



**CABINET**

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

Please also note that under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, other people may film, record, tweet or blog from this meeting. The use of any images or sound recordings is not under the Council's control.

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

All other members of the Council  
(for information)

You are requested to attend the meeting of the Cabinet to be held in Virtual Meeting - Zoom on Thursday, 14th January 2021 at 6.00 pm for the following business.



Chief Executive

Southfields  
Loughborough

22nd December 2020

**AGENDA**

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

3 - 11

To approve the minutes of the previous meeting.

5. QUESTIONS UNDER CABINET PROCEDURE 10.7
- The deadline for questions is noon on Wednesday, 6th January 2021.
6. LOUGHBOROUGH BID THIRD TERM 12 - 23
- A report of the Head of Leisure and Culture.
- Key Decision*
7. TREASURY MANAGEMENT STRATEGY, ANNUAL INVESTMENT STRATEGY AND MRP POLICY - MID-YEAR REVIEW 24 - 42
- A report of the Head of Financial Services, for recommendation to Council.
8. PEOPLE STRATEGY 2021-2024 43 - 61
- A report of the Strategic Director; Environmental and Corporate Services.
9. URGENT DECISIONS TAKEN 62 - 66
- A report of the Chief Executive.
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 will involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
11. SALE OF LAND - CEMETERY ROAD, SILEBY
- An exempt report of the Strategic Director; Commercial Development, Assets and Leisure circulated to members.
- Notification was given on 16th December 2020 that the public could potentially be excluded during this item since exempt or confidential information could be considered. No representations regarding considering this item in exempt session have been received.
- Key Decision*

## CABINET 10TH DECEMBER 2020

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

Councillor Seaton

Chief Executive  
Strategic Director; Commercial Development,  
Assets and Leisure  
Strategic Director; Community, Planning and  
Housing  
Strategic Director; Environmental and Corporate  
Services  
Head of Strategic Support  
Head of Planning and Regeneration  
Head of Strategic and Private Sector Housing  
Head of Financial Services  
Corporate Improvement and Policy Officer  
Regeneration and Economic Development Officer  
Information Development Manager  
Democratic Services Manager  
Democratic Services Officer (LS)

APOLOGIES: None

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

### 56. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

The following disclosures were made:

- (i) Councillor Rattray – a personal interest in item 13 on the agenda (Urgent Decisions Taken), Delegated Decision 174 2020 set out therein. Councillor Rattray would leave the meeting during consideration of the item.
- (ii) Councillor Morgan – to note that in respect of item 7 on the agenda (Discretionary Private Sector Housing Licensing Scheme Proposals) he was a trustee of a trust property in Lemyngton ward. Councillor Morgan stated that the interest was not pecuniary, he received no income from it and he was not landlord. The interest was stated on his Disclosure of Interests form on the Council's Website.

57. LEADER'S ANNOUNCEMENTS

No announcements were made.

58. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 19th November 2020 were confirmed as a correct record.

59. QUESTIONS UNDER CABINET PROCEDURE 10.7

No questions had been submitted.

60. FIVE YEAR HOUSING LAND SUPPLY - RECOMMENDATION OF THE SCRUTINY COMMISSION

Considered, a report of the Scrutiny Commission setting out its recommendation that the Parish Councils which have adopted Neighbourhood Plans are informed of the implications of the five year housing land supply update in relation to potential development applications in their areas, alongside an officer recommendation and advice in response (item 6 on the agenda filed with these minutes).

Councillor Seaton, Chair of the Scrutiny Commission, presented the recommendation of the Commission.

The Head of Planning and Regeneration assisted with consideration of the report.

The Scrutiny Commission was thanked for its recommendation.

**RESOLVED** that it be noted that the Head of Planning and Regeneration will write to Parish Councils with 'made' neighbourhood plans, and those preparing plans, to explain the implications of the five year housing land supply on residential planning decisions in those areas in light of the fact the Council cannot demonstrate a five year supply of housing land at the current time.

Reason

To action the recommendation of the Scrutiny Commission in order to ensure that Parish Councils were kept informed of the implications of the housing land supply on existing Neighbourhood Plans.

61. DISCRETIONARY PRIVATE SECTOR HOUSING LICENSING SCHEME PROPOSALS

Considered, a report of the Head of Strategic and Private Sector Housing setting out proposals for the introduction of an Additional Licensing Scheme across the Borough and Selective Licensing Scheme in Hastings and Lemyngton wards (item 7, an agenda supplement filed with these minutes).

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

The Head of Strategic and Private Sector Housing assisted with consideration of the report.

Councillor Smidowicz was thanked for her work in progressing the proposals as former Cabinet Lead Member.

## **RESOLVED**

1. that the outcome of the Discretionary Private Sector Housing Licensing consultation exercise be noted;
2. that the proposal to declare Charnwood Borough as an area for Additional Licensing to be implemented from April 2021 be approved;
3. that the proposal to declare the two wards Hastings and Lemyngton an area for Selective Licensing to be implemented following approval from the Secretary of State be approved;
4. that the proposed draft licence conditions for both schemes, attached as Appendix 1 to the report, and for a consultation exercise to be undertaken for a period of 6 weeks from the 18th January 2021 to the 26th February 2021 be approved;
5. that an initial budget for £65k to set up the two schemes and commence recruitment of staff to deliver the two licensing schemes until the licence fees are received be approved;
6. that the report of the Scrutiny Commission be noted.

## Reasons

1. To enable the Cabinet to consider the information and evidence gathered.
2. The scheme will cover all HMOs, irrespective of the number of storeys that are occupied by 3 or 4 unrelated persons and all Section 257 HMOs (buildings converted into self-contained flats) where the building is wholly occupied by tenants.
3. The scheme will cover all Private Sector Rented properties in the two wards Hastings and Lemyngton other than those licensed through the Mandatory HMOs Licensing Scheme or the proposed Borough Wide Additional Licensing Scheme for HMOs.
4. To allow feedback on the draft licence conditions.

5. To allow the schemes to be set up and the recruitment of officers to implement the two proposed licensing schemes in advance of the licence fees being received.
6. To acknowledge the work undertaken by and the views of the Scrutiny Commission.

62. EQUALITY, DIVERSITY AND INCLUSION STRATEGY 2020-2024

Considered, a report of the Strategic Director; Environmental and Corporate Services setting out, following a period of public consultation, an Equality, Diversity and Inclusion (EDI) Strategy 2020-2024 (item 8 on the agenda filed with these minutes).

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

The Corporate Improvement and Policy Officer assisted with consideration of the report. She was thanked for her work for the Council and wished good luck for the future as she would shortly be leaving the Council to take up another role.

**RESOLVED**

1. that the Council's Equality, Diversity and Inclusion (EDI) Strategy (2020-2024) and associated Equality Action Plan (2020-2022), attached as an Annex to the report of the Strategic Director; Environmental and Corporate Services, be approved;
2. that the report of the Scrutiny Commission be noted.

Reasons

1. To enable the Strategy, which seeks to improve how the organisation promotes equality in all services delivered by Charnwood Borough Council and in how it employs and manages staff, and to assist the Council in meeting its corporate objective to meet its customers' needs, to be approved following public consultation.
2. To acknowledge the work undertaken by and the views of the Scrutiny Commission.

63. DRAFT GENERAL FUND AND HRA 2021-22 BUDGETS

Considered, a report of the Head of Financial Services setting out the projected base budget position for 2021/22 including the savings and growth proposals put forward for the year to provide the basis for the budget consultation (item 9 on the agenda filed with these minutes).

The Strategic Director; Environmental and Corporate Services and the Head of Financial Services assisted with consideration of the report. Two minor corrections

were stated to paragraph 25 in Part B of the report: Pressures listed for Street Trading and Carillon were one-off rather than ongoing (Loughborough Special Expenses).

The challenges faced in setting the draft budget were acknowledged and officers thanked for that work.

## **RESOLVED**

1. that the Cabinet endorses for consultation the draft General Fund and HRA Revenue Budgets for 2021/22 as set out in Tables 1 and 2 in the report of the Head of Financial Services;
2. that the Cabinet endorses for consultation the Loughborough Special Expense Budget and Levy for 2021/22 as set out in Appendix 3 to the report of the Head of Financial Services.

### Reason

- 1.&2. To provide the opportunity for consultation on the General Fund and HRA budgets for the 2021/22 financial year.

## 64. CAPITAL PLAN AMENDMENT REPORT

Considered, a report of the Head of Financial Services setting out proposed changes to the 2020/21-2022/23 Revised Capital Plan and its financing since Cabinet 15th October 2020 (Minute 43) (item 10 on the agenda filed with these minutes).

The Head of Financial Services assisted with consideration of the report.

## **RESOLVED**

1. that the Revised Capital Plan for 2020/21-2022/23, as amended by the changes shown in Appendix 1 to the report, in the sum of £97,967,400 be approved;
2. that a new scheme be added - Hybrid Camera and Audio Equipment used for virtual Council Meetings in Committee Room 2, £10k, to be funded from Capital Plan Reserve;
3. that a new scheme be added - Performance Management System for £21.1k, to be funded from Capital Plan Reserve;
4. that the Loughborough Festive Lights and Street Dressing scheme be reduced by £10k, the reason being the BID contribution will not be received towards this scheme;
5. that the Replacement Hardware Programme be increased by £110k to be funded from COVID Emergency Grant as a Revenue Contribution to Capital for IT hardware costs;

6. that a Virement of £75k be made from Planned Buildings Improvements Capital Budget to Granby Street Car Parks for essential culvert repairs;
7. that a new scheme be added - NHS Vaccination Centre £250k to be set up at Southfields Offices to be fully funded externally by the NHS;
8. that Bedford Square Gateway be increased by £700k to be fully funded by LLEP contribution.
9. that additional decisions taken by Officers be noted in relation to new S106 schemes added to the Capital programme, also included in Appendix 1 to the report.

#### Reasons

1. To enable the Revised Capital Plan to be the basis for capital spending by the Council and so that schemes may proceed.
2. To enable the new Capital scheme budget to be available in 2020/21.
3. To enable the new Capital scheme budget to be available in 2020/21.
4. To confirm that the Loughborough Festive Lights and Street Dressing scheme be decreased by the external funded amount.
5. To enable the new Capital scheme budget to be available in 2020/21.
6. To enable the new Capital scheme budget to be available in 2020/21.
7. To enable the new Capital scheme budget to be available in 2020/21.
8. To enable the Capital scheme budget to be available in 2020/21.
9. To note the new Capital Schemes as part of S106 Agreements implemented by Officers for 3rd Parties.

#### 65. AMENDMENTS TO ANNUAL PROCUREMENT PLAN 2020-21

Considered, a report of the Strategic Director; Commercial Development, Assets and Leisure seeking approval for additions to the Annual Procurement Plan 2020/21 (item 11 on the agenda filed with these minutes).

The Strategic Director – Commercial Development, Assets and Leisure assisted with consideration of the report.

#### **RESOLVED**

1. that the contracts, over £25,000 and up to £75,000, listed in Appendix A to the report, be let in accordance with Contract Procedure Rules;



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

Reason

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

66. BOUNDARY REVIEW - COUNCIL SIZE SUBMISSION

Considered, a report of the Head of Strategic Support presenting a submission for the first stage of the Local Government Boundary Commission for England (LGBCE) electoral review, for recommendation to full Council (item 12 on the agenda filed with these minutes).

