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To: All Members of the Borough Council

You are requested to attend the meeting of the Charnwood Borough Council to be held in the Victoria Room, Loughborough Town Hall on Monday, 17th January 2022 at 6.30 pm for the following business.

Chief Executive

Southfields
Loughborough

7th January 2022

AGENDA

1. APOLOGIES
2. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS
3. MINUTES OF THE PREVIOUS MEETING 6 - 13

To confirm the minutes of the Council meeting held on 8th November 2021.

4. ANNOUNCEMENTS
 - 4.1. MAYOR'S ANNOUNCEMENTS

To receive announcements from the Mayor (if any).
 - 4.2. LEADER'S ANNOUNCEMENTS

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

4.3. CHIEF EXECUTIVE'S ANNOUNCEMENTS

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

5. PETITIONS

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

6. BUSINESS RESERVED TO COUNCIL

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

6.1. TREASURY MANAGEMENT STRATEGY, ANNUAL INVESTMENT STRATEGY, MRP POLICY - MID-YEAR REVIEW 14 - 34

A report of the Cabinet to review the Treasury Management Strategy and the Annual Investment Strategy, plus the various Prudential Borrowing and Treasury Indicators for the first six months of 2021/22.

6.2. MEMBER CODE OF CONDUCT 35 - 65

A report of the Member Conduct Committee to consider a recommendation from the Member Conduct Committee that the amended Code of Conduct developed by a group of Leicestershire Monitoring Officers and adopted by Leicestershire County Council and based on the LGA national code of conduct be approved and adopted with effect from the 2022/23 civic year.

6.3. PAY POLICY STATEMENT 66 - 90

A report of the Personnel Committee to consider a recommendation that the Pay Policy Statement for 2022/23 be approved and adopted.

7. CALL-IN REFERENCES

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

8. POSITION STATEMENTS

No requests for position statements were received.

9. MOTIONS ON NOTICE

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

9.1. TOWARDS CARBON NEUTRALITY IN CHARNWOOD 91 - 94

Motion submitted by the Cabinet.

10. QUESTIONS ON NOTICE

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

10.1. NEIGHBOURHOOD PLANS

Question submitted by Councillor Snartt.

10.2. STAFFING ESTABLISHMENT

Question submitted by Councillor Draycott.

10.3. GARAGES

Question submitted by Councillor Howe.

10.4. TRAVEL PACKS AND BUS PASSES

Question submitted by Councillor Grimley.

11. MINUTE REFERENCES

There are no minute references.

12. URGENT EXECUTIVE DECISIONS EXEMPTED FROM CALL-IN 95 - 98

A report of the Chief Executive to note a decision which was exempted from call-in in accordance with Scrutiny Committee Procedure 11.9.

13. NOMINATION OF MAYOR ELECT

To receive nominations for the Mayor Elect for the 2022/23 civic year.

14. NOMINATION OF DEPUTY MAYOR ELECT

To receive nominations for the Deputy Mayor Elect for the 2022/23 civic year.

15. APPOINTMENTS TO COMMITTEES

To consider any changes to Committee membership for the current Council year (2021/22) (if any).

FORTHCOMING SCHEDULED MEETINGS OF COUNCIL

Council Meeting Date	Deadline Date and Time for Councillors to submit Questions on Notice (under Full Council Procedure 9.9(a)), Requests for Position Statements (under Full Council Procedure 9.10) and Motions on Notice (under Full Council Procedure 9.11(a))
Monday, 21st February 2022	Friday, 11th February 2022 at noon
Monday, 25th April 2022	Friday, 15th April 2022 at noon
Monday, 16th May 2022	Annual Council – No Questions on Notice, Position Statements and Motions on Notice

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

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

CHARNWOOD BOROUGH COUNCIL

**MEETING OF THE CHARNWOOD BOROUGH COUNCIL
HELD IN
THE TURING ROOM, HOLYWELL PARK CONFERENCE CENTRE, HOLYWELL
WAY, LOUGHBOROUGH UNIVERSITY SCIENCE AND ENTERPRISE PARK,
LOUGHBOROUGH LE11 3GR
ON 8TH NOVEMBER 2021**

PRESENT

The Mayor (Councillor Baines)
The Deputy Mayor (Councillor Tillotson)

Councillor Bailey	Councillor Mercer
Councillor Barkley	Councillor Miah
Councillor Bentley	Councillor Morgan
Councillor Bokor	Councillor Murphy
Councillor Boldrin	Councillor Needham
Councillor S. Bradshaw	Councillor Paling
Councillor Capleton	Councillor Parsons
Councillor Charles	Councillor Parton
Councillor Draycott	Councillor Popley
Councillor Forrest	Councillor Radford
Councillor Fryer	Councillor Ranson
Councillor Gerrard	Councillor Rollings
Councillor Goddard	Councillor Savage
Councillor Grimley	Councillor Seaton
Councillor Hadji-Nikolaou	Councillor Shepherd
Councillor Hamilton	Councillor Smidowicz
Councillor Harper-Davies	Councillor Snartt
Councillor C. Harris	Councillor Taylor
Councillor K. Harris	Councillor Ward
Councillor Howe	Councillor Williams
Councillor Lowe	

Honorary Aldermen Day and R Shields

69. APOLOGIES

Apologies for absence had been received from Councillors J Bradshaw, Brookes, Campsall, Hunt, Pacey, Poland and Rattray.

Apologies for absence had been received from Honorary Aldermen Bush, Stott and Tormey.

70. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

The following disclosures of pecuniary and personal interests were made:

- i. Councillor Parton – a personal interest in item 10.5 on the agenda (Questions on Notice – Mental Health Reconfiguration in Charnwood) as a member of Leicestershire County Council (Cabinet Support).
- ii. Councillor Parton – a disclosable pecuniary interest in item 10.6 on the agenda (Questions on Notice – Your Store) as an employee of Samworth Brothers Limited (Fresh Food For Now Company).

71. MINUTES OF THE PREVIOUS MEETING

The minutes of the extraordinary meeting of Council and the ordinary meeting of the Council held on 14th September 2021 were confirmed and signed.

72. ANNOUNCEMENTS

73. MAYOR'S ANNOUNCEMENTS

The Mayor made the following announcements:

“I would first like to welcome Councillor Ian Williams to his first Council meeting since being elected at the Shepshed West By-election on 23 September 2021. Congratulations.”

“I now wish to express my sincere condolences at the sudden passing of our much-valued fellow Council member, Councillor Gill Bolton.

Cllr Bolton represented the Loughborough Shelthorpe ward and had served the Council since being elected in May 2019. Despite serving for only a relatively short period of time, Councillor Bolton had made a substantial impact on the Council and local residents. She was a very active member and sat on a number of committees including the Scrutiny Commission, Audit Committee, the Budget Scrutiny Panel, Loughborough Area Committee, the Housing Management Advisory Board and the Commercialisation Scrutiny Panel.

Councillor Bolton regularly addressed the Council with Questions on Notice and always gave quality contributions during committee meetings.

She was a friend to many members and also many officers at the council and she will truly be missed.

I would like to invite members to stay behind following the close of business of the meeting to pay tribute to Councillor Gill Bolton.

The Council then observed one minute’s silence in memory of Councillor Gill Bolton.

“Onto other news it is a great personal honour for me to take part in this year’s Loughborough Remembrance Service on Sunday, 14 November. This is the first time during the Pandemic we have all come together to remember those who served and many who made the ultimate sacrifice for their country. Please try to come along.”

74. LEADER'S ANNOUNCEMENTS

The Leader made the following announcements:

“Mr Mayor, I would like to echo your welcome to Councillor Williams, and also express my sadness of the passing of Councillor Bolton. I appreciate we have an opportunity to pay our tributes later on this evening.”

75. CHIEF EXECUTIVE'S ANNOUNCEMENTS

The Chief Executive made no announcements.

76. PETITIONS

No petitions were submitted.

77. BUSINESS RESERVED TO COUNCIL

78. GAMBLING STATEMENT OF PRINCIPLES 2022-2025

A report of the Licensing Committee to consider a revised Statement of Principles made under the Gambling Act 2005 following consideration by the Licensing Committee and public consultation was submitted (item 6.1 on the agenda filed with these minutes).

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

RESOLVED

1. That the Statement of Principles made under the Gambling Act 2005, set out in Annex A to the report, be approved and adopted with effect from 31st January 2022.
2. Subject to Recommendation 1, that the Head of Regulatory Services be given delegated authority to make minor amendments and alterations to the Statement of Principles in consultation with the Chair of the Licensing Committee.

Reasons

1. To ensure that, under Section 349 of the Gambling Act 2005, the Council has an up to date Statement of Principles to adhere to which sets the Council's policy in respect of meeting the licensing objectives and responsibilities under the Gambling Act 2005.
2. To ensure the relevant minor changes can be made to the Statement of Principles without the requirement for submission to Full Council.

79. CUSTOMER SERVICES STRATEGY 2022-2025

A report of the Leader to seek approval of an updated Customer Services Strategy for the period 2022-25 (item 6.2 on the agenda filed with these minutes).

Councillor Draycott asked whether additional support or security at the Southfields offices was planned to help manage customers.

Councillor Barkley stated that the Council had a 95% 'excellent' or 'good' customer service rating. He also acknowledged that Council services were accessible by all residents across the Borough through different channels.

It was proposed by Councillor Rollings, seconded by Councillor Barkley and

RESOLVED that the Customer Services Strategy 2022- 2025, as set out in the Appendix to the report of the Head of Customer Experience (attached in the Annex to the report), be approved.

Reason

To identify the priorities against which the Council will seek to maintain and enhance its Customer Service capabilities over the period 2022-2025.

80. AUTHORISATION OF ABSENCE

A report of the Chief Executive to enable the Council to consider authorising absences from meetings in accordance with section 85(1) of the Local Government Act 1972 ('The 1972 Act'), in the circumstances set out in the report, was submitted (item 6.3 on the agenda filed with these minutes).

It was proposed by Councillor Smidowicz, seconded by Councillor Miah and

RESOLVED

1. That Councillor Pacey's absence from meetings since the full Council meeting on 17 May 2021 be authorised due to his ill health.
2. That Councillor absences in the following circumstances be approved under the provisions of the 1972 Act (ie. they will not count as absences towards the six month rule for the potential disqualification of Councillors for non-attendance), for the remainder of the 2021/22 Civic Year: (a) Virtual remote attendance via electronic means at non-decision making committees, panels and bodies, and (b) Non-attendance in circumstances where it has been agreed that 'quorum only' meetings will take place to reduce the risks associated with the potential spreading of Covid-19, and a Councillor's attendance is not required to contribute towards the specified quorum.

Reasons

1. To enable Councillor Pacey's absence to be authorised by the Council prior to the end of the 6-month period since he was last able to attend a meeting as required by section 85(1) of the Local Government Act 1972.
2. To gain the Council's authorisation in designated specific circumstances designed to minimise the risk of the spread of Covid-19 so that Councillors are not put at risk of disqualification for non-attendance in such instances.

81. CALL-IN REFERENCES

There were no call-in references from Scrutiny.

82. POSITION STATEMENTS

No position statements had been requested.

83. MOTIONS ON NOTICE

84. TOWARDS CARBON NEUTRALITY IN CHARNWOOD

In accordance with Full Council Procedure 9.12, Councillor Ward had given notice of a motion on Carbon Neutrality in Charnwood (item 9.1 on the agenda filed with these minutes).

It was advised by the Chief Executive and the Monitoring Officer that there were elements within the motion on notice that required further advice from officers in order for informed decisions to be made, and therefore the motion was not able to be determined at the meeting. In addition, it was highlighted that there were some parts of the motion that related to executive responsibilities which would need to be referred to Cabinet.

RESOLVED that the relevant elements of the motion, as to be determined by the Monitoring Officer, be referred to either the Cabinet or to the next full Council meeting as appropriate, to be accompanied by officer reports.

Reason

To enable for informed decisions to be made at relevant committee meetings.

85. QUESTIONS ON NOTICE

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

86. THE FUTURE OF STAFF WORKING FROM HOME

Councillor Draycott asked why the surveys conducted had poor response rates?

Councillor Smidowicz stated that the responses of both surveys had been positive with regards to attitudes towards agile working and that the approach was essential for recruiting and retaining quality staff.

87. RETENTION OF STAFF AND VACANCIES

Councillor Draycott asked whether lessons had been learnt following the most recent budget, in light of the revised Essential Car User Scheme?

Councillor Barkley stated that the revised Essential Car User Scheme was a result of lessons learnt and that the Council was required to work within the budget. He also stated that the Council's budgets were routinely scrutinised by the Budget Scrutiny Panel.

88. BEDFORD SQUARE GATEWAY PROJECT PRELIMINARY WORK

Councillor Draycott asked what lessons had been learnt as a result of the Bedford Square Gateway Project?

The Leader stated that lessons were learnt from each project undertaken by the Council and that the Bedford Square Gateway Project had been complex. He also highlighted that the project had progressed through the pandemic.

89. PRIVATE SECTOR RENTAL NUMBERS

Councillor Parton stated that there were not enough rental properties in the Borough to meet demand.

Councillor Mercer stated that there were around 2,500 rental properties in the Borough, meaning that approximately 1% of properties were being offered to residents on the housing register. He continued to say that a recent survey suggested that 63% of landlords discriminated against individuals on the housing register. He finished by stating that he would like the Council to work on overcoming this issue.

90. MENTAL HEALTH RECONFIGURATION IN CHARNWOOD

Councillor Parton asked for reassurance that the Council would continue the work undertaken as part of the Getting Help in Neighbourhoods Pathway project?

Councillor Harper-Davies thanked Councillor Parton for his question and stated that officers had already confirmed that the work would continue.

Councillor Parton left the meeting following the consideration of this item.

91. YOUR STORE

Councillor Parton did not ask a supplementary question.

Councillor Parton rejoined the meeting following the consideration of this item.

92. MINUTE REFERENCES

There were no minute references.

93. URGENT COUNCIL FUNCTION DECISION

A report of the Chief Executive to note the action taken by the Chief Executive, in respect of a Council function decision relating to the Bedford Square Gateway Capital project made under urgency provisions was submitted (item 12 on the agenda filed with these minutes).

