

Open

Overview & Scrutiny Committee

Agenda

6pm
Thursday, 5th September 2019
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster



Overview & Scrutiny Committee

Members of Committee:

Chairman: Councillor M J Hart
Vice-Chairman: Councillor S J Chambers

Councillor N J Desmond
Councillor S Griffiths
Councillor M Rayner
Councillor D R Sheppard

Councillor C E E Edginton-White
Councillor T L Onslow
Councillor S E N Rook
Councillor A Totty

Would Members please note that, to ensure continuity in scrutiny, substitutes should only be appointed for the Scrutiny Committee in exceptional circumstances.

Information for Members of the Public:

Part I of the Agenda includes items for discussion in public. You have the right to inspect copies of Minutes and reports on this Agenda as well as the background documents used in the preparation of these reports.

Part II of the Agenda (if applicable) deals with items of "Exempt Information" for which it is anticipated that the public may be excluded from the meeting and neither reports nor background papers are open to public inspection.

Declaration of Interests by Members – interests of members in contracts and other matters

Declarations of Interest are a standard item on every Council and Committee agenda and each Member must provide a full record of their interests in the Public Register.

In addition, alongside the Register of Interest, the Members Code of Conduct ("the Code") requires the Declaration of Interests at meetings. Members have to decide first whether or not they have a disclosable interest in the matter under discussion.

Please see the Members' Code of Conduct as set out in Section 14 of the Council's constitution for full details.

Disclosable Pecuniary Interest (DPI) / Other Disclosable Interest (ODI)

DPI's and ODI's are interests defined in the Code of Conduct that has been adopted by the District.

If you have a DPI (as defined in the Code) in a matter being considered at a meeting of the Council (as defined in the Code), the Council's Standing Orders require you to leave the room where the meeting is held, for the duration of any discussion or voting on that matter.

If you have an ODI (as defined in the Code) you will need to consider whether you need to leave the room during the consideration of the matter.

Co-opted Members

Scrutiny Committees may wish to appoint Co-Opted Members to sit on their committee in order to add value to the scrutiny process. To appoint a Co-Opted Member, a Committee must first agree to appoint either a specific person or to approach a relevant organisation to request that they put forward a suitable representative (e.g. the local Police Authority). Co-Optees are non voting by default but Committees can decide to appoint voting rights to a Co-Optee. The Co-Option of the Member will last no longer than the remainder of the municipal year.

Scrutiny Committees can at any meeting agree to terminate the Co-Option of a Co-Opted Member with immediate effect. Where an organisation is appointed to put forward a Co-Opted Member, they are able to send a substitute in exceptional circumstances, provided that they notify Democratic Services in advance. Co-Opted Members must sign up to the Members Code of Conduct before attending their first meeting, failure to sign will mean that they are unable to participate. This also applies to substitute Co-Opted Members, who will need to allow sufficient time before a meeting in order to sign the Code of Conduct.

The following will apply:

- i) The total number of voting co-opted members on any Scrutiny Committee will not exceed 25% at any one time.
- ii) The total number of voting Co-opted Members on any Review Panel will not be limited.
- iii) Those Co-opted Members with voting rights will exercise their rights in accordance with the principles of decision making set out in the constitution.

For Further information:

If you have any queries about this Agenda or require any details of background papers, further documents or information, you should contact Louisa Bright, Principal Committee and Member Services Officer, Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF. Telephone: 01562 732763 or email louisa.bright@wyreforestdc.gov.uk

Wyre Forest District Council

Overview & Scrutiny Committee

Thursday, 5th September 2019

Council Chamber, Wyre Forest House, Finepoint Way, Kidderminster

Part 1

Open to the press and public

Agenda item	Subject	Page Number
1.	Apologies for Absence	
2.	Appointment of Substitute Members To receive the name of any Councillor who is to act as a substitute, together with the name of the Councillor for whom he/she is acting.	
3.	Declarations of Interests by Members In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any Disclosable Pecuniary Interests (DPI's) and / or Other Disclosable Interests (ODI's) in the following agenda items and indicate the action that they will be taking when the item is considered. Please see the Members' Code of Conduct as set out in Section 14 of the Council's Constitution for full details.	
4.	Minutes To confirm as a correct record the minutes of the meeting held on the 4 th July 2019 and the minutes of the meeting of the Overview and Scrutiny Sub-Committee held on 30 th July 2019.	7
5.	How Are We Doing? Performance Update To consider a report from the Business Improvement Officer which updates Members on the performance of the Council for quarter 1 (from 1 st April to 30 th June 2019).	13
6.	Annual Report on Treasury Management Service and Actual Prudential Indicators 2018-19 To consider a report from the Corporate Director: Resources which provides a review of the treasury management activities for 2018 19, in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code). It also includes for the first time reporting on the non-treasury prudential indicators introduced under MHCLG Guidance issued in February 2018.	34

	To also consider recommendations from the Treasury Management Review Panel from its meeting on 2 nd September 2019. (To follow)	
7.	Worcestershire's Homelessness and Rough Sleeping Strategy 2019 – 2022 To consider a report from the Head of Strategic Growth on the new Homelessness and Rough Sleeping Strategy 2019 – 2022.	56
8.	Kidderminster Business Improvement District (BID) – Forward Funding To consider a report from the Corporate Director: Economic Prosperity & Place on a proposal to provide forward funding to the Kidderminster BID in advance of the initial collection of the additional business rates in 2020/21 to enable continued progress to set up the BID company and to appoint a BID Manager.	84
9.	North Worcestershire Economic Growth Strategy 2019-2024 To consider a report from the Head of North Worcestershire Economic Development and Regeneration which provides a summary of the North Worcestershire Economic Growth Strategy 2019-2024 and outlines its four pillars of growth, strategic priorities and supporting projects and interventions.	89
10.	Feedback from Cabinet To note the content of the Cabinet action list, following consideration of the recommendations from its meeting on 16 th July 2019 and the meeting of the Cabinet Sub-Committee held on 31 st July 2019.	114
11.	Work Programme To review the work programme for the current municipal year with regard to the Corporate Plan Priority, Annual Priorities and the Forward Plan.	117
12.	Press Involvement To consider any future items for scrutiny that might require publicity.	
13.	To consider any other business, details of which have been communicated to the Solicitor of the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.	

14.	<p>Exclusion of the Press and Public</p> <p>To consider passing the following resolution:</p> <p>“That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of “exempt information” as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”.</p>	
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Part 2

Not open to the Press and Public

15.	<p>To consider any other business, details of which have been communicated to the Solicitor of the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.</p>	
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WYRE FOREST DISTRICT COUNCIL

OVERVIEW & SCRUTINY COMMITTEE

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER

THURSDAY, 4TH JULY 2019 (6PM)

Present:

Councillors: M J Hart (Chairman), N J Desmond, S Griffiths, I Hardiman, S Miah, T L Onslow, M Rayner, S E N Rook, D R Sheppard and P W M Young.

Observers

Councillors: H E Dyke, P Harrison and F M Oborski MBE.

OS.11 Apologies for Absence

Apologies for absence were received from Councillors:
S J Chambers (Vice-Chairman), C E E Edginton-White and A Totty.

OS.12 Appointment of Substitutes

Councillor I Hardiman was a substitute for Councillor S J Chambers.
Councillor S Miah was a substitute for Councillor A Totty.
Councillor P W M Young was a substitute for Councillor C E E Edginton-White.

OS.13 Declarations of Interests by Members

Councillor D R Sheppard declared an Other Disclosable Interest (ODI) in agenda item no. 5 – Wyre Forest District Local Plan: Pre-Submission Publication, as he is a resident adjacent to Yew Tree Walk in Stourport. He would take no part in the discussion and would not vote on that item.

OS.14 Minutes

Decision: The minutes of the meeting held on 13th June 2019 be confirmed as a correct record and signed by the Chairman.

OS.15 Wyre Forest District Local Plan: Pre-Submission Publication

The Committee considered a report from the Spatial Planning Manager which set out the documentation for re-opening the Local Plan Pre-Submission Publication consultation, referred to as the Regulation 19 consultation. Members acknowledged that this was the final stage of consultation before submission of the Local Plan to the Secretary of State.

The Committee also considered the progress in the preparation of: the Pre-Submission Publication Consultation (Regulation 19) documentation (as shown in background paper 16.1, and amendments in appendix 1 and 2 of the report); and the updated technical evidence base papers (as shown in appendix 4 of the report);

and the draft Consultation Plan for the Pre-Submission Publication consultation (as shown in appendix 3 of the report).

The Spatial Planning Manager presented the report. She explained that following receipt of responses to the Preferred Options consultation which took place during November and December 2018, it had become apparent that there were some important technical points which had been raised by statutory consultees, including Worcestershire County Council, which need to be addressed. This included issues to do with the transport modelling, the Infrastructure Delivery Plan and viability modelling. She further explained that the updates to the various evidence base studies had led to sections of the Local Plan Pre-Submission Document having to be updated.

The Spatial Planning Manager outlined the changes made to the consultation version of the Local Plan and presented the draft consultation plan. Members were advised that a report would be presented to Cabinet on 16th July to approve the documents for consultation. She added that to avoid the summer holiday period, the six week consultation would take place from Monday 2nd September to Monday 14th October 2019.

The Head of Strategic Growth confirmed that the re-opening of the consultation would allow members of the public to submit their views on the updated pre-submission version of the Local Plan and updated evidence base. She added that unless people wanted to change or add to their comments, all responses received to the consultation in 2018 would still be valid. She confirmed that no late responses would be accepted.

Members fully scrutinised the report and welcomed the proposal for the postal distribution of information to be undertaken by Royal Mail and agreed that it would be beneficial for the information sent to households to be printed in colour. Members felt that an additional drop-in session should be held in Bewdley, to provide residents with an opportunity to attend any one of the sessions across the three towns within the District. There was full support from the Committee for the consultation plan.

Agreed: Recommend to Cabinet that:

The Pre-Submission Publication consultation documentation, the updated technical evidence base studies, and the draft Consultation Plan be approved; subject to the following proposed amendments;

- 1. the publicity leaflet for residents to be produced in colour;**
- 2. an additional drop-in session be held in Bewdley on 19th September 2019, from 2pm to 4.30pm at Wribbenhall Parish Rooms;**

In making these recommendations Overview and Scrutiny Committee noted that a final decision on the Plan to be submitted to the Secretary of State had to be taken by Council in 2020.