The Head of Strategic Support assisted with consideration of the report.

**RESOLVED that it be recommended to Council:**

1. to approve the submission appended to the report as the Council's submission to the LGBCE regarding Council Size, which supports the continuation of the current number of 52 councillors;
2. to give delegated authority to the Chief Executive and the Head of Strategic Support, in consultation with the Leader of the Council, to make minor typographical amendments and corrections to the document prior to submission if required.

Reasons

1. To agree a submission to the LGBCE as part of stage 1 of their review concerning council size.
2. To allow for any minor errors to be corrected before the document is submitted.

*Having declared an interest, Councillor Rattray left the meeting during consideration of the following item.*

67. URGENT DECISIONS TAKEN

Considered, a report of the Chief Executive setting out actions taken by the Chief Executive and/or Strategic Directors and Heads of Service under urgency provisions (item 13 on the agenda filed with these minutes).

**RESOLVED** that the actions taken by the Chief Executive and/or Strategic Directors and Heads of Service under urgency provisions as set out in the report be noted.

Reason

To ensure that the actions have been reported to the Cabinet in accordance with the requirements of the Council's Constitution.

*Councillor Rattray returned to the meeting.*

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

69. BEDFORD SQUARE GATEWAY PROJECT

Considered, an exempt report of the Head of Planning and Regeneration in respect of the Bedford Square Gateway Project to consider approval of the final scheme design and proceed to the appointment of contractors to deliver the street works (item 15 on the agenda filed with these minutes), together with an exempt addendum to the report (copy filed with these minutes).

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

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

The Head of Planning and Regeneration and the Regeneration and Economic Development Officer assisted with consideration of the report.

**RESOLVED**

1. that decisions be made as detailed in the exempt minute (Cabinet Minute 69E 2020/21);
2. that the exempt report of the Scrutiny Commission be noted.

Reasons

1. As set out in the exempt minute (Cabinet Minute 69E 2020/21).
2. To acknowledge the work undertaken by and the views of the Scrutiny Commission.

NOTES:

1. The decisions in these minutes not in the form of recommendations to Council will come into effect at noon on Friday, 18th December 2020 unless called in under Scrutiny Committee Procedure Rule 11.7. Decisions in the form of recommendations to Council are not subject to call in. The decision set out in Minute 69 Bedford Square Gateway Project has been exempted from call in.
2. No reference may be made to these minutes at the next available Ordinary Council meeting unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on Friday, 18th December 2020.
3. These minutes are subject to confirmation as a correct record at the next meeting of the Cabinet.

## CABINET - 14TH JANUARY 2021

### Report of the Head of Leisure and Culture Lead Member: Councillor Jenny Bokor

#### Part A

#### ITEM 6 LOUGHBOROUGH BUSINESS IMPROVEMENT DISTRICT (BID) – 3RD TERM

##### Purpose of Report

A ballot must be conducted of Loughborough town centre businesses on a further five-year term of the Business Improvement District (BID). The purpose of this report is to put in place the legal requirements to enable the Council to deliver on its key roles and responsibilities.

The report therefore seeks the Council's commitment to supporting this process as outlined in the following recommendations:

##### Recommendations

1. To delegate authority to the Chief Executive to undertake the BID ballot.
2. To allocate up to £25,000 from reinvestment reserves to meet the cost of consultation prior to the BID ballot and the ballot itself.
3. To delegate authority to the Chief Executive to agree with the BID Company a baseline of Borough Council town centre services.
4. To delegate authority to the Strategic Director for Corporate Services to agree with the BID Company, if required, an operating agreement to cover the collection of the BID levy.

##### Reasons

1. The Council must consider the respective roles that it may play in the process of developing the BID renewal process in line with BID legislation as a billing authority, as a landowner/ occupier in the BID area and as a ballot holder. The local authority ballot holder remains legally responsible for the ballot process as set out within government regulations.
2. To enable the Council and the BID Company to ensure that the ballot process follows a thorough research and consultation phase that focuses on the needs and requirements of the potential contributors within the area of the BID.
3. It is a requirement of the BID Regulations that the BID proposals include a statement of the existing baseline services provided by the Council and any other public authority in the proposed BID area. This statement will form part of the BID proposals which demonstrate to businesses voting for the BID that the proposed BID services are additional to the baseline services provided by the public authorities.

4. The Council is required is required to manage the collection and enforcement of the BID levy charges known as an Operating Agreement.

### Policy Justification and Previous Decisions

The Loughborough BID Company Ltd, which uses the name “Love Loughborough”, was established in February 2012 after holding a ballot in 2011. Cabinet received a report in June 2011 which set out the advantages of developing a Business Improvement District in Loughborough Town Centre and the financial implications of a BID for the Borough Council. Cabinet agreed to support the BID and deliver a vote in favour of the proposed BID. (Cabinet 9th June 2011 Minute 13).

Cabinet received a further report in July 2016 in relation to a second term of the BID. Cabinet agreed to support the BID and deliver a vote in favour of a second term for the proposed BID. (Cabinet 7<sup>th</sup> July 2016 minute 16.) Prior to this a Cabinet report in November 2015 set out recommendations for Charnwood to support the consultation phase and BID ballot recognising the Councils role in line with BID legislation as a billing authority, as a land owner, occupier in the BID area and as a ballot holder.(Cabinet 19 Nov 2015 minute 72.)

In March 2014 the Government highlighted how the most successful BIDs were those which have established a close and positive engagement with their local authorities, so they ensure each of their obligations towards one another and to agree changes to baseline agreements when appropriate. The recommendations included in this report are in response to the Business Improvement District (England) Amendment Regulations 2013 referred to below.

Part 4 of the Local Government Act 2003 (“the Act”) introduced BIDS. The creation, regulation and operation of BIDs is governed by the provisions of the Act and Regulations made under the Act, the Business Improvement Districts (England) Regulations 2004 (“the Regulations”) which have been amended by the Business Improvement Districts (England) Amendment Regulations 2013. The government has also issued the following guidance:

- Guidance on the Business Improvement Districts (England) Regulations 2004
- Business Improvement Districts: technical guidance for local authorities (“the Technical Guidance”)
- Business Improvement Districts: guidance and best practice (“the Guidance”)

### Renewal Process and Ballot Arrangements

The renewal process and ballot will be held and conducted in accordance with the Business Improvement Districts (England) Regulations 2004 as amended. The ballot will be a postal ballot of all businesses in the BID area liable to pay the BID Levy. It is likely that it will be conducted on behalf of the BID by Civica Election Services (formerly Electoral Reform Services).

The ballot period is 28 days and all businesses in the BID area entitled to vote will be notified of the ballot arrangements and will be sent the ballot papers. Proxy voting can be arranged for those that require it. Love Loughborough in consultation with its

stakeholders has confirmed that it wishes to operate after 2022 and now intends to ballot businesses in the BID area in September 2021.

### Implementation Timetable including Future Decisions and Scrutiny

For the Council to deliver on its responsibilities, and following Cabinet approval, the timeframe detailed in the table below will be followed:

<b>Task</b>	<b>Indicative timeframe</b>
Agree base line services with CBC and LCC	February - April
Initial Business consultation	Feb - 2021
CBC to prepare BID data base	Feb - March - 2021
Consult businesses on the BID area, Levy and BID	April - 2021
Production of BID Proposal	April - 2021
Production of BID Business Plan	May - 2021
Recommendation to Cabinet	May - 2021
Supply data base to BID	May - 2021
Develop Operating Agreement	May – June 2021
Production of printed BID Proposal business plan and campaign material	May – June 2021
Notify ERS of ballot date and arrangements	June – 2021
Notify Secretary of State and LA of intention to hold ballot	June - 2021
Distribute BID proposal and business plan	June - 2021
Campaign period	June – August 2021
Publish notice of ballot	September - 2021
Send out ballot papers	September - 2021
Ballot period	September - 2021
Day of ballot	October – 2021
Ballot holder publish results	October – 2021
Bid notifies all businesses 3 days of ballot results	October – 2021

Two further Cabinet reports will be submitted at appropriate dates during 2021 that will set out and seek approval of:

- the BID proposal and business plan
- the ballot to proceed within legal requirements
- the Council vote arrangements and levy payment.

### Report Implications

The following implications have been identified for this report.

### *Financial Implications*

The cost to the Council to support the BID ballot consultation process including printing and publishing the BID Proposal and Business Plan and delivery of the ballot has been estimated at £25,000. It is proposed to resource this using the reinvestment reserve as it relates to a one-off cost. The use of this reserve requires Cabinet approval and it is recommended in this report that Members approve this request.

Any future financial implications arising as a result of the outcome of the consultation will be subject to a further report to Cabinet

### *Risk Management*

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

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
Ensuring that the BID Proposal does not conflict with any existing local authority policy nor propose a disproportionate burden on business by way of an unfair levy charge on a certain 'class' of levy payers, or an inappropriate manipulation of the BID boundary.	Remote (1)	Major (4)	Low (4)	The BID Proposal will be considered in relation to the Councils policies in advance of going to the ballot Consideration will also be given to charge levels and proportion The proposal will be reviewed to ensure that there is no inappropriate manipulation Consideration would also be given to the proposal in line with guidance provided
Failure to have an updated rating list holder for the provision of Rating List data. (The local authority is required to prepare a document (from its business rate records) showing the name of each business ratepayer within the boundary.) Unlikely	Remote (1)	Major (4)	Low (4)	Good practice guidelines will be followed in line with the timetable included in this report; When the Valuation Office Agency updates the ratings list, any changes that have occurred during the consultation period will be forwarded to the BID proposer so that it can be reflected in the voter list where appropriate. The final update should be the last Valuation Office Agency update

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
				before the Notice of the Ballot
Failure to manage the Ballot in line with regulations Schedule 2 BID regulations. The local authority is required to ensure the ballot is operated in line with the BID regulations	Remote (1)	Significant (2)	Very Low (2)	The responsibilities and proposed timeline will be added to service plans to be delivered under Service Director delegation

### *Crime and Disorder*

The BID Proposal supports key objectives within the Corporate Plan. It will assist effective partnership work to achieve economic regeneration in Loughborough.

In addition, it will support recycling and reduce waste and improve the attractiveness of Loughborough for new businesses and retailers by contributing to several initiatives including Loughborough in BLOOM, 'Christmas lights' promotions, quality marketing campaigns and improving the appearance of empty shops.

The BID has a commitment to help to reduce crime and anti-social behaviour, improve public confidence through crime prevention initiatives and offer discounted rates to the retail radio scheme in the BID area.

### *Sustainability*

The BID is committed to working in partnership to support key objectives within the Corporate Plan. It will assist effective partnership work to achieve economic regeneration in Loughborough and the delivery of the Town Deal if the bid is successful.

In addition, it will support recycling and reduce waste and improve the attractiveness of Loughborough for new businesses and retailers by contributing to several initiatives including Loughborough in BLOOM, 'Christmas lights' promotions, quality marketing campaigns and improving the appearance of empty shops.