Councillors Miah and Draycott asked questions about increases in the costs of the project. Councillor Morgan responded so say that he believed the questions were based on misunderstandings about the financial situation and history of the project, and that officers would be able to provide further clarification if required.

94. URGENT EXECUTIVE DECISIONS EXEMPTED FROM CALL-IN

A report of the Chief Executive to note decisions which were exempted from call-in in accordance with Scrutiny Committee Procedure 11.9 was submitted (item 13 on the agenda filed with these minutes).

95. DELEGATION OF EXECUTIVE FUNCTIONS

A report of the Chief Executive to note delegation of Executive functions to the Heed of Strategic and Private Sector Housing and the Leader was submitted (item 14 on the agenda filed with these minutes).

96. APPOINTMENTS TO COMMITTEES

It was proposed by the Leader, Seconded by Councillor Barkley and

RESOLVED

1. That with immediate effect Councillor Williams be appointed onto the Licensing Committee.
2. That with immediate effect Councillor Brookes be appointed Vice-Chair of the Licensing Committee.

Reasons

1. To fill a Conservative vacancy on the Licensing Committee.
2. To fill a vacancy following Councillor Pacey's withdrawal as Vice-Chair of the Licensing Committee.

Note:

These minutes are subject to confirmation as a correct record at the next meeting of the Council which is scheduled for Monday 17th January 2022

COUNCIL – 17TH JANUARY 2022

Report of the Cabinet

ITEM 6.1 TREASURY MANAGEMENT STRATEGY, ANNUAL INVESTMENT STRATEGY AND MRP POLICY – MID-YEAR REVIEW

Purpose of Report

To review the Treasury Management Strategy and the Annual Investment Strategy, plus the various Prudential Borrowing and Treasury Indicators for the first six months of 2021/22.

Recommendation

To note the 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 of the report (attached as an Annex).

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

Policy justification detailed in the attached Annex.

At its meeting on 18th November 2021, Cabinet considered a report of the Head of the Head of Financial Services to review the Treasury Management Strategy and the Annual Investment Strategy, plus the various Prudential Borrowing and Treasury Indicators for the first six months of 2021/22, for recommendation to Council. That report is attached as an Annex. The following minute extract sets out Cabinet's consideration of the matter:

"53. TREASURY MANAGEMENT STRATEGY, ANNUAL INVESTMENT STRATEGY AND MRP POLICY - MID YEAR REVIEW

Considered, a report of the Head of Financial Services to review the Treasury Management Strategy and the Annual Investment Strategy, plus the various Prudential Borrowing and Treasury Indicators for the first six months of 2021/22, for recommendation to Council (item 9 on the agenda filed with these minutes).

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

RESOLVED that **it be recommended to Council** to note the 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 of the report.

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."

Implementation Timetable including Future Decisions and Scrutiny

As detailed in the attached Annex.

Report Implications

As detailed in the attached Annex.

Key Decision:	No
Background Papers:	None
Officer to Contact:	Lesley Tansey Head of Financial Services 01509 634828 lesley.tansey@charnwood.gov.uk

CABINET – 18TH NOVEMBER 2021

Report of the Head of Financial Services

Lead Member: Councillor Tom Barkley

Part A

ITEM TREASURY MANAGEMENT UPDATE – MID-YEAR REVIEW FOR
THE 6 MONTHS APRIL-SEPTEMBER 2021

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 2021/22.

Recommendations

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.

Reasons

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 22nd February 2021.

Implementation Timetable including Future Decisions and Scrutiny

This report will be presented to Cabinet on 18th November 2021 for onward recommendation to the full Council meeting of 17th January 2022.

The report is available for scrutiny by the Scrutiny Commission at the regular meeting scheduled for 13th November 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

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 2021/22 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 2021/22;
- A review of the Council's borrowing strategy for 2021/22;
- A review of any debt rescheduling undertaken during 2021/22;
- A review of compliance with Treasury and Prudential Limits for 2021/22.

2. Economics and Interest Rates

2.1 Economics update

A MPC meeting 24.9.21

- The Monetary Policy Committee (MPC) voted unanimously to leave Bank Rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn; two MPC members voted to stop the last £35bn of purchases as they were concerned that this would add to inflationary pressures.
- There was a major shift in the tone of the MPC's minutes at this meeting from the previous meeting in August which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. In his press conference after the August MPC meeting, Governor Andrew Bailey said, "the challenge of avoiding a steep rise in unemployment has been replaced by that of ensuring a flow of labour into jobs" and that "the Committee will be monitoring closely the incoming evidence regarding developments in the labour market, and particularly unemployment, wider measures of slack, and underlying wage pressures." In other words, it was flagging up a potential danger that labour shortages could push up wage growth by more than it expects and that, as a result, CPI inflation would stay above the 2% target for longer. It also discounted sharp increases in monthly inflation figures in the pipeline in late 2021 which were largely propelled by events a year ago e.g., the cut in VAT in August 2020 for the hospitality industry, and by temporary shortages which would eventually work their way out of the system: in other words, **the MPC had been prepared to look through a temporary spike in inflation.**
- So, in August the country was just put on alert. However, this time the MPC's words indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to **faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement;** this suggested that it was now willing to look through the flagging economic recovery during the summer to prioritise bringing inflation down next year. This is a reversal of its priorities in August and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. Indeed, whereas in August the MPC's focus was on getting through a winter of temporarily high energy prices and supply shortages, believing that inflation would return to just under the 2% target after reaching a high around 4% in late 2021, now its primary concern is that underlying price pressures in the economy are likely to get embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.
- Financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in February 2022, but this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furlough ends at the end of September. At the MPC's meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would need to wait until the May meeting when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation.
- **The MPC's forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
 1. Placing the focus on raising Bank Rate as "the active instrument in most circumstances".
 2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
 3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.

- **COVID-19 vaccines.** These have been the game changer which have enormously boosted confidence that **life in the UK could largely return to normal during the summer** after a third wave of the virus threatened to overwhelm hospitals in the spring. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in hard hit sectors like restaurants, travel and hotels. The big question is whether mutations of the virus could develop which render current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread.

US. See comments below on US treasury yields.

EU. The slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate has picked up sharply since then. After a contraction in GDP of -0.3% in Q1, Q2 came in with strong growth of 2%, which is likely to continue into Q3, though some countries more dependent on tourism may struggle. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the ECB is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising rates for a considerable time.

German general election. With the CDU/CSU and SPD both having won around 24-26% of the vote in the September general election, the composition of Germany's next coalition government may not be agreed by the end of 2021. An SPD-led coalition would probably pursue a slightly less restrictive fiscal policy, but any change of direction from a CDU/CSU led coalition government is likely to be small. However, with Angela Merkel standing down as Chancellor as soon as a coalition is formed, there will be a hole in overall EU leadership which will be difficult to fill.

China. After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of the year; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021. However, the pace of economic growth has now fallen back after this initial surge of recovery from the pandemic and China is now struggling to contain the spread of the Delta variant through sharp local lockdowns - which will also depress economic growth. There are also questions as to how effective Chinese vaccines are proving. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.

Japan. 2021 has been a patchy year in combating Covid. However, after a slow start, nearly 50% of the population are now vaccinated and Covid case numbers are falling. After a weak Q3 there is likely to be a strong recovery in Q4. The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was negative in July. New Prime Minister Kishida has promised a large fiscal stimulus package after the November general election – which his party is likely to win.

World growth. World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is likely that we are heading into a period where there will be a reversal of **world globalisation** and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.

Supply shortages. The pandemic and extreme weather events have been highly disruptive of extended worldwide supply chains. At the current time there are major queues of ships unable to unload their goods at ports in New York, California and China. Such issues have led to mis-distribution of shipping containers around the world and have contributed to a huge increase in

the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods on shelves.

2.2 Interest rate forecasts

The Council's treasury advisor, Link Group, provided the following forecasts on 29th September 2021 (PWLB rates are certainty rates, gilt yields plus 80bps):

Link Group Interest Rate View		29.9.21								
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
3 month ave earnings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70
6 month ave earnings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80
12 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40

Additional notes provided by Link Group on this forecast table: -

- *LIBOR and LIBID rates will cease from the end of 2021. Work is currently progressing to replace LIBOR with a rate based on SONIA (Sterling Overnight Index Average). In the meantime, our forecasts are based on expected average earnings by local authorities for 3 to 12 months.*
- *Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.*

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings.

As shown in the forecast table above, one increase in Bank Rate from 0.10% to 0.25% has now been included in quarter 2 of 2022/23, a second increase to 0.50% in quarter 2 of 23/24 and a third one to 0.75% in quarter 4 of 23/24.

Significant risks to the forecasts

- COVID vaccines do not work to combat new mutations and/or new vaccines take longer than anticipated to be developed for successful implementation.
- The pandemic causes major long-term scarring of the economy.
- The Government implements an austerity programme that suppresses GDP growth.
- The MPC tightens monetary policy too early – by raising Bank Rate or unwinding QE.
- The MPC tightens monetary policy too late to ward off building inflationary pressures.
- Major stock markets e.g. in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market sell-offs on the general economy.

- Geo-political risks are widespread e.g. German general election in September 2021 produces an unstable coalition or minority government and a void in high-profile leadership in the EU when Angela Merkel steps down as Chancellor of Germany; on-going global power influence struggles between Russia/China/US.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

Bank Rate is not expected to go up fast after the initial rate rise as the supply potential of the economy has not generally taken a major hit during the pandemic, so should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the surge to around 4% towards the end of 2021. Three increases in Bank rate are forecast in the period to March 2024, ending at 0.75%. However, these forecasts may well need changing within a relatively short time frame for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam during the summer and now into the autumn. This could lead into stagflation which would create a dilemma for the MPC as to which way to face.
- Will some current key supply shortages e.g., petrol and diesel, spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation. Then we have the Government's upcoming budget in October, which could also end up in reducing consumer spending power.
- On the other hand, consumers are sitting on around £200bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- There are 1.6 million people coming off furlough at the end of September; how many of those will not have jobs on 1st October and will, therefore, be available to fill labour shortages in many sectors of the economy? So, supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate the MPC's current concerns.
- There is a risk that there could be further nasty surprises on the Covid front, on top of the flu season this winter, which could depress economic activity.

In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will need to be revised again soon - in line with what the new news is.

It also needs to be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on the grounds of it no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

Forecasts for PWLB rates and gilt and treasury yields

As the interest forecast table for PWLB certainty rates above shows, there is likely to be a steady rise over the forecast period, with some degree of uplift due to rising treasury yields in the US.

There is likely to be **exceptional volatility and unpredictability in respect of gilt yields and PWLB rates** due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields?
- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?

- How strong will inflationary pressures turn out to be in both the US and the UK and so impact treasury and gilt yields?
- How will central banks implement their new average or sustainable level inflation monetary policies?
- How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the “taper tantrums” in the US in 2013?
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within our forecasting period, despite the major challenges that are looming up, and that there are no major ruptures in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

Gilt and treasury yields

Since the start of 2021, there has been a lot of volatility in gilt yields, and hence PWLB rates. During the first part of the year, US President Biden’s, and the Democratic party’s determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020 under President Trump. This was then followed by additional Democratic ambition to spend further huge sums on infrastructure and an American families plan over the next decade which are caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus, which is much bigger than in other western economies, was happening at a time in the US when: -

1. A fast vaccination programme has enabled a rapid opening up of the economy.
2. The economy had already been growing strongly during 2021.
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries. A combination of shortage of labour and supply bottle necks is likely to stoke inflationary pressures more in the US than in other countries.
4. And the Fed was still providing monetary stimulus through monthly QE purchases.

These factors could cause an excess of demand in the economy which could then unleash stronger and more sustained inflationary pressures in the US than in other western countries. This could then force the Fed to take much earlier action to start tapering monthly QE purchases and/or increasing the Fed rate from near zero, despite their stated policy being to target average inflation. It is notable that some Fed members have moved forward their expectation of when the first increases in the Fed rate will occur in recent Fed meetings. In addition, more recently, shortages of workers appear to be stoking underlying wage inflationary pressures which are likely to feed through into CPI inflation. A run of strong monthly jobs growth figures could be enough to meet the threshold set by the Fed of “substantial further progress towards the goal of reaching full employment”. However, the weak growth in August, (announced 3.9.21), has spiked anticipation that tapering of monthly QE purchases could start by the end of 2021. These purchases are currently acting as downward pressure on treasury yields. As the US financial markets are, by far, the biggest financial markets in the world, any trend upwards in the US will invariably impact and influence financial markets in other countries. However, during June and July, longer term yields fell sharply; even the large non-farm payroll increase in the first week of August seemed to cause the markets little concern, which is somewhat puzzling, particularly in the context of the concerns of many commentators that inflation may not be as transitory as the Fed is expecting it to be. Indeed, inflation pressures and erosion of surplus economic capacity look much stronger in the US than in the UK. **As an average since 2011, there has been a 75% correlation between movements in 10 year treasury yields and 10 year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.**

There are also possible **DOWNSIDE RISKS** from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to keep an eye on.

The balance of risks to medium to long term PWLB rates: -

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

A new era – a fundamental shift in central bank monetary policy

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on 'achieving broad and inclusive "maximum" employment in its entirety' in the US before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be 'sustainably over 2%' and the ECB now has a similar policy.
- **For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.**
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.

Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt

3. Treasury Management Strategy Statement and Annual Investment Strategy

Update

The Treasury Management Strategy Statement, (TMSS), for 2021/22 was approved by this Council on 22nd February 2021. There are no changes in this report to the TMSS since 22nd February 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.

<i>Operational boundary</i>	<i>2020/21 Estimate £'000</i>	<i>2021/22 Estimate £'000</i>	<i>2022/23 Estimate £'000</i>
Debt	108,090	108,090	108,090
Non-financial investments	18,000	28,000	28,000
Total	126,090	136,090	136,090

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.

<i>Authorised limit</i>	<i>2020/21 Estimate £'000</i>	<i>2021/22 Estimate £'000</i>	<i>2022/23 Estimate £'000</i>
Debt	130,000	130,000	130,000
Non-financial investments	18,000	28,000	28,000
Total	148,000	158,000	158,000

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.