Councillor P Harrison left the meeting at this point (7pm).

OS.16 Treasury Management Review Panel

The Corporate Director: Resources advised that the Treasury Management Review Panel would be formed again for the current municipal year. The first meeting of the Panel and training session for Members was scheduled to take place on Monday 2nd September 2019.

She said it was compulsory for Members of the Treasury Management Review Panel and the Audit Committee to attend at least one of the two Member Training sessions which would be held during the municipal year. Members were advised that the training would be carried out by the Council's external treasury management advisors, Link Asset Services.

Agreed: Members to notify the Principal Committee and Member Services Officer if they would like to sit on the Panel for the current municipal year.

OS.17 Feedback from Cabinet

Agreed: The content of the Cabinet action list, following consideration of the recommendations from its meeting on 19th June 2019, be noted.

OS.18 Work Programme

The Committee reviewed the work programme for the current municipal year. The Chairman reminded Members that they could request items to come forward for in-depth scrutiny by submitting a scrutiny proposal form to the Principal Committee and Member Services Officer.

OS.19 Press Involvement

There were no future items for scrutiny that might require publicity.

OS.20 Asset Management Strategy

The Committee considered a report from the Corporate Director: Economic Prosperity and Place which set out a proposal to agree the adoption of an Asset Management Strategy, as part of the Capital Strategy, to guide the Council in the overall management of assets within its developing portfolio of assets acquired through the Capital Portfolio Fund.

The Corporate Director: Economic Prosperity and Place presented the report and advised Members that to date the Council had completed six acquisitions through the £25m Capital Portfolio Fund. He said that the current total spends and commitments from the fund were c£17.8m.

He added that the Council had a duty to ensure that the newly acquired assets were properly managed on a day to day basis, and that the Council had an agreed strategy for the overall maintenance of the portfolio of assets. He explained that to assist the Council and to build capacity and expertise within the property team, external consultants had been appointed to manage both the properties and the portfolio.

The Corporate Director: Resources advised Members that without the Asset Management Strategy to sit along side the Capital Portfolio Fund Strategy the authority would not be able to meet the Ministry for Housing, Communities and Local Government (MHCLG) statutory guidance. She added that the Strategy would enable the authority to maintain proper governance over the development of its assets and overall performance of the portfolio.

Councillor S Griffiths left the meeting at 7.26pm and returned at 7.28pm.

A discussion ensued. Members welcomed the Strategy and were assured that it had been developed in accordance with statutory guidelines. The Chairman endorsed the proposal and said that it was the responsible thing for the Council to do to ensure that the full benefit of owning the assets in terms of their capital and revenue values was realised by the authority.

The Committee fully supported the adoption of the document and welcomed the prospect of receiving bi-annual performance updates of the overall Capital Portfolio Fund.

Agreed: Recommend to Cabinet that the proposed strategy should be adopted.

OS.21 Exempt Information

Decision: Under Section 100A(4) of the Local Government Act, 1972 the press and public be excluded from the meeting during the consideration of the following items of business on the grounds that they involve the likely disclosure of “Exempt Information” as defined in paragraphs 2, 6 and 7 of Part I of Schedule 12A of the Act.

Councillor D Sheppard left the meeting at 7.32pm and returned at 7.34pm.

OS.22 Disposal of Land in Stourport

The Committee considered a confidential report from the Corporate Director: Economic Prosperity and Place which set out a proposal to dispose of land in Stourport.

The Committee agreed that it was imperative that the authority ensured that the site was only developed for the purposes intended. Members acknowledged that the proceeds from the disposal of the site would be a welcome addition to the Council's Evergreen Investment Fund to support future proposals which would contribute to the Medium Term Financial Strategy. There was unanimous support for the proposal.

Agreed: Recommend to Cabinet that:

The proposed disposal should proceed.

There being no further business, the meeting ended at 7.50pm.

WYRE FOREST DISTRICT COUNCIL

OVERVIEW & SCRUTINY SUB-COMMITTEE

**KIDDERMINSTER/ROCK ROOM, WYRE FOREST HOUSE, FINEPOINT WAY,
KIDDERMINSTER**

TUESDAY, 30TH JULY 2019 (6PM)

Present:

Councillors: M J Hart (Chairman), N J Desmond, C E E Edginton-White, S Griffiths and A Totty.

Observers

Councillor S Miah.

OSSC.01 Apologies for Absence

There were no apologies for absence.

OSSC.02 Appointment of Substitutes

No substitutes were appointed.

OSSC.03 Declarations of Interests by Members

No declarations of interest were made.

OSSC.04 Exempt Information

Decision: Under Section 100A(4) of the Local Government Act, 1972 the press and public be excluded from the meeting during the consideration of the following items of business on the grounds that they involve the likely disclosure of “Exempt Information” as defined in paragraphs 2, 6 and 7 of Part I of Schedule 12A of the Act.

OSSC.05 Capital Portfolio Fund – Development Funding Proposal

The Sub-Committee considered a confidential report which set out a business case to support a development funding proposal from the Capital Portfolio Fund.

The Corporate Director: Economic Prosperity & Place presented the report. He gave a comprehensive and thorough explanation of the proposed scheme and the consideration of key matters consistent with the Council’s Capital Strategy and the Government Statutory Guidelines for Local Authority Investments. He said that the Council had used the fund to acquire properties that would assist the delivery of its economic objectives and to fund development of its own assets.

The Financial Services Manager gave an explanation of the financial implications of

Agenda Item No. 4

the scheme. She explained that the current unallocated balance of the £25m Capital Portfolio Fund was £7.4m.

Councillor S Miah left the meeting at this point. (6.32pm).

The Corporate Director: Resources highlighted the risk analysis as set out in the report. She explained that whilst the authority could not mitigate against all risks associated with the investment opportunities, Officers were very prudent with the financial planning of the business cases.

The Committee fully scrutinised the report and were assured that all due diligence had been undertaken. Members agreed that the scheme would further diversify the Council's property portfolio. The proposal was moved and seconded and upon a show of hands the vote was carried unanimously.

Agreed: Recommend to Cabinet that the proposed investment should proceed.

There being no further business, the meeting ended at 6.48pm.



Overview & Scrutiny Committee

Briefing Paper

Report of: Rhiannon Foxall, Business Improvement Officer
Date: Thursday 5th September 2019
Open

How Are We Doing? Performance Update

1. Summary

- 1.1 To update Members on the performance of the Council for Quarter 1 (from 1st April 2019 to 30th June 2019).

2. Background

- 2.1 Performance management is instrumental in all council activities as it helps us to keep track of how well we are performing and enables any potential issues to be identified at an early stage so remedial action can be taken. It also informs our decision making processes which underpin the delivery of our Corporate Plan 2014-19.
- 2.2 The Council has a number of processes in place to monitor our performance including:
- Corporate Plan Actions
 - Corporate Risks and associated actions
 - Leading Measures
 - Lagging Measures

3. Progress

- 3.1 **Appendix 1** is a detailed report of performance against our purpose of ['Enabling'](#).
- 3.2 **Appendix 2** is a detailed report of the progress of our [Capital Projects](#).

4. Key Achievements/Issues

- 4.1 There are no significant issues to highlight at the end of this quarter with regards to actions as there are none that are overdue. Therefore no exception report features as an appendix.
- 4.2 **WFF 19/20 77 – Churchfields**
This action was listed as a future project on the Capital Projects report but has now become a Capital Project. It will therefore feature in more detail on future Capital Projects reports.

- 4.3 Measure LE134: Monitoring external income on a monthly basis**
The income generation reporting has been reconfigured following a refined definition of 'commercial income'. The data featured in this report is in line with the new reporting parameters and all back data has been updated to reflect an accurate trend.

5. Options

- 5.1 That the progress in performance for quarter 1 be noted.

6. Consultation

- 6.1 Leader of the Council
6.2 Corporate Leadership Team

7. Related Decisions

- 7.1 None.

8. Relevant Council Policies/Strategies

- 8.1 Wyre Forest District Council Corporate Plan 2014 – 2019.

9. Implications

- 9.1 Resources: No direct implications from this report.
9.2 Equalities: No direct implications from this report.
9.3 Partnership working: No direct implications from this report.
9.4 Human Rights: No direct implications from this report.
9.5 E-Government: No direct implications from this report.

10. Equality Impact Needs Assessment

- 10.1 An equality impact assessment has been undertaken and it is considered that there are no discernible impacts on the nine protected characteristics as set out by the Equality Act 2010.

11. Wards affected

- 11.1 None.

12. Appendices

- 12.1 Appendix 1 – Full 'Enabling' report
12.2 Appendix 2 – Capital Projects report

13. Background Papers

Corporate Plan action information is available on the Council's Performance Management System, Pentana Performance. Alternatively, reports can be requested from the Business Improvement Officer.

Officer Contact Details:

Name:	Rhiannon Foxall
Title:	Business Improvement Officer
Contact Number:	Ext. 2786
Email:	rhiannon.foxall@wyreforestdc.gov.uk

ENABLING OTHERS TO DO WHAT THEY NEED TO DO

This report details the progress we have made against our purpose of 'enabling others to do what they need to do'.



Actions

Listed below is the progress against our current major projects that support the delivery of our purpose of 'enabling others to do what they need to do'



WFF 19/20 54

Help me make good financial and budgeting decisions

10%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2020	Corporate Leadership Team	Cross cutting reporting A comprehensive report in the new format is being considered by the Commercial Activity Programme Board on the 17th April. Other related work Garage hive live and working well.	23-Apr-2019

Tablets have been made available to operatives although there are some issues with coverage.

