ways in which customers can access our services.	Develop a Corporate Booking System by procuring a cloud-based booking system in order to enable customers to effectively book activities online.	Cloud based booking system fully implemented and fully operational by July 2018 with 100 transactions taking place by March 2018.	C	<p>This action was completed in Quarter 4 of the 2018/19 Business Plan. The cloud-based booking system is fully implemented and fully operational and being used by both Lifeline and the Sports & Active Recreation Service.</p> <p>To date, there have been 193 bookings/ transactions for Lifeline via the booking live system.</p>

(DES2 PROG2) Improve the ways in which customers can access our services.	Extend and enhance the way customers can interact with us to improve the online experience for customers.	Increase the number of annual online transactions, via the Council's website, to: <ul style="list-style-type: none"> 820 missed bins transactions 870 garden waste application transactions 600 bulky waste collection transactions 	C	This action was completed in Quarter 4 of the 2018/19 Business Plan, with the number of annual online transactions is as follows: <ul style="list-style-type: none"> 1352 missed bins transactions 1247 garden waste application transactions 3573 bulky waste collection transactions
(DES3 CIS1) Continuously look for ways to deliver services more efficiently.	Evaluate new opportunities to move the ICT infrastructure to a 'cloud' based environment to improve resilience and future technical opportunities.	Complete proof of concept for 'Office 365' software by migrating 25 users onto the platform. Provide a business case of the technical set up, hosting options and costs for the virtual desktop infrastructure.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. A) Heads of Service identified pilot users for 0365 which we began migrating from mid-October 2018. At the close of Quarter 4, 132 users were migrated onto the platform. B) The Business case was completed at the close of Quarter 4. A verbal updated was given to the IT Security Group on this matter and agreed a way forward in terms of different options.
(DES3 PROG) Continuously look for ways to deliver services more efficiently.	Deliver the Customer Service Programme, in line with the project milestones.	Delivery against the project milestones as reported to the Programme Board.	R	The Chief Executive included an objective in the 2019/2020 Business Plan stating, 'Establish a Transformation Programme for the Council', therefore this will supersede the current objective. Five out of 7 projects have been completed with the OCE project and DMS project still live and are progressing. Objective included within the 2019/20 Business Plan for further progression.

(DES3 FP) Continuously look for ways to deliver services more efficiently.	Development of an Investment Strategy setting out the Council's approach to investment decisions and detailing the evaluation criteria to be used.	Final Strategy agreed and published by April 2019.	R	An informal briefing with members was held to set out proposals and understand risk. However, it was concluded that it was appropriate to delay the Cabinet report until Summer 2019, following the May Council elections allowing new members to set the Strategy. Objective included within the 2019/20 Business Plan for further progression.
(DES3 SS1) Continuously look for ways to deliver services more efficiently.	Deliver the Digital Democracy Project to provide a more efficient and effective Committee Management System.	Full implementation of Committee Management Software System with 52 Elected Members successfully using the system.	C	This action was completed in Quarter 4 of the 2018/19 Business Plan. In total 28 Elected Members have gone completely paperless at meetings whilst others are using both paper agendas and the devices simultaneously. Additional IT training was provided in February 2019 for further support to Members.
(DES3 SS2) Continuously look for ways to deliver services more efficiently.	Implement the People Strategy Action Plan. This includes reviewing our current working policies and practices to ensure they are robust and flexible enough to deliver high quality services and promote employee wellbeing and effectiveness.	Following consultation with staff and managers, implement revised working policies and practices, meeting the milestones in the People Strategy Action Plan for 2018-19.	C	All actions within the People Strategy Action Plan for 2018/19 are complete and fully implemented.



BUSINESS PLAN INDICATORS

The Business Plan indicators below are those which Charnwood Borough Council directly impacts:

Indicator	Quarter 1 2018/19		Quarter 2 2018/19		Quarter 3 2018/19		Quarter 4 2018/19		Annual Outturn 2018/19		
									Target	Result	
BP1 - Percentage of industrial units that are fit for purpose	100.00%	G	100.00%	G	100.00%	G	100.00%	G	100.00%	100.00%	G
BP2 - Percentage occupancy rate of industrial units							98.75%	G	87.87%	98.75%	G
BP3 - Number of empty homes brought back into use	5 Homes	G	21 Homes	G	42 Homes	G	55 Homes	G	50 Homes	55 Homes	G
BP4 - Number of boundaries designated	100%	G	100%	G	100%	G	100%	G	80%	100%	G
BP5 - Less than 1.5% of cleansing inspections falling below a Grade B	0.0%	G	1.0%	G	1.0%	G	0.6%	G	<1.5%	0.6%	G
BP6 - Number of volunteering hours							8,264 Hours	G	7,000 Hours	8,264 Hours	G
BP7 - Number of people attending shows and events	20,874 People	G	9,159 People	G	45,183 People	G	23,013 People	G	70,000 People	98,229 People	G
BP8 - Number of stall/ unit lets across Loughborough Market	4,251 Stalls	G	4,202 Stalls	A	4,076 Stalls	A	4,072 Stalls	G	16,000 Stalls	16,601 Stalls	G
BP9 - Number of Green Flag awards held							6 Flags	G	6 Flags	6 Flags	G
BP10 - Number of journeys customers can undertake online							6,172 Transactions	G	4,800 Transactions	6,172 Transactions	G

BP11 - Percentage of complaints not proceeding past 'Stage 0' of the corporate complaints process	93.00%	G	90.00%	G	86.60%	A	88.00%	A	90.00%	89.48%	A
BP12 - Percentage of customers satisfied with the face to face service they receive	89.00%	G	85.00%	A	87.00%	G	89.00%	G	87.00%	87.50%	G
BP13 - Percentage of customers satisfied with the telephone service they receive for those calls taken in the contact centre	94.00%	G	93.00%	G	94.00%	G	94.00%	G	87.00%	93.75%	G
BP14 - Percentage of customers satisfied with the web service they receive for those services use Gov metric	48.00%	A	43.00%	R	50.00%	A	46.00%	R	52.00%	46.75%	R
BP15 - Percentage of residents expressing satisfaction with the household waste collection service	95.50%	G	95.50%	G	94.40%	G	93.70%	G	90.00%	94.80%	G
BP16 - Number of communal door entry systems installed							24 Doors	G	23 Doors	24 Doors	G
BP17 - Percentage increase in ASB interventions							10.7% Increase	G	5% Increase	10.7% Increase	G
BP18 - Percentage reduction in bin side waste and bins on streets offences							57% Reduction	G	20% Reduction	57% Reduction	G
BP19 - Number of kitchens, bathrooms and heating streams delivered							486 Improvements	A	536 Improvements	486 Improvements	A
BP20 - Number of communal areas refurbished on Bell Foundry Estate							10 Refurbishments	G	10 Refurbishments	10 Refurbishments	G
LS 10 - Leisure Centres - Total number of visits	267,673 Visits	G	255,115 Visits	G	240,446 Visits	A	282,125 Visits	G	1,024,000 Visits	1,045,359 Visits	G
NI 191 - Residual household waste per household	448 KG/Household	A	430 KG/Household	G	448 KG/Household	A	442 KG/Household	A	440 KG/Household	442 KG/Household	A

KEY CORPORATE INDICATORS

The key corporate indicators below are those which Charnwood Borough Council indirectly impacts:

Indicator	Quarter 1 2018/19		Quarter 2 2018/19		Quarter 3 2018/19		Quarter 4 2018/19		Annual Outturn 2018/19		
									Target	Result	
KI3 - Percentage of food establishments that achieve Level 3.	97.00%	G	97.00%	G	97.50%	G	92.00%	G	92.00%	95.88%	G
KI4 - Percentage of household waste sent for reuse, recycling and composting			46.01%	R			44.72%	R	50.00%	45.84%	R
KI5 - Percentage of non-decent council general needs homes.							0.00%	G	0.00%	0.00%	G
KI6 - % rent collected (including arrears brought forward)	91.54%	G	94.95%	G	96.17%	G	96.75%	G	95.31%	96.75%	G
KI7 - Time taken to process Housing Benefit/Council Tax Benefit new claims and change events	18.50 Days	A	25.04 Days	R	17.11 Days	A	12.40 Days	G	17.00 Days	18.26 Days	A
KI8 - Percentage of Council Tax Collected	29.40%	G	57.29%	A	85.22%	A	97.52%	R	97.80%	97.52%	R
KI9 - Percentage of non-domestic rates collected	30.12%	A	57.25%	G	85.22%	A	97.52%	A	97.80%	97.52%	A
KI10 - The number of working days / shifts lost to the local authority due to sickness absence	2.36 Days	R	4.29 Days	A	6.71 Days	A	8.67 Days	A	7.5 Days	8.67 Days	A
KI11- Percentage rent loss from void properties	2.14%	G	2.10%	G	2.14%	G	2.16%	G	2.20%	2.16%	G

The key corporate indicators below are those which Charnwood Borough Council indirectly impacts:

Indicator	Quarter 1 2018/19		Quarter 2 2018/19		Quarter 3 2018/19		Quarter 4 2018/19		Annual Outturn 2018/19		
									Target	Result	
KI1 - Net additional homes provided	208 Homes	G	429 Homes	G	700 Homes	G	1,117 Homes	G	820 Homes	1,117 Homes	G
KI2 - Number of affordable homes delivered (gross)	59 Homes	G	79 Homes	R	126 Homes	A	189 Homes	G	176 Homes	189 Homes	G
KI12 - Reduction in crime							13,608 Crimes	R	11,995 Crimes	13,608 Crimes	R



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CORPORATE SERVICES SCRUTINY COMMITTEE - 17TH SEPTEMBER 2019

Senior Management Team

21st August 2019

General Fund & HRA Revenue Revenue Monitoring Position for July 2019

Report of the Head of Finance & Property Services

This report covers the General Fund and HRA to the end of July 2019, Period 4. The variances reported are the differences between the profiled budgets and the actual spend including commitments and comments are provided by Heads of Service which are detailed in Appendix 1.

General Fund

The full year general fund budget is £19,973k, Actual expenditure to period 4 including commitments of £318K is a total of £7,323k against the profiled budget of £7,308 with a current overspend of £15k (0.2% of the profiled budget). Details of each service's variance at period 4 are included below in appendix 1

Managed Savings Budget (Non Salaries) £300k £300k is the full year savings target/budget approved as part of the 2019/20 budget setting process, savings have not yet been achieved to date. To balance this saving, it will be necessary to claw back any Non-Salary savings at Period 7, October as part of the next budget monitoring process and Budget Officers will be asked to review their forecasts.

Managed Vacancy Savings Salaries £272k £272k is the full year 2% managed vacancy savings (MVS) budget, of which £65k, (71%) of the profiled budget has been given up and will be transferred to MVS leaving an outstanding balance remaining of £207K. The balance retained is £26k up to period 4 is to cover commitment agency costs. Head of Finance & Property Service will continue to monitor this on a monthly basis to ensure that the transfers are made to achieve salary savings budget.