Capital Expenditure	2021/22 Original Budget £m	2021/22 Current Budget £m	Actual Spend 30/9/2021 £m	Variance Current vs Actual Spend £m
Bedford Square	500	2,654	962	1,692
Enterprise Zone	0	15,000	2,000	13,000
Regeneration	10,000	15,145	(3)	15,148
Loughborough Cemetery	0	1,170	304	866
Shepshed Bull Ring	0	504	0	504
Carbon Neutral Project	500	599	10	589
Disabled Facilities Grants	1,058	2,117	160	1,957
Other General Fund	2,000	3,210	507	2,703
Total General Fund	14,058	40,399	3,940	36,459
HRA	7,381	9,620	1,259	8,361
Total capital expenditure	21,439	50,019	5,199	44,820

1. The Actual Capital spend is slow for the first half of the year, and as part of Capital Monitoring July period 4, slippage requests have been made of £2.5m Capital schemes budgets to be moved into 2022/23, this will be approved as part of the year end process.
2. The Council has forward funded development of £2m in respect of the Charnwood Campus site within the Enterprise Zone. This amount will be repaid to the Council through withholding of additional business rates that would otherwise have been remitted to the LLEP in line with the overarching Enterprise Zone agreement. Originally planned for the 2020/21 financial year, the funding was not finalised until April 2021.

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.

Financing of capital expenditure	2021/22 Current Funding £'000
Total Capital Expenditure as per above table Financed By:-	
GF Capital receipts	5,166
GF Capital grants/S106	1,336
GF Capital reserves	550
GF RCCO	15
GF External Funding	4,082
GF Internal/External Borrowing	29,250
GF Total Financing	40,399
HRA Major Repair Reserve/RCCO	8,315
HRA Capital Receipts	1,305
HRA Total Financing	9,620
Total Funding	50,019

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.

Capital Financing Requirement	2020/21 Original Estimate £'000	2021/22 Original Estimate £'000	2022/23 Original Estimate £'000	2023/24 Original Estimate £'000
CFR – (Fleet Less MRP)	2,400	2,100	1,800	1,500
CFR – (Commercial Activities Less MRP)	25,000	22,215	21,921	21,617
CFR – (Regeneration Less MRP)	5,000	15,000	14,810	14,614
CFR – (Enterprise Zone No MRP)	15,000	15,000	15,000	15,000
CFR – (HRA – No MRP)	81,820	81,820	81,820	81,820
Total CFR	129,220	136,135	135,351	134,551
Movement in CFR represented by:				
Net financing need for the year	44,900	7,500	0	0
Less MRP/VRP and other financing movements	0	(585)	(784)	(800)
Movement in CFR	44,900	6,915	(784)	(800)

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.

	2020/21 Estimate £'000	2020/21 Actual £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
External Debt at 1 April	81,190	81,190	126,090	133,590	133,590
Expected change in Debt	44,900	0	7,500	0	0
Actual debt at 31 March	126,090	81,190	133,590	133,590	133,590
Capital Financing Requirement above	129,220	81,820	136,135	135,351	134,551
Under borrowing	3,130	630	2,545	1,761	961

5. Investment Portfolio 2021/22

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 £39m. Internal investments as at 30th September 2021 and the investment portfolio yield for the first 6 months of the year is 0.18% (0.53% 2020/21) against a benchmark of 3 months London interbank Bid Rate (LIBID) of -0.05%. Although the rate of return is low, the performance exceeded the benchmark.

The interest & rental income earned by the Council's £5m External Property Funds' investments as at 30th September 2021 is £92.5k net return 1.58%. (£99k 2020/21 net 1.61%) This is a reasonable rate of return in comparison to internal investments rate of 0.18% and LIBID -0.05%

The Head of Finance confirms that the approved limits within the Annual Investment Strategy were not breached during the first 6 months of 2021/22.

The Council's budgeted annual investment return for 2021/22 is £300k, and total interest earned to date is £121k including Property Funds. (£342k in 2020/21), given the Council has some longer-term investments the budget target should be achieved by the year end.

6. Borrowing

The Council's capital financing requirement (CFR) for 2021/22 is £136,135m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or 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 in 2020/21 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 31st 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.

Appendices

Appendix 1: Portfolio of investments as at 30th September 2021

Appendix 2: Approved countries for investments as at 30th September 2021

Appendix 3: Glossary of Terms

**APPENDIX 1:
Investment Portfolio
Investments held as at 30 September 2021**

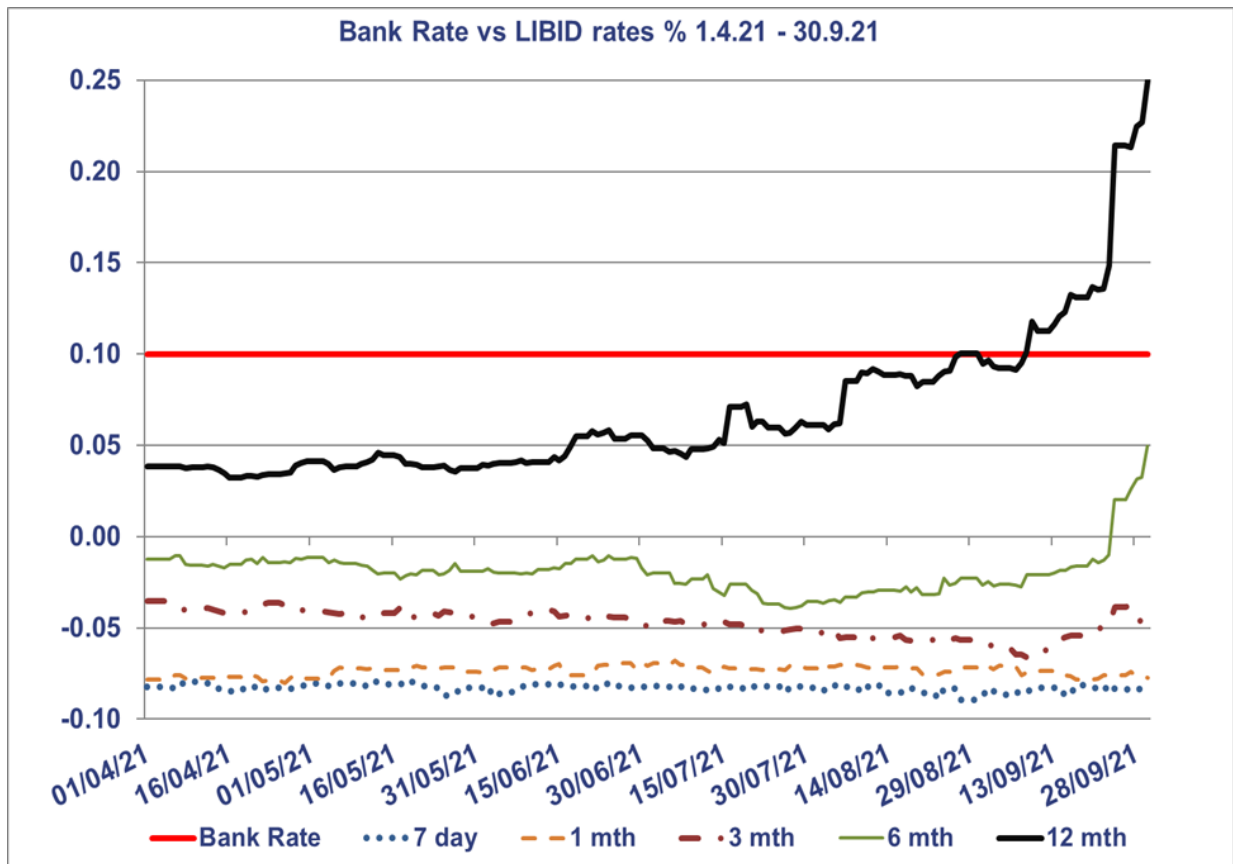
Institution	Maturity Date	Interest Rate %	Principal £'000
Close Brothers	28/01/2022	0.25	2,000
HSBC UK	01/10/2021	0.05	6,000
HSBC UK	31 Day Notice	0.25	6,000
Standard Chartered Bank	35 Day Notice	0.08	5,000
Goldman Sachs International Bank	35 Day Notice	0.17	2,500
Goldman Sachs International Bank	95 Day Notice	0.17	2,500
Santander	180 Day Notice	0.58	8,000
Federated Money Market Fund	1 Day Notice	0.01	9,480
Aberdeen Money Market Fund	1 Day Notice	0.01	2,680
Lothbury Property Fund	N/A		2,500
Federated Hermes Property Fund	N/A		2,500
Total			49,160

Internal Investment performance year to date as at 30 September 2021 (Excludes Property Funds)

Benchmark	Benchmark Return	Council Performance	Investment Interest Earned
3 month	-0.05%	0.18%	£28.4k

	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.10	-0.08	-0.07	-0.04	0.05	0.25
High Date	01/04/2021	09/04/2021	06/07/2021	01/04/2021	30/09/2021	30/09/2021
Low	0.10	-0.09	-0.08	-0.07	-0.04	0.03
Low Date	01/04/2021	27/08/2021	26/04/2021	08/09/2021	27/07/2021	16/04/2021
Average	0.10	-0.08	-0.07	-0.05	-0.02	0.07
Spread	0.00	0.01	0.01	0.03	0.09	0.22

Period	LIBID benchmark return
7 day	-0.08%
1 month	-0.07%
3 month	-0.05%
6 month	-0.02%
12 month	0.07%



APPENDIX 2: Approved countries for investments as at 30th September 2021

Based on lowest available rating

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 Investments and 30th June 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.

COUNCIL – 17TH JANUARY 2022

Report of the Member Conduct Committee

ITEM 6.2 MEMBER CODE OF CONDUCT

Purpose of Report

To consider a recommendation from the Member Conduct Committee that the amended Code of Conduct developed by a group of Leicestershire Monitoring Officers and adopted by Leicestershire County Council and based on the LGA national code of conduct be approved and adopted with effect from the 2022/23 civic year.

Recommendation

That the amended LGA Code, as set out in Appendix A to the report considered by the Member Conduct Committee (attached as an appendix), be approved and adopted with effect from the 2022/23 civic year.

Reason

To ensure that the Council meets its obligations under the Localism Act 2011.

Policy Justification and Previous Decisions

The Localism Act 2011 requires that the Council must adopt a Code of Conduct which is consistent with the Nolan principles of public life, and which contains provisions relating to the registration and disclosure of pecuniary interests and other interests.

A common Members' Code of Conduct shared by Leicestershire County Council and several of the other principal authorities in Leicestershire, was approved by full Council June 2013 and came into effect on 1st September 2013 (Minute No 18.4 2013/14 refers).

At its meeting on 13th December 2021, the Member Conduct Committee considered a report of the Monitoring Officer setting out potential options in respect of the Member Code of Conduct. The Committee resolved to recommend to Full Council that the amended LGA Code be approved and adopted with effect from the 2022/23 civic year. The report considered by the Committee, is attached as an appendix.

Implementation Timetable including Future Decisions

If approved by Full Council the updated Member Code of Conduct will come into effect for the 2022/23 civic year and it will be requirement that all councillors attend compulsory training.

Report Implications

The following implications have been identified for this report:

Financial Implications

There are no financial implications arising from this decision.

Risk Management

There are no specific risks associated with this decision.

Background Papers: Member Conduct Committee Minute 26, 2021/22,
13th December 2021

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Appendix: Member Code of Conduct, report of the monitoring
Officer, Member Conduct Committee, 13th
December 2021.

MEMBER CONDUCT COMMITTEE – 13TH DECEMBER 2021

Report of the Monitoring Officer

ITEM MEMBER CODE OF CONDUCT - UPDATE

Purpose of Report

To enable the Committee to consider potential options in respect of the Member Code of Conduct.

Recommendation

That the Committee considers the issues set out in this report and determine which of the following options they wish to pursue:

- (a) Retain the current Member Code of Conduct, or
- (b) Recommend to full Council that the amended Code of Conduct developed by a group of Leicestershire Monitoring Officers and adopted by Leicestershire County Council and based on the LGA national Code of Conduct should be adopted.

Reason

To determine which option for a Members' Code of Conduct the Committee considers to be most suitable.

Policy Justification and Previous Decisions

The Localism Act 2011 requires that the Council must adopt a Code of Conduct which is consistent with the Nolan principles of public life, and which contains provisions relating to the registration and disclosure of pecuniary interests and other interests.

A common Members' Code of Conduct shared by Leicestershire County Council and several of the other principal authorities in Leicestershire, was approved by full Council June 2013 and came into effect on 1st September 2013 (Minute No 18.4 2013/14 refers).

The Committee considered the options regarding the LGA Code of Conduct at its meeting on 20th September 2021 and resolved to defer any decision until further information became available regarding the County Council's intentions (minute 17.1 2021/22 refers).

Implementation Timetable including Future Decisions

If the Committee decide to recommend the adoption of an alternative Code of Conduct, this will be considered at the next available full Council meeting.

Report Implications

The following implications have been identified for this report.

Financial Implications

None

Risk Management

No risks have been identified with this item.

Background Papers: LGA guidance on their model Code of Conduct:
<https://www.local.gov.uk/publications/guidance-local-government-association-model-councillor-code-conduct>

Appendices: Appendix A – Adapted LGA Code of Conduct

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Part B

Background

1. Charnwood Borough Council has adopted a common Members' Code of Conduct shared by Leicestershire County Council and several of the other principal authorities in Leicestershire. The aim of the Code is to promote joint high standards of conduct and minimise the potential for confusion, particularly for those councillors who may be Members of more than one local authority. The current Code came into effect on 1st September 2013.
2. The LGA published their national Model Code of Conduct on 23rd December 2020 following extensive consultation with the sector. The LGA have also produced some guidance notes to support their Code of Conduct, which have been referenced as a background paper to this report.
3. A group of Leicestershire monitoring officers has reviewed the LGA Code and have made some suggested amendments which are designed to make it clearer to understand and to apply in practice.
4. The locally amended version is attached as Appendix A. This is the version which has been recommended for adoption by Leicestershire County Council, and it has been completed to be applicable to Charnwood Borough Council.