Key Decision: Yes

Background Papers: None

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



## Part B

### Background

1. BIDs are business led partnerships which are created following a ballot of businesses in the BID area in order to deliver additional services to local businesses usually over a five-year period. They can be a powerful tool for bringing the business community and local authorities to work together to improve the local trading environment.

2. BID is a defined area in which a levy is charged on all non – domestic ratepayers in addition to the non – domestic rates bill. A BID can only be established, and a levy charged following approval of a proposals setting out what the BID will deliver, via a ballot of the businesses liable to pay the levy. The levy is used to deliver a business plan developed to benefit the businesses in the local area. The business plan should include services that are additional or improvements to the services provided by the local authority.

3. The Government is supportive of BIDs and wants to see more created to help deliver improvements and give businesses a stronger voice in shaping their local area.

### Loughborough BID

4. The Loughborough BID Company Ltd, which uses the name “Love Loughborough”, was established in February 2012 after holding a ballot in 2011. The BID is run by the Loughborough BID Company Limited (Company No. 07994016). It has a Board of Directors comprising of 19 BID levy payers, 2 Borough Council members, 1 County Council member and 5 co-opted members. It is governed by a Memorandum and Articles of Association and it publishes annual accounts which are independently audited. It holds an Annual General Meeting.

5. The BID was successful in securing a second term in 2016. In consultation with its stakeholders and Board members “Love Loughborough” has confirmed that it wishes to operate after 2022 and now intends to ballot businesses in the BID area in September 2021.

6. The BID has been successful in bringing partners together to assist with the economic regeneration in Loughborough and improving the prospects of the Town Centre. The annual levy raises a total of circa £230,000 each year to spend on business led projects.

7. At the start of this year and the COVID 19 pandemic it was extremely doubtful if the BID would survive due to businesses not being able to pay the BID levy. The Council provided the following support at the outset of the pandemic:

- The Council waived the collection of the BID Levy fee circa £19,000.
- Supported the BID by providing an office space to allow the BID to give notice on its existing lease.

8. The BID has proved to be resilient to the impact of the pandemic by adapting to the needs of the BID businesses and to date has managed to collect over 87% of the BID levy totalling £200,000.

9. At an early stage to the pandemic the BID board met to agree a change in the published business plan in order to support businesses in the BID area throughout the pandemic. The support provided can be summarised in appendix 1.

#### Council and BID Responsibilities.

10. The Council has a role to play when responding to a BID proposal in line with BID legislation as a billing authority, as a landowner, occupier in the BID area and as a ballot holder. All the Council's responsibilities have been considered and are documented within this report with delegated arrangements outlined to support this work within the required timelines supported by the Cabinet recommendations.

11. The responsibilities for a local authority in enabling the establishment and successful operation of a BID can be summarised under the following headings:

- Being familiar with BID Regulations
- Rating holder list
- Service Provider – for provision of statement of existing baseline services
- Collection of the BID Levy
- Ballot Holder – for provision of Ballot Services
- Sign off the BID proposal
- Notification of Ballot Outcome
- Declaring a Ballot Void
- Termination Procedures.

12. BID responsibilities - there are key steps that must be completed before a BID proposal is ready for being put to a ballot. The BID is required to develop a BID proposal and submit this to the local authority, along with a business plan. The proposal should set out who is liable for the levy, the amount of the levy to be collected and how it is calculated. The BID proposal is legally binding, but the business plan can be changed. The timetable set out in this report has been developed with the BID. The Council will need to sign off the BID proposal and engage with the BID, who are responsible for the production of the following items listed below:

- The BID proposal and business plan
- The services undertaken by the BID as an addition to those provided by the local authority
- The baseline agreements with the local authority
- Establish, confirm the BID body and agree the constitution
- Decide on the area of the BID
- Determine who pays the levy
- Determine the levy to be collected
- Collection of the levy
- Put in place a local marketing and communication drive to engage and inform local businesses

13. There are also important dates that are required to be met, for example legislation requires the BID proposer to send notice of their intention to put the proposals to a ballot to both the Secretary of State and the local authority at least 84 days before formally asking the ballot holder (the local authority) to arrange the ballot. The local

authority must ensure a notice of ballot is published at least 42 days prior to the day of the ballot.

## Ballot

14. The BID has requested financial support to put in place arrangements to effectively engage with local businesses that are likely to be affected by the proposal and become liable to pay the levy.

15. Businesses affected should have the opportunity to be engaged in the development of a proposal and give their views on a proposal to assist with the final proposal.

16. There are 2 sets of documents prepared for the ballot – firstly the document created and issued in accordance with the Regulations; and secondly the campaign and canvassing documents produced by the BID proposer.

17. The £25,000 of proposed Council funding can be broken down into 3 elements:

- Commissioning an external company to put in place a robust process of consultation to develop the proposal in accordance with the regulations and a business plan to take to ballot, this will be in the region of circa £15,000.
- Design and print of campaign and canvassing documents including achievements fact sheet, Survey, Newsletters, Business Plan, posters, and postcards estimated at £7,500.
- Cost of the ballot process which includes all statutory documents, arrangements letter, ballot notification and vote paper plus all design print and postage, estimated at £2,500.

18. This gives a total cost of £25,000 and, as this is a one-off cost for which no budget is available, it is proposed to fund this using the reinvestment reserve

19. This does not take into account the BID management support costs. The BID will oversee the projects and liaise with all businesses over a 6-month period. This cost is estimated to be £20,000 and is covered as a match funding element by the BID.

20. Businesses that will be subject to the levy, (as set out in the BID Proposal) vote in a postal ballot. The ballot is managed by the local authority or someone appointed by them. A successful vote is one that has a majority both in vote's case and in the rateable value of votes cast and each business entitled to vote in a BID ballot is allowed one vote in respect of each property occupied or if unoccupied owned by them in the geographical area of the BID.

21. The cost of the ballot is based on the number of businesses included within the BID area.

22. The local authority is responsible for drawing up the final list of voters. They will use the list prepared by the BID proposal, having validated a proportion of the entries to ensure their accuracy. As well as the ballot paper the ballot holder must be sent a ballot statement which is an impartial and factual document proving an explanation of the BID arrangements and the ballot procedures. Papers must be sent to voters at least 28 days before the last day of the ballot.

### Baseline services

23. The Baseline Agreement is used to set out existing levels of service provision provided by the local authority and other public agencies enabling a BID to demonstrate the additionally it will provide over the term of the BID.

24. Base line information is required to be signed off by the Council and included in the BID proposal therefore the deadline for the production of this information has been included in the BID timetable.

25. The recommendation to delegate the authority to Strategic Directors will help to eliminate any risk of not meeting the required deadlines and the production of Ballot Material in line with the Regulations.

### Operating agreement

26. The Council is required to manage the collection and enforcement of the BID levy. This requirement is usually delivered under an Operating Agreement. It is best practice for the BID proposer to have drawn up an Operating Agreement with the Council to agree the terms of reference, means of enforcement and the practicalities for the collection of the BID levy, before

### Appendices

Summary of BID activity during COVID19 pandemic.

11<sup>th</sup> December 2020

## LOVE LOUGHBOROUGH BID COVID SUPPORT FOR BUSINESSES

The Team at Love Loughborough BID have been reactive and proactive with its support for businesses throughout the pandemic, diversifying projects and initiatives quickly, learning new skills and becoming the point of call for the latest COVID guidance and updates.

Love Loughborough BID is a small team of dedicated individuals who have supported its members 24/7 throughout the pandemic, initially with very little resources or financial support. However, through the support of the team, businesses were able to access grants and funding and were willing to pay their levy with 87% of the levy collected to date.

Here is some of the support the Love Loughborough Team have provided:

- Advice on grant funding and business support through daily eblasts, website and social media channels, including a step by step guide to complete grant application forms.
- Suite of Trading Safety Leaflets to help businesses Manage Customers and Safeguard Employees. These were hand delivered to every Loughborough BID member and can also be downloaded at <https://loveloughborough.co.uk/love-bid/guidance-booklets/>
- A dedicated web page to Coronavirus via its website:  
<https://loveloughborough.co.uk/love-bid/coronavirus/>
- Bulk purchase of PPE Equipment (hand sanitizer, face visors & counter guards) to sell back to members at low cost trade prices <https://loveloughborough.co.uk/love-bid/ppe-orders/>
- Free Social Distancing Floor stickers or [artwork](#)
- Access to Free outdoor social distancing markings and assistance with queue management
- Lockdown Challenge competitions with over £600 of Love Loughborough Gift Vouchers as prizes to encourage shoppers back to the town centre
- [Digital trails](#) through our [LoyalFree App](#) which includes:
  - Home delivery & takeaways
  - Eat Out to Help Out
  - Gift Voucher Trail

- Launch of a FREE e-commerce site 'shop.loveloughborough.co.uk to enable businesses to trade online
- Launch of local Gift Voucher sales through shop.loveloughborough to keep spend local
- Launch of #ShopLocal #ShopSafe #ShopLoughborough in partnership with Charnwood Borough Copuncil
- Retail Radio and direct access to CCTV throughout Lockdown and Tier periods
- Weekly updates from Police patrols to ensure closed properties were safe
- Recycling collections throughout the period.
- Love Loughborough Ambassador available for any covid compliance issues and crime and safety issues
- A key partner on the Night-Time Economy (NTE) Recovery Partnership and the Loughborough Central Delivery Group (LCDG)
- Partnership working with Charnwood Borough Council on the COVID Economic Recovery Plan
- Free posters to establishments needing customers to wear masks.
- Provide a live footfall monitor to enable visitors to see how busy areas of the town are before visiting.
- Over 1400m of Christmas Icicle lighting for shop fronts and festive lighting on High Street
- Robust marketing campaign for #shoplocal including advertising, media, social media and direct mail promotions.

We have consistently monitored footfall to ensure the town centre has been a safe place to visit and to balance the encouragement of shoppers back to the town in safe measures.

We have also submitted a £5million project application as part of the £25 million Loughborough Town Fund to make significant improvements to Loughborough Town centre within the next 2 to 5 years <https://www.loughboroughtowndeal.co.uk/>

Our small team have been working flat out to support Loughborough's businesses delivering support, advice and campaigns to ensure Loughborough survives this pandemic.

Lisa Brown

Love Loughborough BID Manager

[Lisa@loveloughborough.co.uk](mailto:Lisa@loveloughborough.co.uk)

Tel: 01509 278210

***Love Loughborough BID Team:***

***Kelly Hill, BID Co-Ordinator*** – For all your social media promotions, Loyalfree offers & trails, website listing, recycling enquiries and general business support & promotion.

[manager@loveloughborough.co.uk](mailto:manager@loveloughborough.co.uk) (Full Time)

***Charlotte Havis, Digital Engagement Officer*** – For free digital support to help engage with customers and drive business profits through social media platforms, video, websites and digital marketing. [charlotte@loveloughborough.co.uk](mailto:charlotte@loveloughborough.co.uk) (Part Time)

***Celine Patel, Ambassador*** – For immediate response to business crime & safety issues, retail radio, pubwatch radio, CCTV and on the ground business concerns.