The table below summarises the position on the managed vacancy savings across each Directorate,

Directorate	2% MVS Budget Full Year Target £	2 % MVS Budget Period 4 July £	Budget to be transferred to MVS Period 4 £	Period 4 Salary Budget Retained in Services £	Comments
Corporate Services	114,000	37,984	(27,000)	10,984	Temporary/Agency cover
Housing, Planning & Regeneration	91,200	30,387	(10,000)	20,387	Agency Cover
Neighbourhood & Community Wellbeing	67,000	22,324	(27,500)	(5,176)	Directors Salary to Period 4 to be transferred.
Total General Fund	272,200	90,695	(64,500)	26,195	

Major Variances on General Fund Fee Income to 31st July 2019

Service	Income Variance P4 Shortfall/ (Surplus) to	% of Profiled Budget Shortfall/ (Surplus) to July 2019
Garden Bin Income expected to be on target by year end	(72)	(15)%
Brexit Grant Income one off grant	(35)	(0)%
Planning Fees & Pre-Application Advice	(18)	(4)%
Loughborough Markets - trade debts of £15K will need to be offset	(3)	3%
Town Hall Concerts and Show Income – this should be on target	35	15%
Land Charges Income – not demand led	12	15%
Building Control Fees – this service is currently being reviewed	11	12%
Car Park Income – Beehive Lane demand down on last year	11	4%

General Fund Variance Report

Appendix 1

Service	Variance Under/(Overspend) Period 4 July 2019 £'000	Head of Service Comments
Housing, Planning & Regeneration Director	(20)	Period 4 managed vacancy saving outstanding balance
	(20)	Total Variance Under/(Overspend)
Head of Strategic & Private Sector Housing	19	Legal costs within Housing Standards required in remainder of year.
	8	Salary underspent in Housing Renewal required in remainder of year
	4	Various small under/overspends.
	31	Total Variance Under/(Overspend)
Head of Landlord Services	3	Slight increase in Lifeline income
	3	Total Variance Under/(Overspend)
Head of Planning & Regeneration	23	Local Plans salaries underspend by £15k.
	18	Planning fee income currently in excess of profiled budget by £18k.
	(31)	Appeals & Enforcements - commitments relate to two inquires - full year budget £10.3k therefore this will require a budget virement.
	(11)	Building Control fee income down by £11.3k at end of July against profiled budget.
	11	Various small under/overspends
	10	Total Variance Under/(Overspend)
Head of Regulatory Services	(13)	3,800 less cars using Car Parks P1-4 compared to previous year resulting in less income. Estimated £20k reduction in Income at year end.
	12	Underspend on car park maintenance costs as at Period 4, this budget is likely to be spent later in the financial year.
	6	Various small under/overspends
	5	Total Variance Under/(Overspend)
Service	Variance Under/(Overspend) Period 4 July 2019 £'000	Head of Service Comments
Neighbourhood & Community Wellbeing Director	5	Director saving - £27.5k has been transferred to managed vacancy saving
	5	Total Variance Under/(Overspend)
Head of Waste, Engineering & Open Spaces	18	Outstanding previous year reserves - consultants for fleet/waste contract
	72	Additional Garden waste bin income - expected to be on budget by year end
	15	Trade waste LCC and Serco invoices received ahead at Period 5 & income is up £2,500
	(6)	Overspend Derby Road depot roof repair
	(11)	Parks Loughborough overspend Britain in Bloom, bandstand floor replacement and Serco sponsorship invoice not raised
	6	Serco contract underspend - expected to be £20K at year end

	94	Total Variance Under/(Overspend)
Head of Leisure & Culture	8	Market income is in excess of budget at Period 4, however there are outstanding traders' debts due of £15K.
	11	Bar sales & catering income is in excess of budget £33k, part offset by overspend on the provisions & stock account £22K
	(65)	Town Hall show income shortfall at Period 4 £39K, there is £223K income received in advance for shows yet to be finalised (panto £60K). Artist fees overspent £26K - this is expected to be overspent at year end but will be offset by additional show income.
	14	Town Hall room hire income is in excess of budget at Period 4
	(7)	Various small over/underspends
	(39)	Total Variance Under/(Overspend)
Head of Neighbourhood Services	41	Outstanding previous year Grant reserves £36K & lottery income shortfall at Period 4 £5K - this is likely to be £14K at year end but covered by savings.
	11	Crime prevention underspend £8K & income received in advance towards Community hero awards in Sept £3K
	13	CCTV salary underspend £6K & vacant post underspend £7K - both will be spent in full by year end
	2	Various small over/underspends
	67	Total Variance Under/(Overspend)
Corporate Services Director	(11)	Period 4 managed vacancy saving outstanding balance
	(11)	Total Variance Under/(Overspend)
Chief Executives Team	(6)	Total Variance Under/(Overspend)
Head of Finance & Property Services	(100)	Proportion of the £300k budget efficiency saving not yet achieved.
	28	External Audit fee - previous year reserve. Housing Benefit & Housing pool return outstanding 1st quarter invoice not yet paid
	42	Outstanding previous year reserve legal claim £26k. LGPS added year previous year reserve. £13k less than needed.
	27	Salary saving committed in Finance & Property Services for Agency & Temporary Contracts.
Service	Variance Under/(Overspend) Period 4 July 2019	Head of Service Comments
	£'000	
Head of Finance & Property Services Continued	17	Property services building R&M - previous year reserve outstanding and no spend to date
	15	NNDR underspend due to Limehurst Depot is currently vacant.
	39	Southfield Office Income/Expenditure budgets require profiling.
	(47)	£20k costs for Limehurst Depot for due diligence, budget virement to be found. Miscellaneous Land Rental is down by £21k
	28	Messenger Close & Ark Units rental income are ahead of budget profile but will be on target for the year end.

	(1)	Various small under/overspends
	48	Total Variance Under/(Overspend)
Head of Customer Experience	(8)	Localisation of Council Tax reduced Grant funding
	(41)	Housing Benefit Admin Subsidy reduced Grant funding
	(133)	Housing Benefit Subsidy change in claimant's portfolio
	4	Various small under/overspends
	(178)	Total Variance Under/(Overspend)
Head of Strategic Support	(19)	Overspend on Insurance premium costs for the year
	(15)	Income behind target on Land Charges Income
	(15)	Overspend on Borough elections predicted
	35	Brexit Grant funding - not yet allocated
	(10)	Various small overspends
	(24)	Total Variance Under/(Overspend)
Total General Fund (Overspend)	(15)	

Housing Revenue Account

Appendices Two and Three

There is a current underspend of £141k (3.6%) at the end of July 2019, with £211k (11%) related to Employee related Costs, £49k (3%) overspend for Controllable Costs, non-rental income being £54k (40%) below budget and rental income being £33k (0.4%) above budget. This comparison includes actuals processed in the general ledger and commitments to the end of July 2019 to the net value of £573k.

	Actual and Commitments 31 st July 2019	Budget 31 st July 2019	Variance under/ (overspend) 31 st July 2019
	£'000	£'000	£'000
Employee Costs	1,770	1,981	211
Other Controllable Costs	1,763	1,722	(49)
Income (Non-Rental)	(79)	(133)	(54)
Rent & Service Charge Income	(7,423)	(7,399)	33
Total	(3,969)	(3,829)	141

The full year 2% managed vacancy savings budget for the HRA was set at £118.6k. The progress to this target is set out in the table below:

Head of Service Area	2% Target to July 2019	Salary & Agency Underspend to July 2019	Vired to Savings Budget	Salary Agency Balance Retained July 2019	Comments
	£'000	£'000	£'000	£'000	
Landlord Services	33	169	33	136	The full year MVS target of £98k has been identified and will be allocated to MVS with the remainder required for posts within the service.
Strategy & Private Sector Housing	7	34	0	34	MVS savings in salaries have not been identified at this stage.
Total HRA	40	203	33	170	

The void percentage for Garages is 28.9%, there is a review relating to the alternative uses for garage sites. The void percentage for Central Heating is 21.8%, Council Tax 32.3% and Communal Facilities 19.1%. There is a project team currently considering the options for Sheltered Units which, when complete will assist in making the sheltered units more lettable.

Rent arrears have increased by £91k since the end of June 2018. Former tenant arrears have reduced by £19k over the same period. There has been an increase in the number of tenants receiving universal credit (UC), rising from 90 tenants at the end of June 2018 to 714 at the end of June 2019. As expected, and in line with the experience of other landlords, rent arrears have increased. UC is paid to the claimant as a single monthly payment in arrears. It can take up to 5 weeks for the Department for Work and Pensions to assess a claim, and for tenants to receive their first payment of the benefit. A rent debt is often accrued as a result. In some instances, on receipt of the benefit tenants do not pay the rent to the Council. Advice and support are offered to tenants by the Landlord Services Financial Inclusion and Tenancy Support Teams. Where tenants have eight weeks of arrears or they are vulnerable, a dedicated Landlord Services Universal Credit officer makes applications to the DWP to switch payment of the housing element of UC from the tenant to the Council. Rent recovery action is taken where necessary.

Housing Revenue Account Variance Report as at 31 July 2019

Service	Amended Under/ (Overspend) to July 2019	Comments
	Period 4	
Head of Landlord Services	£'000	
	(37)	Void Capitalisations (£37k) - Due to software issue it has not been possible to extract data to capitalise void work. There is a corresponding underspend in the HRA capital programme.
	(28)	Reduction in income from rechargeable repairs - fewer works undertaken (£28k).
	(18)	Compliance - (£18k) - increase in agency costs.
	37	Staff vacancies - Repairs Business Support Team
	21	Staff vacancies - Responsive Repairs
	16	Fewer court costs - Housing Rents
	56	Planned Maintenance. The full budget for this is expected to be spent by January 2020.
	16	Tenant Participation - no expenses for Tenants Newsletter to date and staff vacancy
	10	Warden Services - includes £12k reimbursement
	25	Health & Safety - including external training and staff vacancies
	9	Central Control - relates to door entry maintenance
	13	Other minor underspends
	33	Higher rents include a larger rental base - due to acquisitions in Q4 of 2018/19 and in Q1 of 2019/20 and RTB sales and service charges
	153	Total Variance Under/(Overspend)
Head of Strategic & Private Sector Housing		No comments
	(2)	Total Variance Under/(Overspend)
Head of Finance & Property Services		
	(10)	Council Tax overspend on void properties
	(10)	Total Variance Under/(Overspend)
Total HRA Underspend	141	

Housing Revenue Account - Income from Rents and Service Charges
July 2019 - Period 201904

Table A - Dwelling Rents and Void Losses

	Actual Income Due (Gross) £	Actual Void Loss £	Void Loss as a % of Income Due %	Original Budget Void Loss % Assumption %
Dwelling Rents	7,409,206	164,066	2.21%	2.20%
Non-Dwelling Rent				
Land	5,812	0	0.00%	
Garages	119,607	34,908	29.19%	28.92%
Shops	45,929	10,173	22.15%	12.32%
Service Charges				
Landlord Warden Charge	22,241	2,513	11.30%	11.29%
Central Heating	33,673	6,940	20.61%	21.87%
Communal Facilities	115,406	19,898	17.24%	19.14%
Hostel	9,793	661	6.75%	14.70%
Council Tax	6,001	2,003	33.37%	32.34%
	7,767,668	241,161	3.10%	

(Gross means Gross of Void Loss)

Table B

Rent and Service Charge Arrears As at Period 201904	2017/18 £000	2018/19 £000
Arrears at the beginning of the year	866	965
Court Costs at the beginning of the year	95	104
	961	1,069
Arrears at the end of the July 2019	971	1,086
Court Costs at the end of the July 2019	105	105
	1,076	1,191
Amount written off in the year to date	37	28

Table C - Current Tenant Arrears - Dwellings only

Position on	Number	£000
Less than £150	789	45
£150 - £300	257	55
£300 - 450	142	52
£450 - £600	140	72
£600 - 750	78	53
£750 - 900	76	61
£900 - £1,200	69	71
£1,200 - £2,000	72	107
£2,000	24	62
Total	1,647	578

Appendix 3 (cont)

Table D - Former Tenant Arrears - Dwellings only

Position on	Number	£000
Less than £150	115	8
£150 - £300	86	19
£300 - £450	41	15
£450 - £600	32	17
£600 - £750	33	23
£750 - £900	17	14
£900 - £1,200	34	36
£1,200 - £2,000	71	111
£2,000	93	265
Total	522	508

Appendix 1 General Fund Variance Report 31st July 2019

Appendix 2 HRA Variance Report 31st July 2019

Appendix 3 HRA Income and Voids Report 31st July 2019

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CORPORATE SERVICES SCRUTINY COMMITTEE 17TH SEPTEMBER 2019

Report of the Head of Strategic Support

ITEM 8 MEDIUM TERM FINANCIAL STRATEGY 2020-2023

Purpose of the Report

See Scrutiny Commission Minute 36, 5th August 2019.