Factors to Consider

5. The amended LGA Code has some differences from the current Code, which are summarised below.
6. General
 - (a) The application of the Code is expressed to apply 'when you are acting or are claiming to act in your capacity as a councillor'. This may include when you misuse your position as a councillor, or your actions give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a councillor.
 - (b) The section on behaviours is largely as per the current Code, except that it has been redrafted by the LGA to be expressed in the first person rather than the third person.
 - (c) There is a new section requiring members to cooperate with an investigation and confirming that members will comply with any sanction imposed. Failing to do so would therefore be a breach of the Code in itself.
7. Interests

The section on interests contains the most differences from the current Code. The amended LGA Code refers to three types of interest as follows:

- (a) **Disclosable Pecuniary Interests ('DPIs')** - DPIs were introduced by s30 of the Localism Act 2011. They are a category of interests which relate to the member and/or their partner, such as financial interests of you or your partner, such as your house or other property, or if you have a job or own a business. The categories are set out in regulations made under the Act and knowing noncompliance is a criminal offence.
- (b) **Other registrable interests** - These are categories of interest which have been identified by the LGA as requiring registration as an aid to transparency. These relate to:
- Details of any body of which you are a member or in a position of general control or management and to which you are appointed by your local authority.
 - Details of any body of which you are a member or in a position of general control or management and which exercises functions of a public nature, is directed to charitable purposes, or has the principal purpose of influencing public opinion or policy.
 - Details of any gifts or hospitality with an estimated value of more than £50 received in connection with your official duties.
- These interests are personal to you only and do not apply to your spouse / partner etc.
- (c) **Non-registrable interests** - These are your own interests or those of your family/relatives/close associates etc. which are not required to be registered but will need to be declared as and when they arise.

8. Declarations at Meetings

The requirements to declare an interest at a meeting are as follows:

- (a) **DPIs** - Where you have a Disclosable Pecuniary Interest in any matter to be considered at a meeting you must disclose the interest, not participate in any discussion or vote on the matter and you must not remain in the room unless you have been granted a dispensation.
- (b) **Other Registrable Interests** - Where a matter arises at a meeting which directly relates to the financial interest or wellbeing of one of your Other Registerable Interests, you must disclose that interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting, but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. Where a matter simply affects such an interest, then the test detailed in paragraph (c) below applies.
- (c) **Non-registrable interests** –
- Where a matter arises at a meeting which directly relates to your financial interest or well-being or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise, you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

- Where a matter arises at a meeting which affects your own financial interest or well-being, a financial interest or well-being of a relative or close associate, or a financial interest or wellbeing of a body included under Other Registrable Interests, you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing that interest the following test should be applied:

The test

Where a matter affects a financial interest or well-being: (i) to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and; (ii) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest; you may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise, you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. There are various allowances for sensitive interests etc.

9. The table below is extracted from the LGA guidance to assist in understanding how the various interests would apply in practice:

No.	TYPE	SPEAK	VOTE	STAY	EXAMPLES	COMMENTS
1.	DPI	No	No	No	Awarding a contract to your own company Planning application for your own property	<i>Directly relates to DPI – foreseeable, narrow, criminal</i>
2a.	ORI	If public allowed to	No	No	Awarding a grant to a body where you are a member e.g., village hall Granting planning permission to a body where you are a member	<i>Directly relates to finances – foreseeable, narrow, can address meeting if public can do, but not take part in discussion</i>
2b.	ORI	Test	Test	Test	Awarding grant funding to a body other than the body of which you are a member e.g., competitor to village hall	<i>Affects finances or well-being test (1) greater than the majority of inhabitants and (2) reasonable public-affect view of public interest</i>

3a.	NRI	If public allowed to	No	No	Determining a planning application made by your sister Objecting in a private capacity to a neighbour's planning application	<i>Directly relates to finances of you, your partner (not a DPI) – a relative / close associate. Unforeseeable – can address the meeting if public can but not take part in the discussion</i>
3b.	NRI	Test	Test	Test	Application for housing development on land near to partner's business property Your neighbour applies for planning permission	<i>Affects finances or well-being test (1) greater than majority of inhabitants and (2) reasonable public-affect, view of public interest</i>
2b / 3b	NRI	Test	Test	Test	ASB from rough-sleepers housed in B&B's nearby	<i>May not affect finances but well-being = quality of life – apply stage 2 test</i>

Dispensations

10. The current Code specifies that '*To enable you to participate and vote on a matter in which you have a Disclosable Pecuniary Interest or a Personal Interest that might lead to bias, the Member Conduct Committee may grant you a dispensation in accordance with rules and procedures established by the Authority*'.
11. The LGA Code instead gives responsibility for granting dispensations to the Monitoring Officer. In practice it would probably not be possible to convene a meeting of the Member Conduct Committee quickly enough to deal with a request for a dispensation, so this seems to be a practical solution. For information, we have never received a request for a dispensation.

Conclusion

12. It is for the Member Conduct Committee to carefully consider the options available:
 - a. Retain the current Member Code of Conduct
 - b. Recommend to full Council that the amended Code of Conduct developed by a group of Leicestershire Monitoring Officers and based in the LGA national Code of Conduct should be adopted.
13. Leicestershire County Council have adopted the locally amended LGA Code, and therefore it may be beneficial for 'dual-hatted' members for Charnwood Borough Council to also adopt the amended LGA Code.
14. However, the amended Code has some differences to the current Code. In particular:
 - It makes training on the Code of Conduct compulsory for all members,
 - It makes compliance with any sanctions compulsory. Therefore, failing to comply with a sanction, such as making an apology if instructed to, would become a breach of the Code in itself,
 - The categories of interests are different to the current Code, as are the requirements for declaring and acting upon such interests where they apply. These requirements are potentially more complex and difficult to understand than those in the current Code.

Member Code of Conduct – Charnwood Borough Council

BACKGROUND TO THIS CODE OF CONDUCT

This section sets out general interpretation and background to the Code of Conduct, including definitions used within the code, the purpose of the code, the principles the code is based on and when the code applies. It does not form part of the Code of Conduct itself and consequently does not contain any obligations for you to follow, as these are contained in the 'Code of Conduct' section below.

All councils are required to have a local Member Code of Conduct.

Definitions

For the purposes of this Code of Conduct, a “member” means a member or co-opted member of Charnwood Borough Council ('the Council').

A “co-opted member” is defined in the Localism Act 2011 Section 27(4) as “a person who is not a member of the authority but who

- a) is a member of any committee or sub-committee of the authority, or;
- b) is a member of, and represents the authority on, any joint committee or joint subcommittee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a member, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow members, Council officers and the reputation of the council and local government. It sets out general principles of conduct expected of all members and your specific obligations in relation to standards of conduct. The fundamental aim of the Code is to create and maintain public confidence in the role of member and local government.

General principles of member conduct

Everyone in public office at all levels; i.e. all who serve the public or deliver public services, including ministers, civil servants, members and council officers; should uphold the [Seven Principles of Public Life](#), also known as the Nolan Principles, which are set out in Appendix A.

Building on these principles, the following general principles have been developed specifically for the role of member and these principles underpin the obligations in the Code of Conduct that follows.

In accordance with the public trust placed in you, you should:

- act with integrity and honesty
- act lawfully
- treat all persons fairly and with respect; and
- lead by example and act in a way that secures public confidence in the role of member.

In undertaking your role you should:

- impartially exercise your responsibilities in the interests of the local community
- do not improperly seek to confer an advantage, or disadvantage, on any person;
- avoid conflicts of interest;
- exercise reasonable care and diligence;
- ensure that public resources are used prudently in accordance with your Council's requirements and in the public interest; and
- uphold high standards of conduct, show leadership at all times and not misuse your position when acting as a member.

Application of the Code of Conduct

This Code of Conduct applies to you as a member or co-opted member of the Council. It applies as soon as you sign your declaration of acceptance of the office of member or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a member.

This Code of Conduct applies to you when you:

- act in your capacity as a member or co-opted member of the Council; and
- conduct the business of the Council (which, in this Code, includes the business of the office to which you are elected or appointed).

Where you act as a representative of the Council:

- on another relevant authority, you must, when acting for that other authority, comply with that other authority's code of conduct; or
- on any other body, you must, when acting for that other body, comply with this Code of Conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

The Code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings

- in written communication
- in verbal communication
- in non-verbal communication
- in electronic and social media communication, posts, statements and comments.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct. It is your responsibility to comply with the provisions of this Code and to ensure all its obligations are met. You are encouraged to seek advice from the Monitoring Officer on any matters that may relate to the Code of Conduct which you are unsure of.

THE CODE OF CONDUCT

Standards of member conduct

This section sets out your obligations, which are the minimum standards of conduct required of you as a member. Should your conduct be perceived to fall short of these standards or the Nolan Principles, a complaint may be made against you, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct

1. Respect

As a member:

1.1 I will treat other councillors and members of the public with respect.

1.2 I will treat council officers, employees and representatives of partner organisations and those volunteering for the council with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a member, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in members.

In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and notify them to the Council, the relevant social media provider or the police. This also applies to fellow members, where action could then be taken under the Member Code of Conduct, and council officers where concerns should be raised in line with the council's member-officer protocol.

2. Bullying, harassment and discrimination

As a member:

2.1 I will not bully any person.

2.2 I will not harass any person.

2.3 I will promote equalities and not discriminate unlawfully against any person.

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Members have a central role to play in ensuring that equality issues are integral to the Council's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

3. Impartiality of officers of the Council

As a member:

3.1 I will not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the council.

Officers work for the council as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

4. Confidentiality and access to information

As a member:

4.1 I will not disclose information:

- a. given to me in confidence by anyone**
- b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless**

- i. I have received the consent of a person authorised to give it;
- ii. I am required by law to do so;
- iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
- iv. the disclosure is:
 1. reasonable and in the public interest; and
 2. made in good faith and in compliance with the reasonable requirements of the Council; and
 3. I have consulted the Monitoring Officer prior to its release.

4.2 I will not improperly use knowledge gained solely as a result of my role as a member for the advancement of myself, my friends, my family members, my employer or my business interests.

4.3 I will not prevent anyone from getting information that they are entitled to by law.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the council must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

5. Disrepute

As a member:

5.1 I will not bring my role or Council into disrepute or conduct myself in a manner which could reasonably be regarded as bringing my role or Council into disrepute.

As a Member, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other members and/or the Council and may lower the public's confidence in your or the Council's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring the Council into disrepute.

You are able to hold the Council and fellow members to account and are able to constructively challenge and express concern about decisions and processes

undertaken by the Council whilst continuing to adhere to other aspects of this Code of Conduct.

6. Use of position

As a member:

6.1 I will not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

6.2 I will not place myself under a financial or other obligation to outside individuals or organisations that might seek to influence me in the performance of my official duties.

Your position as a member of the Council provides you with certain opportunities, responsibilities and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

As a member you need to be able to act impartially in the exercise of your responsibilities and ensure that you make decisions in the interests of the local community. You should therefore avoid any financial or other obligations to outside individuals or organisations whose influence may prevent you from acting impartially.

7. Use of Council resources and facilities

As a member:

7.1 I will not misuse council resources.

7.2 I will, when using the resources of the Council or authorising their use by others:

- a. act in accordance with the Council's requirements; and**
- b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the Council or of the office to which I have been elected or appointed.**

You may be provided with resources and facilities by the Council to assist you in carrying out your duties as a member.

Examples include:

- office support
- stationery

- equipment such as phones, ipads, dongles, computers etc.
- transport
- access and use of council buildings and rooms.

These are given to you to help you carry out your role as a member more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the council's own policies regarding their use.

8. Making decisions

As a member:

8.1 When reaching decisions on any matter I will have regard to any relevant advice provided to me by officers and professional third parties.

8.2 I will give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed.

8.3 I will make all choices, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits, on individual and independent merit

8.4 I will be as open as possible about my decisions and actions and the decisions and actions of the authority and will be prepared to give reasons for those decisions and actions, notwithstanding my other obligations under this Code.

To assist members in acting lawfully, officers may give advice from time to time. It is important that as a member you have due regard to any such advice given and consider it fully, even if (for good reason) you may choose not to follow that advice.

In making any decisions, giving reasons helps instil public confidence in the role of the member and can be a legal requirement in certain situations. You should ensure that you always give reasons in accordance with any specific requirements and having regard to the benefits of transparency generally.

As a member you must act impartially and not improperly seek to confer an advantage, or disadvantage, on any person. It is therefore important that when you are making decisions that involve choosing one party over another, that you do so based on independent merit. You should be open and transparent about the decisions that you have made and the actions of the authority.

9. Complying with the Code of Conduct

As a Member:

9.1 I will undertake Code of Conduct training provided by my Council.

9.2 I will cooperate with any Code of Conduct investigation and/or determination.

9.3 I will not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.

9.4 I will comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.

It is extremely important for you as a member to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the Council or its governance. If you do not understand or are concerned about the council's processes in handling a complaint you should raise this with the Monitoring Officer.

Protecting your reputation and the reputation of the Council

10. Interests

As a member:

10.1 I will register and disclose my interests in accordance with the provisions set out in Appendix B

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority.

You need to register your interests so that the public, Council employees and fellow members know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other members when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as defined in Appendix B, is a criminal offence under the Localism Act 2011.

The provisions of this paragraph 10.1 shall be applied in such a manner as to recognise that this Code of Conduct should not obstruct a member's service on more

than one local authority. For the avoidance of doubt, participation in discussion and decision-making at one local authority will not by itself normally prevent you from taking part in discussion and decision-making on the same matter at another local authority. This is on the basis that a reasonable member of the public will see no objection in principle to such service or regard it as prejudicing a member's judgement of the public interest and will only regard a matter as giving rise to an interest which might lead to bias in exceptional circumstances.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from the Monitoring Officer, or from the clerk in the case of town and parish councils.

