



**COMMERCIALISATION SCRUTINY PANEL**

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To: Councillors Baines (Chair), Boldrin, Bolton, Charles, Hamilton and Ranson (For attention)

All other members of the Council  
(For information)

You are requested to attend the meeting of the Commercialisation Scrutiny Panel to be held in Committee Room 2 - Council Offices on Tuesday, 21st January 2020 at 5.30 pm for the following business.



Chief Executive

Southfields  
Loughborough

13th January 2020

**AGENDA**

1. APOLOGIES
2. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS
3. NOTES OF THE PREVIOUS MEETING 4 - 11

To agree the action notes of the meeting of the Panel held on 28th November 2019 and the updated Scope Document.

4. PRESENTATION BY GRANT THORNTON UK

A representative of Grant Thornton UK is invited to share business experience.

5. PRESENTATION BY RUSHCLIFFE BOROUGH COUNCIL

A representative of Rushcliffe Borough Council is invited to share commercial experiences.

6. PRESENTATION BY NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

Representatives of North West Leicestershire District Council are invited to share commercial experiences.

7. QUESTION SESSION WITH LEADER OF THE COUNCIL

The Leader of the Council is invited to consider questions provided by the Panel.

8. UPDATE ON COUNCIL'S COMMERCIALISATION STRATEGY 12 - 15

Update by the Strategic Director of Corporate Services.

9. STAFF CONSULTATION - OFFICER FEEDBACK 16 - 20

To consider officer feedback regarding ideas submitted by members of the Council's Staff Forum.

10. EXEMPT INFORMATION

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

11. COMMERCIALISATION STRATEGY AT NOTTINGHAM CITY COUNCIL

To consider an Exempt Report of Councillor Baines providing feedback from his discussions with Nottingham City Council.

12. ACTIONS / TIMETABLE FOR REVIEW

To confirm actions from the meeting.

To note the date of the final meeting of the Panel on Thursday 5th March 2020 at 6pm and the timescale for the Review.

Panel membership: Councillors Baines (Chair), Boldrin, Bolton, Charles, Hamilton, and Ranson

## COMMERCIALISATION SCRUTINY PANEL 28TH NOVEMBER 2019

PRESENT: The Chair (Councillor Baines)

Councillors Boldrin, Bolton, Charles, Hamilton and Ranson

Colin Sharpe, Deputy Director of Finance,  
Leicester City Council

Strategic Director of Corporate Services  
Democratic Services Officer (NC)

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

1. SCOPE DOCUMENT

Scope document noted.

2. UPDATE REGARDING MTFs AND CORPORATE PLAN

Considered a presentation by the Strategic Director of Corporate Services.

Summary of discussion:

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

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

### 3. INFORMATION FROM OTHER COUNCILS

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

An overview of the Leicester City Council approach to commercialisation?

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

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

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

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

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

What risk appetite does the council have for commercialisation?

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

What advice would you give Charnwood Borough Council?

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

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

In response to questions from the Panel:

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

#### 4. LGIU LEARNING AND DEVELOPMENT SEMINAR

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

Report noted.

#### 5. STAFF CONSULTATION FEEDBACK

Considered report of Democratic Services regarding staff consultation feedback.

Summary of discussion:

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

#### 6. EXEMPT INFORMATION

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

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

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

7. FEEDBACK FROM ASHFIELD DISTRICT COUNCIL

Considered exempt report of Councillor Boldrin.

Information noted.

8. ACTIONS / TIMETABLE FOR REVIEW

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

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

Thursday 23rd January 2020

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

Thursday 5th March 2020

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

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

Actions agreed:

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

NOTES:

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



## SCRUTINY REVIEW: SCOPE Commercialisation

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

### SCOPE OF ITEM / TERMS OF REFERENCE

The Panel will:

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

### REASON FOR SCRUTINY

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

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

### MEMBERSHIP OF THE GROUP

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

### WHAT WILL BE INCLUDED

All non-statutory activity that generates income.

### WHAT WILL BE EXCLUDED

All statutory activity that generates income.



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

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

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

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

**EQUALITY IMPLICATIONS**

Is an impact needs assessment required? – not required

**LINKS/OVERLAPS TO OTHER REVIEWS**

Digital Transformation Panel

**RESOURCE REQUIREMENTS**

Support from Democratic Services

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

March 2020

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

**PROGRESS OF PANEL WORK**

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

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

**REPORT SUBMITTED TO SCRUTINY COMMISSION**

The Panel should aim to complete its work and submit its report to the Scrutiny Commission meeting on 6th April 2020.