As requested by the Scrutiny Commission, to consider proposals for the Medium Term Financial Strategy 2020-2023, to give the Committee an opportunity to be involved in pre-decision scrutiny at an earlier stage.

Actions Requested

To consider proposals for the Medium Term Financial Strategy 2020-2023, as currently set out in the Draft Medium Term Financial Strategy 2020-2023 19th September 2019 Cabinet Report (attached as Appendix 1).

Reason

To enable the Committee to undertake pre-decision scrutiny at an earlier stage and to add value accordingly.

Background

At its meeting on 5th August 2019, the Scrutiny Commission asked that the following matter, identified from forthcoming Cabinet Key Decisions, be considered by this Committee, to give the Committee an opportunity to be involved in pre-decision scrutiny at an earlier stage:

Medium Term Financial Strategy 2020-2023 (Cabinet 14th November 2019)

Scheduled meeting dates for this Committee mean that this meeting is the only opportunity for the Committee to undertake the earlier stage scrutiny that the Commission has requested of the matter. Therefore, this item has been included on the agenda to enable the Committee to consider the matter, currently set out in the Draft Medium Term Financial Strategy 2020-2023 19th September 2019 Cabinet Report.

Consideration of the MTFS is usually part of the process for budget scrutiny, such that it is considered by the Budget Scrutiny Panel at its September meeting.

Appendices

Appendix 1: Draft Medium Term Financial Strategy 2020-2023 19th
September 2019 Cabinet Report.

Background Papers: None

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CABINET – 19TH SEPTEMBER 2019**Report of the Strategic Director of Corporate Services
Lead Member: Councillor Barkley****Part A****ITEM DRAFT MEDIUM TERM FINANCIAL STRATEGY 2020 – 2023****Purpose of Report**

To bring forward the Draft Medium Term Financial Strategy for consideration by Cabinet and scrutiny panels.

Recommendation

That the Draft Medium Term Financial Strategy, attached as an Appendix, be approved for consultation generally and for the purposes of scrutiny by the Budget Scrutiny Panel.

Reason

To identify the financial issues affecting the Council and the Borough in the medium term in order to inform the Council's budget setting process.

Policy Justification and Previous Decisions

The Medium Term Financial Strategy (MTFS) is reviewed annually and is the key document for medium term financial planning within the authority. It is one of the Council's core strategies and helps the Council identify its priorities and set targets for what we plan to achieve.

Implementation Timetable including Future Decisions and Scrutiny

It is envisaged that this Draft Strategy will be scrutinised and an amended version be brought back to Cabinet on 14 November 2019 for recommendation to Council.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no direct financial implications arising from this report.

Risk Management

There are no direct risks associated with the decision Cabinet is asked to make in respect of this report.

Key Decision: No

Background Papers: None

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Part B

Background

1. This Medium Term Financial Strategy (MTFS) considers the financial outlook for Charnwood Borough Council for the three financial years 2020/21, 2021/22 and 2022/23. This document, attached as an appendix to this report, is self-contained and includes an executive summary and introduction in its early sections to assist readers.
2. It should be stressed that the MTFS presented is a draft prepared in August 2019. In addition to reflecting feedback from the Budget Scrutiny Panel it is anticipated that the final version of the MTFS will be updated in the light of additional information as it becomes available through the autumn.

Appendix

Charnwood Borough Council Draft Medium Term Financial Strategy 2020 - 2023



**Charnwood Borough Council
Medium Term Financial Strategy
2020 – 2023**

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1. Foreword

As is traditional here at Charnwood, autumn is the time when we take a hard look at the Council's current financial position and future funding prospects, and start to consider our approach to the forthcoming budget round. This exercise is summarised in the annual Medium Term Financial Strategy that seeks to identify the opportunities, uncertainties and challenges facing the Council in the next few years.



Robust financial planning is necessary in order that we can continue deliver services to residents consistently and sustainably for the longer term. Whilst I have in the past commented on the uncertainties facing the Council and the challenges this creates in constructing a financial plan, I have to say that this year is probably the most difficult I have experienced in this regard.

The backdrop to all political and economic forecasting at present is Brexit, and the manner in which the UK will leave the European Union, has still to be resolved at the time of writing. Whatever the outcome of Brexit, both immediately and in the longer term, the impact will be profound across a wide range of political, economic and social matters. Local government will inevitably be affected with implications for both funding and services.

Of fundamental importance to local government is the outcome of the Fair Funding review, which was due this autumn; however, it is now all but certain that the process will be delayed into 2020, leaving us with only a very limited amount of information on which to base our planning assumptions.

More positively, the Council remains in a sound financial position with good levels of financial reserves. We have a history of prudent financial management and our expenditure remains under control. So, whilst prospects for our finances appear ever more uncertain, our past record and current situation allow us to be optimistic about our ability to deal with whatever the future holds.

As always, there are a range of potential outcomes that could occur in the period and many of the assumptions and projections within this draft version of the Strategy are arguable. I therefore look forward to receiving feedback and comments on the numbers presented which will help us develop a final version of this document and inform the budgetary process for the 2020/21 financial year.

Councillor Tom Barkley
Cabinet Lead Member for Finance
August 2019

2. Executive summary

This Medium Term Financial Strategy considers the financial outlook for Charnwood Borough Council ('Charnwood', or the 'Council') for the three financial years 2020/21, 2021/22 and 2022/23. The document's focus is on the 'General Fund'; certain aspects of the Housing Revenue Account are also discussed but the outlook for this is dealt with separately within the 30 year Housing Revenue Account business plan.

At the core of this document are the financial projections for these three years which show the funding challenges during this period. The numbers set out the challenge in the following elements:

1. The core financial projections based on *known* changes to funding streams and the cost base *and* assuming no management action is taken to otherwise mitigate funding shortfalls
2. Material budgetary risks identified which have a non-trivial probability of arising
3. Indicative projections of the impact of Council efficiency and transformation projects and initiatives that aim to bridge the actual or perceived funding gaps
4. Funding shortfalls for which other efficiency and transformation will be required, or where reserves will be required to balance the budget

In summary the financial projections show:

- 2020/21 will see £1.1m use of reserves assuming that £0.5m of transformation and efficiency savings can be delivered.
- 2021/22 will see a £0.8m use of reserves assuming that £0.7m of transformation and efficiency savings can be delivered.
- 2022/23 will see a further £0.7m use of reserves assuming that £0.9m of transformation and efficiency savings can be delivered.

Over the three year MTFS period this would imply a use of reserves of £2.8m.

This use of reserves is possible given existing reserve balances, but at the end of the three year period the Council would still not be operating sustainably under these projections. The projections also carry significant risks including the Council's ability to deliver against mooted savings arising from transformation and efficiency initiatives, some of which are non-specific or otherwise speculative. The largest risk element however, is around the outcome of the government's Fair Funding review which could result in a material reduction in funding from the 2021/22 financial year.

This version of the MTFS is a draft, and further refinement and clarification of the projections will be undertaken before the final version is issued in November 2019,

but it is unlikely that the financial landscape will be either clearer, in terms of future funding prospects, or that the picture presented will be significantly different.

Health warnings

In this draft (September) version of the MTFs it has been necessary to use a greater level of estimation than will be required for the final version in November. The final calculations for the New Homes Bonus, in particular, cannot be undertaken until October, whilst other estimates and projections will be refined as further budget monitoring information becomes available.

The numbers presented come with a very significant health warning. Whilst prepared with all information available, the outcome of the government's Fair Funding review could result in a fundamental reset of the Council's funding base. This review will inform the future share of business rates that the Council is able to retain under the prospective new business rates retention scheme (likely for implementation from 2021/22) and, in particular, the future of the New Homes Bonus Scheme which currently generates around £4m per annum for the Council. Further discussion and scenario modelling of different scenarios for New Homes Bonus are set out in the body of this document but suffice to say, ***the financial projections for the latter years of the MTFs (2021/22 and 2022/23) therefore carry a significant downside risk.***

Other risks

Beyond the fundamental funding uncertainty the projections above also contain other inherent risks, principally that the Council experiences unavoidable 'service pressures', or is unable to deliver the transformation and efficiency plan (or generate equivalent savings).

This is discussed in more detail in later sections of this Strategy.

Budgetary approach for 2020/21

The Council has adequate levels of revenue reserves and there is no requirement to make any 'knee jerk' decision involving immediate cuts to services. Recent financial history has seen the Council build and then maintain reserve levels within the general fund¹, despite the background of austerity and the well-publicised financial problems experienced by some local authorities.

As discussed in more detail later in the body of this Strategy, it is difficult to make the case that the relatively benign conditions currently experienced will continue, but it is reasonable to conclude that the Council has the resources to adapt our service offering to reflect a more difficult financial landscape. This will require proactive planning and effective implementation of these plans.

The budgetary approach proposed is therefore that budgetary targets will be set, informed by the MTFs, that will require the total cost of services to be constrained within an overall affordability envelope. In order to budget within the constraints - to

¹ This is actually a common scenario amongst District Councils

deliver higher levels of income, in line with the Council's commercialisation agenda, or create service efficiencies, via the Transformation Programme - 'spend to save' resources will be made available from the Council's Reinvestment Reserve to help address the budget challenges.

3. Introduction

The Medium Term Financial Strategy (MTFS) takes a forward look at the political, economic and regulatory environment facing the Council and uses these to create a high level financial model of future potential revenues and costs.

This model is used to identify potentially significant funding surpluses or shortfalls that may arise in the medium term, and to inform the Council's budget setting process. It takes into account existing expenditure patterns together with identified and material cost pressures. The model also incorporates projected savings and efficiencies from the implementation of existing strategies, policies and projects, and considers significant budgetary risk identifiable from current budgetary monitoring to attempt a holistic view of the Council's future financial position.

In order to balance the desire to take a long term view of the Council's financial future, and the limits on our ability to create meaningful forecasts over such a period, the MTFS has been developed to cover three years, from 1 April 2020 to 31 March 2023.

The purpose of this document can be summarised as follows:

- Outline the principal factors that will influence the availability of the Council's financial resources in the medium term
- Inform and define the medium term service delivery plans of the Council in financial terms
- Inform the budget setting process for the 2020/21 financial year
- Provide the financial basis for the Council to decide its corporate priorities for future years.

This is a high level strategic document which summarises plans over the medium term as they currently stand, based upon current information, projections and assumptions. As additional updated information becomes available these plans will be subject to change and a comparison of the previous MTFS to this document will reflect such changes. In this document a certain amount of detailed budgetary information is presented but this should be regarded as indicative and illustrative. Whilst this document will inform the 2020/21 budget setting process, some of the figures quoted here will be amended and refined as more information comes to light and the 2020/21 budgets are developed.