11. Gifts and hospitality

As a member:

- 11.1 I will not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the Council or from persons who may apply to the Council for any permission, licence or other significant advantage.**

- 11.2 I will register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.**

- 11.3 I will register with the Monitoring Officer any significant gift or hospitality with an estimated value of at least £50 that I have been offered but have refused to accept.**

In order to protect your position and the reputation of the Council, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a member. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a member, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a member. If you are unsure, do contact the Monitoring Officer for guidance.

12. Dispensations

As a member:

- 12.1 I may request a dispensation from the Monitoring Officer for one meeting only.**
- 12.2 I must make the request in writing detailing what my interest is, why the dispensation is required and for what meeting.**
- 12.3 I must make my request 5 days prior to the meeting at which the Dispensation is required.**
- 12.4 If I wish to make a further request for dispensation, this must be made to the Member Conduct Committee.**
- 12.5 I will only be granted a Dispensation where there are reasonable grounds for doing so and where such grounds are in the public interest.**

Appendix B sets out the situations where a Member's personal interest in a matter may prevent them from participating in the decision-making process. In certain circumstances, however, there may be reasonable grounds to allow a Member to participate in decision-making on that matter where it would be in the public interest to do so. Where you consider that there may be good grounds for you to continue to participate you should request a dispensation from the Monitoring Officer.

Appendices

Appendix A – The Seven Principles of Public Life

The principles are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B – Interests

1. Definitions

“**Disclosable Pecuniary Interest**” means any interest described as such in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#) and includes an interest of yourself, or of your Partner (if you are aware of your Partner's interest) that falls within the descriptions set out in the following table. A Disclosable Pecuniary Interest is a Registerable Interest.

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship].
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and Property	Any beneficial interest in land which is within the area of the council. 'Land' excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with

	whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.
Licenses	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer.
Corporate tenancies	Any tenancy where (to the councillor's knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; and (b) either— (i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners have a beneficial interest exceeds one hundredth of the total issued share capital of that class.

* 'director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

"Other Registerable Interest" is a personal interest in any business of your authority which relates to or is likely to affect:

- a) Any body of which you are in general control or management and to which you are nominated or appointed by your authority; or
- b) any body
 - (i) exercising functions of a public nature
 - (ii) any body directed to charitable purposes or
 - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

"Registrable Interests" are interests that you are required to register in accordance with this Code of Conduct and include both Disclosable Pecuniary Interests and Other Registerable Interests.

"Non-Registrable Interests" are interests that you are not required to register but need to be disclosed in accordance with section 3.3.

A **"Dispensation"** is agreement that you may continue to participate in the decision-making process notwithstanding your interest as detailed at section 12 of the Code of the Conduct and this Appendix B.

A **"Sensitive Interest"** is as an interest which, if disclosed, could lead to the member, or a person connected with the member, being subject to violence or intimidation. In any case where this Code of Conduct requires to you to disclose an interest (subject to the agreement of the Monitoring Officer in accordance with paragraph 2.2 of this Appendix regarding registration of interests), you do not have to disclose the nature of the interest, if it is a Sensitive Interest. In such circumstances you just have to disclose that you have an interest.

A matter **"directly relates"** to one of your interests where the matter is directly about that interest. For example, the matter being discussed is an application about a particular property in which you or somebody associated with you has a financial interest.

A matter **"affects"** your interest where the matter is not directly about that interest but would still have clear implications for the interest. For example, the matter concerns a neighbouring property.

2. Registering Interests

2.1. Within 28 days of becoming a member or co-opted member or your re-election or re-appointment to office you must register with the Monitoring Officer any Disclosable Pecuniary Interests and any Other Registerable Interests.

2.2. Where you have a Sensitive Interest, you must notify the Monitoring Officer with the reasons why you believe it is a Sensitive Interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

2.3. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.

3. Declaration at and Participation in Meetings

If you are present at a meeting and you have either a Registerable or Non-Registerable Interest in any matter to be considered or being considered, and the interest is not a Sensitive Interest, you must disclose that interest to the meeting (whether or not it is registered).

To determine whether your interest affects your ability to participate in a meeting, you must first determine what type of interest you have and, if necessary, go on to apply the tests as set out below.

3.1. Disclosable Pecuniary Interests

3.1.1. Where a matter arises at a meeting which **directly relates** to one of your Disclosable Pecuniary Interests:

- a. you must disclose the interest;
- b. not participate in any discussion or vote on the matter; and
- c. must not remain in the room unless you have been granted a Dispensation.

3.2. Other Registerable Interests

3.2.1. Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests:

- a. you must disclose the interest;
- b. may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter; and
- c. must not remain in the room unless you have been granted a Dispensation.

3.2.2 The provisions of paragraph 3.1.1 and 3.2.1 shall be applied in such a manner as to recognise that this Code should not obstruct a member's service on more than one local authority. For the avoidance of doubt, participation in discussion and decision making at one local authority will not by itself normally prevent you from taking part in discussion and decision making on the same matter at another local authority. This is on the basis that a reasonable member

of the public will see no objection in principle to such service or regard it as prejudicing a member's judgement of the public interest and will only regard a matter as giving rise to an interest which might lead to bias in exceptional circumstances.

3.3. Non-Registerable Interests

3.3.1. Where a matter arises at a meeting which **directly relates** to a financial interest or the well-being of yourself or of a friend, relative or close associate (and is not a Registerable Interest):

- a. you must disclose the interest;
- b. may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter; and
- c. must not remain in the room unless you have been granted a Dispensation.

3.3.2. Where a matter arises at a meeting which does not directly relate to but **affects**

- a. a financial interest or the well-being of yourself or of a friend, relative or close associate; or
- b. a financial interest or wellbeing of a body included in those you need to disclose under Other Registerable Interests

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test in paragraphs 3.3.3 and 3.3.4 should be applied.

3.3.3. Where a matter under paragraph 3.3.2 **affects** the financial interest or well-being or body:

- a. to a greater extent than it affects the financial interests or wellbeing of the majority of inhabitants of the ward affected by the decision; and
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest;

you may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a Dispensation.

3.3.4. Where a matter under paragraph 3.3.2 does not affect the financial interest or well-being or body:

- a. to a greater extent than it affects the financial interests or wellbeing of the majority of inhabitants of the ward affected by the decision; and/or
- b. a reasonable member of the public knowing all the facts would not believe that it would affect your view of the wider public interest;

you may remain in the room, speak if you wish to and take part in any discussion or vote on the matter, provided you have disclosed your interest under paragraph 3.3.2.

4. Single-Member-Decision-Making

4.1. Some local authorities operate single-member-decision-making where their constitutions allow. In the event that you are making a decision as a single member the following section applies in relation to any interests you may have.

4.1.1. Where you have a personal interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function (i.e., single-member-decision-making) and the interest is:

- a. A Registrable Interest; or
- b. A Non-Registrable Interest that falls under paragraph 3.3.3 above;
you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

4.1.2. Where you have a personal interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function (i.e. single-member-decision-making) and the interest is a Non-Registrable Interest that falls under paragraph 3.3.4 , you must make sure that any written statement of that decision records the existence and nature of your interest.

Registerable Interests
 These are interests that you are required to register in accordance with the Code of Conduct. They are interests that you would know about in advance of an item coming up (e.g. land you own) and you should have included them when filling in your register of interests.

What type of Registerable Interest do you have in this matter?

Disclosable Pecuniary Interests
 These are any interests that are described as DPis under the Code of Conduct and include both the interests of yourself and of your partner.

Other Registerable Interests
 These are personal interests that relate to certain types of bodies that you may be involved in as set out in the Code of Conduct.

Does the matter directly relate to one of your Disclosable Pecuniary Interests?

Does the matter directly relate to the financial interest or wellbeing of one of your Other Registerable Interests?

Does the matter affect a financial interest or the wellbeing of yourself or of a friend, relative or close associate?

Is the financial interest or wellbeing affected to a greater extent than the financial interests or wellbeing of the majority of inhabitants?

Would a reasonable member of the public knowing all the facts believe that it would affect your view of the wider public interest?

You must:

- Disclose the interest;
- Not speak on the matter;
- Not participate in any discussion or vote; and
- Not remain in the room unless you have a Dispensation

You must:

- Disclose the interest;
- Only speak on the matter if members of the public are allowed to speak at the meeting;
- Not take part in any discussion or vote; and
- Not remain in the room unless you have a Dispensation

You must:

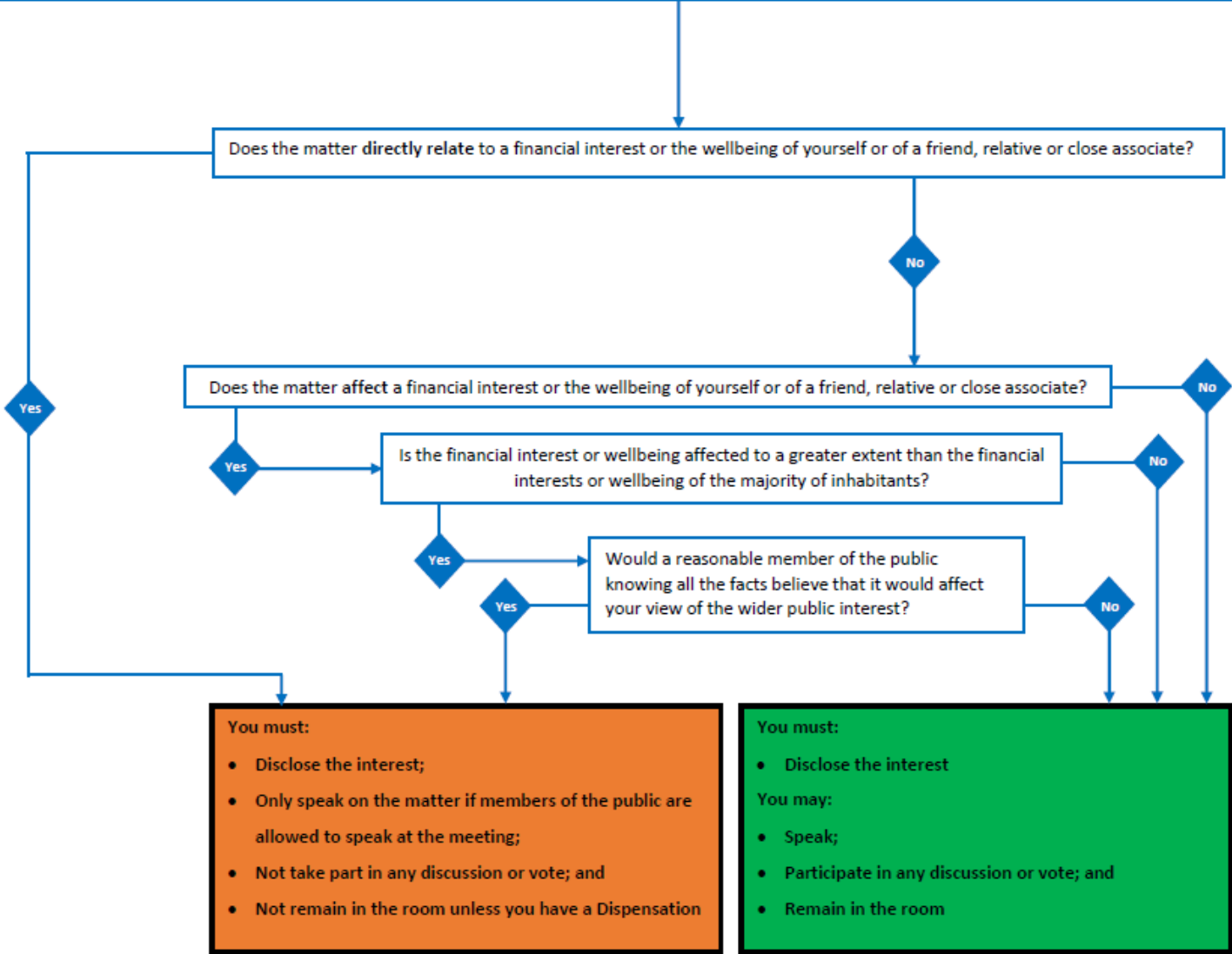
- Disclose the interest

You may:

- Speak;
- Participate in any discussion or vote; and
- Remain in the room

Non-Registerable Interests

These are interests that you are not required to register but may become relevant when a particular item arises. These are usually interests that relate to other people you are connected with (e.g. friends, relatives or close associates) but can include your own interests where you would not have been expected to register them.



Appendix C – the Committee on Standards in Public Life

The LGA has undertaken this review whilst the Government continues to consider the recommendations made by the Committee on Standards in Public Life in their report on [Local Government Ethical Standards](#). If the Government chooses to implement any of the recommendations, this could require a change to this Code.

The recommendations cover:

- Recommendations for changes to the Localism Act 2011 to clarify in law when the Code of Conduct applies
- The introduction of sanctions
- An appeals process through the Local Government Ombudsman
- Changes to the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012
- Updates to the Local Government Transparency Code
- Changes to the role and responsibilities of the Independent Person
- That the criminal offences in the Localism Act 2011 relating to Disclosable Pecuniary Interests should be abolished

The Local Government Ethical Standards report also includes Best Practice recommendations. These are:

Best practice 1: Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.

Best practice 2: Councils should include provisions in their code of conduct requiring members to comply with any formal standards investigation and prohibiting trivial or malicious allegations by members.

Best practice 3: Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.

Best practice 4: An authority's code should be readily accessible to both members and the public, in a prominent position on a council's website and available in council premises.

Best practice 5: Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.

Best practice 6: Councils should publish a clear and straightforward public interest test against which allegations are filtered.

Best practice 7: Local authorities should have access to at least two Independent Persons.

Best practice 8: An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to

review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.

Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.

Best practice 10: A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.

Best practice 11: Formal standards complaints about the conduct of a parish member towards a clerk should be made by the chair or by the parish council, rather than the clerk in all but exceptional circumstances.

Best practice 12: Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.

Best practice 13: A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation.

Best practice 14: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness and publish their board agendas and minutes and annual reports in an accessible place.

Best practice 15: Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.

The LGA has committed to reviewing its Model Code on an annual basis to ensure it is still fit for purpose.