[Ambassador@loveloughborough.co.uk](mailto:Ambassador@loveloughborough.co.uk) (Full Time)

## CABINET – 14TH JANUARY 2021

### Report of the Head of Financial Services

**Lead Member: Councillor Tom Barkley**

#### Part A

ITEM 7      TREASURY MANAGEMENT UPDATE–MID-YEAR REVIEW FOR  
THE 6 MONTHS ENDED 22ND DECEMBER 2020

#### Purpose of Report

This report reviews the Treasury Management Strategy and the Annual Investment Strategy, plus the various Prudential Borrowing and Treasury Indicators for the first six months of 2020/21.

#### Recommendation

That it be recommended to Council to note this mid-year review of the Treasury Management Strategy Statement, Prudential Borrowing and Treasury Indicators plus the Annual Investment Strategy, as set out in Part B.

#### Reason

To ensure that the Council's governance and management procedures for Treasury Management reflect best practice and comply with the Revised CIPFA Treasury Management in the Public Services Code of Practice, Guidance Notes and Treasury Management Policy Statement, that funding of capital expenditure is taken within the totality of the Council's financial position, and that borrowing and Investment is only carried out with proper regard to the Prudential Code for Capital Finance in Local Authorities.

#### Policy Justification and Previous Decisions

The Capital Strategy including the Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy, Prudential & Treasury Indicators must be approved by Council each year and reviewed half yearly. This review is set out in the attached report as Part B. The Strategy for the year was approved by Council on 9th November 2020.

#### Implementation Timetable including Future Decisions and Scrutiny

This report will be presented to Cabinet on 14<sup>th</sup> January 2021 for onward recommendation to the full Council meeting of 18<sup>th</sup> January 2021.

The report is available for scrutiny by the Scrutiny Commission at the regular meeting scheduled for 11<sup>th</sup> January 2021.



## 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 arising from the recommendation in this report. Risks associated with the Treasury Policy, etc and in general are set out within Part B.

Key Decision: No

Background Papers: None

Officer to contact: Lesley Tansey  
Head of Finance  
01509 634828  
[Lesley.tansey@charnwood.gov.uk](mailto:Lesley.tansey@charnwood.gov.uk)

## **1. Background**

### **1.1 Capital Strategy**

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities have been required to prepare a Capital Strategy which is to provide the following: -

a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;

an overview of how the associated risk is managed;

the implications for future financial sustainability.

### **1.2 Treasury Management**

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks

### **1.3 Regulatory framework**

This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017).

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.

3. Receipt by the full council of an annual Treasury Management Strategy Statement

- including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.

4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is Audit Committee:

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first part of the 2020/21 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2020/21;
- A review of the Council's borrowing strategy for 2020/21;
- A review of any debt rescheduling undertaken during 2020/21;
- A review of compliance with Treasury and Prudential Limits for 2020/21.

## 2. Economics and Interest Rates

### 2.1 Economics update

As expected, the Bank of England's Monetary Policy Committee kept Bank Rate unchanged on 6<sup>th</sup> August. It also kept unchanged the level of quantitative easing at £745bn. Its forecasts were optimistic in terms of three areas:

- The fall in **GDP** in the first half of 2020 was revised from 28% to 23% (subsequently revised to -21.8%). This is still one of the largest falls in output of any developed nation. However, it is only to be expected as the UK economy is heavily skewed towards consumer-facing services – an area which was particularly vulnerable to being damaged by lockdown.
- The peak in the **unemployment rate** was revised down from 9% in Q2 to 7½% by Q4 2020.
- It forecast that there would be excess demand in the economy by Q3 2022 causing CPI **inflation** to rise above the 2% target in Q3 2022, (based on market interest rate expectations for a further loosening in policy). Nevertheless, even if the Bank were to leave policy unchanged, inflation was still projected to be above 2% in 2023.

It also squashed any idea of using **negative interest rates**, at least in the next six months or so. It suggested that while negative rates can work in some circumstances, it would be “less effective as a tool to stimulate the economy” at this time when banks are worried about future loan losses. It also has “other instruments available”, including QE and the use of forward guidance.

The MPC expected the £300bn of **quantitative easing** purchases announced between its March and June meetings to continue until the “turn of the year”. This implies that the pace of purchases will slow further to about £4bn a week, down from £14bn a week at the height of the crisis and £7bn more recently.

In conclusion, this would indicate that the Bank could now just sit on its hands as the economy was recovering better than expected. However, the MPC acknowledged that the “medium-term projections were a less informative guide than usual” and the minutes had multiple references to **downside risks**, which were judged to persist both in the short and medium term. One has only to look at the way in which second waves of the virus are now impacting many countries including Britain, to see the dangers. However, rather than a national lockdown, as in March, any spikes in virus infections are now likely to be dealt with by localised measures and this should limit the amount of economic damage caused. In addition, Brexit uncertainties ahead of the year-end deadline are likely to be a drag on recovery. The wind down of the initial generous furlough scheme through to the end of October is another development that could cause the Bank to review the need for more support for the economy later in the year. Admittedly, the Chancellor announced in late September a second six month package from 1<sup>st</sup> November of government support for jobs whereby it will pay up to 22% of the costs of retaining an employee working a minimum of one third of their normal hours. There was further help for the self-employed, freelancers and the hospitality industry. However, this is a much less generous scheme than the furlough package and will inevitably mean there will be further job losses from the 11% of the workforce still on furlough in mid September.

Overall, **the pace of recovery** is not expected to be in the form of a rapid V shape, but a more elongated and prolonged one after a sharp recovery in June through to August which left the economy 11.7% smaller than in February. The last three months of 2020 are now likely to show no growth as consumers will probably remain cautious in spending and uncertainty over the outcome of the UK/EU trade negotiations concluding at the end of the year will also be a headwind. If the Bank felt it did need to provide further support to recovery, then it is likely that the tool of choice would be more QE.

There will be some **painful longer term adjustments** as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever. There is also likely to be a reversal of globalisation as this crisis has shown up how vulnerable long-distance supply chains are. On the other hand, digital services is one area that has already seen huge growth.

One key addition to **the Bank's forward guidance** was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate

The **Financial Policy Committee** (FPC) report on 6<sup>th</sup> August revised down their expected credit losses for the banking sector to "somewhat less than £80bn". It stated that in its assessment "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.

**US.** The incoming sets of data during the first week of August were almost universally stronger than expected. With the number of new daily coronavirus infections beginning to abate, recovery from its contraction this year of 10.2% should continue over the coming months and employment growth should also pick up again. However, growth will be dampened by continuing outbreaks of the virus in some states leading to fresh localised restrictions. At its end of August meeting, the Fed tweaked **its inflation target** from 2% to maintaining an average of 2% over an unspecified time period i.e. following periods when inflation has been running persistently below 2%, appropriate monetary policy will likely aim to achieve inflation moderately above 2% for some time. This change is aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary "trap" like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade so financial markets took note that higher levels of inflation are likely to be in the pipeline; long term bond yields duly rose after the meeting. The Fed also called on Congress to end its political disagreement over providing more support for the unemployed as there is a limit to what monetary policy can do compared to more directed central government fiscal policy. The FOMC's updated economic and rate projections in mid-September showed that officials expect to leave the fed funds rate at near-zero until at least end-2023 and probably for another year or two beyond that. There is now some expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in

tension over the last year between the US and China is likely to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal.

**EU.** The economy was recovering well towards the end of Q2 after a sharp drop in GDP, (e.g. France 18.9%, Italy 17.6%). However, the second wave of the virus affecting some countries could cause a significant slowdown in the pace of recovery, especially in countries more dependent on tourism. The fiscal support package, eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support and quickly enough to make an appreciable difference in weaker countries. The ECB has been struggling to get inflation up to its 2% target and it is therefore expected that it will have to provide more monetary policy support through more quantitative easing purchases of bonds in the absence of sufficient fiscal support.

**China.** After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and has enabled it to recover all of the contraction in Q1. However, this was achieved by major central government funding of yet more infrastructure spending. After years of growth having been focused on this same area, any further spending in this area is likely to lead to increasingly weaker economic returns. This could, therefore, lead to a further misallocation of resources which will weigh on growth in future years.

**Japan.** There are some concerns that a second wave of the virus is gaining momentum and could dampen economic recovery from its contraction of 8.5% in GDP. It has been struggling to get out of a deflation trap for many years and to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. The resignation of Prime Minister Abe is not expected to result in any significant change in economic policy.

**World growth.** Latin America and India are currently hotspots for virus infections. World growth will be in recession this year. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

## 2.2 Interest rate forecasts

The Council's treasury advisor, Link Group, provided the following forecasts on 11<sup>th</sup> August 2020 (PWLB rates are certainty rates, gilt yields plus 180bps):

Link Group Interest Rate View 11.8.20										
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month average earnings	0.05	0.05	0.05	0.05	0.05	-	-	-	-	-
6 month average earnings	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
12 month average earnings	0.15	0.15	0.15	0.15	0.15	-	-	-	-	-
5yr PWLB Rate	1.90	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its meeting on 6<sup>th</sup> August (and the subsequent September meeting), although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected within the forecast horizon ending on 31<sup>st</sup> March 2023 as economic recovery is expected to be only gradual and, therefore, prolonged.

**GILT YIELDS / PWLB RATES.** There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectations that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March. After gilt yields spiked up during the initial phases of the health crisis in March, we have seen these yields fall sharply to



unprecedented lows as major western central banks took rapid action to deal with excessive stress in financial markets, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. At the close of the day on 30<sup>th</sup> September, all gilt yields from 1 to 6 years were in negative territory, while even 25-year yields were at only 0.76% and 50 year at 0.60%.

From the local authority borrowing perspective, HM Treasury imposed **two changes of margins over gilt yields for PWLB rates** in 2019-20 without any prior warning. The first took place on 9<sup>th</sup> October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then at least partially reversed for some forms of borrowing on 11<sup>th</sup> March 2020, but not for mainstream General Fund capital schemes, at the same time as the Government announced in the Budget a programme of increased infrastructure expenditure. It is now clear that HM Treasury will no longer allow local authorities to borrow money from the PWLB to purchase commercial property if the aim is solely to generate an income stream (assets for yield).

### **The balance of risks to the UK**

- The overall balance of risks to economic growth in the UK is probably relatively even, but is subject to major uncertainty due to the virus.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

### **Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:**

- **UK** - second nationwide wave of virus infections requiring a national lockdown
- **UK / EU trade negotiations** – if it were to cause significant economic disruption and a fresh major downturn in the rate of growth.
- **UK - Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for “weaker” countries. In addition, the EU recently agreed a €750bn fiscal support package. These actions will help shield weaker economic regions for the next year or so. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries



who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.

- Weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic.
- **German minority government & general election in 2021.** In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in subsequent state elections but the SPD has done particularly badly. Angela Merkel has stepped down from being the CDU party leader but she intends to remain as Chancellor until the general election in 2021. This then leaves a major question mark over who will be the major guiding hand and driver of EU unity when she steps down.
- **Other minority EU governments.** Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been a rise in anti-immigration sentiment in Germany and France.
- **Geopolitical risks**, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows.
- **US – the Presidential election in 2020:** this could have repercussions for the US economy and SINO-US trade relations.