It is worth reiterating what this Strategy is not, it is ***not*** the actual budget (which has to be approved by the full Council) and no assumption, analysis or projection should be construed as any decision which would constrain the Council's budget setting process.

Scope of the MTFS

This strategy document concentrates on the General Fund, which deals with non-housing revenue items and derives its income from charges, government grants, council tax and business rates. The Housing Revenue Account (HRA) has its own business plan and both General Fund and HRA capital expenditure are subject to a three year programme which is reviewed separately from revenue items. However, the impact of capital investment and the HRA on the General Fund is considered as part of this strategy. In particular, the MTFS reflects the impact of the Council's Capital Strategy, which itself incorporates both the Treasury Management Strategy and the new Commercial Investment Strategy.

The Council's finances are actively managed on an ongoing basis and the adoption of this strategy will require executive decisions to carry out any significant actions identified.

4. Political, economic and regulatory outlook

In assessing prospects for the Council's finances it is necessary to consider how the wider political and macro-economic factors feed through into the availability of funding for the public sector, what proportion of this will be allocated to local government, and within this allocation – eventually informed by the Fair Funding review – what the funding settlement for each Council will be. Local economic factors will also impact both the demand for Council services, and the Council's ability to fund these.

As last year's MTFS noted, 'at the time of writing the political and economic outlook appears very uncertain', with United Kingdom politics and economics dominated by the exit from the European Union which was then scheduled for March 2019. Other than the prospective exit date, now mooted as 31 October 2019, there is still no certainty on the terms of this exit – although a so-called 'no deal' appears increasingly likely - and the possibility of delays in the process, despite statements of Prime Minister Johnson, still cannot be ruled out.

The consensus opinion amongst professional economists is that 'Brexit' will have a negative impact on the economy in both the short and longer term². Inevitably, there is no consensus on the overall degree of impact, although a 'no deal' scenario is generally regarded as more negative than a more 'managed' exit.

At the time of writing the United Kingdom has in effect a new government (new Prime Minister and Cabinet) which is in the process of suggesting new spending pledges covering a wide range of public sector expenditure. It is not clear where local government services sit in this range of priorities.

The 'Fair Funding review' in which the government is to create a new framework for local government funding based on 100% business rate retention and set new funding baselines was planned for implementation from the 2020/21 financial year. This would have created a multi-year financial settlement from this year. On 8 August 2019 however the Chancellor announced that all government departments would only see a one-year financial settlement for 2020/21 and it is all but certain that the Fair Funding review itself will not be delivered in line with the envisaged timetable.

For the financial year 2020/21, this MTFS therefore assumes that the financial settlement will follow the same framework as previous years in that the settlement will contain elements of retained business rates and New Homes Bonus, although the actual quantum of the settlement remains somewhat speculative. In particular, the government has the ability to flex the rules around New Homes Bonus and the existing business rate 'top-ups' and tariffs to deliver an overall settlement within a given spending envelope.

² HM Treasury, the Office of Budgetary Responsibility and London School of Economics are generally negative on Brexit impact; the Economists for Free Trade are the principal counterweight to this view

In future financial years it is generally assumed that New Homes Bonus will be discontinued³ with the impact (potentially) mitigated through the new business rate retention regime.

The outcome for Charnwood and district councils more generally from the Fair Funding review is very much speculative, but an opinion may be formed that relative to upper-tier authorities (where responsibility for adult social care and children's services lies), districts will fare relatively less well. This is because:

- District council services may be seen as less politically sensitive from a national perspective
- There are high-profile examples of upper-tier authorities in financial difficulties
- In contrast, over two-thirds of district councils actually increased their reserves in 2017/18 (these are the latest figures available)

Both the demand for the Council's services and its income streams are affected by the general economic health of the Borough, and the prevailing interest rate has a direct impact on interest receipts. Areas of deprivation do exist in the Borough but as a whole Charnwood is above averagely prosperous, with a ranking of 237 out of 326 English local authorities⁴ (where '1' is the most deprived and '326' the least deprived local authority respectively). This relative prosperity is an important factor in the projected housing growth in the Borough, as evidenced in our draft Local (Development) Plan. If correct, the growth in housing will generate a significant part of the Council's total income over the next three years based on the current local government financing regime.

More detailed assumptions around the key individual components of the Council's revenue streams and expenditure are set out in subsequent paragraphs of this Strategy.

³ HM Treasury are known to believe that NHB has not been successful in its stated objective of recovering house building

⁴ English local authority Index of Multiple Deprivation 2015 (IMD average ranks – File 10; latest result available, due for update September-October 2019)

5. Financial projections - overview

At the heart of this MTFS is the high level financial model. This is used to derive an estimate of the Council's future revenues and costs and the associated impact on the Council's reserves. Subsequent sections describe how the model has been developed and the key assumptions used, as follows:

- Local government financing regime: discusses the projected mix of council tax and government grant revenues over the period of the MTFS
- Treasury management and investment income: discusses the Council's current approach to fund investment and projected levels of interest receivable, together with comments on envisaged future activities
- Key operational assumptions: describes the derivation and key assumptions underpinning the projections of operational income and expenditure
- Transformation and Efficiency Plans: describe the activities and initiatives planned and underway that will address prospective budget challenges
- Budget risks: sets out material high-level risks identified through revenue outturn and revenue monitoring reports and assesses the extent that these should be reflected in the financial projections
- Existing financial resources and use of prudential borrowing: describes how revenue and capital expenditure of the Council may be financed over the period of the MTFS using reserves or prudential borrowing
- General Fund financial projections: presents the projected financial outlook for the Council over the period of the MTFS in tabular form

6. The local government financing regime

The Council's funding is derived from a mixture of council tax receipts, new homes bonus payments, a share of locally collected business rates and direct government grant funding. A key continuing theme from the government has been the drive towards financial independence for local authorities and the move towards localism. In practice this means a reduction in levels of direct (formula) grant funding, offset by retention of a share of local business rates and other grant funding relating to housing growth. It was envisaged that the new national business rate retention scheme would be in place from 2020/21 (with a headline 75% retention rate compared to the current 50% retention scheme currently in place). as the centrepiece of the new funding regime derived from the Fair Funding review. However, it now seems likely that this will be delayed until the 2021/22 financial year.

For the Council, a major uncertainty is around the future of the New Homes Bonus which forms a significant component of Council funding at present. The Government offers no assurances that this funding stream will continue beyond 2020/21 but no alternative approaches to the distribution of this funding pot have yet been proposed. Assuming a delay in the Fair Funding review it is likely that New Homes Bonus scheme will continue into 2020/21, and then be phased out in subsequent financial years. The speed and nature of this phasing is unknown at present.

The principal features of the financing regime and key assumptions and sensitivities in respect of Charnwood are discussed in more detail in the following paragraphs.

Council tax

It is generally assumed that there is resistance from local citizens to any significant increases in Council Tax. With this in mind, the Coalition government (2010 – 2015) introduced legislation requiring council tax increases above a certain level to be endorsed by the public through a local referendum. This restrictive approach has continued under successive Conservative administrations. However, in recognition of increasing evidence that local authorities are struggling financially the Government has somewhat relaxed the limits at which a local authority would trigger a referendum and in recent years has allowed all District and Borough Councils to increase council tax by up to a maximum of £5 or 2% per band D property as well as allowing authorities with Social Care responsibilities an additional 2% increase on top of the standard cap that would have triggered a referendum. For the purposes of the MTFs, these limits are assumed to apply to District and Borough Councils for each of the financial years considered.

In comparison to other districts, Charnwood's council tax charges are still amongst the lowest in the country as the data from the Department of Communities and Local Government below illustrates:

Table1: Comparison of District Band D Council Tax Charges 2019/20

	<i>Council Tax Band D</i>	<i>Rank (of 192)</i>		<i>Council Tax Band D</i>	<i>Rank (of 192)</i>
NATIONAL PICTURE			LEICESTERSHIRE AUTHORITIES		
<i>Lowest</i>					
Breckland	£90	1	Hinckley & Bosworth	£132	15
West Oxfordshire	£99	2	Charnwood	£144	24
Hambleton	£109	3	Blaby	£163	53
Charnwood	£144	24	Harborough	£168	69
			North West Leicestershire	£173	76
			Melton	£203	127
			Oadby & Wigston	£225	157
<i>Median</i>					
South Holland	£183	96			
North Devon	£183	97			

East Staffordshire	£184	98	
<i>Highest</i>			* Calculation includes Band D and Share of Loughborough Special Rate (or Equivalent) spread across whole tax base
Oxford	£308	190	
Preston	£315	191	Source: MHCLG
Ipswich	£362	192	

Given Charnwood's low tax charge and future funding uncertainties it is assumed that Council Tax will increase by the maximum amount in all of the financial years covered by this MTF; this maximum is calculated on the basis of £5 per Band D property but has to be adjusted for the impact of increases in special expenses areas.

The actual amount of Council Tax collected will also vary in line with the tax base, essentially the number of properties against which Council Tax is levied. The tax base for this purpose is expected to increase by 1.9% year on year over the period of this document.

As noted, the £5 increase must also take into account the Loughborough Special Expense area – so the Borough increase has to be below this overall limit. Based on current council tax base data it is estimated that the Borough rate would be £126.69 per Band D property, being consistent with the assumptions made around Loughborough Special Expenses.

Table 2: Projected Council Tax income tax increase

(Amounts £000)	2019/20 budget	2020/21	2021/22	2022/23
Assumed council tax income	6,893	7,294	7,732	8,160

Loughborough Special Rate

The town of Loughborough does not have the equivalent of a town council and the role that this organisation would fulfill is therefore undertaken by the Borough Council.

The Loughborough Special Rate is levied on the residents of Loughborough by the Borough Council and is used for activities specifically related to Loughborough town. This set of activities is comparable to those performed by towns and parishes and used by other Councils in equivalent situations. These activities have been validated by the Council and include maintenance of parks, cemeteries and memorials, management of allotments and costs associated with the Loughborough Fair and festive decorations. A full list of activities is set out in the Budget Book issued by the Council each year and available at:

https://www.charnwood.gov.uk/files/documents/2019_20_budget_book/2019-20%20Budget%20Book.pdf

After a period where the special rate has not been increased, costs of activities borne have increased such that an increase in the special rate is now appropriate. For the purposes of the MTFS the Special Rate is assumed to increase by 1.99% year on year and is included within the projections. The projected increase in the tax base for Loughborough is 1.75% per year.

To be clear, the above paragraph is a working assumption. It does not imply that any decision on the setting of the special rate has been taken; this decision will ultimately be made by a meeting of the full Council at its meeting in February.

It should also be noted that for the purposes of assessing whether Council Tax increases are excessive when the government calculates the year on year level of increase for Charnwood, it includes both the main Borough charge and the Loughborough Special Rate.

Table 3: Projected Loughborough Special Rate income

(Amounts £000)	2019/20 budget	2020/21	2021/22	2022/23
1.99% increase in rate, 1.75% expansion of tax base	1,213	1,259	1,307	1,356

Revenue Support Grant

Revenue Support Grant (or 'formula' grant) is (historically) allocated to each local authority by the government using an assessment of need based on the characteristics of population, geography and other sources of finance available to an individual local authority. The grant has been phased out since 2014/15 (£4.2m) and no longer exists from 2020/21.

Local share of national non-domestic rates ('business rates' or 'NNDR')

From 1 April 2013 the structure of local government finance changed, with local authorities retaining a share of business rates collected in their area. The calculations are based on target rates of collection set by government and are somewhat complex, but result in Charnwood retaining around 9% of the total collected, equating to around £5.5m (including s31 grant compensation)⁵. Local authorities can increase their business rate income by growing the business rate take in their area; conversely, if collections fall then local authorities bear an element of risk.