COUNCIL – 17TH JANUARY 2022

Report of the Personnel Committee

ITEM 6.3 PAY POLICY STATEMENT 2022/23

Purpose of Report

To consider a recommendation from the Personnel Committee that the Pay Policy Statement for 2022/23 be approved and adopted.

Recommendation

That the Pay Policy Statement for 2022/23, as set out in Appendix A to the report considered by the Personnel Committee (attached as an appendix), be approved and adopted.

Reason

To ensure that the Council meets its obligations under Section 38 of the Localism Act 2011.

Policy Justification and Previous Decisions

Under Section 38 of the Localism Act 2011, local authorities in England and Wales are required to produce an annual Pay Policy Statement, which must be approved by Full Council and published on the Council's website before the commencement of each financial year.

At its meeting on 21st December 2021, the Personnel Committee considered a report of the Strategic Director, Environmental and Corporate Services setting out the Council's proposed Pay Policy Statement for the period 1st April 2022 to 31st March 2023. The Committee resolved to recommend to Full Council that the Pay Policy Statement for 2022/23 be approved and adopted. The report considered by the Committee, is attached as an appendix.

Implementation Timetable including Future Decisions

If approved by Full Council the Pay Policy Statement will be published on the Council's website either on or before 1st April 2022.

Report Implications

The following implications have been identified for this report:

Financial Implications

There are no financial implications arising from this decision.

Risk Management

There are no specific risks associated with this decision.

Background Papers: Personnel Committee minute 18, 2021/22, 21st
December 2021

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Democratic Services Manager
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Appendix: Pay Policy Statement 2022/23, report of the
Strategic Director, Environment and Corporate
Services, Personnel Committee, 21st December
2021.



Pay Policy Statement 2022/23

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Purpose

As a responsible employer Charnwood Borough Council is committed to delivering a fair, equitable and transparent policy covering pay and other employee benefits which improves flexibility in delivering services and provides value for money.

Within the framework of its terms and conditions of employment, the Council aims to develop and maintain appropriate pay systems and benefit packages to attract and retain motivated, flexible people who take responsibility, work as a team, improve performance and acquire new skills.

This Pay Policy Statement sets out the Council’s policies relating to the pay of its workforce for the period from 1st April 2022 to 31st March 2023, in particular the:

- Remuneration of Chief Officers;
- Remuneration of the lowest paid employees;
- Relationship between the remuneration of chief officers and employees who are not chief officers.

The statement meets the Council's obligations under the Localism Act 2011 and will enable the elected members of the Council to make decisions on pay.

The Council's Pay Policy Statement will be agreed by Full Council before the beginning of each financial year and will then be published on Charnwood Borough Council's website. The statement may also be amended by Full Council during the course of the year if necessary.

Scope

This statement applies to all employees of Charnwood Borough Council employed under the conditions of service of the following bodies:

- National Joint Council for Local Government Services (Green Book);
- Joint Negotiating Committee for Chief Officers of Local Authorities;
- Joint Negotiating Committee for Local Authority Chief Executives;
- Joint Negotiating Committee for Local Authority Craft and Associated Employees (Red Book).

Employees who have TUPE transferred across from other organisations will remain on their existing terms and conditions unless agreed otherwise.

Definitions

For the purposes of this Pay Policy Statement the following definitions will apply:

Remuneration

This includes three elements:

- Basic salary;
- Pension;
- Any other allowances arising from employment.

Chief Officers

Under the Localism Act 2011 a Chief Officer is defined as:

- The head of the Council's paid service designated under section 4(1) of the Local Government and Housing Act 1989;
- Its monitoring officer designated under section 5(1) of that Act;
- A statutory chief officer mentioned in section 2(6) of that Act;
- A non-statutory chief officer mentioned in section 2(7) of that Act;
- A deputy chief officer mentioned in section 2(8) of that Act.

In Charnwood Borough Council this definition would apply to the posts set out in [Appendix A](#).

Lowest Paid Employees

The Council currently employ apprentices who are paid at the applicable apprenticeship rate. Additionally, Joint Negotiating Committee for Craft and Associated Employees (Red Book) apprentices are paid in accordance with the requirements of that agreement.

For all other posts, this refers to employees on Grade A, Pay Point 1. This definition has been adopted as it is the lowest level of remuneration attached to a post within the Council, other than apprenticeship posts.

On 1 April 2013 the Council adopted the Living Wage rate applicable at that time. It was agreed that all pay awards after this date for all spinal column points within the Council, would be in line with the applicable percentage increase of the national pay agreement for local government.

Pay and Grading Structure

The Chief Executive's salary scale has been updated with effect from 1st August 2019 in line with recommendations from the Personnel Committee following a benchmarking exercise conducted by the East Midlands Council. This post sits at the highest level within the officer salary grade and does not have a comparator. As such it is for the Council to determine the salary arrangements for the post without needing to go through a specific job evaluation process.

The grading of all other posts within Charnwood Borough Council is determined using the nationally recognised Hay Job Evaluation Scheme. This is in order to ensure that all posts are graded and therefore rewarded financially through a fair and non-discriminatory process, that there is consistency in treatment between posts and that the Council complies with equal pay legislation. The scheme is an analytical one that takes into consideration three key elements of a post:

- Know How - the levels of knowledge, skill and experience (gained through work experience, education and training) which are required to perform the job successfully;
- Problem Solving - the complexity of thinking required to perform the job when applying Know How;
- Accountability - the impact the job has on the organisation and the constraints the job holder has on acting independently.

The Council follows the NJC national agreement on pay and conditions of service (the Green Book) which includes the use of national pay scales. Advice was taken from Hay during the implementation of the job evaluation scheme in order to determine the relationship between the scoring of posts under the scheme and the relevant pay grade.

However a small number of staff employed under the Joint Negotiating Committee for Local Authority Craft and Associated Employees (Red Book) are paid on a different pay scale, a copy of which is attached at [Appendix B](#).

Basic pay is paid in accordance with the evaluated grade of the post. Each grade comprises a range of scale points. A copy of the Council's pay and grading structure is attached at [Appendix B](#).

Agreement has been reached for the national pay awards for 2020-21 for Chief Executives, Chief Officers and Local Government Services Employees (those on Green Book conditions) and Craftworkers.

The pay award for each group is an increase of 2.75% with effect from 1st April 2020.

A subsequent pay award has not been agreed to date and is currently the subject of negotiations with the trade unions.

A copy of the Council's organisation chart, showing grades of posts, can be found on the [Council's website](#).

Details of senior management remuneration are published annually in the [Council's Statement of Accounts](#) which are available on the website.

The 'pay multiple' - the ratio between the highest paid salary (Chief Exec scale - points CEX 1 to CEX 4) and the median average salary of the Council's workforce is 5.66.

Remuneration on Appointment

All employees are usually appointed to the minimum scale point applicable to the grade of the post. Managers have discretion in some circumstances to appoint to a higher scale point, subject to the maximum of the grade.

Full Council will be given the opportunity to consider remuneration packages over £100,000 per annum (including salary, any bonuses, fees or allowances routinely payable to the appointee and any benefits in kind to which the officer is entitled as a result of their employment) before new posts are established and advertised.

Market Premia

There is provision for the award of a market premium (i.e. a temporary additional payment) where it can be shown that the salary level of a job is having an adverse impact on the Council's ability to recruit and retain the appropriate calibre of employee into a post. The award of a market premium is subject to the agreement of the relevant Strategic Director. If approved, market premia are awarded for a maximum period of three years. It is anticipated that market premia will be awarded on very limited occasions. Details of the scheme can be found in the Council's Market Premia Policy and Procedure.

Incremental Progression

Chief Officers

Progression through the pay grade for Chief Officers is dependent on them achieving set criteria and objectives which are agreed at the officer's annual Performance Development Review. Progression through the Chief Executive's grades will be dependent on an annual performance review if not appointed at the top grade, as with other chief officers.

Other Employees

Subject to satisfactory service, employees covered by the conditions of service of the National Joint Council for Local Government Services and the Joint Negotiating Committee for Local Authority Craft and Associated Employees are eligible to receive annual increments on 1st April each year until they reach the maximum scale point for the grade of their job. If the employee's start date is between 1st October and 31st March then their first increment will be paid after completing 6 months in post. Any subsequent increments, until the maximum of the grade is reached, will be paid on 1st April thereafter.

The Joint Negotiating Committee for Local Authority Craft and Associated Employees operates a system of progression through the grade, which is subject to performance related criteria.

Enhancements

From 1 January 2014 the Council agreed a change in rate of enhancement for evening, weekend and bank holiday working for employees at Grade E and below. Employees required to work on Saturdays, Sundays and Bank Holidays as part of their normal working week will be recompensed at time and a quarter for evenings and Saturdays, and time and a half for Sundays and Bank Holidays.

Overtime Payments

'Overtime' is defined as hours worked in excess of 37 per week. However, part-time employees are entitled to the additional hours enhancements in circumstances in which full-time employees in the establishment would qualify. Employees in posts graded up to Grade E who work additional hours are eligible to receive payment at double time rate for hours worked on Sundays, bank holidays or extra statutory days and time and a half for hours worked at any other time.

Employees in posts graded SO1 and above, who work additional hours are not eligible for enhanced payment.

Heads of Service are also authorised to make payments, within existing budgets, for overtime to employees graded SO1 to PO4 for time limited projects of a non-repetitive nature as follows:

- (a) Plain time up to an agreed maximum number of hours for a particular project and over a certain number of weeks/months; or
- (b) A lump sum to cover completion of a particular project by an agreed deadline.

Where the payment of a lump sum is agreed in accordance with (b) above, it should not be made in full unless the project is completed by the due date and that provision for claw back considered for inclusion in the scheme. Payments for overtime cannot be authorised retrospectively.

Overtime and Additional Hours Holiday Pay

Claims for overtime or additional hours (for part time employees) will receive an appropriate uplift rate for the hours worked. This increase is calculated on the relevant hourly flat rate.

Example – if you work for 2 hours overtime @ time plus ½ you will receive 3 hours pay. The appropriate uplift rate will be added to 2 hours of that pay only as the flat rate element of pay.

Additional hours which have been agreed on a temporary basis as a variation to contract will not attract this uplift. The annual leave entitlement will be increased for the period that an employee works these additional hours.

Other Allowances

All Chief Officers receive allowances as detailed in the Conditions of Service of the Joint Negotiating Committee for Chief Officers of Local Authorities and the Joint Negotiating Committee for Local Authority Chief Executives. However, where these conditions are silent or do not cover an allowance or process, the Chief Officer / Chief Executive will receive the same as those employees covered by the National Joint Council for Local Government Services.

Copies of the conditions of service for all employees covered by this statement can be requested from the [Local Government Employers website](#).

Essential Car User

Posts that are designated as essential car user, including those of Chief Officers, receive a monthly allowance and are eligible to claim mileage allowances as per the NJC Conditions of Service.

Professional Fees

The Council will pay the annual fee for membership of a professional body if it is considered an essential requirement of the employee's post.

First Aid Allowances

Employees who are classified as a 'designated first-aider' are eligible to receive an allowance.

Standby and Call-Out Payments

Employees who are required to provide out of hours responsibilities or work for essential services that they undertake are eligible to receive a standby and call out, standby and advisory or emergency contact scheme payment. Employees graded at PO1 or above will not normally receive payment, unless there is a requirement for them to participate in a formal regular Standby and Call Out or Standby and Advisory Scheme arrangement. Those graded at JNC A or above are expected to respond as part of their role and will not receive any additional payments. Details of the scheme can be found in the Council's Policy for Standby and Call-Out, Standby and Advisory, and Emergency Contact Scheme Policy and Procedure.

Emergency Planning

Employees who volunteer to respond in emergency situations are eligible to receive a payment.

Subsistence

Employees who are eligible to claim subsistence do so in accordance with the rate agreed locally for subsistence.

Bonus Payments

The Council does not pay any group of employees a bonus.

Pension Benefits

All employees under the age of 75 are eligible to join the Local Government Pension Scheme. The scheme is a statutory scheme with contributions from employees and employers. Details of the scheme can be found on www.leics.gov.uk/pensions.

The scheme allows for the exercise of discretion by employers. A copy of the Council's approach to these discretionary regulations can be found at [Appendix C](#). The Council will consider each case on its merits, but has determined that its usual policy is not to enhance benefits for any of its employees.

The scheme provides for flexible retirement. To be eligible to request flexible retirement, the Council normally requires that an employee either reduce their working hours by a minimum of 40% and/or be appointed to a post on a lower grade. In applying this provision no distinction is made between employees.

Under the Local Government Pension Scheme there is no abatement (i.e. reduction or suspension) of pensions for employees who return to work after drawing their pensions except in the circumstance where they have previously been awarded "added years".

Honoraria

Subject to certain conditions, employees who are temporarily required to undertake some or all of the duties of a higher graded post are eligible to be paid an honorarium. Details of the scheme can be found in the Council's Honoraria and Acting-Up Policy and Procedure.

Salary Protection

Employees are eligible to receive salary protection for a period of up to three years if they are redeployed into a lower-graded post. Details of the provisions can be found in the Council's Organisational Change Policy and Procedure.

Severance Payments

Early Retirement (Efficiency of Service)

The Council has discretionary provisions for employees to seek early retirement on the grounds of efficiency of service. Details of the scheme can be found in the Council's Retirement Policy and Procedure.

Redundancy

The Council has a single redundancy scheme which applies to all employees. Redundancy payments are calculated in accordance with the Employment Rights Act 1996 and the 2006 Discretionary Compensation Regulations and are based on the employee's age, length of continuous local government service and salary. The payment mirrors the statutory table but provides a multiplier of 2. Details of the redundancy scheme can be found in the Council's Organisational Change Policy and Procedure.

Employees have the option of using their redundancy payment, in excess of the statutory redundancy payment, to purchase a period of membership in the Local Government Pension Scheme. The amount of membership purchased by the cash sum will vary depending on the age of the employee and the number of years' service.

The Council does not provide any further payment to employees leaving the Council's employment other than in respect of accrued annual leave.

Employees who have TUPE transferred into the Council on redundancy terms which are more favourable than those details above will retain these provisions as per TUPE legislation.