## COMMERCIALISATION SCRUTINY PANEL

28TH NOVEMBER 2019

### Report of the Strategic Director of Corporate Services

#### ITEM 8 UPDATE ON COUNCIL'S COMMERCIALISATION STRATEGY

##### Purpose of Report

At the meeting of the Scrutiny Panel on 28th November 2019 the Panel requested that the Strategic Director provided an update regarding the justifications for why the Council was focussing on commercial property as the preferred strategy, what opportunities were available in this field and a breakdown of the types of properties to be considered with potential returns, taking into account their square footage to the Panel at its next meeting.

##### Background

#### **Commercial investments - why the initial focus on commercial property?**

There are in theory a wide range of commercial investments that the Council could make so it is valid to ask why the Council believes that investment in commercial property is the correct approach in the short term. The paragraphs below set out the rationale for this approach.

The Council's overarching objective is to provide public services in line with its duties and powers as a district council to the residents of Charnwood. Commercial activities are undertaken with a view to supporting this objective, and in particular, to supplement the Council's revenue streams in order that services to the public may be enhanced or maintained as far as possible. The latest version of the Medium-Term Financial Strategy (covering financial years 2020-2023) set out the likely scale and timing of financial challenges facing the Council in the short and medium term. Although the precise quantum and timing of these challenges is inevitably somewhat speculative, it is clear that if commercial activities are to contribute significantly to their mitigation then:

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

There are also other factors relating to risk, opportunities, and the internal skills and capacity available to the Council. Taking into account these factors, and with the requirement for commercial income to be achievable at scale and in the short term, this allowed the following criteria to be derived when assessing potential commercial opportunities.

##### *Criteria for assessing commercial opportunities*

1. Can income be generated at scale?
2. Can income streams be developed (at scale) within the next financial year?

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

Other factors may also be considered depending on the specific opportunity being assessed but the above criteria have been applied to commercial property investment as set out below.

*Commercial property investment – assessment against commercial opportunity criteria*

	<b>Criteria</b>	<b>Comments</b>	<b>RAG rating</b>
1	Can income be generated at scale?	Yes (assuming that sufficient investment funding is made available).	<b>G</b>
2	Can income streams be developed (at scale) within the next financial year?	Yes – if properties are acquired with an existing tenant (as is envisaged) then income streams commence immediately.	<b>G</b>
3	Can the income streams be delivered with relative certainty?	Yes – these can be calculated with reference to existing tenants.	<b>G</b>
4	Are there significant financial risks associated with the opportunity?	Yes – in that the level of investment required is substantial and there are no guarantees in respect of ongoing income.  However – although losses are possible (and we would expect to minimise these through due diligence	<b>A</b>

	<b>Criteria</b>	<b>Comments</b>	<b>RAG rating</b>
		and appropriate professional advice) it is unlikely that a large proportion of an individual investment would be lost, as investment would be in an underlying physical asset (in contrast to many financial instruments). Going forward the risk of losses on individual properties is mitigated as the overall portfolio of investment properties increases.	
5	Is there a track record within the Council – or other local authorities – which demonstrate the opportunity is viable?	Yes – a large number of local authorities have successfully developed commercial property portfolios.	<b>G</b>
6	Does the Council have any commercial advantage in addressing an opportunity compared to the private sector (or – potentially – neighbouring local authorities or other public bodies)?	Yes – compared to the private sector the Council has a lower cost of capital (which can be demonstrated by the Council's ability to access funding through the Public Works Loan Board).	<b>G</b>
7	Is the Council at a commercial disadvantage compared to existing players in the market who may have existing brands, infrastructure or track record of service delivery?	The Council will need to develop a track record with agents and prospective vendors of completing major transactions, but the track record of other local authorities does suggest that this issue is not insurmountable.	<b>G</b>
7	Could the private sector respond to the Council entering the market by competing aggressively such that an initial or extended period of trading losses might ensue?	Not considered a significant issue – in the short-term income is protected through the tenancy agreement.	<b>G</b>
8	Does the Commercial opportunity come with significant legal or regulatory risk?	The Council will need to be clear as to the legal basis on which property is being acquired but this is an issue managed by other local authorities.	<b>G</b>
9	Does the Council have skills and capacity within the existing workforce that	The Council has some skills but limited additional capacity outside current business as usual activity.	<b>A</b>

	<b>Criteria</b>	<b>Comments</b>	<b>RAG rating</b>
	enable the delivery of the commercial opportunity?		
10	Could the Council easily access skills and capacity from the employment / interim / consultancy markets that that enable the delivery of the commercial opportunity?	We believe that skills and capacity can be acquired externally (and some has already been accessed).	<b>G</b>
11	Are there political or ethical reasons which may constrain the Council's ability to provide services on a commercial basis?	Not considered a significant issue – although tenant business activity will need to be considered as part of the due diligence within the acquisition process.	<b>G</b>

**The types of properties to be considered with potential returns, taking into account their square footage.**

- A list of property types has not been created yet – although it is likely there will be more focus on industrial and office type opportunities, rather than retail.
- We will be developing a process (with appropriate professional support) that will result in suitable properties being identified – in practice it is likely that this will start with the evaluation of an opportunity, which would probably filter out (say) prospective retail purchases, rather than starting from the premise that we wish to specifically look at / not look at properties of a certain type.
- In respect of square footage, whilst there is an obvious correlation between area and rental income, this is unlikely to be a principal driver of purchasing decisions.