### **Upside risks to current forecasts for UK gilt yields and PWLB rates**

- **UK** - stronger than currently expected recovery in UK economy.
- **Post-Brexit** – if an agreement was reached that removed the majority of threats of economic disruption between the EU and the UK.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect

## **3. Treasury Management Strategy Statement and Annual Investment Strategy**

### **Update**

The Treasury Management Strategy Statement, (TMSS), for 2020/21 was approved by this Council on 9<sup>th</sup> November 2020. There are no changes in this report to the TMSS since 9<sup>th</sup> November Council in the light of economic and operational movements during the year.

To note the current Operational Boundary borrowing limits and the Authorised limits are part of the prudential guidelines and these remain as they were previously reported.

The Operational Boundary is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be similar to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under borrowing by other cash resources.

<b>Operational Boundary Limits</b>	<b>2019/20 Actual £'000</b>	<b>2020/21 Estimate £'000</b>	<b>2021/22 Estimate £'000</b>	<b>2022/23 Estimate £'000</b>
Debt	81,190	81,190	81,190	8,190
Commercial Activities	0	47,400	57,400	57,400
<b>Total</b>	<b>81,190</b>	<b>128,590</b>	<b>138,590</b>	<b>138,590</b>

A further prudential indicator controls the overall level of borrowing. This is **the Authorised Limit** which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

<b>Authorised Limits</b>	<b>2019/20 Actual £'000</b>	<b>2020/21 Estimate £'000</b>	<b>2021/22 Estimate £'000</b>	<b>2022/23 Estimate £'000</b>
Debt	96,000	96,000	96,000	96,000
Commercial Activities	0	47,400	57,400	57,400
<b>Total</b>	<b>96,000</b>	<b>143,400</b>	<b>153,400</b>	<b>153,400</b>

#### **4. The Council's Capital Position (Prudential Indicators)**

This part of the report is structured to update:

The Council's capital expenditure plans;

How these plans are being financed;

The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and

Compliance with the limits in place for borrowing activity.

##### **4.1 Prudential Indicator for Capital Expenditure**

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

<b>Capital Expenditure by Service</b>	<b>2020/21 current Budget £m</b>	<b>Actual Spend 13/11/2020 £m</b>	<b>Variance underspend/ (overspend) £m</b>
General Fund	12,395	4,668	7,727
Commercial Investments	25,000	10,673	14,327
Enterprise Zone	15,000	0	0
Regeneration	5,000	0	0
HRA	8,941	798	8,143
<b>Total capital expenditure</b>	<b>66,336</b>	<b>16,139</b>	<b>50,197</b>

1. The Actual Capital spend is slow for the first half of the year primarily due to Covid. The Capital Plan update report provides details of each scheme and was presented to Cabinet at the meeting of 10th December 2020.
2. Current year spend on Investment in Commercial Property is £10.7m. Three properties have been purchased to date:- 14/14A Market Street, Loughborough (previously Crawshaws Butchers), Belton Road, Loughborough (Car Showroom) and 1 Brookhill Way, Banbury. The purchase of these properties will generate revenue income, support the Medium Term Financial Strategy, thereby protecting the delivery of services to Charnwood's residents.

## 4.2 Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

<i>Financing of capital expenditure</i>	<i>2019/20 Actual £'000</i>	<i>2020/21 Revised Estimate £'000</i>
<b>Total Capital Expenditure as per above table</b>	<b>10,444</b>	<b>66,336</b>
<i>Financed by:</i>		
Capital receipts	1,120	5,942
Capital grants/S106	857	3,875
Capital reserves	4,595	662
Revenue Contributions	3,872	8,207
NHS Funding	0	250
Internal /External borrowing	0	47,400
<b>Total Funding</b>	<b>10,444</b>	<b>66,336</b>

## 4.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

### **Prudential Indicator – Capital Financing Requirement**

We are on target to achieve the original forecast Capital Financing Requirement.

## Prudential Indicator – the Operational Boundary for external debt

<i>Capital Financing Requirement</i>	<i>2019/20 Actual £'000</i>	<i>2020/21 Revised Estimate £'000</i>
CFR - Fleet	0	2,400
CFR – Commercial Activities	0	25,000
CFR – Regeneration	0	5,000
CFR – Enterprise Zone	0	15,000
CFR – HRA	81,820	81,820
<b>Total CFR</b>	<b>81,820</b>	<b>129,220</b>
Movement in CFR represented by:		
Net financing need for the year	0	47,400
Less MRP/VRP and other financing movements	0	0
<b>Movement in CFR</b>	<b>0</b>	<b>47,400</b>

There is no MRP charged in 2020/21 as the current MRP policy is that a full years MRP will be made in the year after capital expenditure has incurred and when the assets are fully operational. MRP however will be charged from 2021/22 based on the assets purchased in 2020/21.

### 4.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	<i>2019/20 Actual £'000</i>	<i>2020/21 Estimate £'000</i>	<i>2020/21 Actual £'000</i>
External Debt at 1 April	81,190	81,190	81,190
Expected change in Debt	0	47,400	0
<b>Actual debt at 31 March</b>	<b>81,190</b>	<b>128,590</b>	<b>81,190</b>
Capital Financing Requirement	81,820	129,220	81,820
<b>Under/(over) borrowing</b>	<b>630</b>	<b>630</b>	<b>630</b>

The Head of Finance & Property Services reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

<b>Authorised limit for External Debt</b>	<b>2020/21 Estimate £'000</b>	<b>2020/21 Actual £'000</b>
External Debt Borrowing	96,000	81,190
Commercial Activities	47,400	0
<b>Total</b>	<b>143,400</b>	<b>81,190</b>

## 5. Investment Portfolio 2020/21

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As shown by forecasts in section 2.2, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the current 0.10% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short-term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low

The average level of funds available for investment purpose during the first half year was £50m. Internal investments as at 30<sup>th</sup> September 2020 and the investment portfolio yield for the first 6 months of the year is 0.53% against a benchmark of 3 months London interbank Bid Rate (LIBID) of 0.11 %. Although the rate of return is low, our performance can still to be reasonable as we have exceeded the target rate.

The interest & rental income earned by the Council's £5m External Property Funds' investments as at 30<sup>th</sup> September 2020 is £99k, net 1.61%. (£91k 2019/20) This is a good net rate of return in comparison to internal investments 0.53% and LIBID 0.11%.

The Head of Finance & Property Services confirms that the approved limits within the Annual Investment Strategy were not breached during the first 6 months of 2020/21.

The Council's revised budgeted annual investment return for 2020/21 is £300k, and performance for the year to date is £234k including Property Funds. The Council performed above target in both percentage and actual returns to date and should perform above the budget set 2020/21.

## 6. Borrowing

The Council's capital financing requirement (CFR) for 2020/21 is £129,220m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the market (external borrowing) or

from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions; however, Table 4.4 shows the Council has actual borrowings of £81,190m, this is £2m of an external loan which matures in 2024 and £79,190 HRA Debt.

It is anticipated that further borrowing will not be undertaken during this financial year.

Due to the overall financial position and the underlying need to borrow for capital purposes (the CFR), no new external borrowing has been undertaken. However, due to the increase in PWLB margins over gilt yields in October 2019, and the subsequent consultation on these margins by HM Treasury - which ended on 31<sup>st</sup> July 2020 - the Authority has refrained from undertaking new long-term PWLB borrowing for the present and has met its requirements for additional borrowing by using short-term borrowing until such time as new PWLB margins are finally determined. In addition, the effect of coronavirus on the capital programme objectives are being assessed. Therefore, our borrowing strategy will be reviewed and then revised in order to achieve optimum value and risk exposure in the long-term.

## **7. Debt Rescheduling**

Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

No new external borrowing was undertaken during the half year, the council however has plans to review its internal borrowing and external borrowing position in light of the updated Capital Strategy Report Strategy Cabinet Report of 15th October 2020 and the recent PWLB announcement to close PWLB borrowing for investments in Commercial Properties.

## **Appendices**

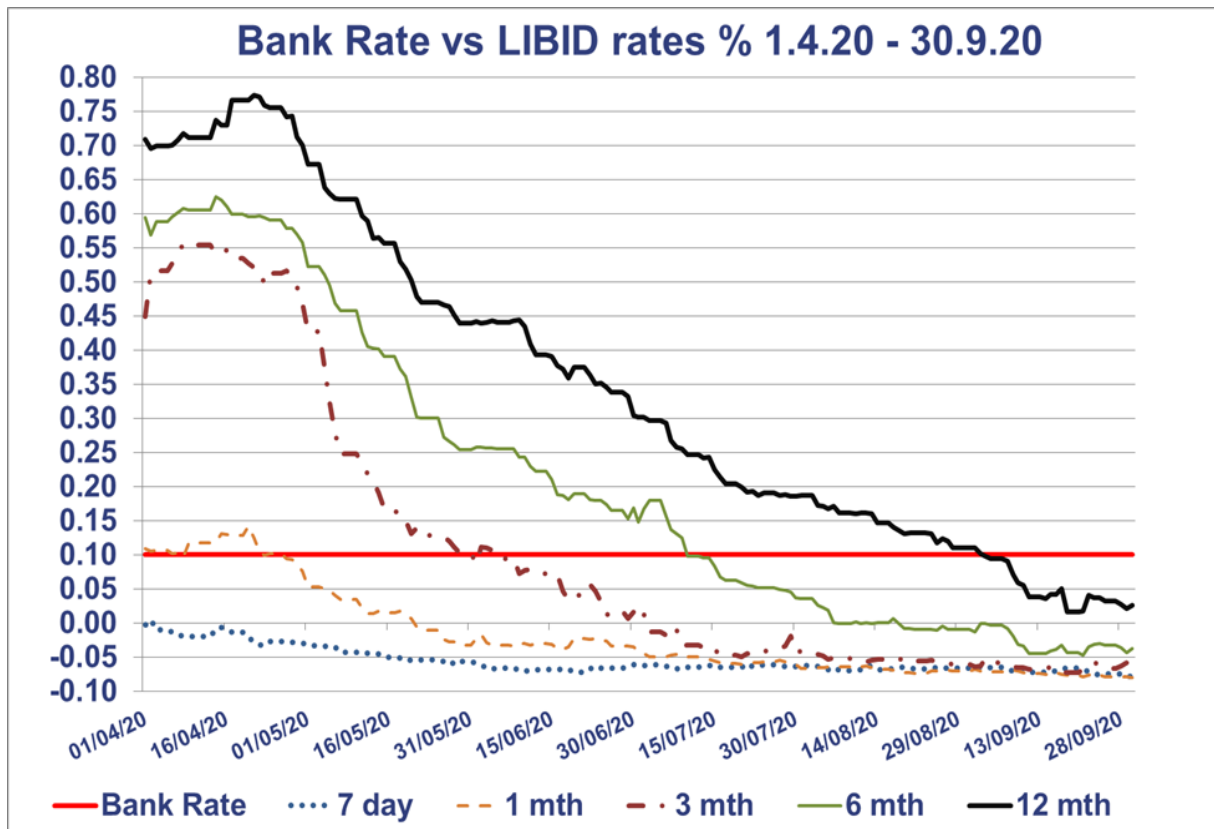
Appendix 1: Portfolio of investments as at 30th September 2020

Appendix 2: Approved countries for investments as at 30<sup>th</sup> September 2020

Appendix 3: Glossary of Terms

**APPENDIX 1: Investment Portfolio**  
**Investments held as at 30 September 2020**

Institution	Maturity Date	Interest	
		Rate %	Principal £'000
Wyre Forest District Council	09/10/2020	1.40	2,000
Liverpool City Council	14/10/2020	1.00	2,000
Slough Borough Council	01/04/2021	0.96	2,000
HSBC - Evergreen	3 Month Notice	0.91	5,000
HSBC	31 Day Notice	0.25	7,000
Santander	180 Day Notice	1.00	8,000
Goldman Sachs International Bank	95 Day Notice	0.71	2,500
Goldman Sachs International Bank	35 Day Notice	0.17	2,500
Federated Money Market Fund	1 Day Notice	0.23	8,080
Standard Chartered Bank	91 Day Notice	0.11	5,000
Aberdeen Money Market Fund	1 Day Notice	0.19	10,000
Insight Money Market Fund	1 Day Notice	0.10	1,350
Lothbury Property Fund			2,500
Hermes Property Fund			2,500
<b>Total</b>			<b>60,430</b>





## APPENDIX 2: Approved countries for investments as at 30<sup>th</sup> September 2020

### AAA

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

### AA+

- Canada
- Finland
- U.S.A.