WFF 19/20 55

We support our people and enable them to work well

82%



Due Date	Managed By	Latest Note	Latest Note Date
30-Sep-2019	Corporate Leadership Team; Rachael Simpson	Induction and Onboarding Due date amended due to other work priorities. Initial information gathering work continues. HR pages – COLIN New COLIN launched 9th July 2018. There will be ongoing work on the HR pages to ensure they remain up to date and the self service element is developed. Developing leadership and personal capability Ongoing support and advice provided	16-Jan-2019

WFF 19/20 57

Delivery of the ICT Strategy 2018–2023

44%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2023	Dave Johnson	See detailed updates below.	15-Nov-2018

WFF 19/20 57.8

Review and Update Security Systems

45%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2023		<ul style="list-style-type: none"> – Group Policies for Windows 10 and updating the images accordingly has now been complete. A number of new Laptops have been rolled out to test users. – New 2 factor system being looked at for Server access by ICT and wider user access. 	12-Aug-2019

- Phishing email campaign on-going due to be completed in the next few weeks. Training needs will then be assessed
- Looking to replace remain old Thin Client devices, current out to tender on this
- Upgraded / re freshed a number of core security infrastructure elements including support on firewall, Web Security appliances and email gateway.
- New backup and additional backup for Cyber Resilience has now been installed and is currently working well and building its backup archive. Testing in particular the Cyber Backup needs to be performed in the coming weeks / months.
- With North Worcestershire Civil Contingencies and Resilience Manager involved in updating sections plans for contingencies in the event of a cyber attack

WFF 19/20 57.10

Supporting the Commercial Agenda

40%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2023	Dave Johnson	Work continues on setting up IVR system due to go live later in year. Also looking at a digital platform to assist with customer requests, self services and job tracking and allocation. Business Case to ICT Strategy Board in the Autumn.	12-Aug-2019

WFF 19/20 57.11

Digital by Default

40%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2023	Dave Johnson	Work continues on setting up IVR system due to go live	12-Aug-2019

later in year. Also looking at a digital platform to assist with customer requests, self services and job tracking and allocation. Business Case to ICT Strategy Board in the Autumn. As part of digital platform looking to improve on-line enquiries for Revenue / Benefits

WFF 19/20 57.13

Application Software

45%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2023		<p>– Following tasks have been completed or are in progress re IDOX</p> <p>. All training except staff overview training for those not on the project team has been completed, GIS training has now been completed</p> <p>. Due to data issues / complexity of conversion decided to do an extra data load for planning. Looking at go-live late October with Land Charges to be scheduled after planning go live</p> <p>New security on payments system due to go in September</p> <p>Upgrade of Agresso for making tax digital</p> <p>M3 timetable for upgrade due to be looked at in September</p> <p>Business case to ICT Strategy Board in October for digital platform to help with self service and customer requests</p>	12-Aug-2019

WFF 19/20 57.14

ICT Infrastructure

50%



Due Date	Managed By	Latest Note	Latest Note Date
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31-Mar-2023

Depot 2020 Project

12-Aug-2019

Server Room: – LAN switches have been racked and are ready to configure once Block A & B are ready. Wireless survey complete for Block A & Block B and rest of site. Comms room in block A nearing completion

Design Work: – All plans for desk layouts and number network points for desks, printers, access control has been completed. Working with Hub staff on move plan

Server & Storage:– Business case to next ICT Strategy board on Server and Storage refresh

Wireless:–

- . All cabling and Access Points (AP) have been installed at WFH, Bewdley Museum, Forest House, Town Hall
- . Cabling complete at Green Street, AP's due to go in over the coming weeks
- . Controllers and configuration still to be scheduled in once issue with configuration has been completed

Backup:– New system for back up and cyber back is now live

WFF 19/20 65

Fraud Work

40%



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2020	Cheryl Ellerton; Tracey Southall	The annual report in respect of the Counter Fraud arrangements in place looking back for 2018~19 and forward for 2019~20 was presented to the Audit Committee on 29th July. Progress continues to be made on raising awareness to demonstrate the commitment of the Council to tackling fraud and protecting the public	13-Aug-2019

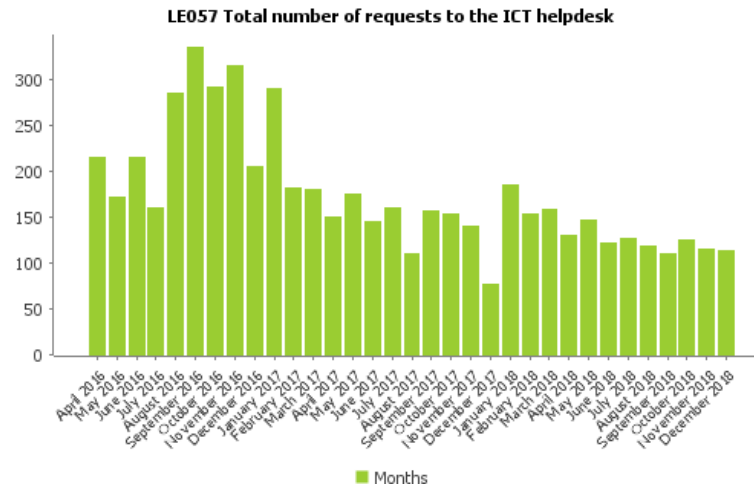
purse. The main focus of the awareness campaign is to improve understanding of the effects of fraud, with regular information alerts in the staff e-magazine Wyred Weekly with more specific team alerts as appropriate. The outcome of the matches with Wyre Forest District Council to other national data sets as part of the mandatory National Fraud Initiative for Payroll, Creditors, Housing Benefits, Council Tax Reduction {Local} Scheme and Licensing data have been assessed and any actions or investigations that arose from these matches formally reported via the National Fraud Initiative website to help form the national picture of the fraud landscape. In addition the Council have also voluntarily participated in the Cipfa Fraud & Corruption Tracker Survey as a contribution towards the national statistics for fraud and error as identified within public organisations and covers areas in respect of Council Tax, Business Rates, Procurement and Cyber Crime.

Measures

As a way of measuring the progress with our purpose, we collect key data to monitor trends and patterns. This data not only helps us to understand the impact of the work that we are doing but it also assists with decision making at a corporate level. The latest available data is detailed below:

LE057 Total number of requests to the ICT helpdesk

Aim to Minimise



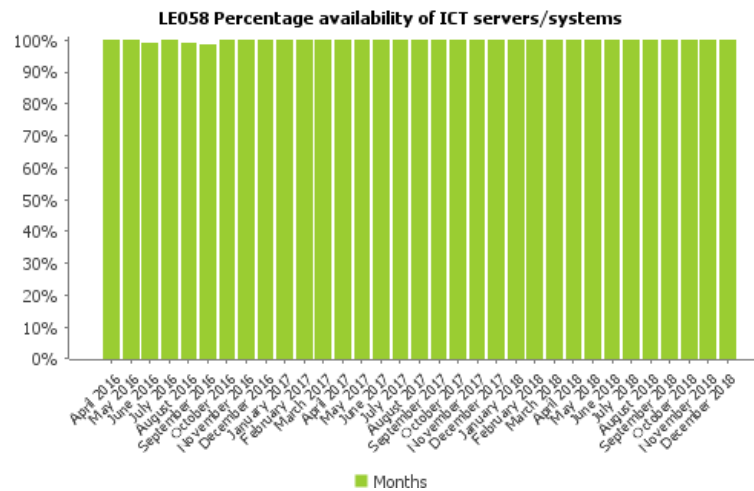
Current Value 114



Managed By Dave Johnson

LE058 Percentage availability of ICT servers/systems

Aim to Maximise



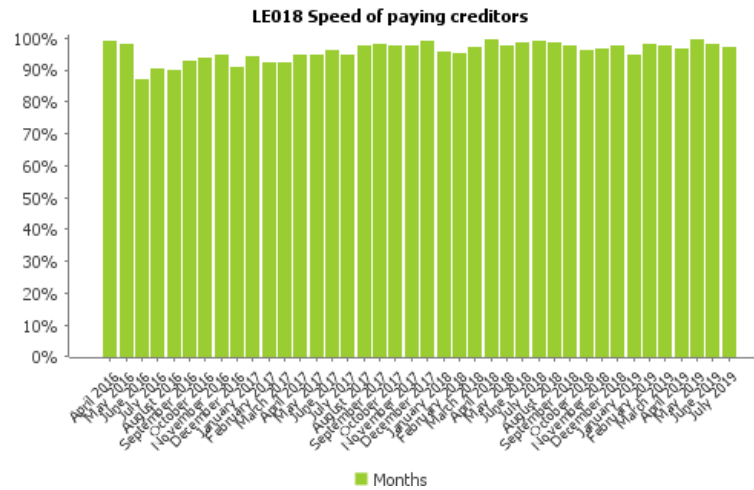
Current Value 100%



Managed By Dave Johnson

LE018 Speed of paying creditors

Aim to
Maximise



Current
Value

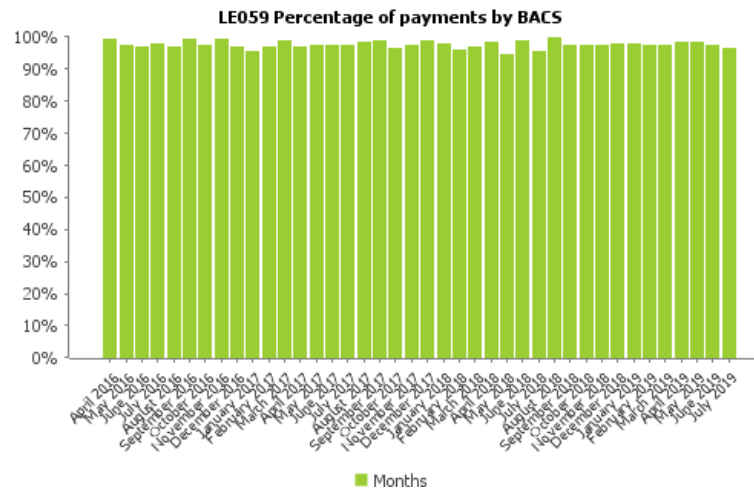
97.28%



Managed By Tracey Southall

LE059 Percentage of payments by BACS

Aim to
Maximise



Current
Value

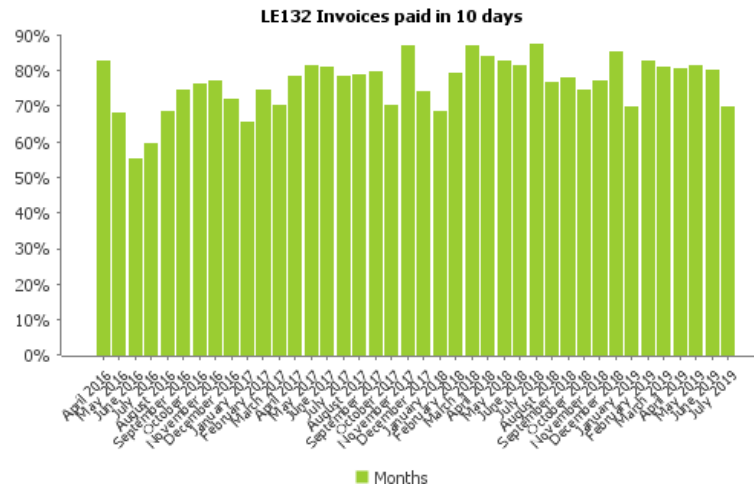
96.02%



Managed By Tracey Southall

LE132 Invoices paid in 10 days

Aim to
Maximise



Current
Value

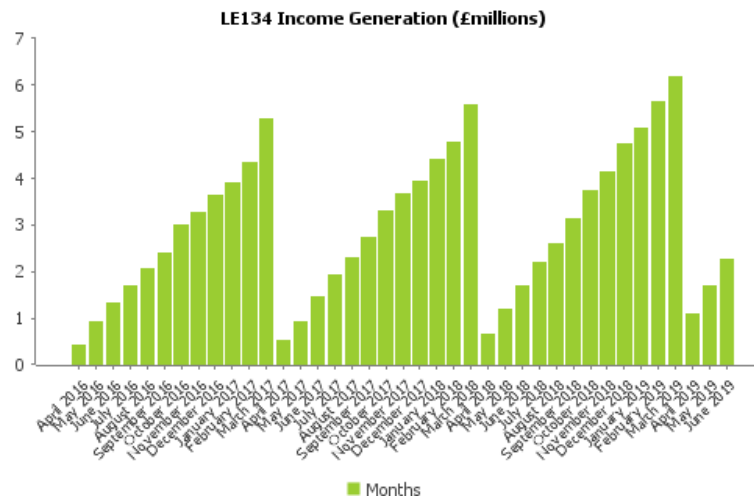
69.92%



Managed By Tracey Southall

LE134 Income Generation (£millions)

Aim to
Maximise



Current
Value

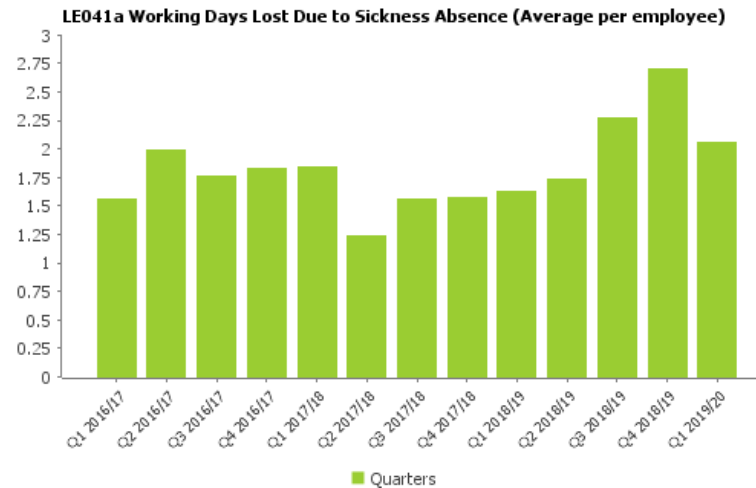
2.24



Managed By Tracey Southall

LE041a Working Days Lost Due to Sickness Absence (Average per employee)

Aim to Minimise



Current Value 2.05



Managed By Rachael Simpson

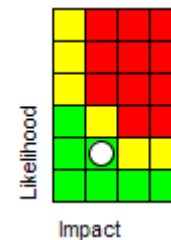
Risks

The below risk(s) has been identified as part of our Corporate Risk Register. All of the actions and measures detailed in this report aim to mitigate this risk(s) as well as drive forward our purpose of 'enabling others to do what they need to do'.

CORPRISK01

Unable to implement and embed new ways of working. The Council continues to undergo major transformational change that embraces review of processes, cultural and behavioural change, increased standards of delivery etc. Continue to use systems thinking methodology and apply current values in continuous improvement work. This transformational work must be carefully managed with risk mitigated by robust due diligence and use of external expertise and alternative service delivery vehicles as appropriate.

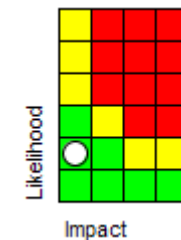
Current Risk Matrix



Impact Marginal
Likelihood Very Low



Target Risk Matrix



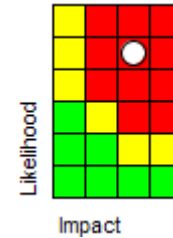
Impact Negligible
Likelihood Very Low



CORPRISK04

Unable to deliver a sustainable budget for the long term. . The outcome of the Fair Funding Reform is still unknown and this represents a significant risk due to uncertainty with time running out before the planned implementation date of April 2020 The 2019/22 Medium Term Financial Strategy projected a much lower level of government funding over the next 2 years with RSG phased out completely by 2019/20 and NHB being reformed for which no funding is paid than previously expected The success of this strategy is reliant on the delivery of significant savings to close the funding gap of circa £2m per annum by 2021. This ambitious programme of savings and income generation must be carefully managed by the Leadership team (officers and members) and achieved. The reliance on external income streams/funding brings with it increased risk around the continuation of these income streams that are based on the decisions of third parties. The Business Rates Retention Scheme and the imposition of further reductions/cessation in Government funding streams represents significant corporate financial risk. These risks include the uncertainty around the future of New Homes Bonus as it is clear that there will be a significant reduction in this key funding stream. Business Rates reform, growth and the risk of Appeals resulting in lower Business Rates yield represent a key risk to future sustainability. The two significant council policies for development loans fund and capital portfolio fund should help generate both housing and business growth whilst also generating a net revenue income stream to help

Current
Risk
Matrix

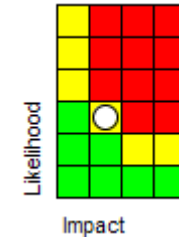


Impact Critical

Likelihood High



Target
Risk
Matrix



Impact Marginal

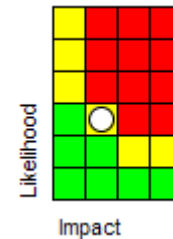
Likelihood Low



alleviate the significant financial pressures. Progression of proposals for a Financial Resilience Index by the Chartered Institute of Finance and Accountancy (CIPFA) may prompt further challenge to our future financial resilience. The Council will also need to respond to the findings of the follow up visit by the LGA peer review team. This is closely allied to Corporate Risk 03.

Council 'misses' important issues and/or is in breach of a requirement. The Council is a small organisation but it is still expected to respond to, and comply with, new legislation, strategies, audit requirements, health and safety requirements and inspection regimes to meet our insurer's high standards. The potential impact of Brexit also increases this risk.

Current
Risk
Matrix

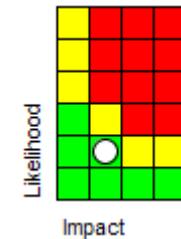


Impact Marginal

Likelihood Low



Target
Risk
Matrix



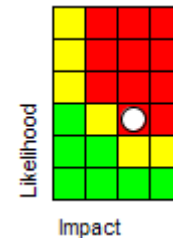
Impact Marginal

Likelihood Very Low



Implementation of ICT Strategy. There continues to be significant investment in the development of technology at the Council. The ICT Strategy was agreed in February 2018 as part of the budget process and is being implemented across the authority with progress and governance provided by the ICT Strategy Board. A number of new websites have been implemented and the focus continues to be on supporting the move to greater self-service by customers, ensuring continued PSN compliance, update systems to ensure best value / efficiencies and refreshing ICT platforms / systems to deliver ICT services / and systems over the Medium Term

Current
Risk
Matrix

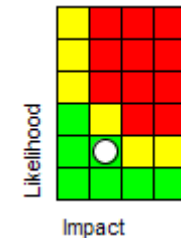


Impact Critical

Likelihood Low



Target
Risk
Matrix



Impact Marginal

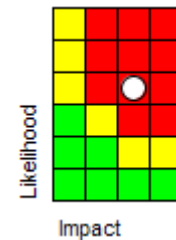
Likelihood Very Low



Financial Strategy. There are emerging issues around some integration limitations that may hinder some transformation workstreams. A risk of reliance on key suppliers for, network products also exists as the ICT market is very fast paced and companies can frequently be subject to merger/changed ownership. The Council needs to be aware of software support expiry dates; consideration of this issue is included within the ICT Strategy for replacement of corporate system i.e. Office and business systems. The Council needs to maintain high levels of Cyber Security to protect against malware, hacking etc.

Not able to maintain a skilled and motivated workforce. Against the background of the continued move away from the National Pay Agreement a second local agreement was implemented in 2018 with locally agreed modest pay increases and other changes to conditions. The Council needs to continue to maintain a workforce with adequate capacity, skills, experience and motivation – so still being seen by staff as a good employer. The Council has started to experience recruitment and retention issues in some areas e.g. HGV drivers. Various restructures following the move to the Wyre Forest House has provided slimmer management structures and more devolution of responsibility which should assist in motivation and retention of the workforce, alongside a management development programme. The age profile of the workforce and increasing number of employees aged 55 and over needs to be considered together with succession planning in future

Current
Risk
Matrix

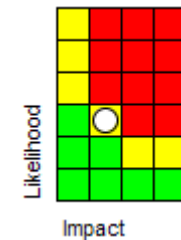


Impact Critical

Likelihood Significant



Target
Risk
Matrix



Impact Marginal

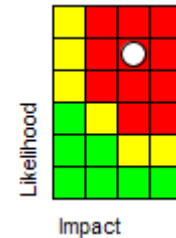
Likelihood Low



workforce restructures. The Council will need to respond to findings from the peer review follow up visit that relate to workforce issues.

Capacity to do everything is insufficient. A flexible resource is required to do everything that the Council has committed itself to – transformation, core service review, review of partnerships, reviews of further shared services with Redditch and Bromsgrove to commence in 2019. The pace of change and need to continue to deliver key projects, represent a significant resourcing risk. This leads to concerns about sufficient capacity to deliver the Wyre Forest Forward Savings/ efficiency plan and the ability to provide effective leadership for the management of the Council. This is particularly true given the increased savings targets from 20120/21 as a result of reductions in central government funding and the additional resource required to deliver the policies for development loans fund and capital portfolio fund.