Conclusion

Based on the above it is considered that investment in commercial property is an appropriate initial approach in respect of commercial income generation.

It should be noted that the focus on commercial property investment does not preclude other commercial activity but does reflect that the Council's internal capacity to pursue other opportunities is limited.

## COMMERCIALISATION SCRUTINY PANEL 23RD JANUARY 2020

### Report of Democratic Services/various officers

#### ITEM 9 STAFF CONSULTATION - OFFICER FEEDBACK

##### Purpose of Report

To provide the Panel with the feedback from relevant officers regarding ideas put forward by members of the Council's Staff Forum.

##### Background

At its informal meeting held on 5th November 2019 the Panel requested that staff from Charnwood Borough Council be consulted to obtain suggestions for how the Council may generate commercial income and to feed back the responses obtained to the Panel at its next meeting on 28th November 2019. It was agreed that officers would investigate if this was possible within the short timeframe and consider approaching the Staff Forum at one of its meetings. As the Staff Forum would not be meeting until the New Year it was decided that an email would be circulated seeking suggestions. 4 responses were obtained (from 15 Staff Forum members) and were collated anonymously in a report to the Panel.

At its meeting held on 28th November 2019, the Panel requested that officers be provided with the staff consultation responses to provide their views regarding the viability of the suggestions.

##### Staff Consultation Responses

###### Suggestion 1:

*"My idea is to co-invest with private developers for office development projects that will boost the local economy*

*With the long term decline of town centre retail nationally we need to be more creative in how we use potential development sites around Loughborough and the rest of Charnwood e.g. former Limehurst Depot*

*Experience has shown that there is little point in investing in more retail, but high quality modern office developments would help bring footfall into the town centre and help boost the local economy. We could do this by co-investing with private developers to regenerate key sites.*

*In an ideal world we would be looking at attracting large companies or Government relocation offices into the local area. For smaller development sites we should be looking at smart working hubs that would attract smaller businesses. Travel plans would need to be carefully considered but the right developments would improve demand for public transport and build capacity.*

*If we don't look to co-invest with private developers, they will continually look to develop easy options that don't boost the local economy, like more student flats on the Lemyngton Street Office development."*

Response by the Head of Planning and Regeneration:

The respondent's proposal is a sound one in principle, however, the Council's current policy for Loughborough town centre, in Policy CS9 of the Core Strategy and explained through the 2018 Town Centre Masterplan, says we will support major retail, leisure and other 'town centre' developments (this includes offices), which amongst other things maintains a continuous street frontage activity in and around the retail core. New development should be focused towards the areas identified for regeneration – Baxter Gate and Devonshire Square with office development at upper floor level. Within the retail core area (shown on a plan in the Core Strategy) office development is unlikely to be acceptable at street level, as it is not considered to provide an active street frontage. Therefore, large scale office development in the town centre core area will be challenging given the policy framework; however, smaller scale development may be more realistic at upper floor level subject to market demand.

Limehurst depot is not in the retail core area but, subject to flood risk being acceptably mitigated, might present an opportunity site for redevelopment for offices at ground floor and housing at upper floors (either as a joint venture or other arrangement).

It's worth noting that new office accommodation will not increase footfall in the town centre unless it is occupied and so market conditions and demand will be important factors to consider when looking to invest. There is a shortfall of existing vacant office premises in the town centre but significant vacant floorspace above retail premises. This space is not necessarily well-configured to market needs and is not always actively marketed by property owners. The council's economic development function responds to requests and promotes vacant floorspace to business to match end users to available floorspace and to increase occupation of vacant floorspace generally. However, property owners can be difficult to contact and many are content with rent yields from ground floor activity and are not reliant on rents from upper floors. In these circumstances, costs to fit out upper floors and provide separate accesses in an uncertain market may also be a barrier to realising the potential of our town centre.

If the Council is looking to lead investment in new office floorspace in the town it will need to understand the market demand for that floorspace and why the private sector has not responded to it already. It will want to be sure that its investment will be repaid over the project's lifetime and it is a commercially viable scheme. The same would apply if the private sector approached the council with an investment proposal.