Re-Engagement of Employees

Employees who have been made redundant are eligible to apply for vacancies which may arise after they have left the Council's employment. Any such applications will be considered together with those from other candidates and the best person appointed to the post. Any necessary adjustments to pension would be made in accordance with the scheme regulations.

Employees who are offered another post with the Council, or another employer covered by the Redundancy Modifications Order, prior to their redundancy leaving date and commence this post within 4 weeks of that date are not eligible to receive their redundancy payment.

Election Duties

The Chief Executive receives additional payments as the Returning Officer (or equivalent) for elections taking place within the Borough, to which role he has been appointed by the Council. These payments are funded by the organisation responsible for each election, which can include the Borough Council, County Council, Parish and Town Councils, and the Government.

Election fees and expenses for Borough, Town and Parish Council elections are agreed annually by Full Council. For other elections, the scale of fees and expenses is specified by the relevant organisation.

The Chief Executive may also, on appropriate occasions, require officers, which may include Chief Officers, to undertake Deputy Returning Officer roles and other election duties. They will be remunerated for undertaking these roles.

Publication and Access to Information

This Pay Policy Statement will be published on the Council's website, together with the Council's pay and grading structure and information relating to senior management remuneration.

Appendix A - Charnwood Borough Council's Chief Officers

<u>POST TITLE</u>
Chief Executive
Community, Planning and Housing
Strategic Director – Community, Planning and Housing
Head of Strategic and Private Sector Housing
Head of Landlord Services
Head of Planning and Regeneration
Head of Regulatory Services
Head of Neighbourhood Services
Environment and Corporate Services
Strategic Director – Environment and Corporate Services
Head of Financial Services
Head of Customer Experience
Head of Strategic Support
Head of Cleansing and Open Spaces
Commercial Development, Asset and Leisure
Strategic Director – Commercial Development, Asset and Leisure
Head of Leisure and Culture

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Appendix B - Pay and Grading Structure

Annual Salaries and Hourly Rates from 1 April 2020

Grade	SCP	Annual Salary	Hourly Rate	Monthly	Wkly
A	1	17842	9.2480	1486.83	342.18
	2	18198	9.4325	1516.50	349.00
	3	18562	9.6212	1546.83	355.98
B	4	18933	9.8135	1577.75	363.10
	5	19312	10.0099	1609.33	370.37
	6	19698	10.2100	1641.50	377.77
	7	20092	10.4142	1674.33	385.33
C	8	20493	10.6221	1707.75	393.02
	9	20903	10.8346	1741.92	400.88
	10	21322	11.0518	1776.83	408.92
	11	21748	11.2726	1812.33	417.08
D	12	22184	11.4980	1848.58	425.43
	13	22627	11.7282	1885.58	433.94
	14	23080	11.9630	1923.33	442.63
	15	23541	12.2019	1961.75	451.47
	16	24012	12.4461	2001.00	460.50
E	17	24491	12.6843	2040.92	469.69
	18	24982	12.9488	2081.83	479.11
	19	25481	13.2075	2123.42	488.68
	20	25991	13.4718	2165.92	498.46
SO1	21	26511	13.7414	2209.25	508.43
	22	27041	14.0161	2253.42	518.59
	23	27741	14.3789	2311.75	532.02
SO2	24	28672	14.8615	2389.33	549.87
	25	29577	15.3305	2464.75	567.23
	26	30451	15.7836	2537.58	583.99
PO1	27	31346	16.2475	2612.17	601.16
	28	32234	16.7077	2686.17	618.19
	29	32910	17.0581	2742.50	631.15
	30	33782	17.5101	2815.17	647.87
PO2	31	34728	18.0004	2894.00	666.02
	32	35745	18.5276	2978.75	685.52
PO2	33	36922	19.1377	3076.83	708.09
	34	37890	19.6394	3157.50	726.66
	35	38890	20.1577	3240.83	745.84

Grade	SCP	Annual Salary	Hourly Rate	Monthly	Wkly
JNC A	50	48919	25.3560	4076.58	938.17
	51	50178	26.0086	4181.50	962.32
	52	51424	26.6544	4285.33	986.21
	53	52684	27.3075	4390.33	1010.38
JNC B	54	53941	27.9591	4495.08	1034.48
	55	55189	28.6059	4599.08	1058.42
	56	56571	29.3223	4714.25	1084.92
	57	57943	30.0334	4828.58	1111.24
JNC C	58	60233	31.2204	5019.42	1155.15
	59	61593	31.9253	5132.75	1181.24
	60	62969	32.6385	5247.42	1207.62
	61	64331	33.3445	5360.92	1233.75
JNC D	62	69178	35.8568	5764.83	1326.70
	63	70903	36.7509	5908.59	1359.78
	64	72634	37.6481	6052.83	1392.98
	65	74364	38.5448	6197.00	1426.16
JNC E	66	76088	39.4384	6340.67	1459.22
	67	77840	40.3465	6486.67	1492.82
	68	79119	41.0095	6593.25	1517.35
	69	81345	42.1633	6778.75	1560.04
Chief Executive	CEX1	128438	66.5728	10703.17	2463.19
	CEX2	133575	69.2355	11131.25	2561.71
	CEX3	138713	71.8986	11559.42	2660.25
	CEX4	143850	74.5613	11987.50	2758.77
Skills Group 1	17	24491	12.6943	2040.92	469.69
	20	25591	13.4718	2165.92	498.46
	25	29577	15.3305	2464.75	567.23
Skills Group 2	17	24491	12.6943	2040.92	469.69
	19	25481	13.2075	2123.42	488.68
	22	27041	14.0161	2253.42	518.59
Skills Group 3	14	23080	11.9630	1923.33	442.63
	15	23541	12.2019	1961.75	451.47
	20	25991	13.4718	2165.92	498.46

	36	39880	20.6709	3323.33	764.82
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PO3	37	40876	21.1871	3406.33	783.92
	38	41881	21.7080	3490.08	803.20
	39	42821	22.1953	3568.42	821.22
	40	43857	22.7322	3654.75	841.09

PO4	41	44863	23.2537	3738.58	860.39
	42	45859	23.7699	3821.58	879.49
	43	46845	24.2810	3903.75	898.40

Skills Group 4	7	20092	10.4142	1674.33	385.33
	8	20493	10.6221	1707.75	393.02
	9	20903	10.8346	1741.92	400.88

Levels of Apprenticeship	NJC Salary	
Intermediate	Year 1 Year 2 to completion	NMW Rate for 18 – 20 year olds Appropriate NMW age rate for those aged 21 and above
Advanced	Year 1 Year 2 to completion	NMW Rate for 18 – 20 year olds Appropriate NMW age rate for those aged 21 and above
Higher	Year 1 Year 2 to completion	NMW Rate for 18 – 20 year olds Spinal column points 1 – 4 (Grade A scp 1 – 3 and Grade B scp 4) with annual incremental progression
Degree	Year 1 Year 2 to completion	NMW Rate for 18 – 20 year olds Spinal Column points 4 – 7 (Grade B) with annual incremental progression

The rates for Apprentices appointed under the Joint Negotiating Committee for Local Authority Craft and Associated Employees (Red Book) are in accordance with that agreement.

Local Government Pension Scheme (LGPS) Regulations Policy Statement on all Eligible Employees

Under Regulation 60 of the LGPS Regulations 2013, (as amended), each scheme employer must publish and keep under review a Statement of Policy to explain how it will apply certain discretions allowed under the Pension Regulations.

This statement is applicable to all employees of Charnwood Borough Council who are eligible to be members of the LGPS.

The Council is required to publish the following five policies.

LGPS Regulations – Regulation 31: Power of employer to award additional pension

Explanation and Employer's Policy

An employer may resolve to award a member additional pension of not more than £6,500 (figure as at 1 April 2014) a year within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.

The Council will not normally agree to award an additional pension under this regulation

LGPS Regulations 2013 – Regulation 16(2)(e) and 16(4)(d) : Funding of additional pension contributions (shared cost)

Explanation and Employer's Policy

An active member in the main section of the scheme who is paying contributions may enter into arrangements to pay additional pension contributions (APCs) by regular contributions of a lump sum.

Such costs may be funded in whole or in part by the member's Scheme employer.

The employer will need to determine a policy on whether it will make a contribution towards the purchase of extra pension.

This does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work to pay a shared cost APC to cover the amount of pension "lost" during that period of absence. In these cases the employer MUST contribute 2/3rds of the cost (Regulation 15(5) of the LGPS Regulations 2013.

The Council has not adopted this discretion.

LGPS Regulations 2013 – Regulation 30 (6):Flexible Retirement

Explanation and Employer's Policy

An active member who has attained the age of 55 or over who reduces working hours or grade of an employment may, with the Scheme employer's consent, elect to receive

immediate payment of all or part of the retirement pension to which that member would be entitled in respect of that employment if that member were not an employee in local government service on the date of the reduction in hours or grade, adjusted by the amount shown as appropriate in actuarial guidance issued by the Secretary of State.

The Council has agreed to release pension where there is no costs and not to waive any reduction.

Members must reduce their hours by a minimum of 40% and/or reduce their grade.

The Council may however allow the release of pension where there is a cost or waive reduction in a potential redundancy situation, where a reduction may occur through redeployment, or in other exceptional circumstances supported by a business case.

LGPS Regulations 2013 – Regulation (paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014): Switching on rule of 85

Explanation and Employer’s Policy

A member who has not attained normal pension age but who has attained the age of 55 or over, may elect to receive immediate payment of a retirement pension in relation to an employment if that member is not an employee in local government service in that employment, reduced by the amount shown as appropriate in actuarial guidance issued by the Secretary of State.

In these circumstances (other than flexible retirement) the 85 year rule does not automatically apply to members who would otherwise be subject to it who choose to voluntarily draw their benefits on or after age 55 and before NPA.

The employer has the discretion to “switch on” the 85 year rule for such member (paragraph 1 (1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

If the employer does agree to switch back on the rule of 85, the cost of any strain on the fund resulting from the payment of benefits before age NPA would have to be met by the employer.

The Council will not apply either discretion.

LGPS Regulations 2013 – Regulation (paragraph 2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014): Waiving of actuarial reduction

An employer has the discretion, under a number of retirement scenarios, to waive actuarial reductions on compassionate grounds. The cost of which would fall upon the employer. “Compassionate grounds” is not defined in the regulations.

The Council will not apply this discretion, unless there are exceptional circumstances.

The Personnel Committee and the Director involved will consider any cases and will decide whether the actuarial reductions should be waived. In all cases the financial

position of the Charnwood Borough Council must be considered.

Under Regulation 66 of the LGPS Administration Regulations 2008, (as amended), each scheme employer must publish and keep under review a statement of Policy to explain how it will apply certain discretions allowed under the Pension Regulations.

LGPS Benefits Regulations - Regulation 30: Early payment of retirement benefits at the member, or former members request

Explanation & Employer's Policy

A scheme member or former member can request that the Employer grant early retirement between 55 & 60 years old.

It is possible that, where a member's pension is introduced early, these benefits will be reduced. The reduction is calculated in accordance with guidance issued by the Government Actuary. As an employer you may determine not to apply any reduction.

The Council will not consider the premature retirement of an employee except on compassionate grounds. To qualify for consideration, an employee must be entitled to a pension under the LGPS. The Council will not consent to a request for early retirement where capital costs are applicable unless there are exceptional circumstances. The Council will, in principle, consider a request for early retirement as an application of early retirement arising from redundancy where the request would result in the same cost, a lower cost, or nil cost to the Council. In all cases, early retirement will only be considered when supported by a justifiable business case.

LGPS Benefits Regulations - Regulation 18: Requirements as to time of payment (Flexible Retirement)

Explanation & Employer's Policy

A member who is 55 or over, and with their employer's consent, reduces their hours and/or grade can, but only with the agreement of the employer, make an election to the administering authority for payment of their accrued benefits without having retired from employment. It is possible that, where a member's pension is introduced early, these benefits may be reduced. The reduction is calculated in accordance with guidance issued by the Government Actuary. As an employer you may determine not to apply any reduction.

Whilst a request which result in a cost to the Council will generally not be approved there may be instances where granting flexible retirement will enable departments to review their requirements, e.g. succession planning, managerial or specialist skills development, or ultimately achieve other efficiency savings through staff movement/structure changes etc. That is to say, there must be a significant organisational benefit to the Council.

In considering any request for flexible retirement the following business reasons are to be taken into account:

- Cost to the Council in releasing the scheme member's pension
- Requirement/ability to recruit to the vacated hours or grade
- Additional costs as a result of recruitment/training to the vacated hours or grade

- Capacity to re-allocate work amongst co-workers
- Impact on service delivery and work performance
- Suitability of individual's proposed working arrangements, i.e. days, hours etc.

This scheme will not apply where there are formal conduct or performance issues and the appropriate procedures should be invoked in those circumstances.

LGPS Administration Regulations – Regulation 25 (3) and LGPS Benefits Regulations – Regulation 15 (3): Shared Cost Additional Contribution Facility

Explanation & Employer's Policy

This discretion allows the Employer to maintain and contribute to an employee's Additional Voluntary Contribution Scheme.

The Council has not adopted this discretion. This will not have any effect on the existing AVC facility available where the employee only is able to make such contributions.

LGPS Benefits Regulations - Regulation 12: Augmentation (increase of scheme membership)

Explanation & Employer's Policy

An employer may resolve to increase the total membership of an active member.

The Council has not adopted this discretion. This decision does not affect the discretion available to the employer to allow a scheme member to convert a lump sum discretionary payment using the augmentation factors. (See Early Termination of Employment Discretionary Compensation).

LGPS Benefits Regulations - Regulation 13: Power of employer to award additional pension

Explanation & Employer's Policy

An employer may resolve to award a member additional pension of not more than £5000 a year payable from the same date as his pension payable under any other provisions of these Regulations. Additional pension may be paid in addition to any increase of total membership resolved to be made under regulation 12.

The Council has not adopted this discretion.

The Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006

New provisions provide local government employers with the powers to consider making a one off lump sum payment to an employee which must not exceed 104 week's pay. The regulations no longer provide for the award of compensatory added years.