### AA

- Abu Dhabi (UAE)
- France

### AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

## **APPENDIX 3: Glossary of Terms**

### **Capital Financing Requirement**

CFR is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of expenditure above, which has not immediately been paid for, will increase the CFR. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

### **Operational Boundary**

The operational boundary is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

### **Authorised Limit for External Debt**

A further key prudential indicator represents a control on the maximum level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

### **Gross External Debt**

This is the total amount borrowed by the Council at a point in time.

### **Investments**

The budgeted figure is the estimated average funds available for investment during the year. The actual figure is the total amount invested as at 30th September for Internal and Property Funds .

### **Net Borrowing**

Net borrowing is gross external debt less investments.

### **Loans**

In this mid-year (and previously) interest receivable has exceeded interest payable for the General Fund producing a negative number for net interest payable and a somewhat odd-looking negative ratio; this can be construed as indicating that the Council has no issues servicing General Fund loans at this time.

## CABINET – 14TH JANUARY 2021

### Report of the Strategic Director of Environmental and Corporate Services

**Lead Member: Councillor Margaret Smidowicz**

#### Part A

#### ITEM 8 PEOPLE STRATEGY 2021 - 2024

##### Purpose of Report

To seek approval of the Council's new People Strategy.

##### Recommendations

1. That the Charnwood Borough Council People Strategy 2021 – 2024, as appended to this report, is approved.
2. That the Strategic Director of Environmental and Corporate Services is given delegated authority to make amendments to the specific actions outlined in this strategy as they are incorporated into a People Development Plan.

##### Reasons

1. So that the Council has a clear strategy in place for developing its workforce over the next four years to effectively deliver services and meet the objectives outlined in the Corporate Strategy.
2. To allow adjustments to be made to specific actions as they are incorporated into the People Development Plan. Possible changes are expected to be minor and may occur following consultation with staff and management groups or following evaluation feedback from the implementation of proceeding actions.

##### Policy Justification and Previous Decisions

The new People Strategy will replace the previous People Strategy 2017–2020 that was approved by Cabinet in March 2017.

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

Once approved the People Strategy will come into effect immediately (subject to possible call-in).

The new People Group has been formed as part of the transformational Swap Board and will oversee the implementation of the outcomes and actions in this strategy.

The SWaP Board is chaired by the Chief Executive of the Council and oversees three work groups focussed on Services, Workspaces and People (SWaP). Each of the work groups is chaired by a Strategic Director.

## Report Implications

The following implications have been identified for this report.

### *Financial Implications*

It is anticipated that the majority of the costs associated with carrying out the actions included in the People Strategy will be met from existing budgets. If additional funds are required the prior approval of the SWaP Board will be required.

### *Risk Management*

There are no risks associated with the implementation of this strategy.

### Equality and Diversity

Charnwood Borough Council's Strategic Equality lead was consulted as part of the development of this Strategy. Appropriate actions related to the Equality and Inclusion Strategy 2020-2024 have been added to this strategy where appropriate.

An Equality Impact Assessment is not required for this strategy but where appropriate, individual EIAs will be completed for specific actions included in the People Development Plan

### Sustainability

Some of the actions in this strategy related to agile working will support the Council to meet future carbon reduction targets.

Key Decision: No

Officer to contact: Kevin Brewin  
Learning & Organisation Development Co-ordinator  
Tel: 01509 634932  
Email: Kevin.brewin@charnwood.gov.uk

## Part B

### **Charnwood Borough Council People Strategy 2021 – 2024**

#### **1. Introduction**

The People Strategy sets out how the Council intends to continue to develop its workforce over the next four years to meet effectively its future strategic plans and priorities in a changed environment. The Covid-19 Pandemic has had a significant impact on service delivery and future planning. The extended periods of lockdown have resulted in temporary office closures and necessitated online remote and agile working practices to be implemented. It is envisaged that this crisis will lead to a number of permanent economic and social changes to the way people work in the future and has heavily influenced the future direction of the workforce development identified in this Strategy

#### **2. Key Strategies with direct relevance to the People Strategy**

There are a number of corporate policy documents that have informed and influenced the development of the People Strategy including;

- a) Corporate Strategy (2020 – 2024)
- b) Strategic Direction (2020-2024)
- c) ICT Strategy (2016-2021)
- d) Equality & Inclusion Strategy (2020-2024)

There are also a number of external influences that have shaped the development of the People Strategy of which the most significant by far has been the 2020 Covid 19 Pandemic

#### **3. The Five Themes of the People Strategy**

The people strategy will focus on delivering five themes. Each theme focusses on the priority areas that this strategy aims to address and contains a set of outcomes and planned actions.

The priority order for delivering these outcomes and actions will be agreed and captured in the People Development Plan.

- 1) Charnwood's Culture
- 2) Leading Charnwood
- 3) Healthy Charnwood
- 4) Developing Charnwood
- 5) Supporting Charnwood

#### 4. **Consultation**

The People Strategy has been developed in consultation with the Organisational Recovery Group, the People Group and the Staff Forum.

It was endorsed by the Senior Leadership Group (SLT) on the 30th September 2020.

#### 5. **How the actions in the strategy will be delivered and monitored**

The outcomes and actions of this strategy will be incorporated into a new People Development Plan that will be overseen by the recently created People Group.

This group is one of the three sub-groups formed as part of the SWaP Programme Board and will be chaired by the Strategic Director for Strategic Support, Governance and Procurement.

#### Appendix

People Strategy 2021 - 2024



**Charnwood Borough Council  
People Strategy  
2021 – 2024**



## **Contents:**

<b>Foreword</b>	<b>Page 3</b>
<b>Introduction</b>	<b>Page 4</b>
<b>Review of previous 2017–2020 People Strategy</b>	<b>Page 4</b>
<b>Key Strategies:</b>	<b>Page 5</b>
• Corporate Strategy	Page 5
• Charnwood’s Values	Page 5
• Strategic Direction	Page 6
• ICT Strategy	Page 6
• Equality and Inclusion Strategy	Page 7
• External Factors	Page 7
<b>The five themes of the People Strategy:</b>	<b>Page 8</b>
• Charnwood’s Culture	Page 9
• Leading Charnwood	Page 10
• Healthy Charnwood	Page 11
• Developing Charnwood	Page 13
• Supporting Charnwood	Page 14
<b>Implementation and evaluation</b>	<b>Page 15</b>
The People Group	Page 15



## Foreword

“What lies behind us and what lies before us  
are tiny matters, compared to what lies within us”

Oliver Wendell Holmes

Across the world in 2020, the Covid-19 crisis has brought about significant change and Charnwood Borough Council employees have risen to the challenge presented. Two of the four themes contained in the current People Strategy have focussed strongly on ‘developing a customer-focused culture’ and ‘modern and flexible working practices.’ There is no doubt that the speed of response to the needs of the Community and flexibility of our employees working with partners has been clearly evident.

Against this background I am privileged to be asked to introduce Charnwood’s People Strategy for 2020-2024 which outlines the Five Themes Charnwood Culture, Leading Charnwood, Healthy Charnwood, Developing Charnwood and Supporting Charnwood, together with its identified outcomes and planned actions. The People Strategy will support our Corporate Strategy (2020-2024) and in particular the priorities contained in the ‘Your Council’ theme where our employees and elected members will work together as one council to bring positive change to Charnwood.

These themes contain the essence of the aspirations expressed in the surveys and discussions with employees to bring about the change they would wish to engage in to demonstrate a ‘Can Do’ attitude - with staff enabled and empowered to be proactive. Culture does not change because we desire to change it. It changes when the organisation is transformed and this is clearly underway. As the Council continues to develop a smarter, agile workforce the culture will reflect the realities of people working together, no longer in a mainly office-based culture but from home, to deliver high-quality customer service in what will continue to be a challenging environment. This is not without its difficulties and opportunities to develop and ensure our processes support the needs of all employees and contribute to their wellbeing. The Strategy also outlines the steps that need to be taken to recruit, develop and retain the best people to deliver our services.

Psychologists tell us that there are ‘those that watch things happen, those that make things happen and those that were never aware that anything happened at all!’ Thank you to everyone who has contributed in any way to this Strategy and to ‘making things happen’ for Charnwood in one of the most difficult years possible.

Cllr Margaret Smidowicz MSc HRD, BA (Hons) JP  
Lead Member for Strategic Support



## **Introduction**

The People Strategy sets out how the Council intends to continue to develop its workforce over the next four years to meet effectively its future strategic plans and priorities in a changed environment. The Covid-19 Pandemic has had a significant impact on service delivery and future planning. The extended periods of lockdown have resulted in temporary office closures and necessitated online remote and agile working practices to be implemented. It is envisaged that this crisis will lead to a number of permanent economic and social changes to the way people work in the future and has heavily influenced the future direction of the workforce development identified in this Strategy.

## **Review of the 2017 – 2020 People Strategy**

The previous People Strategy focussed on the following themes;

- A customer focussed culture
- Modern & flexible working practices
- Leadership, empowerment and innovation
- Workforce recruitment, development and retention
- People Strategy Implementation

A number of actions were completed / implemented from the Strategy including;

- The establishment and coordination of the Corporate Customer Service Excellence (CSE) Working Group
- The achievement of a series of customer service improvements recognised in a series of highly successful CSE reviews
- The review and development of the Charny Awards
- The establishment of a Leicestershire District Learning & Development network to informally share ideas and resources
- The development of a Leicestershire wide District Council shadowing scheme
- The delivery of core training for managers on managing performance alongside the new capability procedures
- The delivery of a series of lunchtime leadership and coaching workshops for all managers
- The introduction of development workshops for aspiring Heads of Service
- Funded Management Degrees and Masters in Senior Leadership options developed with local Universities.
- The development and implementation of two core training workshops for all staff; Brilliant Customer Service and the Customer Service Team
- The creation of 8 new apprenticeship opportunities across the council and utilised the digital account funding to develop another 11 staff.
- A programme of workshops and events to support staff wellbeing
- Researched, benchmarked and reviewed salaries in key roles, where we face recruitment challenges

There were three actions not fully completed from the previous People Strategy that are going to be picked up in the new strategy. This includes developing smart working at Charnwood. Smart working workshops were developed and delivered for managers and staff, an intranet page was established to promote and develop smart working and staff and managers put forward ideas for pilots. This work will continue with the development of a new Agile Working Policy.