Recent experience in Charnwood suggests, generally, a small degree of business rates growth envisaged over the period of the MTFS (although macro-economic factors could significant influence this outlook). In the medium term initiatives such as the development of the Loughborough University Science Park and, particularly, Charnwood Campus and the inclusion of these in an Enterprise Zone are hoped to offer some additional upside.

⁵ The government compensates local authorities for lost business rate income arising from small business reliefs and similar

In comparison with other authorities Charnwood is comparatively less reliant on locally retained business rates and has relatively few single significant sites in respect of business rate valuations. For example, Charnwood is not the site of a power station, airport, major retail park (such as Fosse Park) or regional distribution Centre (such as Magna Park). Some risk does exist however, principally around the long tail of outstanding rate appeals for which we would have to bear our share of lost revenue should those appeals prove successful. Additionally, business rate income is now our second largest source of external funding.

It is anticipated that the government will introduce a new regime of business rate retention, with a '75% retention' scheme replacing the existing '50% retention' scheme alongside the implementation of the recommendations arising from the Fair Funding review. Although yet to be confirmed it is anticipated that this will now be delayed until 2021/22.

The additional revenue from the envisaged 75% business rate retention arrangements may replace reductions in RSG and New Homes Bonus but may also come with additional responsibilities that give rise to additional costs. At this point in time the details of this arrangement are still under development.

The Council participated in a bid to participate in a 75% business rate retention pilot for 2019/20, in conjunction with other local authorities in Leicestershire. The impact of the pilot was not reflected in the budget for 2019/20 but looks likely to provide a one-off boost in the 2019/20 financial year, of around £450,000. This will be applied (in line with the pilot bid) to a 'mix of spend to save' initiatives and capital expenditure on town centre schemes. Given the expected delay in the Fair Funding review it is possible that the pilot scheme may be extended; however, no announcements have been made to this effect and no impact of possible business rate pilot participation is included within the MTFS projections.

The calculation and monitoring of business rate income (and associated section 31 grant payments) is detailed and complex. The projections below are based on forecasted business rate income for 2019/20, to which is then applied a growth factor of 3.0% per annum. This growth factor is based on an assumed CPI of 2%⁶ plus an underlying growth factor of 1%. There is also an adjustment for Empty Property costs, estimated at £500,000 each year from 2020/21 for which reliefs cannot be claimed back.

Table 4: Projected local share of business rates

<i>(Amounts £000)</i>	<i>2019/20 budget</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>
As modelled	5,290	4,947	5,192	5,363

⁶ CPI = 2.1% (July 2019)

New Homes Bonus

The New Homes Bonus (NHB) was designed to provide an incentive payment for local authorities to stimulate housing growth in their area. The calculation is based on council tax statistics submitted each October and, up to 2016/17, a 'bonus' was payable for the following six financial years based on each (net) additional property using a standardised council tax Band D amount (this varies with the national average but is historically £1,500+ per property). In two-tier local government areas this payment is split in the ratio 20% to county councils, 80% to district councils.

The NHB scheme started in 2011/12, so 2016/17 was the first year in which the Council received a full six years funding. Up until 2016/17 the amount of NHB received grew naturally due to the cumulative funding effect since the scheme was introduced in 2011/12. From 2017/18 the mechanism under which NHB funding levels are determined changed. The number of years over which the funding is received reduced to five in 2017/18 then a further reduction to four years applied from 2018/19 onwards. Additionally a 'deadweight' growth upon which no bonus is payable ('deadweight' growth) was been introduced, further reducing future payments. The deadweight growth was set at 0.4% in respect of 2018/19; in future years it is suggested that this may be subject to change dependent on national affordability criteria but no information on any prospective change is available.

More fundamentally, as alluded to earlier in this document, there appear to be significant doubts around the future of NHB, particularly from the 2020/21 financial year when the outcome of the Fair Funding review is (expected to be) known. There have been suggestions that HM Treasury believe that the scheme has 'failed' in that it has not created any material growth in housing supply. At the time of writing there is no official word on any variation or alternative and the approach in the core MTFS projection is to assume that the scheme continues in its current format due to a lack of any more obvious assumption. However, some alternative scenarios are considered in subsequent paragraphs in this document.

Calculation of New Homes Bonus

In common with previous years, for 2020/21, the New Homes Bonus is calculated by comparing the number of houses on the council tax register, as reflected in the annual CTB 1 return completed in October 2019, to the equivalent return from 2018.

The return includes the impact of both new houses and the net change in houses within existing stock that have become empty (or been reoccupied). This 'raw' number is then converted to Band D equivalent figure analogous to the calculation of the council tax base, and then adjusted by the 'deadweight' percentage described above. For the purposes of the projections in this MTFS the deadweight percentage of 0.4% (of the total council tax base) is used, being consistent with

previous years; there is, however, no guarantee that this rate will remain unchanged.

The detailed calculations are underpinned by monthly monitoring of the changes in properties for calculating NHB. The current run rate for 2019/20 is 625 houses as at July 2019 with an average monthly increase of around 70. On a pro rata basis the CTB1 figure for October 2019 is therefore estimated at 765 properties. This has been used as the basis for calculating NHB payments for 2021/22 and 2022/23.

The effect of these estimates is tabulated below.

Table 5: Change in council tax register year on year, as aligned to NHB award years

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 ESTIMATED
Additional properties (Band D equivalent)	727	569	642	890	686	765

Table 6: Charnwood New Homes Bonus 2015/16 – 2020/21

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 ESTIMATED
Additional properties (adjusted for NHB calculation purposes)	727	569	642	890	686	765
Associated NHB (year) £000	878	716	829	1,198	988	1,197
Cumulative NHB (grant) £000	3,775	4,491	4,004	3,621	3,731	4,151

Planning assumptions on housing growth

The Council publishes its five year housing supply calculations on the website

Table 7: Housing completions estimated: Five year land supply 2019 - 2024

	2019/20	2020/21	2021/22	2022/23	2023/24
Estimated completions	1,165	1,423	1,437	783	766

It should be noted that the above figures are prepared on a different basis and relate to financial years so therefore the impact is lagged in respect to NHB - the first six months of 2019/20 would therefore relate to the second half of the year on which the 2020/21 NHB calculations are based. However, these estimates are consistent with recent growth data from the council tax base and suggest that the NHB forecasts are not unreasonable in terms of the quantum of expected growth.

NHB - summary

Given the above factors, the following approach and assumptions have been adopted for the MTFS period.

1. The New Homes Bonus scheme will operate in its current format throughout the period of this MTFS.

2. The deadweight percentage will continue to be applied at 0.4% for each year of the MTFS.

Based on these assumptions the NHB projections for this MTFS period are tabulated below:

Table 8: Assumed growth in Housing and associated NHB grant receivable

	2019/20	2020/21	2021/22	2022/23
Net additional properties (draft MTFS - June)	686	765	710	710
Deadweight percentage applied	0.4%	0.4%	0.4%	0.4%
Standardised council tax rate	£1,670	£1,750	£1,803	£1,857
Associated NHB (£000)	988	1,136	1,089	1,120
Cumulative NHB (000)	3,731	4,151	4,411	4,333

Sensitivity of New Homes Bonus

The significant uncertainty around the future of NHB beyond 2019/20 (and 2020/21 especially) means that this income stream can be regarded as particularly vulnerable. Loss of NHB may be mitigated through increased business rate retention if the Fair Funding review takes account of this income stream, either ‘permanently’ or through some temporary transition arrangements. Possible sensitivities include:

- NHB continues in current format but housing growth strengthens in latter years of the MTFS due to strong housing growth (thereby improving the financial outlook)
- NHB continues in the current format but the deadweight percentage is increased to fit HM Treasury affordability constraints
- NHB continues but the allocation between Districts and Counties is altered (say, from 80/20 in favor of Districts to a 50/50 split)
- NHB is discontinued from 2021/22 but funding due from previous years is continued
- NHB is discontinued but an alternative allocation of the total pot is paid out (in which case Charnwood, as a major beneficiary of NHB, would likely be a loser)
- NHB is discontinued in its entirety from 2021/22

The variation in Council funding under these alternative scenarios is tabulated below:

Table 9: Variation in NHB income under alternative scenarios

<i>(Monetary amounts £000)</i>	2020/21	2021/22	2022/23
FAVOURABLE			
Stronger housing growth than projected in MTFS (1,000 net additional properties for 2020/21 and 2021/22)	0	418	848
(ADVERSE)			
Deadweight percentage altered by government to 0.6% in each year of the MTFS	(430)	(655)	(886)
Tier split altered – 50% allocation to Districts (80% under current rules)	0	(545)	(1,105)
No additional NHB from 2021/22 but NHB paid in respect of previous years	0	(1,089)	(2,209)
All NHB discontinued from 2021/22	0	(4,411)	(4,333)

7. Treasury management and projected investment income

The majority of the Council's investments are short-term, mainly made up of cash deposited for short periods on money markets. The remainder is made up of loans to other local authorities for periods of up to two years and longer term holdings in property funds. In recent years these have had a value in the range of £39-56m at any point in time. Broadly, these amounts represent a combination of Council Reserves (such as monies earmarked to fund the Capital Plan), business rates and council tax collected on behalf of the County Council, local police and fire authorities, and parishes. The investment income generated from these balances remains an important source of funding for the Council despite the ongoing low level of interest rates.

In selecting its investments, the Council must balance the rates of return available whilst ensuring the security and liquidity of its investments. As a body that must take its stewardship of public money seriously, the Council adopts a prudent treasury management strategy. This strategy is subject to Council approval each year and aims to allow the Council's finance team appropriate levels of latitude in the day to day management of treasury operations within closely defined operational parameters.

The investment strategy is weighted towards security and liquidity of capital and, in general, it is envisaged that this approach will continue. However, this strategy assumes a continuation of the trend of recent years to seek increased returns through loans to other public sector bodies and investments in a wider range of financial instruments, such as property funds. Therefore, whilst security and liquidity remain paramount, the Council is now adopting a more proactive approach and is accepting a slight degradation in risk and liquidity factors⁷⁸ in exchange for higher returns. This matter is discussed in more detail in the Council's Investment Strategy, which is scheduled for Cabinet and Council approval in the autumn.

For the purposes of projections, it is assumed that:

- Interest rates are likely to rise in the medium term
- Average cash balances available for investment will reduce (reflecting a more proactive investment strategy)
- The net effect of the above will deliver returns in line with the 2018/19 outturn

It is also envisaged that the Council will review its Treasury Management Strategy to allow greater scope for investment in a wider range of counterparties and for longer terms. Investment activities are therefore expected to yield additional returns over and above those shown below; these are analysed separately for presentational purposes in Section 9 of this document, which covers the Council's transformation and efficiency plans.

⁷ Context here is important; the Council's investments can / will still be regarded as low risk within the range of all available financial investment opportunities

⁸ Changes such as described have, or would, require Full Council approval of the Treasury Management Strategy

Table 10: Investment income (interest receivable) projections

<i>(Amounts £000)</i>	2019/20	2020/21	2021/22	2022/23
Assumed returns	390	450	450	450

8. Key operational assumptions

The Council's 'Net Service Expenditure' is the total amount spent on services, offset by income associated with the provision of those services such as planning fees receivable, income generated by the Council's car parks, or service specific grant income. The basis of the Council's projected Net Service Expenditure for the purposes of the MTFs is the 2019/20 budget. Known 'one-offs' (income or expenditure arising in 2018/19 only) are removed and then the numbers are adjusted for a limited number of known contractual commitments.