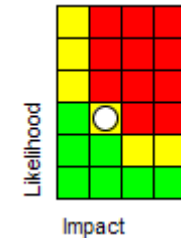
Current
Risk
Matrix



Impact Critical
Likelihood High



Target
Risk
Matrix

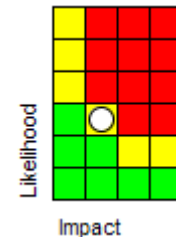


Impact Marginal
Likelihood Low



Unable to effectively improve the Council's reputation. The Council's reputation is extremely important, progressive improvement is important and can be subject to political influence that is difficult to predict and control. Effective consultation and communication with increased focus on customer engagement (both internal and external) are key to this gradual progression – along with purposeful service delivery.

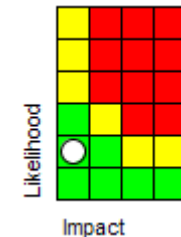
Current
Risk
Matrix



Impact Marginal
Likelihood Low



Target
Risk
Matrix

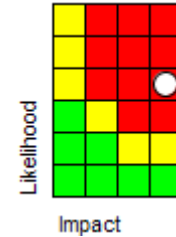


Impact Negligible
Likelihood Very Low



CORPRISK10 **Unable to ensure a secure network which would make ICT vulnerable to attacks and threats.** The Council has successfully achieved PSN compliance but this needs to be managed and maintained. ICT to regularly review and assess threats and impacts on the network and generate a formal risk/incident log and any remedial account required or acceptance of residual risk by the organisation where judged appropriate.

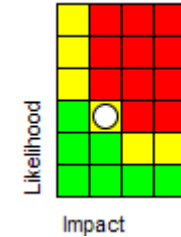
Current
Risk
Matrix



Impact Catastrophic
Likelihood Significant



Target
Risk
Matrix

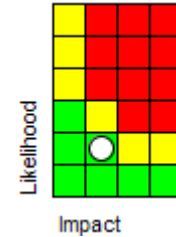


Impact Marginal
Likelihood Low



CORPRISK11 **Unable to deliver satisfactory services through alternative Service Delivery Models including Shared Service arrangements and the potential devolution of services public service reform and/or combined arrangements.** The Council is partner in a number of Shared Services – Worcestershire Regulatory Services, Emergency Planning, Water Management, Payroll, Building Control, Economic Development and Regeneration – and is either host to the Shared Service or a partner in receipt of a service. The Council has entered into a Limited Liability partnership with Public Sector PLC and has approved the set up of a LATC in readiness for property/housing development utilising the capital portfolio fund where this is the most viable option. However there are always risks around the management of such arrangements, whether the work is being led by another organisation or led by the Council. This risk cross refers to CORPRISK 14

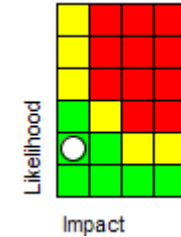
Current
Risk
Matrix



Impact Marginal
Likelihood Very Low



Target
Risk
Matrix



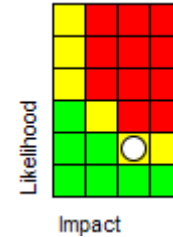
Impact Negligible
Likelihood Very Low



CORPRISK12

Effective/strategically focussed political leadership to cope with continuing significant challenges of reduced funding and changing legislative framework. The move to All-out Elections every four years from 2019 may help future political stability but there is a risk of not having a political majority which could undermine decision making. Members will still need regular training and all-party updates to ensure skills and knowledge are kept up to date in these challenging times when effective leadership is key to future sustainability.

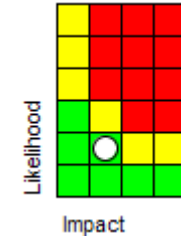
Current
Risk
Matrix



Impact Critical
Likelihood Very Low



Target
Risk
Matrix



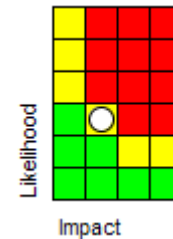
Impact Marginal
Likelihood Very Low



CORPRISK13

Localism: Sustaining the pace and effectiveness of asset and service transfers to third sector parties, Parish and Town Councils

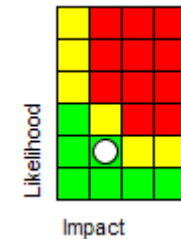
Current
Risk
Matrix



Impact Marginal
Likelihood Low



Target
Risk
Matrix



Impact Marginal
Likelihood Very Low



Capital Projects

This report details the progress of all of our capital projects



WFF 19/20 16

Crown House/Kidderminster Western Gateway



Due Date	Managed By	Latest Note	Latest Note Date
31-Dec-2019	Mike Parker	Demolition works continuing in accordance with contractor timetable. Council was notified in July that Future High Street Fund bid had been successful and invitation made to submit full business case by January 2020. Work now underway to secure consultant support to develop business case which will include plans for the wider improvement of the Bullring gateway including the Crown House site.	01-Aug-2019

WFF 19/20 68

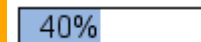
Green street depot 2020 improvement and investment plan



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2020	Steve Brant; Linda Draycott	Still on target for September completion.	13-Aug-2019

WFF 19/20 77

Churchfields



Due Date	Managed By	Latest Note	Latest Note Date
31-Dec-2020	Mike Parker	Advanced works began on site on 31st July in preparation for roadworks to begin in September. Funding agreement with Homes England still in final stages of meeting pre contract conditions; expected to be complete mid August. Further pre draw down conditions still to be met.	01-Aug-2019

Listed below are actions that will become capital projects in the future

WFF 19/20 31

Lion Fields

WYRE FOREST DISTRICT COUNCIL**OVERVIEW AND SCRUTINY COMMITTEE****5TH SEPTEMBER 2019****Annual Report on Treasury Management Service and
Actual Prudential Indicators 2018-19**

CABINET MEMBER:	Cllr. Graham Ballinger
RESPONSIBLE OFFICER:	Corporate Director: Resources
CONTACT OFFICERS:	Tracey Southall Ext 2100 Helen Ogram Ext 2907 Lisa Hutchinson Ext 2120
APPENDICES:	Appendix 1 – Treasury Activity 2018-19 Appendix 2 – Non Treasury Prudential Indicators 2018-19 Appendix 3 – Glossary of Terms, Acronyms and Key Definitions
AN OPEN ITEM	

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide a review of the treasury management activities for 2018-19, in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code). It also includes for the first time reporting on the non-treasury prudential indicators introduced under MHCLG Guidance issued in February 2018.

2. RECOMMENDATIONS

Overview and Scrutiny Committee recommends to Council to:

- 2.1 **Approve the actual 2018-19 prudential and treasury indicators in this report.;**
- 2.2 **Approve the actual 2018-19 non-treasury prudential indicators for Capital Portfolio Fund property acquisitions;**
- 2.3 **Note the annual treasury management report for 2018-19, including information on the non-treasury prudential indicators for Capital Portfolio Fund acquisitions.**

3. BACKGROUND

- 3.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018-19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the

Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

- 3.2 During 2018-19 the minimum reporting requirements were that the full Council should receive the following reports:
- an annual treasury strategy in advance of the year (Council 21/02/18)
 - a mid year treasury update report (Council 12/12/18)
 - an annual review following the end of the year describing the activity compared to the strategy (this report)
- 3.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
- 3.4 This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Treasury Management Review Panel, reporting to Overview and Scrutiny Committee before they were reported to the full Council. Member training on treasury management issues was undertaken during the year on 3rd September 2018 and 4th February 2019 in order to support Members' scrutiny role.
- 3.5 MHCLG issued additional guidance in February 2018 to be effective from April 2019 regarding non-treasury investments; this is set out in section 14 of Appendix 1. This Council confirms that it has fully complied with these requirements and has done so ahead of the formal timeline due to the significant Capital Portfolio Fund activity in 2018-19. Whilst, in accordance with approved policies and strategies, these property acquisitions are not investments a new suite of prudential indicators is included in this report for full transparency.

4. KEY ISSUES

- 4.1 During 2018-19, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Actual prudential and treasury indicators	2017-18 Actual £'000	2018-19 Original £'000	2018-19 Actual £'000
Capital expenditure	3,452	22,865	14,622
Capital Financing Requirement	18,067	49,458	30,395
Gross borrowing	18,380	49,000	29,414
External debt	18,001	49,000	29,000

Actual prudential and treasury indicators	2017-18 Actual £'000	2018-19 Original £'000	2018-19 Actual £'000
Investments:			
• Longer than 1 year*	35	-	35
• Under 1 year	13,508	14,000	15,941
• Total	13,543	14,000	15,976

*Investments at 31st March 2018 & 2019 include Icelandic investments at impaired values.

Investments and Gross Borrowing balances detailed in the table above reflect the Balance Sheet position including interest accruals, however these are not material.

Actual capital expenditure in 2018-19 was lower than originally anticipated mainly due to slippage in the £25m Capital Portfolio scheme and £10m Development Loans Fund scheme (no loan approval in 2018-19). Other approvals with less significant slippage include Industrial Units Development, Green Street Depot Investment scheme, Commercial Activity Capital Funding and Vehicle Renewals.

- 4.2 Other prudential and treasury indicators are to be found in Appendix 1. The Corporate Director: Resources also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowings limit (the authorised limit), was not breached.
- 4.3 The financial year 2018-19 continued the challenging environment of previous years, namely low investment returns and market uncertainty.
- 4.4 The Council entered into further external borrowing, drawing a further 12 loans (net of in-year maturities that were replaced). Competitive rates were achieved with the officers working in close liaison with Link Asset Services (Link), our professional advisors. The borrowing was undertaken within the projected Capital Financing Requirement (CFR) for the period of the current Strategy. Full details can be found in Sections 4 and 8 of Appendix 1.
- 4.5 The full annual review can be found at Appendix 1. This provides greater detail on the treasury activity for 2018-19 along with other relevant information.

5. **FINANCIAL IMPLICATIONS**

- 5.1 The Financial Implications are contained within paragraph 4.1, and Appendix 1.

6. **LEGAL AND POLICY IMPLICATIONS**

- 6.1 Legal and Policy Implications are contained within paragraph 13.1 of Appendix 1.