This also had an impact on delaying the review of Personal Reviews, as this was to be based on new ways of working emerging from the smart working project and also the review of recruitment that was also to be based on new requirements following implementation of smart working.

The 2021 – 2024 People Strategy looks to build on the work already carried in these areas through the agile working project and will see the development of a new appraisal process and the review of recruitment practices following development work planned to develop a behavioural framework.

## **Key Strategies with direct relevance to the People Strategy**

### **Corporate Strategy (2020 – 2024)**

The Corporate Strategy sets out the council's main strategic priorities over the next four years. There are four key themes within the strategy;

- 1) Caring for the environment
- 2) Healthy communities
- 3) A thriving economy
- 4) Your council

The Your Council theme outlines several priorities, many of which are directly relevant to this People Strategy;

We will continue to improve customer service and develop our staff to help them deliver outstanding services. Our services will be increasingly available at the fingertips of residents through our digital channels. However, the opportunity to talk to our staff in person will always be there for people who need it.

We recognise there are financial challenges ahead for local government and we will use them as an opportunity to transform into a more efficient, effective and innovative organisation.

We will collaborate with partners, in the public and private sector, in a variety of ways to bring improvements to our services and the borough of Charnwood.

Our employees and elected members will work together as one council to bring positive change to Charnwood.

And we commit strongly to listening, talking and engaging with residents as we work together to create a more vibrant and prosperous Charnwood

### **Charnwood's Values**

The Corporate Strategy also identifies the council's values;

Pride in Charnwood - we take pride in our work and our borough and are ambitious for the future

Customer Focused - we listen to our customers and are focused on delivering excellent services

Working Together - we work together with pace and positivity as one council and in partnership with others

These values were developed initially through staff focus groups and have been recently updated in consultation with the staff forum. They provide a clear statement on the culture the council aspires to promote and develop through its staff, members and leadership teams.

### **Strategic Direction (2020-2024)**

The Strategic Direction document accompanies the Corporate Strategy 2020-24 and sets out the key operating principles the Council will adopt to achieve its objectives and deliver outstanding services for residents. It identifies the council's ambition to be one of the most effective, efficient and influential councils in the country.

The document also sets out challenges to be addressed in the delivery of the Corporate Strategy including; the COVID 19 pandemic, a reduction in funding and increasing costs, increasing demand for council services, climate change and rapid changes in technology

The Strategic Direction document identifies how the council will operate in a number of key areas. The three areas that are most relevant to this People Strategy are;

4. The Council
7. Our people
8. Transformation and Efficiency

### **ICT Strategy (2016-2021)**

The actions resulting from the council's Information and Communication Strategy has had a significant influence on the development of this People Strategy. The adoption of cloud-based technology (e.g. MS 365 and MS Teams) has created opportunities for the organisation to be more agile in where and when people work and has significantly improved the council's resilience in adapting to the challenges faced by the Covid-19 pandemic.

The development and co-ordination of both people and technology is crucial to the future success of the council and this will continue with the development of a new ICS strategy from 2021 onwards.

## **Equality & Inclusion Strategy (2020-2024)**

There are invariably linkages between the Council's People Strategy and the Equality & Inclusion Strategy, which guide practice across the Council and provide a non-discriminatory and supportive working environment for all staff. It is important that the Council:

- Ensures all staff, and potential employees receive fair and respectful treatment and are not subject to discrimination or harassment
- Pays 'due regard' and considers equality impacts before we make decisions affecting employees. This may be demonstrated through an Equality Impact Assessment or other activities/ assessments
- Monitors and assesses the impact of our policies and decisions and to change, where reasonably possible, whether they are actually reducing levels of inequality
- To enhance understanding of and promote equality and diversity at all levels within Charnwood Borough Council.
- To have a diverse workforce that aims to be representative of the Borough.

### **Key external factors**

There are a number of external factors that have influenced this strategy, however, the most significant has been the current 2020 Covid-19 Pandemic and subsequent lockdown and restrictions. This has had a highly significant impact on the services that we deliver and the way we work in direct response to the crisis and the organisation's future plans. The pandemic has also had a negative impact on the national economy, which in turn, is likely to affect the council's future budget, unemployment in the local area and our plans to support apprenticeships. The mental health of the UK population continues to face significant challenges and it is more important than ever that we focus on support our employees' health and wellbeing.

Significant external factors include developing technology, customer demand and expectations, climate change and the international focus on equal opportunities, including the ongoing debates around opportunities for the BAME and LGBTQ communities in the UK.

## The Five Themes of the People Strategy

The people strategy will focus on delivering five themes as detailed below. Each theme focusses on the priority areas that this strategy aims to address and contains a set of outcomes and planned actions.

The priority order for delivering these outcomes and actions will be agreed and captured in the People Development Plan that will be overseen by the new People Group.

- 1) Charnwood's Culture
- 2) Leading Charnwood
- 3) Healthy Charnwood
- 4) Developing Charnwood
- 5) Supporting Charnwood



## 1) Charnwood's Culture

As the council continues to modernise, the organisation will need to focus on developing a smarter and agile workforce with extensive communication skills along with a positive 'can do' attitude.

A new staff behavioural framework based on the organisational values will be developed. Staff will be asked to self-assess against the framework which will then form the basis of a discussion with their manager around their own development needs.

Charnwood Borough Council has been steadily developing its capacity for agile working in recent years. However, 2020 has seen a revolution in more flexible working as the lockdown requirements following the Covid-19 crisis has almost overnight shifted the organisation from a mainly office-based culture to one that is very much focussed on staff working remotely from home. There have of course been many challenges to this significant shift in working practice, however the change has almost universally been hailed as a success largely due to the rapid and effective deployment of MS Teams.

It is essential that we continue to build on this rapid change and continue to develop the organisation into a modern, agile organisation. This includes developing more flexibility around when and where staff work. Through the development of a new agile/ smart working policy, it is planned that more staff will work remotely in the future and this will free up some of the existing office space.

There are a number of potential benefits in developing more agile/ smart working practices including; improved productivity, improved work / life balance along with staff motivation, the potential for better and more flexible services for customers, reduced overheads from reduced office space, greater resilience in the case of future emergencies, a lesser impact on the environment, better potential for flexible partnership working and reduced sickness levels.

In order to understand how the organisation has developed over the last four years and set a baseline for future analysis, it is proposed that a full staff survey and Organisational Cultural Inventory (OCI) are completed in early 2021. The OCI survey provides a baseline comparison of the perceived culture of the organisation against a widely used model and also provides an opportunity to identify aspirational culture change that can be reviewed at a later date. The Staff and OCI surveys were last completed in 2017 and it is proposed that they will be revisited again in 2024.

Outcomes for this theme

- Charnwood will have a modern and agile workforce
- Charnwood will be a workforce that is representative of its wider population
- Employees are empowered to deliver excellent services, using better technology to increase flexibility, efficiency and customer access.
- Employees live and breathe the Charnwood values in the way they work
- Employees understand that how they go about their work and interact with colleagues, partners and customers, is just as important as what they do

## Actions for this theme

- Develop and implement a new Agile Working Policy that will promote flexibility in when and where staff work in the future
- Develop a behavioural framework based on smart / agile working and the values of the organisation
- Develop opportunities to embrace cultural change and allow opportunity to grow a representative workforce.
- Develop an identity / brand to for the framework to promote it as the way we work at Charnwood
- Develop a self-assessment tool for the framework that will link into a new Personal Review process
- Support employees with a development programme that reflects the behavioural framework
- Conduct an Organisational Cultural Inventory (OCI) survey and ensure appropriate questions assess employees views on the organisational culture in the staff survey.

## 2) Leading Charnwood

For the organisation to grow and achieve its future objectives and priorities, it is essential that effective leadership and management is commonplace at all levels of the council. This is particularly important as the council strives to become a more agile and smarter organisation.

It is proposed that a Management Charter is developed which will summarise the role of managers in supporting staff working remotely, together with a more detailed leadership and management behaviour framework. The behaviour framework will encompass competencies and also brings in a wider perspective on how managers and staff work.

It is envisaged that a 360-degree assessment process will be introduced to identify potential skill gaps and development needs. The management development programme will expand and adapt to provide appropriate learning and development opportunities at all levels of the organisation. These development opportunities will include a mixture of e-learning, online and face-to-face events and we will look for varied and greater opportunities to share good practice.

## Outcomes for this theme

- Leaders and Managers who successfully lead, manage and meet the challenges of delivering services in a virtual and flexible world
- Leaders and Managers who form and maintain strong teams (permanent and matrix) Leaders and Managers who support a culture of innovation and creativity
- Leaders and Managers who drive the Charnwood culture, ensuring the 'essence' of Charnwood is understood by all
- Leaders and Managers who welcome and actively seek commercial opportunities and strive to have the most efficient and effective services



- Develop a workforce of leaders and managers that are representative of the Charnwood population

Actions required to achieve this theme:

- Develop and promote leadership behaviour framework
- Develop a Management Charter that will identify how managers can support staff working remotely
- Build on existing leadership development
- Establishment of an extended leadership team to develop middle managers and improve engagement across the organisation
- Develop opportunity for positive action initiatives which aim to reduce the gender pay gap and support BAME, LGBTQ+ and disabled employees to break the barrier into senior leadership

### **3) Healthy Charnwood**

In 2019 an independent staff wellbeing survey was conducted through the Leicestershire Partnership. The survey revealed a number of issues including workplace stress, mental health, physical health and relatively high use of alcohol within our staff group. The Covid-19 restrictions have seen a raft of new initiatives implemented to support staff in looking after the health and wellbeing and helping managers to better support staff. As an organisation we need to build on recent initiatives that have included online yoga and mindfulness sessions together with other approaches to bring staff working remotely together through online participation

It is proposed that a new health and wellbeing group is established with input from areas across the organisation as a whole. An action plan will be developed to address both the issues raised by the 2019 survey and the challenges experienced from remote working.

It is hoped that the independent staff wellbeing survey can be revisited in the next three years but regardless of whether that is possible, the staff survey will continue to address important aspects of staff wellbeing through asking targeted questions.

We are also looking to develop Mental Health First Aid support provision provided by trained volunteer staff which will supplement the existing external AMICA confidential Counselling and Psychological Support service.