The principal adjustments to the budgets are tabulated below:

Table 11: Principal adjustments included in 2019/20 budget made for MTFs purposes

<i>(Monetary amounts £000 unless stated)</i>	2020/21	2021/22	2022/23
Wages and salaries	+2%	+2%	+2%
<ul style="list-style-type: none"> 2% annual increases assumed in line with most recent pay settlement 	= 275	= 559	= 851
Payroll on-costs	+1%	+1%	+1%
<ul style="list-style-type: none"> 1% annual increases assumed reflecting requirement for increased pension contributions 	= 138	= 280	= 426
<i>Specific contractual commitments:</i>			
Member allowances	7	7	8
<ul style="list-style-type: none"> Linked to staff salary increases 			
Environmental services contract (refuse collection and street cleaning)	506	839	1,082
<ul style="list-style-type: none"> Increases reflect ending of extension period in 2020 and requirement to replace refuse freighter fleet Includes inflationary element Amounts do not include additional efficiencies separately identified in transformation and efficiency plan 			
Revenues & Benefits Contract Pensions Adjustment	(120)	(122)	(124)

Operating income

The Council generates income from various activities. For information the top five sources of income and the associated projections are tabulated below:

Table 12: Projected operating income

<i>(Amounts £000)</i>	2019/20 budget
Garden waste collections	1,466
Planning Fees & Charges	1,293
Off street car park income	915
Sales – general	706
Rents – general	704

Expenditure pressures

Additional expenditure may be unavoidable due to policy, legislative or commercial pressures. Other than set out above these service pressures are not included at this stage as these will form part of the more detailed annual budget setting process which requires a business case to be completed.

Table 13: Total amount – Net Service Expenditure

<i>(Amounts £000)</i>	<i>2019/20 budget</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>
As modelled	18,138	19,269	20,059	20,743

9. Transformation and Efficiency plans

Charnwood has a record of generating efficiencies through continuous improvement and is also engaged in a number of initiatives designed to transform the customer experience, existing ways of working, to increase returns on financial and non-financial assets, review pricing policies for chargeable services and to generate efficiencies.

The Council’s approach to transformation and the generation of efficiencies was discussed as part of the Peer Challenge process undertaken by the Council in March 2018. An agreed action was that the Council would be provide more information of these plans and in response a summary of these activities was set out for the first time in last year’s version of the MTFS. The remainder of this section provides a commentary on the Transformation and Efficiency plan presented last year and an updated version for this year.

Commentary and update of plans presented in the previous (2019 – 2022) MTFS

Treasury management

The Council has always sought to balance security and liquidity of financial assets against available financial returns. Although interest rates *may* finally be on an upward curve they remain at historically low levels and whilst remaining prudent, the Council continues to consider increasing the range of treasury activities to increase returns generated. In the previous MTFS it was assumed that an additional £25,000 would be generated in each year, principally realised by allowing for the full effect of investment in property funds. This amount has now been included within the base budget calculations. In future years the MTFS assumption is that an additional annual £50,000 will be generated following a review of the Treasury Management Strategy (conducted by treasury management consultants) which will allow some relaxation in both investment counterparties and investment terms.

This approach is a continuation of that adopted in recent years where the Council has started offering loans to other local authorities and investing in property funds.

Table 14: Treasury Management initiatives

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22	2022/23
Proactive treasury management – Previous MTFS Amounts now included base budget assumptions	25	25	25	
Proactive treasury management – Current MTFS • Review of Treasury Management Strategy to take effect from 1 April 2020	N/A	50	50	50

Asset creation – Messenger Close

Last year’s MTFS noted that the Council was in the process of developing storage compounds at the ‘brown field’ Messenger Close site. The site was completed in

late 2018 and is – as was anticipated – now fully on-stream, generating an £44,000 per annum. This amount has now been included in the base budget calculations.

Table 15: Asset creation – Messenger Close

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22	2022/23
Asset creation – Previous MTFS Reflects full occupation of Messenger Close from 2019/20	15	44	44	
NOT APPLICABLE	N/A	N/A	N/A	

Investment in commercial assets

Other Councils have invested in commercial assets, such as warehouses, hotels and retail units, with a primary objective of making a financial return. This approach naturally carries an element of risk, particularly if financed by borrowing, and there are technical constraints that may make investment returns less attractive than immediately apparent. Amounts were included on a speculative basis in the previous MTFS arising from 2020/21. No detailed property acquisition plans are yet in place but the forthcoming Commercial Investment Strategy will recommend that a fund is set up for property acquisitions with a view to acquisitions commencing from financial year 2021/22. The comparison between MTFS projections is tabulated below:

Table 16: Investment in commercial (property) assets

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22	2022/23
Commercial investment – Previous MTFS Speculative – assumes £1m generating 5% return in 2020/21 and £2m generating 5% return in 2021/22	0	50	100	
Investment based on Capital Strategy (draft status at time of writing) – assumes creation of a £10m investment fund	N/A	0	75	150

Commercialisation – increased fees and charges

The Council reviews fees and charges on a regular basis. Whilst not all charges are set with a view to maximising revenue (as other policy considerations may mitigate against this) revenue generation is usually a major consideration. Over the period of the previous MTFS it was envisaged that additional revenue would be generated through increasing charges for the garden waste collection service. This revenue stream is being generated as envisaged and has therefore been included within the base budget calculations.

Since last year the Council has now embarked upon an exercise of reviewing fees and charges. No specific fees and charges have been identified at the time of writing but given the current focus on this area it can be considered appropriate to reflect some positive impact on future budgets. This is tabulated below:

Table 17: Commercialisation – review of fees and charges

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22	2022/23
Commercialisation – increased fees and charges – Previous MTFS Major proportion generated through increased garden waste scheme revenues - £230k p.a – now included within base budget calculations	250	260	270	
Commercialisation Speculative – projection based on non-garden waste element of previous MTFS figures	N/A	30	40	50

Commercialisation – new ventures (Trade Waste service)

The Council has implemented plans to develop additional revenues through the introduction of a trade waste service. Development of this new service continues. The projected impact on the MTFS, as updated is tabulated below:

Table 18: Commercialisation – new Trade Waste Service

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22	2022/23
Commercialisation – new ventures – Previous MTFS Trade waste	(10)	0	20	
Commercialisation – Trade Waste Update for current MTFS	N/A	0	10	20

Major contract efficiencies

Charnwood has a number of major contracts for the delivery of services including refuse collection, street cleaning, revenues and benefits, maintenance of open spaces, and leisure centres. Two of these – covering environmental services, and revenues and benefits, are due for renewal in 2020 and it was envisaged in the previous version of the MTFS that some reductions in the cost of the service over and above the core expenditure assumptions could be achieved.

Current calculations on major contracts are set out in Section 8 (ie. Included within the base budget calculations). For the purposes of the current MTFS it is assumed further savings can be achieved, principally from negotiating a change in the basis in which inflationary uplift on the revenues and benefits contract is calculated.

Table 19: Major contract efficiencies

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22	2022/23
Major contract efficiency calculations – Previous MTFS (Essentially included in base budget calculations)	20	60	90	
Major contract efficiencies Revised inflationary uplift method negotiated – revenues and benefits contract	N/A	20	45	75

Transformation – accommodation

The Council has yet to take full advantage of new technology that enables ‘agile working’ a loose concept that could include increased levels of home working and hot desking. Successful implementation should yield cashable savings by reducing the accommodation footprint. However, little progress has been made in this area in the last year and projections – updated as below – are speculative.

Table 20: Transformation - Accommodation

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22	2022/23
Speculative savings through transformation - accommodation – Previous MTFS	0	0	50	
Speculative savings through transformation - accommodation – Updated MTFS	N/A	0	0	50

Transformation – efficiencies enabled through ICT

The existing On-line Customer Experience project seeks to enable and improve the ability of customers to transact with the Council digitally. Having invested in technology it is logical that this initiative, alongside other digital initiatives such as the Document Management and Digital Democracy projects should deliver efficiencies in ways of working.

At the time of writing some small efficiencies have been realised in the Contact Centre (due to the introduction of the on-line booking system) and speculative savings projections have been updated, as tabulated below.

Table 21: Transformation – Enabled through ICT

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22	2022/23
Speculative savings through transformation – enabled by ICT – Previous MTFS (assumed 1 x FTE saving found in each year)	30	60	90	
Savings realized in contact centre		12	12	12
Speculative savings through transformation – enabled by ICT – Updated MTFS (assumes 1 x FTE saving found in each year)	N/A	30	60	90

Continuous improvement

In the previous MTFS it was assumed savings could be generated through continuous improvement given the Council’s record in this area and of outturn underspends versus budgets.

Subsequently, to deliver a budget within an agreed use of reserves a non-specific (and one-off) savings target of £300,000 was included within the agreed current (2019/20) budget.

For consistency the same continuous improvement target is included within this iteration of the MTFS.

Table 22: Continuous improvement

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22	2022/23
Non-specific – Previous MTFS	150	230	300	
Current MTFS – as 2019/20 budget		300	300	300

New initiatives identified

New initiatives identified for inclusion in this version of the MTFS are as follows.

Commercialisation – expansion of seating in Town Hall theatre

An initiative is being developed that will allow expansion of seating within the Town Hall theatre. This will be a spend to save initiative requiring initial investment from the reinvestment reserve that is projected to generate an additional £80,000 annual revenue (with assumed negligible marginal cost). For the purposes of the MTFS revenues are assumed to commence half way through financial year 2021/22, as below.

Table 23: Commercialisation – additional Town Hall seating

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22	2022/23
Additional Town Hall Seating		0	40	80

Transformation – creation of a shared building control service

A project is underway looking to create a shared building control service with North West Leicestershire District Council. At present the Council makes a net loss on building control trading activities, averaging over £200,000 annually over recent years.

At present no projections are available from ongoing work in developing the business case. Therefore the numbers below are speculative, and derived from the overall quantum of existing deficits. It is envisaged that these figures can be updated in the final version of this MTFS.

Table 24: Transformation – Shared Building Control Service

<i>(Monetary amounts £000)</i>	2019/20	2020/21	2021/22	2022/23
Shared building control project with NWL DC		25	50	75

In summary, the projected budgetary impacts for the current MTFS are set out below;

Table 25: Net positive impact of transformation and efficiency plans – Financial years 2020 - 2023

<i>(Monetary amounts £000)</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>
Proactive treasury management Review of Treasury Management Strategy to take effect from 1 April 2020	50	50	50
Commercial Property investment Investment based on Capital Strategy (draft status at time of writing) – assumes creation of a £10m investment fund	0	75	150
Commercialisation – review of fees and charges Speculative – projection based on non-garden waste element of previous MTFS figures	30	40	50
Commercialisation – Trade Waste Update for current MTFS	0	10	20
Major contract efficiencies Revised inflationary uplift method negotiated – revenues and benefits contract	20	45	75
Transformation – Accommodation Speculative savings through transformation - accommodation – Updated MTFS	0	0	50
Transformation – ICT enabled Savings realised – on-line booking system	12	12	12
Transformation – ICT enabled Speculative savings through transformation – enabled by ICT – Updated MTFS (assumes 1 x FTE saving found in each year)	30	60	90
Commercialisation – additional revenue Additional Town Hall Seating	0	40	80
Transformation – shared services Shared building control project with NWL DC	25	50	75
Continuous improvement Current MTFS – as 2019/20 budget	300	300	300
TOTAL	467	682	952

The figures quoted above should be regarded as indicative and illustrative only. Some refinement of the numbers will be carried for the final version of this MTFS, but in many cases will remain somewhat speculative. The key message here however is that should elements of the plan fail to deliver savings (or income growth) in line with those projected above, then other savings will need to be generated from other areas of the Council's operations.