Members may also wish to bear in mind that existing offices are able to change their use to residential under permitted development rights recently introduced by government. This has led to offices such as Pennine House being redeveloped for residential use without the need for planning permission subject to the 'prior notification' process.



### Suggestion 2:

*“My suggestion would be to consider how ideas contribute to the Council’s objectives as well as generate income. Making use of the housing development company to potentially speed up the delivery of housing as well as generate income would be an example.”*

### Response by the Head of Strategic and Private Sector Housing:

A report was approved by Cabinet in December 2018 for the Council to investigate the establishment of Charnwood Housing Development Company.

The detail of the delivery objectives of any Housing Development Company would be agreed as part of the Draft Business Plan, however it is expected that the Company could help address the challenges facing the Council by proactively supporting:

- the maintenance of a five year supply of housing – the Company will focus on the delivery of additional new homes across the Borough to support the supply of plan led housing development;
- the supply of affordable housing for rent and where appropriate for affordable home ownership to meet local housing needs (see Appendix A);
- revenue generation for the Council from providing and charging for housing management services in relation to affordable homes for rent and shared ownership and privately rented properties owned by the Company;
- development of Council owned assets – the Company will develop a Strategic Asset Management Plan to deliver outcomes in line with the Council’s vision; and
- deliver growth, new homes and new job opportunities in the Borough – develop a pipeline of regeneration projects through a business plan, setting out a pipeline of projects over a short, medium and long-term.

### Suggestion 3:

#### (a) “Garage sites –

*Sell off some of these sites as many of the sites are in a poor condition and are either not been let and are empty or used to store contents from void properties. The revenue generated from garages is small about £10 per week, compared to the on-going cost of repairs such as new garage doors £500 plus. In addition many of the garage roofs are in a poor state and made from corrugated asbestos sheets where are costly to replace and have to be deposed of as hazardous waste.*

### Response by the Head of Landlord Services and Head of Strategic and Private Sector Housing:

A review has been completed of all the Council HRA owned garage sites and parking spaces. The HRA stock consists of 64 garage sites and 6 parking space areas across the Borough.

The review is looking at the:

- Future use of the sites

- Redevelopment of sites
- Allocation of garages
- Rent Charge Policy
- Garage Tenancy Agreement
- Planned Maintenance Programme to repair the retained Parking Sites and an asbestos survey has been completed as part of this work

The review is based on a desktop study, an initial high-level assessment by Planning Services to provide a steer of the sites that have the potential for redevelopment for housing.

The redevelopment of garage sites tends to be small and expensive and often have restricted access to the sites. This review considers sites with the potential for building 4 or more properties on them.

The annual revenue generated from garages is around £237,000 per annum, a significant income stream. The review is expected to be completed in Quarter 4 of 2019/20 and will support decision making around the future of the sites.

*(b) Planned maintenance*

*At the moment planned maintenance works is out sourced to an external contractor. Cost savings could potentially made if this service was brought back in-house, this would give the Council greater control over quality, costs and time scales and provide better value for money.”*

Response by the Head of Landlord Services / Head of Strategic and Private Sector Housing:

Currently, investment in the Council's housing stock varies each year between £4 and £7 million pounds depending on the level of work necessary.

Maintaining a directly employed workforce and mobilising an operation able to service the top end of the investment requirement across multiple workstreams with all the associated costs (e.g. vehicles, IT, training, co-ordination of materials, and works scheduling etc) would likely be significantly more expensive over a period than contracting the works out. That said, there may be some opportunity to self-deliver some limited elements of planned work in the future.

All work is checked by the Council to make sure that it meets the quality standards before it is accepted as handed over and payment is made.

Suggestion 4:

*“I'd like to see the Council offer more services for residents such as an energy supply from a sustainable source or what about collecting out of date stock from local supermarkets and having a Council run market stall? The Council could keep the money from the sales and the tenants and residents get more products available at a lower cost.*

*In terms of housing what about investing in a B&B to provide temporary accommodation to homeless applicants but that could also be used for paying guests? With Charnwood being close to the University and other locations there is the demand.”*

Response by the Head of Leisure and Culture, Head of Neighbourhood Services and Head of Planning and Regeneration:

The notion of the council investing in energy supply has some potential and it might wish to consider solar farming or wind turbines, as a commercial enterprise, subject to suitable land being found and permissions obtained.

There is currently a Food Poverty Group that meets, with representation from a range of agencies – this group has links with local supermarkets and much of the surplus food stocks are distributed via this network to a range of organisations that support vulnerable individuals and food banks etc

The market has a policy of releasing a weekly market stall for the use of registered charities bookable through the market and fairs office. The use of a charity stall to promote the work of the Food Poverty Group would be in line with the markets policy.