7. RISK MANAGEMENT

- 7.1 Risk Management is contained within paragraphs 13.2 to 13.5 of Appendix 1. As demonstrated within this report the current economic position remains volatile; as a result, the risk is managed by regular reviews supported by the Treasury Management Review Panel. The Council will continue to invest with only those institutions which have the necessary credit ratings in order to preserve the Council's Capital.
- 7.2 There is a small increase in risk by placing up to 50% of the total investments with the part-nationalised banks or the Council's own bank. However, such investments are only placed by exception, with the express approval of the Corporate Director: Resources. The Council will continue to aim to achieve the optimum return on its investments commensurate with its investment priorities of security and liquidity.
- 7.3 Risk Management of the Capital Portfolio Fund is set out in the detail of the approved Capital Strategy and associated reports.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 This is a financial report and there is no requirement to consider an Equality Impact Assessment.

9. CONCLUSION

- 9.1 Overview and Scrutiny Committee is asked to approve the Recommendations contained within Paragraph 2.

10. CONSULTEES

- 10.1 Corporate Leadership Team
Leader of the Council/Cabinet Member for Strategy and Finance
Link Asset Services, Treasury Management Consultants
Treasury Management Review Panel

11. BACKGROUND PAPERS

- 11.1 Treasury Management Strategy 2018-19 approved by Council on 21st February 2018
- 11.2 Annual Report on Treasury Management Service and Actual Prudential Indicators 2017-18 approved by Council on 26th September 2018
- 11.3 Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2018-19 approved by Council on 12th December 2018
- 11.4 Treasury Management Strategy 2019-20 approved by Council on 27th February 2019
- 11.5 Capital Strategy 2018-21. Approved by Council 23rd May 2018

- 11.6 Capital Strategy 2019-22. Approved by Council 27th February 2019
- 11.7 Asset Management Strategy – Cabinet 16th July 2019, endorsed by 24th July 2019 Council

TREASURY ACTIVITY 2018-19

1. Introduction and Background

1.1 This report summarises:

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Non-treasury prudential indicators (Capital Portfolio Fund acquisitions);
- Overall treasury position identifying how the Council has borrowed in relation to its indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

2. The Council's Capital Expenditure and Financing 2018-19

2.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

2.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

£'000	2017-18 Actual	2018-19 Estimate	2018-19 Actual
Capital Expenditure	3,452	22,865	14,622
Resourced by:			
• Capital receipts	396	2,240	137
• Capital grants	1,360	1,408	1,391
• Revenue	592	170	158
Unfinanced capital expenditure	1,104	19,047	12,936

3. The Council's Overall Borrowing Requirement

3.1 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2018-19 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

- 3.2 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board (PWLb), other Councils or the money markets), or utilising temporary cash resources within the Council.
- 3.3 **Reducing the CFR** – the Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
- 3.4 The total CFR can also be reduced by:
- the application of additional capital financing resources (such as unapplied capital receipts); or
 - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).
- 3.5 The Council's 2018-19 MRP Policy (as required by CLG Guidance – now MHCLG) was approved as part of the Treasury Management Strategy Report for 2018-19 on 21st February 2018.
- 3.6 The Council's CFR for the year is shown below, and represents a key prudential indicator.

CFR £'000	31 st March 2018 Actual	31 st March 2019 Original Indicator	31 st March 2019 Actual
Opening balance	17,545	31,530	18,067
Add unfinanced capital expenditure (as shown in 2.2)	1,104	19,047	12,936
Less MRP	(582)	(1,119)	(608)
Closing balance	18,067	49,458	30,395

- 3.7 The borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.
- 3.8 **Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2017-18) plus the estimates of any additional capital financing requirement for the current (2018-

19) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

£'000	31st March 2018 Actual	31st March 2019 Original	31st March 2019 Actual
Gross borrowing position	18,380	49,000	29,414
CFR	18,067	49,458	30,395

Gross Borrowing balances detailed in the table above reflect the Balance Sheet position including interest accruals totalling £144k (£110k in 2017-18) and the investments placed with this Council by Kidderminster and Stourport Town Councils totalling £270k (£270k in 2017-18).

In accordance with Section 8.5 of the approved Treasury Management Strategy 2018-19, the Council is permitted to borrow in advance of immediate need within forward approved CFR estimates, provided that the decision has been considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. As detailed above, the Council was slightly over borrowed at 31st March 2018, however this was mostly due to the balances held in respect of the Kidderminster and Stourport on Severn Town Councils investments (classified as short term borrowing on Balance Sheet). The Council was under borrowed as at 31st March 2019.

- 3.9 The authorised limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2018-19 the Council has maintained gross borrowing within its authorised limit.
- 3.10 The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached. In accordance with Section 8.5 of the approved Treasury Management Strategy 2018-19, the Council is permitted to borrow in advance of immediate need within forward approved limits.
- 3.11 Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2018-19
Authorised limit	£70.000m
Maximum gross borrowing position (during 2018-19)	£29.000m
Operational boundary	£55.000m
Average gross borrowing position	£20.696m
Financing costs as a proportion of net revenue stream – Prudential Code Indicator	7.77%
Financing costs as a proportion of net revenue stream – Local Indicator reflecting rental income stream	4.45%

4. **Treasury Position as at 31st March 2019**

- 4.1 The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2018-19 the Council's treasury position was as follows:

Treasury position	Principal at 31/03/2018 £'000	Average Rate/Return during 2017-18 %	Principal at 31/03/2019 £'000	Average Rate/Return during 2018-19 %
Fixed rate funding:				
PWLB	17,000	2.91	27,000	2.99
Market – Other Local Authority*	1,000	0.80	2,000	1.09
Market – Mortgage Bonds**	1	6.5	-	6.7
Total Debt	18,001	2.82	29,000	2.81
Fixed Interest Investments***	(13,543)	0.44	(15,976)	0.72
Net debt position	4,458		13,024	

* £1m Derbyshire County Council (to 28th March 2019), £2m Charnwood Borough Council (commenced 12th October 2018)

** Liverpool Victoria Friendly Society Ltd (*final mortgage maturity was September 2018*)

***Principal at 31st March 2018 & 2019 includes Icelandic investments at impaired values. The average rate achieved excludes Icelandic investments.

The maturity structure of the debt portfolio was as follows:

	2017-18 Actual £'000	2018-19 Original Limits £'000	2018-19 Actual £'000
Under 12 months	2,001	100%	-
Between 1 and 2 years	-	100%	2,000
Between 2 and 5 years	1,000	100%	1,000
Between 5 and 10 years	1,000	100%	4,000
Between 10 and 15 years	4,000	100%	4,000
Between 15 and 20 years	3,000	100%	3,000
Between 20 and 25 years	3,000	100%	2,000
Between 25 and 30 years	-	100%	-
Between 30 and 35 years	-	100%	-
Between 35 and 40 years	1,000	100%	1,000
Between 40 and 45 years	2,000	100%	6,000
Between 45 and 50 years	1,000	100%	6,000
Total	18,001		29,000

The maturity structure of the investment portfolio was as follows:

	2017-18 Actual £'000	2018-19 Original £'000	2018-19 Actual £'000
Investments:			
• Longer than 1 year*	35	-	35
• Under 1 year	13,508	14,000	15,941
Total	13,543	14,000	15,976

* The only investments held for more than 1 year relate to impaired Icelandic deposits.

The exposure to fixed and variable rates was as follows:

	31 st March 2018 Actual	2018-19 Original Limits	31 st March 2019 Actual
Fixed rate (principal or interest)	100%	100%	100%

5. **The Strategy for 2018-19**

- 5.1 The expectation for interest rates within the treasury management strategy for 2018-19 (approved by Council in February 2018) anticipated that Bank Rate would not start rising from 0.50% until quarter 4 of 2018 and then only increase twice more before 31st March 2021. The Bank of England raised the Base Rate from 0.50% to 0.75% on 2nd August 2018. It was anticipated that there would also be gradual, modest rises in medium and longer term fixed borrowing rates through to 31st March 2021. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Against this background and risks within the economic forecast, the strategy was to exercise caution with the treasury

operations. This would include the Corporate Director: Resources and the treasury team monitoring interest rates in financial markets and adopting a pragmatic approach to changing circumstances.

Continued uncertainty in financial markets promoted a similarly cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

- 5.2 PWLB rates peaked during October 2018. Since then most PWLB rates have then been on a general downward trend, although longer term rates did spike upwards again during December 2018 and then reached lows for the year at the end of March 2019 (with the exception of the 1 year rate).
- 5.3 In view of this forecast the Council's borrowing strategy was to consider all suitable options and take advantage of the most attractive rates available, both from the PWLB and from the Market including other Local Authorities and other bodies as relevant as and when required. This strategy worked well and allowed further borrowing to be taken at historically low rates; the decision to borrow was fully evaluated and formally signed off in accordance with agreed protocols.