10. Budget risks

In addition to the specific expenditure items identified within Section 8, key operational assumptions, other elements of income and expenditure have been identified as having potential to give rise to major service pressure requests in forthcoming budget rounds, or creating a risk of overspends. These elements have been identified through review of the latest revenue outturn report (relating to 2018/19) and current budget monitoring, and are summarised below.

Planning fee income

The 2018/19 revenue outturn report (see Cabinet papers of 4 July 2019) identified a shortfall in planning fee income of £363,000. Planning fee income has proven volatile, in that a single large application can yield significant fees, and difficult to forecast. The 2018/19 outturn was particularly disappointing given the 10% increase in fee rates and represented a significant downturn against the previous year. However, current year monitoring suggests that planning fee income is in-line with the budget and, given historical periods where fee income exceeded budgets, no adjustments to the financial forecasts have been made in this iteration of the MTFS.

Building control fee income

As noted previously in respect of the Transformation and Efficiency Plan, a project is underway looking to create a shared building control service with North West Leicestershire District Council. Inter alia, a key driver of this project is the ongoing decline in building control income, evidenced by the £100,000 shortfall against budgeted fees arising in 2018/19.

Presentationally, and for the purposes of the MTFS forecast it is assumed that this shortfall will continue, but will be offset by new income or cost savings arising from the shared service project (ie. the income loss should be netted off against the benefits arising from the shared service project in understanding projections relating to the building control service).

Housing rent allowance

The 2018/19 outturn report notes a £305,000 shortfall in the housing rent allowance budgets. This is a complex area but the principal reason for the overspend is related to supported living allowances, which increased from £71,000 in 2017/18 to £269,000 in 2018/19 and are predicted to reach approximately £400,000 in 2019/20. Supported living allowance (SLA) is itself a complex area but in essence:

- SLA costs are incurred where the Council is required to make a housing benefit payment which can be only partially reclaimed back from the Department of Work and Pensions

- SLA is demand led; the Council has little ability to mitigate these costs if providers – typically of a charitable nature – elect to open facilities within the local authority area

The Council does maintain provisions in respect of housing benefit payments which may be used to smooth the budget impact but unless existing facilities close it can be expected that this will present an ongoing budgetary challenge.

Non-specific savings target

Included within the 2019/20 budget was a non-specific savings target of £300,000. This was justified on grounds of the Council’s long history of underspends. At the time of writing it is unclear whether this target will be achieved (it still being relatively early in the financial year). The Transformation and Efficiency Plan assumes that the one-off efficiency can be replicated into future years but as this is untested it is considered appropriate to reflect a degree of risk of realisation in future years (assumed as £100,000 per annum). The table below details the net impact of major budget risks.

Table 26: Summary: Net (negative) impact of budget risks – Financial years 2020 - 2023

<i>(Monetary amounts £000)</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>
Planning fee income risk	0	0	0
Building control income risk	(100)	(100)	(100)
Housing rent allowance	(250)	(300)	(350)
Non-specific savings target	(100)	(100)	(100)
TOTAL	(350)	(400)	(450)

11. Existing financial resources and use of prudential borrowing

Currently, the Council retains a number of reserves on its balance sheet, representing amounts that the Council may use to deliver or enhance Council services. Broadly, these are of three types:

- The General Fund balance that can be used to fund any type of expenditure
- Balances that may be used to fund any type of expenditure but which have been earmarked for specific uses by the Council
- Balances that are restricted in use by Government regulation that can be used to fund only specific types of expenditure, usually of a capital nature

There are also other balances on the Council's balance sheet created as a result of Government regulation or accounting rules. These balances are not available to fund expenditure of any type.

In recent years Charnwood has continued to invest in service delivery and the MTFS assumes that:

- The General Fund balance will be maintained at a level of not less than £2m in line with good practice
- Other reserves will be utilised or created during the period of the MTFS as appropriate; additionally, transfers between reserves may be deemed appropriate

As will be seen from the financial projections (Tables 27 and 28) the Council has an adequate level of reserves and even if no management action were taken to address the projected net funding deficit across the period of the MTFS, existing activities could be funded by reserves in the short term.

In addition, the Council could consider utilising reserves in the short term in order that services can be restructured in a cost effective and efficient manner giving a sustainable base for the future.

Growth Support Fund and Capital Plan Reserve

The Growth Support Fund has been established to support growth throughout the Borough. This fund is a revenue reserve and can be used for a variety of purposes, both revenue and capital. In addition, a Capital Plan Reserve has been created so that the Council can supplement its level of usable capital receipts. This reserve is designed to be used for General Fund capital items only but it is not constrained and could also be used to fund general fund revenue expenditure.

Usable Capital Receipts Reserve

The Usable Capital Receipts Reserve represents the proceeds of asset sales available to meet future capital expenditure. The use of this reserve is restricted for application on items of a capital nature.

The Council has a well-established process exists for the management of the capital plan. For the purposes of the MTFS we are therefore able to assume that sufficient resources exist, or will be generated, to finance all uncompleted schemes within the current Capital Plan. Funding required beyond this point will rely on the Council's ability to generate new receipts from asset sales, or funding from revenue and/or reserves or Prudential Borrowing, which is discussed below.

Use of Prudential Borrowing – General Fund

Charnwood has been able to avoid the use of borrowing in recent years. However, given the level of uncertainty over future funding streams for local government and the desire to stimulate the growth of the local economy, the possibility of raising funds for investment purposes through the use of prudential borrowing is likely to be considered during the period of this strategy document, particularly to finance commercial investments, as envisaged within the transformation and efficiency plan (see Section 9). More detail of the Council's intentions in this area will be available in the forthcoming Commercial Investment Strategy, due for the autumn of 2019. The interest and principal payable on such loans will be an ongoing 'revenue' charge to the Council that would impact upon funds available for day to day service delivery therefore any such investment will be subject to strict criteria around economic regeneration and rates of return on investment.

It is also highly likely that the Council will undertake borrowing to finance the new refuse freighter fleet, required as it moves into a new refuse collection and street cleaning contract. Professional advice has been taken which shows that this arrangement will be financially beneficial to the Council, as set out in the Cabinet report⁹ of December 2018.

Use of Prudential Borrowing for Housing

The Council will externally borrow, if necessary, to undertake works in line with its Housing Capital Investment Programme and 30-Year Housing Business Plan. Where feasible it will 'internally borrow' from the General Fund provided there are surplus amounts available for this purpose. These internally borrowed amounts will be at similar interest rates to those offered by the government's Public Works Loan board (PWLb). The Council retains all its Council dwellings rental income in order to service the HRA debt, pay for repairs and maintenance of the housing stock and for its housing operations generally. This borrowing, and any additional

⁹ Cabinet report: see <https://charnwood.moderngov.co.uk/ieListDocuments.aspx?CIId=137&MIId=175&Ver=4>

borrowing as mentioned above, is segregated from General Fund borrowing and so does not directly impact on the MTFS. Further details regarding the HRA are set out in the section covering the Housing Revenue Account.

12. Financial Projections 2020 – 2023

Table 27 MTFS financial projections

General Fund Expenditure	2020/21 £000	2021/22 £000	2022/23 £000
Net Service Expenditure	19,269	20,059	20,743
Interest Payable	240	240	240
Interest Receivable	(450)	(450)	(450)
	<u>19,059</u>	<u>19,849</u>	<u>20,533</u>
Transformation and efficiency plan (table 25)	(467)	(682)	(952)
Budget Risks crystallising (table 26)	350	400	450
	<u>18,942</u>	<u>19,567</u>	<u>20,031</u>
Financing Strategy			
Business Rates Funding	(4,947)	(5,192)	(5,363)
Council Tax Receipts	(7,294)	(7,732)	(8,160)
Loughborough Special Rate	(1,259)	(1,307)	(1,356)
New Homes Bonus	(4,151)	(4,411)	(4,333)
Surplus on Council Tax	(100)	(50)	(50)
	<u>(17,751)</u>	<u>(18,692)</u>	<u>(19,262)</u>
Total Precept income	18,942	19,567	20,031
Total Net Expenditure from above	<u>18,942</u>	<u>19,567</u>	<u>20,031</u>
Funding shortfall	1,191	875	769
Implied use of / (addition to) reserves in year	1,191	875	769
Cumulative use of reserves over period of MTFS	<u>1,191</u>	<u>2,066</u>	<u>2,835</u>

The impact of these projections on the Council's revenue reserves are set out below:

Table 28: Impact on Revenue Reserves

	2020/21	2021/22	2022/23
	£'000	£'000	£'000
Working Balances brought forward (see note below)	5,899	4,708	3,833
Implied use of / (addition to) reserves in year for Service Expenditure	(1,191)	(875)	(769)
Working Balances	4,708	3,833	3,064

Analysis of earmarked revenue reserve

Reinvestment Reserve	809	809	809
Capital Plan Reserve	1,575	1,575	1,575
Other Revenue Reserves	801	864	864
Total Earmarked reserves balances	3,185	3,248	3,248
Overall Total Reserve Balances	7,893	7,081	6,312

NOTE: Balances brought forward are calculated by taking the actual outturn reserves for 2018/19 and adjusting these for the use of reserve budget figures for 2019/20

Additional notes on the financial projections

Council Tax support for Parishes: an explicit amount was included in the Revenue Support Grant at the inception of the local scheme of council tax support to passport on to town and parish councils as compensation for the reduction in council tax base that arose at that time. In subsequent years there has been no explicit notification of this grant within the RSG but Charnwood established the practice of passporting an amount to towns and parishes in the same proportion as originally created. However, given the elimination of RSG, no further funds will be transferred.

Collection Fund: In any year the amounts of council tax or business rates actually collected will differ from that budgeted due to additions or removals of properties from the register, or non-collection of amounts billed. These surpluses or deficits are managed through the collection fund and (effectively) reflected in adjustments to precepts in subsequent years.

At the 2018/19 year end a significant adverse (debit) balance had arisen on the business rate element of the collection fund, offset by Section 31 grant compensation, from which a compensating business rate reserve has been created. The figures presented above represent the net position, including the compensating business rate reserve.

13. Risk and sensitivities

There are major uncertainties for Charnwood arising from future developments in local government funding from the 2021/22 financial year. These - which are essentially linked – concern the outcome of the Fair Funding review and the future of the New Homes Bonus scheme which will impact the Council from this year. The potential range of funding outcomes is very wide such that other sensitivities within the MTFs projections are less significant in this context.

Table 9 considered potential shortfalls in grant funding arising from potential changes to the New Homes Bonus scheme. Selected scenarios are expanded below to illustrate the impact on the use of revenue reserves (no other changes assumed):

Table 29: Impact on reserve usage following reduction in NHB income under alternative scenarios

<i>(Monetary amounts £000)</i>	2020/21	2021/22	2022/23
Projected use of reserves – main Scenario	1,191	875	769
#1: Tier split altered – 50% allocation to Districts (80% under current rules)	0	545	1,105
Revised use of reserves under Scenario #1	1,191	1,420	1,874
No additional NHB from 2020/21 but NHB paid in respect of previous years	0	1,089	2,209
Revised use of reserves under Scenario #2	1,191	1,964	2,978
All NHB discontinued from 2020/21	0	4,411	4,333
Revised use of reserves under Scenario #3	1,191	5,286	5,102

Sensitivities can, of course, produce favourable as well as adverse effects. Whilst New Homes Bonus and the Fair Funding review provide a very uncertain backdrop to this version of the MTFs it is fair to also acknowledge potentially positive scenarios, such as a successful 75% business rates retention pilot bid, that could boost the Council's budget by around £450,000 in 2020/21 (based on projections for 2019/20 outturn), and a favourable outcome for Charnwood arising from the Fair Funding review. Overall, however, the downside risks remain significant.