Outcomes for this theme

- We have a healthy motivated workforce that can perform effectively regardless of where, when and how they work
- Staff feel supported by their managers and the organisation regardless of where, when and how they work.
- We improve the physical and mental health of our workforce through addressing some of the key issues raised in the wellbeing survey
- Staff are supported to be more resilient to change and empowered to meet future challenges with a positive frame of mind
- We support staff, through reasonable adjustments, to work to their full potential

Actions required to achieve this theme

- We identify actions and activities that will address any areas of concern picked up by the staff wellbeing survey
- We form a new Health and Wellbeing Group that pulls together resources and co-ordinates actions and activities to support health and wellbeing across the council
- We review and develop internal and external services available to staff to support their mental health
- We continue to develop opportunities for staff and act upon requests for reasonable adjustments
- An internal Mental First Aid support network is introduced to supplement existing provision

#### **4) Developing Charnwood**

Charnwood Borough Council has a comprehensive corporate Learning & Development programme consisting mainly of face-to face workshops and e-learning materials, both of which are co-ordinated through the My Learning programme using the Learning Pool LMS. Since the Covid-19 crisis, much of the face to face provision has been moved to online delivery using MS Teams or Zoom software. It is anticipated that the use of online delivery will increase over the next four years' but will not completely replace face to face workshops once the Covid-19 restrictions start to ease.

Extensive use is already made of partnership learning opportunities with neighbouring local authorities, but this could be developed further with the continuing development of the North Leicestershire partnership. This could include the development of a shared Learning Management System (LMS) platform to develop, deliver, evaluate and administer our learning programmes in the future.

The Personal Review process will be reviewed and developed so that it better meets the needs of the organisation in the future. With a significant move towards more agile/ smart and flexible working, there will need to be much more focus on managing outputs and outcomes rather than 'busyness' and 'presenteeism'.

It is envisaged that a new performance management process will focus more on regular informal meetings than annual reviews. There will still be a need to set objectives and review performance and included within this there will be a need for discussions relating to individual employees' development needs. There is the potential to develop a new recording system based on either the iTrent or Learning Pool systems. However, those platforms will need to be developed as there are no 'off the shelf' options available.

In order to make sure the organisation is recruiting the right people with a positive and flexible attitude to working for the council, it is intended that the current recruitment and selection process be reviewed. It is envisaged that following the review, there will be more emphasis on assessing potential applicant's attitude and approach to work than the current system of scoring against essential and desirable criteria. It is

possible that this could include some form of assessment against the proposed behaviour framework. The review will also consider how the application process can be modernised and potentially be expanded so that the council can accept CVs as part of recruitment rather than insisting on application forms only.

#### Outcomes for this theme

- All employees have a clear understanding of their role in the organisation and how this fits in with the strategic aims of the organisation.
- Everyone is set clear objectives for their job role and guidance on the standards they are expected to achieve.
- All employees receive regular support and guidance from their manager, regardless of where or how they work
- All employees receive regular feedback on their performance and the opportunity to constructively discuss their development needs.
- Staff can access a comprehensive learning and development programme with varied content and flexible delivery patterns to suit different working patterns and learning styles
- The organisation recruits people with a positive attitude that reflects our values and our ambition as a modern, flexible, high performing Council.
- Ensure any new processes are inclusive of all protected characteristics, to support a range of staff to perform highly

#### Actions required to achieve this theme

- Develop a new performance management process that meets the needs of a modern, flexible workforce and promotes regular high performance and regular communication.
- Provide support and training for managers to effectively conduct performance reviews
- The learning and development programme will be extended to develop staff in priority areas identified in the new behavioural framework as essential to a modern smart and agile organisation.
- The number of e-learning and remote learning opportunities are increased whilst still retaining a healthy balance of face to face learning once Covid 19 related restrictions are lifted.
- The recruitment process is reviewed and updated so that it both reflects a modern flexible organisation and enables us to recruit people with the right skills and attitude
- Focus on ensuring our processes support the needs of all employees and targets a diverse range of people and skills/abilities

## 5) Supporting Charnwood

Charnwood Borough Council is currently going through a period of significant change, with more emphasis on digital self-service and flexible and agile working practices. The council needs to ensure that our Human Resources, Learning & Development, Organisational Development, Health & Safety and Property Services functions are providing the support necessary to support staff and managers through these challenging times.

It is anticipated that a number of service reviews will take place from 2020, to reorganise and consolidate services and also to address an anticipated budget deficit in the future.

As there is the potential for team restructures, staff redeployment and possible redundancies, consideration will need to be given to how staff are supported through that process.

Outcomes for this theme

- Managers and staff can access professional Human Resources, Learning & Development and Health & Safety support, guidance and policies appropriate to their working patterns and unique service or personal requirements.
- The wellbeing and morale of staff is considered as part of any future office accommodation reviews to ensure a motivate, productive and flexible workforce
- Staff are supported to develop their personal resilience during times of change and uncertainty

Actions required to achieve this theme

- Opportunities are continually sought to develop informal and formal partnerships to deliver comprehensive, flexible and cost-effective support services.
- Specific plans to support restructures are prepared for any changes, working closely with unions and staff support groups
- Equality Impact Assessments be conducted, where appropriate, to assess the needs/ requirements of staff and to provide mitigating action surrounding any potential adverse impact of restructures
- Actions under the other themes are challenged to ensure they support staff resilience to change

## How the actions in the strategy will be delivered and monitored

The outcomes and actions of this strategy will be incorporated into a new People Development Plan that will be overseen by the recently created People Group.

This group is one of the three sub-groups formed as part of the SWaP Programme Board and will be chaired by the Strategic Director for Strategic Support, Governance and Procurement.

The membership of this group as of December 2020 is as follows;

<b>Name</b>	<b>Position</b>	<b>People Group Role</b>
Simon Jackson	Strategic Director, Strategic Support, Governance & Procurement	Chair
Alison Simmons	Head of Strategic and Private Sector Housing	Member
Julie Robinson	Head of Neighbourhood Services	Member
Pete Oliver	Head of Landlord Services	Member
Helen Gretton	I&OD Manager	Member
Anna Cairns	HR Manager	Member
Sally Dobrowolska	Senior HR Adviser	Member
Daley Francis	Comms Officer	Member
Kevin Brewin	L&OD Coordinator	Member and Support

## CABINET – 14TH JANUARY 2021

### Report of the Chief Executive

#### ITEM 9 URGENT DECISION TAKEN

##### Purpose of Report

To report an action taken by the Chief Executive and/or Strategic Directors and Heads of Service under urgency provisions.

##### Recommendation

That Cabinet notes the action taken by the Chief Executive and/or Strategic Directors and Heads of Service under urgency provisions as set out in this report.

##### Reason

To ensure that the action has been reported to the Cabinet in accordance with the requirements of the Council's Constitution.

##### Policy Justification and Previous Decisions

Under Section 8.3 of the Constitution which relates to the delegation of Executive functions, there is provision for the Chief Executive, Strategic Directors and Heads of Service to take such action as is required in the case of an emergency or urgency subject to:

- (i) consultation with the Leader (or, in the Leader's absence, the Deputy Leaders);
- (ii) consultation with the Chief Executive and relevant Strategic Directors in each case; and
- (iii) a report on the action taken being made to the next meeting of the Cabinet.

The decision taken by the Chief Executive and/or Strategic Directors and Heads of Service now being reported is:

- DD188 2020 – Next Steps Accommodation Funding Homes England Agreement.

A copy of the decision can be found in the Annex to this report.

##### Implementation Timetable including Future Decisions

As detailed in the decision, attached as an Annex.

## Report Implications

As detailed in the decision, attached as an Annex.

Background Papers: None

Officer to Contact: Karen Widdowson  
Democratic Services Manager  
(01509) 634785  
[karen.widdowson@charnwood.gov.uk](mailto:karen.widdowson@charnwood.gov.uk)

## Annex

Copy of: DD188 2020 – Next Steps Accommodation Funding Homes  
England Agreement.

**Decision under Delegated Powers****Officer Requesting Decision**

Alison Simmons, Head of Strategic and Private Sector Housing

**Officer Making the Decision**

Rob Mitchell, Chief Executive

**Recommendation**

To enter into a Next Steps Accommodation Funding Agreement with Homes England to enable the Council to receive grant award of £586,487.

**Reason**

The grant will be used to provide accommodation and support for those who are homeless, at imminent risk of homelessness and rough sleepers.

The Funding Agreement must be signed by all Parties prior to any funds being distributed to the Council.

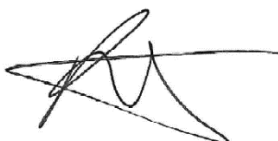
**Authority for Decision**

**Delegation of Executive functions** - Section 8.3 of the Constitution states that the Chief Executive, Strategic Directors and Heads of Service can take such action as is required in the case of an emergency or **urgency** subject to:

- (i) consultation with the Leader (or, in the Leader's absence, the Deputy Leaders);
- (ii) consultation with the Chief Executive and relevant Strategic Directors in each case; and
- (iii) a report on the action taken being made to the next meeting of the Cabinet.

**Decision and Date**

Approved 21 December 2020



Rob Mitchell  
Chief Executive



## **Background**

The Ministry of Housing, Communities and Local Government (MHCLG) invited local authorities, registered providers, and their local partners to engage with the next stage of the COVID 19 Rough Sleeping response. The Next Steps Accommodation Programme makes available the financial resources needed to support local authorities and their partners to do this work.

The overall objectives of the Next Steps Accommodation Programme are to reduce rough sleeping and to seek to ensure rough sleepers brought into emergency accommodation in response to COVID 19, do not return to sleeping rough. As COVID 19 remains a risk, it is essential that people, particularly those who are at increased risk of severe illness, are kept safe.

The Programme, comprised of the two distinct funding streams and aims to bring together a range of solutions, including both short term/interim accommodation and longer term move on options, and the support linked to this accommodation.

The Council 's bid was for the purchase a 5 bed property with ensembles to be used as supported accommodation. Support will be provided by a partner agency to prepare rough sleepers to be tenancy ready before moving onto permanent accommodation. In addition, the purchase of two 1 bedroom units to be used for move on accommodation from emergency accommodation for those rough sleepers who are tenancy ready on fixed term tenancies.

At the end of the funding period the scheme will continue to provide supported accommodation for rough sleepers with rental income being used to provide on-going support and cover the ongoing maintenance costs.

The Council have been awarded Next Steps Accommodation Programme funding £586,487 for Charnwood. The Council are required to enter into a Next Steps Accommodation Programme Funding Agreement. The Funding Agreement is non-negotiable, and the Funding Agreement will need to be entered into by all Parties prior to any funds being distributed.

## **Reason for the Urgency**

The Funding Agreement must be signed and sealed by the Council so the accommodation and support provision can be acquired and be in place and opened by the 31<sup>st</sup> March 2021. Without the funds the Council are unable to provide the accommodation and support proposed.

## **Comments from HR**

Not applicable in this case.

## **Financial Implications**

The Funding Agreement are non-negotiable, and the Funding Agreement will need to be entered into by all Parties prior to any funds being distributed.

The Council are required to provide match funding which is the subject of an additional delegated decision for the use of disabled facility grant funding for this purpose.

**Consultation with Leader (or deputy appointed)**

The Leader, Councillor Morgan has been consulted and confirmed that he was content with the approach.

**Consultation with Chief Executive and relevant Strategic Director(s)**

Consultation has been effectively concluded and the Chief Executive and all Directors have concluded that the recommendations of this report are both necessary and urgent.

**Risk Management**

*List risks in table below or state that ‘No specific risks have been identified with this report’.*

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
Failure to enter into the agreement the Council will not receive funding to provide the supported accommodation	4	4	16	The Council will continue to use Bed and Breakfast accommodation

Key Decision: Yes

Background Papers: None