This statement is applicable to all employees of Charnwood Borough Council who are eligible to be members of the LGPS.

Regulation 5: Power to increase statutory redundancy payments

Explanation & Employer's Policy

The Employer may decide to calculate a redundancy payment entitlement as if there had been no limit on the amount of a week's pay used in the calculation.

The Council has decided to adopt this discretion and base redundancy payment calculations on an unrestricted week's pay.

Regulation 6: Discretionary Compensation

Explanation & Employer's Policy

A "one off" lump sum compensation payment may be awarded to an employee up to a maximum value of 104 weeks' pay, inclusive of any redundancy payment made. If the above Regulation is adopted, employees who are members of the LGPS can be given the option of converting compensation payments, (less the statutory redundancy payment), into additional pensionable service, in accordance with the augmentation factors provided by the authority. An employer should specify whether they intend to provide this option.

Employees who have been continually employed for two years or more by members of the modification order will receive a redundancy payment. The payment is based on the statutory formula with a multiplier X 2 applied. The maximum number of weeks an individual can receive is 60 weeks. Employees have the option of using their redundancy payment, in excess of the statutory redundancy payment, to purchase a period of membership in the LGPS.

PERSONNEL COMMITTEE – 21st December 2021**Report of the Head of Strategic Support****Part A**

ITEM Apprenticeship Reporting Update – 1 April 2020 to 31 March 2021

Purpose

The purpose of this report is to provide Personnel Committee with information relating to the apprenticeship scheme within the Council and the apprenticeship target reporting for the period 1 April 2020 to 31 March 2021.

Recommendation

That the findings of the apprenticeship reporting be noted by Personnel Committee.

Reason

The Public Sector Apprenticeship Targets Regulations 2017 came into force on 31 March 2017. All public bodies with 250 or more staff in England as of 31 March have a target to employ an average of at least 2.3% of their staff as new apprentice starts over the period of 1 April 2017 to 31 March 2021.

Policy Justification and Previous Decisions

SLT were provided with details of this periods apprenticeship reporting on 11 August 2021. The report was also discussed at the Joint Management Trade Union Meeting (JMTUM) on 7 October 2021.

This is the fourth report on the apprenticeship scheme covering the period 1 April 2020 to 31 March 2021.

Implementation Timetable including Future Decisions

The findings of the apprenticeship scheme reporting will be noted following agreement at Personnel Committee. The data has been published on the Council's intranet prior to the Personnel Committee meeting, to ensure the publishing deadline of 30 September each year is met.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no financial implications arising from this decision.

Risk Management

There risks outlined within this report are highlighted in Part B below.

Background Papers: None

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Part B

Background

1. The Government introduced the Apprenticeship Scheme with effect from 6 April 2017.
2. As required under that scheme, reports are due within six months of the end of each reporting period. This means that the information should be published by 30 September each year in an easily accessible location to the public. It is therefore considered that the appropriate place to publish the Return Section 1 - Data Publication is on the Council’s intranet. The Return Section 2 – Apprenticeship Activity return does not have to be published.
3. The target for public sector bodies is 2.3% apprenticeship starts each year based on the organisations headcount as of 31 March each year. The apprenticeship target for the Council remains at 12.
4. Apprenticeship starts can include both existing employees, who can take advantage of apprenticeship funding, as well as new starters appointed to apprenticeship posts.
5. Work has continued each year to increase the amount of apprenticeship starts, to enable the Council to demonstrate its commitment to meeting the target, where possible.

Findings

6. Return Section 1 – Data Publication
 The Data Publication includes several figures which will enable the Government and the public to understand each body’s headcount and the number of apprentices they employ, and then use that information to assess the progress a body has made towards meeting the target. The figures outlined in Section 1 will be published as outlined at paragraph 3.

Figure A: The number of employees whose employment in England by the body began in the reporting period in question.
46
Figure B: The number of apprentices who began to work for the body in that period and whose apprenticeship agreements also began in that period. <ul style="list-style-type: none"> • This includes employees who were already working for the body before beginning the apprenticeship, as well as new apprentices hires.
7
Figure C: The number of employees employed in England that the body has at the end of that period.
510
Figure D: The number of apprentices who work for the body at the end of that period.

12

Public bodies are also required to provide two percentages in order to give context to the other figures. These percentages do not reflect the progress a public body has made towards the target:

Figure E: Figure B expressed as a percentage of figure A.

15.22%

Figure F: Figure D expressed as a percentage of figure C.

2.35%

In addition, the Apprenticeship Activity Return (Return Section 2) requires public bodies to send the following figures, which will help identify their progress towards meeting the target, to the Department for Education. Public bodies could also consider providing these figures in the Data Protection.

Figure H: Headcount on the day before the first day of each reporting period in the target period

520

Figure I: Figure B expressed as a percentage of figure H.

1.35%

7. Return Section 2 – Apprenticeship Activity Return

The Apprenticeship Activity Return includes both information on a body’s progress against the target and information to assess actions taken towards, and challenges faced in, meeting the targets.

The return includes quantitative and qualitative elements:

QUANTITATIVE
Headcount on the day before the first day of each reporting period in the target period; and
520
Figure B in Return Section 1 (the number of apprentices who began to work for the body in the reporting period in question and whose apprenticeship agreements also began in that period), expressed as a percentage of headcount on the day before the first day of the reporting period in question. (This will enable the Government to assess the progress a body has made towards meeting the target).
1.35%
QUALITATIVE
Action that the body has taken to meet their apprenticeship target (i.e. how it has “had regard”)
<ul style="list-style-type: none"> • Promoted information on apprenticeship opportunities to managers. • Due to covid restrictions there have been difficulties in promoting the apprenticeship scheme and managers supporting new apprentices. •
If the target has not been met then specific further evidence may be required. This may include an explanation of why the target was not met, actions the body has taken to overcome the challenges it has faced and/or mitigating factors which demonstrate the body’s commitment to apprenticeships.
<ul style="list-style-type: none"> • Limitation of 20% off the job learning difficult to manage for existing staff. • Impact of Covid-19 limiting opportunities. As Covid restrictions are lifted we hope to promote apprenticeship opportunities further.
Information about action the body proposes to take to meet their future apprenticeship targets: and
<ul style="list-style-type: none"> • We will continue to promote apprentice opportunities with managers, but it is likely to be difficult to meet targets due to Covid restrictions.
If the body considers that a future target is not likely to be met, an explanation of why that is so.
<ul style="list-style-type: none"> • It is anticipated that the future target will continue to be impacted by the Covid-19 pandemic.

COUNCIL – 17TH JANUARY 2022

Report of the Chief Executive

Part A

ITEM 9 MOTION ON NOTICE: TOWARDS CARBON NEUTRALITY IN CHARNWOOD

Purpose of Report

To allow Council to consider those elements of a motion on notice that was referred for further consideration at the full Council meeting on 8th November 2021 that relate to Council responsibilities.

Recommendation

That Council determines what, if any, action to take in response to the following resolutions that were included within the motion on notice, taking into account the officer advice on the relevant implications as set out in Part B of this report:

- (a) Introduce obligatory Carbon Literacy training for ALL Members.
- (b) Commit to a minimum annual budget for carbon neutral projects for the next five years at least, to ensure progress doesn't stall due to lack of financial commitment.

Reason

To ensure that those elements of the motion on notice as referred by full Council that relate to Council responsibilities are given informed consideration.

Policy Justification and Previous Decisions

At the full Council meeting on 8th November 2021 the following motion on notice was referred so that the relevant elements could be further considered by Council and by Cabinet, as appropriate, with the benefit of officer advice on the associated implications:

This Council notes that:

This year marks the 26th COP summit, taking place 1-12 November 2021 in the UK. The spotlight is now firmly on the UK to provide a level of global leadership that raises ambition and turns promises into desperately needed action to tackle the climate crisis.

This Council believes that:

Local authorities have their part to play in showing this leadership, by acknowledging the urgent need for action on climate change, taking steps to reduce their own carbon footprint, and encouraging and supporting local businesses and residents to do the same.

This Council resolves to:

- 1) Appoint a dedicated member of staff to oversee the progress of the council towards its goal of achieving carbon neutrality by 2025, ensure it is kept on track, and that any available external funding identified is applied for.*
- 2) Ensure that the CBC Carbon Neutral Project Board is a democratic and politically balanced entity, comprising members from across the political spectrum. The climate crisis affects us all.*
- 3) Introduce obligatory Carbon Literacy training for ALL officers and councillors.*
- 4) Commit to a minimum annual budget for carbon neutral projects for the next five years at least, to ensure progress doesn't stall due to lack of financial commitment.*
- 5) Establish a Charnwood Climate Committee made up of knowledgeable representatives in the relevant fields of business & industry, research and academia and community, to look at ways businesses and residents in the borough of Charnwood can be supported and encouraged to reduce their carbon footprint.*

The Monitoring Officer has determined that the proposed resolution 4) relates to Council responsibilities and is therefore for Council to consider.

In relation to 3), Member training is a Council function, overseen by the Member Development Member Reference Group, and officer training is an executive function. The Member training element is therefore considered within this report.

The resolutions which relate to Cabinet functions, i.e., the part of 3) which relates to officer training, and 1), 2) and 5) were considered by Cabinet at their meeting on 9th December 2021.

Implementation Timetable including Future Decisions and Scrutiny

Any decisions made by Council would come into effect at such times as they may determine to be appropriate.

Report Implications

The following implications have been identified for this report.

Financial Implications

As set out in Part B.

Risk Management

Any risks associated with the proposed resolutions are set out in Part B.

Key Decision: No

Background Papers: None

Officers to contact:

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Part B

Resolution (a): Introduce obligatory Carbon Literacy training for ALL Members.

1. Carbon literacy bronze accreditation training specifically for Members has been organised with an external facilitator. The training, which requires a relatively significant time commitment from those Members who participate, is for fifteen Members on a politically representative basis, and all those attending have committed to 3 training sessions on 25th January, 1st February, and 8th February 2022.
2. Council could recommend to the Member Development Member Reference Group that obligatory carbon literacy training should be provided to all Members, subject to any costs being within the available member training budget. This would not necessarily need to be at the full bronze accreditation level, but could instead be more basic awareness training.
3. If the training were to be made obligatory, Council would need to consider what steps would be taken in respect of any Members who did not participate.

Resolution (b): Commit to a minimum annual budget for carbon neutral projects for the next five years at least, to ensure progress doesn't stall due to lack of financial commitment.

4. This is a matter for the budget and capital plan setting process, which will ultimately come to Council for approval in February 2022.
5. The budget process will need to balance a large number of competing demands, but given the Council's constrained finances funding for carbon neutral or sustainability issues may require reductions or withholding funding from other priorities.

COUNCIL – 17TH JANUARY 2022

Report of the Chief Executive

ITEM 12 URGENT EXECUTIVE DECISION EXEMPTED FROM CALL-IN:

(i) ACQUISITION OF AFFORDABLE HOUSING PROPERTY

Purpose of Report

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

Action Requested

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

Policy Justification and Previous Decisions

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

(i) Acquisition of affordable housing property

As part of the S106 agreement for planning application P/1/1538/2 the Council received a sum of money in lieu of the affordable dwellings, for the purchase of affordable housing properties within Woodhouse Eaves.

The purchase of a property being reported to this meeting of Council is set out below:

- 3 Bedroom house, 77 Birdhill Road, Woodhouse Eaves, LE12 8RP

The cost of acquiring the property was £265,000 with associated fees estimated at £2,500 and stamp duty of £11,200 (total cost £278,700).

The Chair of the Scrutiny Commission has been consulted and agreed that the decision be exempted from call-in, as it would not be practical for the usual call-in arrangements for key decisions to be applied as any delay caused could result in the purchase falling through.

The report considered can be found in the Annex to this report.

Implementation Timetable including Future Decisions

As detailed within the Annex to this report.

Report Implications

As detailed within the annexes to this report.

Background Papers: None

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Annex

Report considered by the relevant officer.

Decision under Delegated Powers

Officer Requesting Decision

Empty Homes and Projects Officer

Officer Making the Decision

Head of Strategic and Private Sector Housing

Recommendation

To authorise the release of £278,700 of the £388,951.97 received in respect of a s106 agreement attached to planning permission P/12/1538/2.

The money will be used to purchase a 3 bedroom house, 77 Birdhill Road, Woodhouse Eaves.

Reason

The release of this funding is in accordance with the relevant clauses in the s106 agreement attached to planning permission P/12/1538/2

Authority for Decision

Planning permission ref: P12/1538/2 included a s106 agreement with the provision for a sum to purchase affordable housing properties within Woodhouse Eaves.

Heads of Service have general delegated authority within the Constitution for the implementation of decisions properly authorised by the Council or a Committee of the Council, the Cabinet, or a Committee of the Cabinet or by an officer acting under delegated powers.

Decision and Date



1st December 2021

Background

As part of the s106 agreement for planning application P/12/1538/2, Charnwood Borough Council received £388,951.97 in lieu of the affordable

dwellings, for the purchase of affordable housing properties within Woodhouse Eaves.

The following property has now been identified to purchase:

- 77 Bird Hill Road, Woodhouse Eaves, LE12 8RP, 3-bedroom House.

There is an identified need for this size of property. There are currently 72 applicants on the Housing register who have requested to be re-housed in a 2 or 3 bedroom property in Woodhouse Eaves.

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

The Housing Acquisition Policy sets out that the cost of the works to bring the property to the Charnwood Standard should not exceed 10% of the current property valuation based on the asking price. The total estimated cost of works to bring the property to the Charnwood Standard is £6,000.

The seller of the property has accepted an offer of £265,000. The cost of acquiring this property is £265,000 with associated fees estimated at £2,500 and stamp duty of £11,200 (total cost of £278,700).

Financial Implications

The s106 agreement money £388,951.97 has been received and there are no financial implications for Charnwood Borough Council for the purchase of the property. Lesley Tansey 01/12/2021

Risk Management

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
There are no risks identified with this decision	Unlikely	None	Very Low (1 - 2)	N/A

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

Background Papers: Housing Acquisition Policy approved by Cabinet on the 10th May 2018; reviewed and updated June 2019, DD084, reviewed and updated September 2021.