14. Note on the Housing Revenue Account

The Housing Revenue Account (or HRA) is a ring-fenced set of transactions that sit within the wider financial records of the Council. It had gross income of £22.1m in 2018/19 of which £20.7m was dwelling rents. Expenditure on management and repairs amounted to £11.1m whilst depreciation was £3.0m. A further £2.7m was required for interest payments on its debt and £3.7m was used to fund additional capital expenditure.

There is a surplus or deficit on the HRA each year which is added to the brought forward HRA balance. This balance should always be in surplus and at 31 March 2019 it was £613k against a target balance of £613k. There is an additional £8.0m in a new Housing Financing Fund, the purpose being to help militate against the financial pressures that national policy will place on the HRA in the medium-term. There is £3.9m in the Major Repairs Reserve which has restrictions on its use to capital expenditure and the repayment of loans.

Rental levels are largely controlled by central government and there are certain other restraints on how the Council may manage its housing stock. The most recent 30 Year Housing Business Plan, which effectively represents the MTFs for the HRA, was approved by Council in November 2014. It is intended that this will be updated following the announcement of the ending of the HRA debt cap.

15. Reserve Strategy

As outlined above, from 2021/2022 onwards grant funding from central government is highly uncertain. The Council's strategy is to have a minimum of £3.5m in the working balance going into the 2021/22 financial year, giving at least £1.0m flexibility above the stated 'usual' minimum of £2m in order to give headroom to allow a controlled adaptation of services to match ongoing financial resources. Based on current projections, the working balance at 31 March 2021 will be £4.1m which is acceptable at this time. In addition there is the availability drawing down other small revenue reserves balances, which could help in a time of transition.

16. Monitoring, Delivery and Review

There are well established processes for the monitoring of budgets which include regular outturn reports to the Performance Scrutiny Panel and Cabinet. For example, Revenue and Capital Plan outturn reports are usually presented to Cabinet in the July following completion of the financial year. No additional monitoring is therefore deemed necessary. As discussed previously however, it is envisaged that there will be increased focus on identifying budget areas that show persistent underspending year on year.

CORPORATE SERVICES SCRUTINY COMMITTEE 17TH SEPTEMBER 2019

Report of the Head of Strategic Support

ITEM 10 SCRUTINY WORK PROGRAMME

Purpose of the Report

To enable the Committee to review and agree its scrutiny work programme.

Actions Requested

1. To review and agree the Committee's scrutiny work programme to ensure that it is fit for purpose and that any items which no longer warrant scrutiny are removed and any items requiring scrutiny are added (see Appendix 1).
2. To consider the request of the Scrutiny Commission that the following matters, identified from forthcoming Cabinet Key Decisions, be considered by this Committee, to give the Committee an opportunity to be involved in pre-decision scrutiny at an earlier stage:
 - (i) Medium Term Financial Strategy 2020-2023 (Cabinet 14th November 2019)
 - (ii) Draft Capital Plan 2020-21 – 2022-23 (Cabinet 12th December 2019)
 - (iii) Capital Plan Outturn 2019/20 (2nd July 2020).

Reasons

1. To enable the Council's scrutiny arrangements to operate efficiently and effectively.
2. To enable the Committee to consider the request and to programme matters as appropriate.

Policy Justification and Previous Decisions

The Corporate Plan commits the Council to review and improve its approach to the delivery of services to ensure it is constantly working to achieve a better service, providing better value for money and enhancing the performance and commitment to service delivery.

This Committee can identify and schedule items for its own work programme without needing the approval of the Scrutiny Commission if those items fall within its area of responsibility. If the Committee identifies a topic for scrutiny that is outside its area of responsibility, it can make a recommendation to the Scrutiny Commission that it is added to the work programme of the relevant scrutiny committee, or that a scrutiny panel be established.

Work Programme Update

The Committee's scrutiny work programme following its first meeting on 25th June 2019 and subsequently agreed by the Scrutiny Commission is attached at Appendix 1.

The Committee's decision at its first meeting was that the Chair and Vice-chair of the Committee would review the Committee's work programme following the meeting, with input from all members of the Committee during that process, and the resulting proposed work programme be considered at the next meeting of the Committee. Having undertaken that review, the work programme remains as attached at Appendix 1, with the opportunity to consider additional items for inclusion at this meeting.

Scrutiny Commission

At its meeting on 5th August 2019, the Scrutiny Commission asked that the following matters, identified from forthcoming Cabinet Key Decisions, be considered by this Committee, to give the Committee an opportunity to be involved in pre-decision scrutiny at an earlier stage:

- (i) Medium Term Financial Strategy 2020-2023 (Cabinet 14th November 2019)
- (ii) Draft Capital Plan 2020-21 – 2022-23 (Cabinet 12th December 2019)
- (iii) Capital Plan Outturn 2019/20 (2nd July 2020).

In respect of item (i) above, the scheduled meeting dates for this Committee mean that this meeting is the only opportunity for the Committee to undertake the earlier stage scrutiny that the Commission has requested of the matter. Therefore, a separate item has been included on the agenda for this meeting to enable the Committee to consider the draft Medium Term Financial Strategy 2020-2023. Consideration of the MTFS is usually part of the process for budget scrutiny, such that it is considered by the Budget Scrutiny Panel at its September meeting.

In respect of items (ii) and (iii) above, the Committee is asked to consider the requests and programme matters as appropriate. In doing so, the following information is provided to assist the Committee:

Draft Capital Plan 2020-21 – 2022-23

It would be possible to consider the Cabinet report on this matter at the Committee's next meeting on 3rd December 2019 (as the Cabinet report is due to be published on 29th November 2019). Consideration of the draft Capital Plan is usually part of the process for budget scrutiny, such that it is considered by the Budget Scrutiny Panel at its December meeting.

Capital Plan Outturn 2019/20

This matter is already scheduled for consideration annually on the Committee's work programme following its meeting on 25th June 2019 (appendix 1). Capital monitoring could be undertaken during the year, if the Committee wishes to receive updates.

Implementation Timetable including Future Decisions and Scrutiny

Issues identified by the Committee within its own remit will be reflected in an updated work programme. Issues identified for scrutiny outside of the Committee's remit will be recommended to the Scrutiny Commission.

Appendices

Appendix 1: Corporate Services Scrutiny Committee Scrutiny Work Programme (following meeting on 25th June 2019 and subsequently agreed by the Scrutiny Commission)

Background Papers: None

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Corporate Services Scrutiny Committee Work Programme

APPENDIX 1

Responsible Body	Meeting Date	Issue	Scope of Item / Terms of Reference	Reason for Scrutiny	Invitees / Officers	Progress / Notes / Action Requested
CS	17 Sept 2019 (standing item at every meeting)	Work Programme	To consider items for future meetings.	To allow the Committee to identify items for which scrutiny is required.	L. Strong/ Lead Officer	
CS	17 Sept 2019 (annual item)	Performance Information (Quarter 1 Report)	Monitoring of Performance Indicator information and Corporate Plan Objectives and Initiatives.	To ensure targets and objectives are being met. To identify areas where performance might be improved.	Relevant Lead Members & Heads of Service / A. Ward & H. Gretton	Quarter 1 Report considered at the same time annually.
CS	17 Sept 2019 (Period 4 - annual item)	Revenue Monitoring (General Fund and HRA)	Monitoring of Council's revenue position.	To compare actual income and expenditure against budget, find out why variances have occurred and, where necessary, ensure corrective actions are in place.	Lead Member/ L. Tansey	Three reports to be considered through the year. Reports to be considered at the same time annually.
CS	17 Sept 2019	Medium Term Financial Strategy 2020-2023	Early stage pre-decision scrutiny of a matter identified from Forthcoming Cabinet Key Decisions, as requested by Scrutiny Commission.	To give the Committee an opportunity to be involved in pre-decision scrutiny at an early stage.	Lead Member/ L. Tansey	Consideration of Draft MTFS 2020-2023 19 Sept 2019 Cabinet Report will enable this. See Scrutiny Commission Minute 36, 05 August 2019.

Corporate Services Scrutiny Committee Work Programme

Responsible Body	Meeting Date	Issue	Scope of Item / Terms of Reference	Reason for Scrutiny	Invitees / Officers	Progress / Notes / Action Requested
CS	03 Dec 2019 (annual item)	Performance Information (Quarter 2 Report)	Monitoring of Performance Indicator information and Corporate Plan Objectives and Initiatives.	To ensure targets and objectives are being met. To identify areas where performance might be improved.	Relevant Lead Members & Heads of Service / A. Ward & H. Gretton	Quarter 2 Report considered at the same time annually.
CS	03 Dec 2019 (Period 7 - annual item)	Revenue Monitoring (General Fund and HRA)	Monitoring of Council's revenue position.	To compare actual income and expenditure against budget, find out why variances have occurred and, where necessary, ensure corrective actions are in place.	Lead Member/ L. Tansey	Three reports to be considered through the year. Reports to be considered at the same time annually.
CS	25 Feb 2020 (annual item)	Performance Information (Quarter 3 Report)	Monitoring of Performance Indicator information and Corporate Plan Objectives and Initiatives.	To ensure targets and objectives are being met. To identify areas where performance might be improved.	Relevant Lead Members & Heads of Service / A. Ward & H. Gretton	Quarter 3 Report considered at the same time annually.
CS	25 Feb 2020 (Period 9 - annual item)	Revenue Monitoring (General Fund and HRA)	Monitoring of Council's revenue position.	To compare actual income and expenditure against budget, find out why variances have occurred and, where necessary, ensure corrective actions are in place.	Lead Member/ L. Tansey	Three reports to be considered through the year. Reports to be considered at the same time annually.

Corporate Services Scrutiny Committee Work Programme

Responsible Body	Meeting Date	Issue	Scope of Item / Terms of Reference	Reason for Scrutiny	Invitees / Officers	Progress / Notes / Action Requested
CS	June 2020 (annual item)	Capital Monitoring including Outturn	Monitoring of position with the Council's Capital Plan.	To ensure progress to the Council's Capital Plan and its financing are satisfactory.	Lead Member/ L. Tansey	Annual report.
CS	June 2020 (annual item)	Revenue Monitoring (General Fund and HRA) Outturn	Monitoring of Council's revenue position.	To compare actual income and expenditure against budget, find out why variances have occurred and, where necessary, ensure corrective actions are in place.	Lead Member/ L. Tansey	Annual report.
CS	June 2020 (annual item)	Performance Information (Quarter 4 Report – Year End)	Monitoring of Performance Indicator information and Corporate Plan Objectives and Initiatives.	To ensure targets and objectives are being met. To identify areas where performance might be improved.	Relevant Lead Members & Heads of Service / A. Ward & H. Gretton	Quarter 4 Report considered at the same time annually.
CS	<i>To be determined</i>	Draft Capital Plan 2020-21	Early stage pre-decision scrutiny of a matter identified from Forthcoming Cabinet Key Decisions, as requested by Scrutiny Commission.	To give the Committee an opportunity to be involved in pre-decision scrutiny at an early stage.	Lead Member/ L. Tansey	See Scrutiny Commission Minute 36, 05 August 2019.