6. The Economy and Interest Rates (as provided by Link Asset Services)

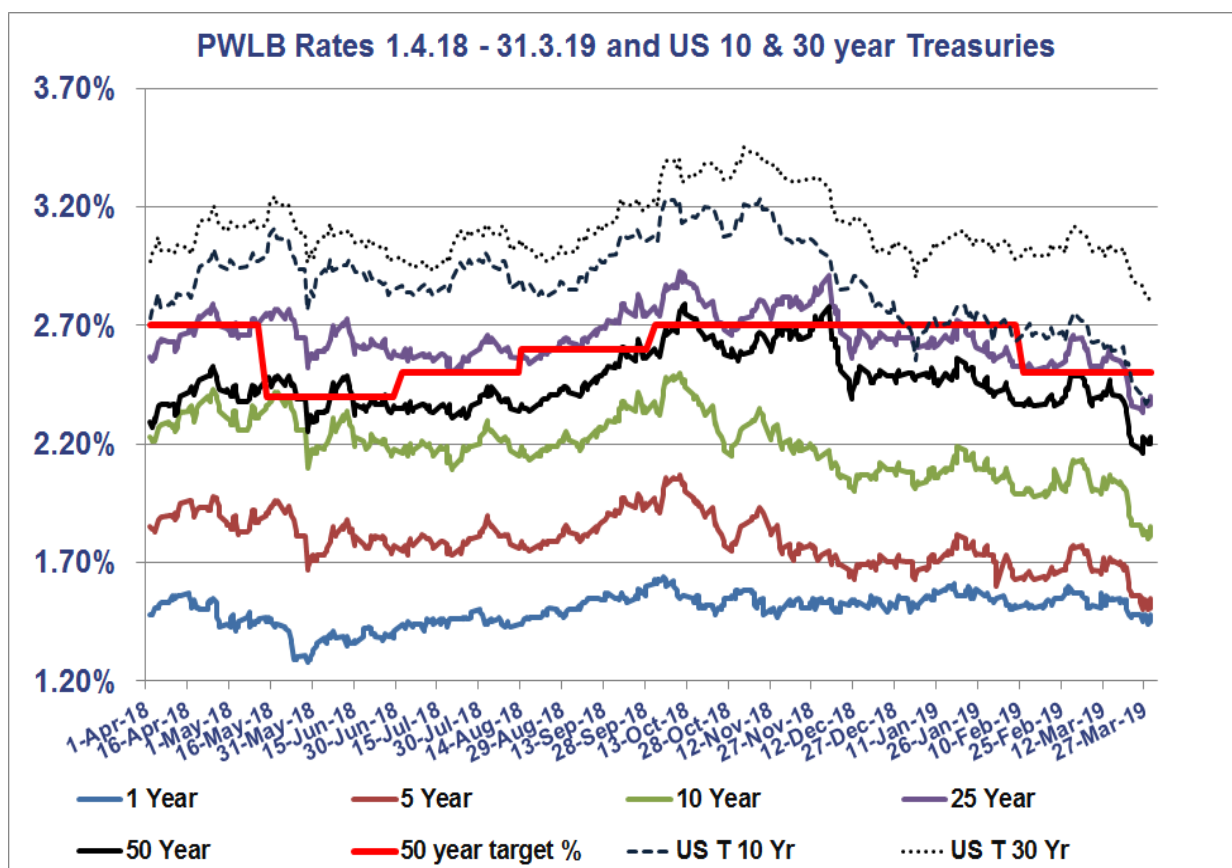
- 6.1 Investment returns remained low during 2018-19. The expectation for interest rates within the treasury management strategy for 2018-19 was that Bank Rate would rise from 0.50% to 0.75%. At the start of 2018-19, and after United Kingdom (UK) Gross Domestic Product (GDP) growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May 2018 to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April 2018, in anticipation that the Monetary Policy Committee (MPC) would raise Bank Rate in August 2018. This duly happened at the MPC meeting on 2nd August 2018. During this period, investments were, therefore, kept shorter term in anticipation that rates would be higher later in the year.
- 6.2 It was not expected that the MPC would raise Bank Rate again during 2018-19 after August 2018 in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019.
- 6.3 Investment rates were little changed during August 2018 to October 2018 but rose sharply after the MPC meeting of 1st November 2018 was unexpectedly hawkish about their perception of building inflationary pressures, particularly from rising wages. However, weak GDP growth data after December 2018, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.

Link Asset Services Interest Rate View 2.1.18													
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
3 Month LIBID	0.40%	0.40%	0.40%	0.60%	0.60%	0.60%	0.70%	0.90%	0.90%	1.00%	1.20%	1.20%	1.20%
6 Month LIBID	0.50%	0.50%	0.60%	0.80%	0.80%	0.80%	0.90%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%
12 Month LIBID	0.80%	0.80%	0.90%	1.00%	1.00%	1.10%	1.10%	1.30%	1.30%	1.40%	1.50%	1.50%	1.60%

- 6.4 Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

7. **Borrowing Rates in 2018-19**

- 7.1 **PWLB certainty maturity borrowing rates** - the graph below shows how PWLB certainty rates remain at historically very low levels during the year.



8. **Borrowing Outturn for 2018-19**

8.1 **Treasury Borrowing and control of interest rate risk**

At 31st March 2019 the Council had an under-borrowed position. This meant that the capital borrowing need (the Capital Financing Requirement (CFR)), was not fully funded with loan debt. During the year the Council entered into further external borrowing with The Public Works Board (PWLB) and one market loan with Charnwood Borough Council to fund the net unfunded capital expenditure and naturally maturing debt. Loans at 31st March 2019 are detailed as follows:

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Lender	Date	Principal	Type	Interest Rate	Maturity
PWLB	15/03/13	£1m	Fixed interest rate	2.62%	15/03/22 (9 years)
PWLB	29/07/14	£1m	Fixed interest rate	3.99%	29/07/33 (19 years)
PWLB	20/10/14	£1m	Fixed interest rate	3.54%	20/10/56 (42 years)
PWLB	02/12/14	£1m	Fixed interest rate	3.44%	02/12/39 (25 years)
PWLB	20/01/15	£1m	Fixed interest rate	2.99%	20/01/39 (24 years)
PWLB	04/02/15	£1m	Fixed interest rate	2.87%	04/02/41 (26 years)
PWLB	04/02/15	£1m	Fixed interest rate	2.80%	04/02/37 (22 years)
PWLB	08/04/15	£1m	Fixed interest rate	2.96%	08/04/35 (20 years)
PWLB	02/07/15	£1m	Fixed interest rate	3.35%	02/07/32 (17 years)
PWLB	20/07/15	£1m	Fixed interest rate	3.40%	20/07/31 (16 years)
PWLB	29/07/15	£1m	Fixed interest rate	3.13%	29/07/30 (15 years)
PWLB	06/08/15	£1m	Fixed interest rate	2.96%	06/08/28 (13 years)
PWLB	02/02/16	£1m	Fixed interest rate	2.99%	02/02/63 (48 years)
PWLB	24/06/16	£1m	Fixed interest rate	2.21%	24/06/26 (10 years)
PWLB	03/03/17	£1m	Fixed interest rate	2.42%	03/03/62 (45 years)
PWLB	26/03/18	£1m	Fixed interest rate	2.28%	26/03/64 (46 years)
PWLB	14/09/18	£1m	Fixed interest rate	2.53%	14/09/60 (42 years)
PWLB	14/09/18	£1m	Fixed interest rate	2.49%	14/09/68 (50 years)
PWLB	25/09/18	£1m	Fixed interest rate	2.59%	25/03/62 (43.5 years)

Lender	Date	Principal	Type	Interest Rate	Maturity
Charnwood Borough Council	12/10/18	£2m	Fixed interest rate	1.40%	09/10/20 (2 years)
PWLB	03/12/18	£1m	Fixed interest rate	1.79%	03/12/24 (6 years)
PWLB	12/12/18	£1m	Fixed interest rate	2.47%	12/12/68 (50 years)
PWLB	17/12/18	£1m	Fixed interest rate	2.46%	17/12/66 (48 years)
PWLB	11/02/19	£1m	Fixed interest rate	2.38%	11/02/65 (46 years)
PWLB	12/03/19	£1m	Fixed interest rate	2.36%	12/03/66 (47 years)
PWLB	25/03/19	£1m	Fixed interest rate	1.82%	25/09/27 (8.5 years)
PWLB	25/03/19	£1m	Fixed interest rate	2.29%	25/09/59 (40.5 years)
PWLB	26/03/19	£1m	Fixed interest rate	2.20%	26/09/67 (48.5 years)
Total		£29m			

8.2 Against the risks within the economic forecast, caution was adopted with the treasury operations. The Corporate Director: Resources therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2018-19 and the two subsequent financial years.

8.3 Rescheduling

No rescheduling was carried out during the year as none of the following conditions/requirements were met:

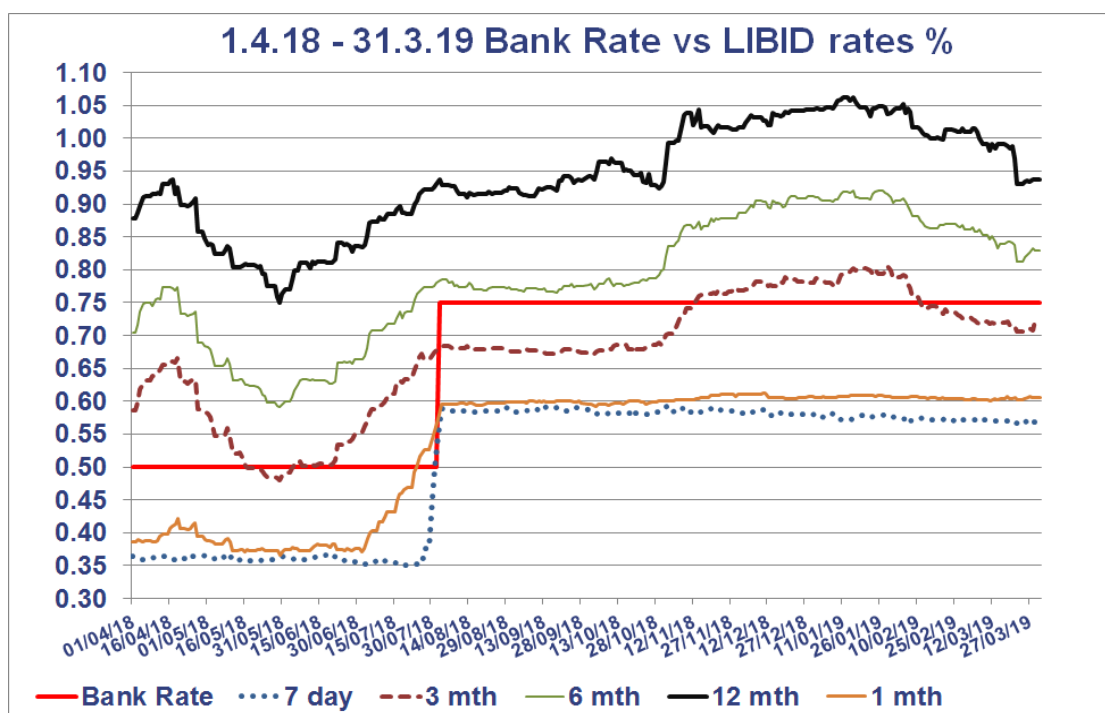
- the generation of cash savings and/or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

8.4 Borrowing in advance of need

The Council has not borrowed more than, or in advance of its needs, purely in order to profit from investment of the extra sums borrowed.

9. Investment Rates in 2018-19

- 9.1 Bank Rate was raised from 0.50% to 0.75% on 2nd August 2018 and remained at that level for the rest of the year. Further increases are expected over the next few years, however, it is likely that the Bank Rate would be cut to support growth if there is a disorderly Brexit.



10. Investment Outturn for 2018-19

- 10.1 **Investment Policy** – the Council's investment policy is governed by the Ministry of Housing, Communities and Local Government (MHCLG) investment guidance, implemented in the annual investment strategy approved by the Council on 21st February 2018. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit

rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The Link Credit Worthiness Policy adds further layers of check.

10.2 The investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties.

10.3 Resources – the Council’s cash balances comprise revenue and capital resources and cash flow monies. The Council’s core cash resources comprised as follows:

Balance Sheet Resources (£'000)	31st March 2018	31st March 2019
Balances	5,151	4,987
Earmarked reserves	6,293	7,868
Provisions	1,649	2,181
Usable capital receipts	2,759	2,752
Total	15,852	17,788

10.4 **Investments held by the Council** - the Council maintained an average balance of £20.053m of internally managed funds. The internally managed funds earned an average rate of return of 0.72%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.51%. External Interest received on investments totalled £144,560 compared to the revised budget of £110,500.

11. Performance Measurement

11.1 One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide. The Council’s performance indicators were set out in the Annual Treasury Management Strategy.

11.2 This service has set the following performance indicator:

- Investments – Internal returns (0.72%) compared to the 7 day London Interbank Bid (LIBID) rate (0.51%)

11.3 The Council continues to be a member of the Link regional benchmarking group. The group currently comprises ten Local Authorities (LAs); 2 County Councils and 8 District / Borough/ City Councils and the group meet twice a year. Quarterly performance reports are prepared by Link. The purpose of the benchmarking group is to compare Security of Capital, Liquidity and Yield (SLY - risk and return), aiming to maximise return in line with each authority’s individual risk appetite.

11.4 Link reported that the results of the benchmarking group at 31st March 2019 were that the Weighted Average Maturity (WAM) was 95 days and the Risk Factor was 2.87 (1 being the lowest, 7 being the highest). Performance against the model band benchmark for 2018-19 was as follows:

June 2018: In line
September 2018: Above
December 2018: In line
March 2019: In line

The recent benchmarking results are explored in more detail in the separate benchmarking report on this agenda.

12. Icelandic Bank Defaults

- 12.1 As has been widely reported, this Council had £9m invested in Icelandic banks at the time of their collapse in October 2008.
- 12.2 The £3m Landsbanki investment was sold on 4th February 2014 in a process coordinated by the Local Government Association.
- 12.3 The position on recovery of the remaining £6 million Icelandic investments is that, at 31st March 2019, a total of £5.268m had already been received (87.79%). The Council is confident that the overall return will be close to full recovery, with final payments anticipated within the next two years.

13. Regulatory Framework, Risk and Performance

- 13.1 The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance:
- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity. Updated guidance on Minimum Revenue Provision was issued by MHCLG under this power on 2nd February 2018;
 - The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken;
 - Statutory Instrument (SI) 3146 2003, as amended, developed the controls and powers within the Act;
 - The SI requires the Council to undertake any borrowing activity with regard to the CIPFA) Prudential Code for Capital Finance in Local Authorities;
 - The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
 - Under the Act the CLG (now MHCLG) has issued Investment Guidance to structure and regulate the Council's investment activities.
 - Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices.
 - MHCLG Statutory Guidance on Local Government Investments (3rd edition), issued 2nd February 2018.

- 13.2 The Council has complied with all of the above relevant statutory and regulatory requirements which limit the levels of risk associated with its treasury management activities. In particular, its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.
- 13.3 The Council is aware of the risks of passive management of the treasury portfolio and, with the support of Link, the Council's advisers, has proactively managed its treasury position.
- 13.4 Shorter-term rates and likely future movements in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the annual investment strategy, accurately forecasting future returns can be difficult.
- 13.5 The future financial position for the Council will continue to be challenging. The decision to leave the European Union and the formal commencement of the 'Brexit' process, exacerbated by the recent changes in Government has left Local Government more uncertain than ever about the future of funding for the sector. Due to the timing and extent of future austerity measures to continue to balance the national budget, it continues to remain too early to judge the final impact of the decision to leave the European Union on Local Government Finances. There has been a further Bank Base Rate increase on 2nd August 2018 to 0.75% and there remains speculation that there could be further rate increases to come, although current estimates suggest that they will rise very slowly. The future impact of this will be assessed and taken into account in the Revised Budget. The Public Works Loans Board (PWLB) borrowing rates, whilst still at historically low rates, continue to be volatile as the markets respond to Brexit and global economic events. There remains the potential to make savings in respect of future borrowing that will be taken into account at Revised Budget. The Chancellor has formally announced that the 2019 Spending Review has been postponed until 2020. Instead, a one-year Spending Round, covering budgets for 2020-21, will take place in September 2019. An exact date has not yet been announced. This will be important in terms of providing direction of the Government's spending/borrowing plans going forward and will likely impact on Local Authority funding. Key impacts will be included in future reports.

14. The Capital Portfolio Fund

- 14.1 Council on the 22nd February 2017 approved £25m Capital Portfolio Fund, funded by prudential borrowing. The detailed Strategy for the Capital Portfolio Fund was initially approved by Cabinet on 14th June 2017 (updated in Appendix 2 of the Council's Capital Strategy; approved by Council on 23rd May 2018); this sets out the types of property activity to be considered. MHCLG issued further guidance in February 2018 and this is reflected in the comprehensive Capital Strategy 2018-2021 approved by Council in May 2018.

- 14.2 In accordance with approved Council Policy, property purchases for the Capital Portfolio Fund have multiple objectives, including importantly, meeting corporate priorities and are not held for purely investment purposes. They are held on the balance sheet under the Operational Asset classification.
- 14.2 The MHCLG Guidance recommends that we report a suite of ratios in respect of non-treasury investments. Whilst the Capital Portfolio Fund property acquisitions are not investment assets, these extra ratios are reported for full transparency, based on the 2018-19 outturn for this first time in this report. A number of local quantitative indicators to provide additional context and facilitate a better understanding of the potential risk of this policy are also included – these are highlighted in Appendix 2.
- 14.3 The total spend against the Capital Portfolio Fund £25m capital allocation during 2018-19 was £9.932m on four property acquisitions and upfront costs in respect of one outline-business case for industrial units that is proceeding under approved delegation. The remaining balance unspent at year end is £15.068m.
- 14.4 The prudential indicators in respect of the completed schemes as at 31st March 2019 are reported in Appendix 2, in advance of the statutory requirement to report these from 2019-20 onwards. The performance of the Capital Portfolio Fund will be reported separately in future property focussed reports as set out in the Asset Management Strategy Report approved by Cabinet 16th July 2019 and endorsed by Council 24th July 2019.

NON TREASURY PRUDENTIAL INDICATORS 2018-19

APPENDIX 2

		2018-19 Original Indicators for Total Capital Portfolio Fund	2018-19 Outturn for Capital Portfolio Acquisitions at 31/03/19
DEBT TO GROSS SERVICE EXPENDITURE RATIOS			
<input type="checkbox"/> Gross debt to gross service expenditure (GSE) ratio	Gross debt as a percentage of gross service expenditure, where gross service expenditure is a proxy for the size and financial strength of a local authority.	97.48%	54.91%
<input type="checkbox"/> Non treasury property investments debt to gross service expenditure (GSE) ratio	Gross debt of non treasury property acquisitions as a percentage of gross service expenditure, where gross service expenditure is a proxy for the size and financial strength of a local authority.	39.79%	18.51%
DEBT TO NET SERVICE EXPENDITURE RATIOS			
Gross debt to net service expenditure (NSE) ratio	Gross debt as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.	413.69%	237.65%
Non treasury property investments debt to net service expenditure (NSE) ratio	Gross debt of non treasury property acquisitions as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.	168.85%	80.14%
LOAN TO VALUE RATIOS			
Loan to value ratio (Gross)	The amount of gross debt compared to the total asset value (Long term assets - PPE).	69.92%	49.46%
Loan to PPE value ratio (property)	The amount of non treasury property debt compared to the total asset value (Long term assets - PPE).	28.54%	16.68%
Loan to value ratio (property only)	The amount of property debt compared to the total property asset value (property portfolio only).	100.00%	102.95%
CFR RATIOS			
<input type="checkbox"/> CFR - Property	Property CFR as a proportion of the gross CFR	39.93%	32.35%
FINANCING COSTS TO NET SERVICE EXPENDITURE RATIOS			
<input type="checkbox"/> Property investments financing costs to net service expenditure (NSE) ratio	Non treasury property acquisitions financing costs as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.	5.91%	1.14%
INCOME/INVESTMENT COVER RATIOS			
Property investment cover ratio	The total net income from property acquisitions, compared to the interest expense.	12.29%	59.49%
<input type="checkbox"/> Property target income returns (excluding financing costs)	Net revenue income (excluding financing costs) compared to equity. This is a measure of achievement of the portfolio of properties.	3.78%	2.34%
<input type="checkbox"/> Property target income returns (including financing costs)	Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.	0.28%	0.87%
Commercial income to NSE ratio	Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate NSE.	2.72%	0.94%
TRENDS			
Gross income	The income received from the property portfolio at a gross level over time.	(£1,189,441)	(£440,314)
<input type="checkbox"/> Operating costs	The trend in operating costs of the non-financial investment portfolio over time, as the portfolio expands.	£114,131	£217,757
<input type="checkbox"/> Financing costs	The trend in financing costs of the non-financial property portfolio over time, as the portfolio expands.	£995,000	£139,542
Net income	The income received from the property portfolio at a net level (less costs) over time.	(£80,310)	(£83,015)

☐ Local quantitative indicators

Note: Original Indicators were based upon anticipated Capital Portfolio Fund expenditure £20m and Development Loans Fund expenditure £6m. Outturn was £9.932m for Capital Portfolio Fund and no Development Loans Fund expenditure.

GLOSSARY OF TERMS, ACRONYMS AND KEY DEFINITIONS

LAS: Link Asset Services, Treasury solutions – the council's treasury management advisers.

CE: Capital Economics - is the economics consultancy that provides Link Asset Services, Treasury solutions, with independent economic forecasts, briefings and research.

CFR: capital financing requirement - the council's annual underlying borrowing need to finance capital expenditure and a measure of the council's total outstanding indebtedness.

CIPFA: Chartered Institute of Public Finance and Accountancy – the professional accounting body that oversees and sets standards in local authority finance and treasury management.

CPI: consumer price index – the official measure of inflation adopted as a common standard by countries in the EU. It is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

ECB: European Central Bank - the central bank for the Eurozone

EU: European Union

EZ: Eurozone -those countries in the EU which use the euro as their currency

Fed: the Federal Reserve System, often referred to simply as "the Fed," is the central bank of the United States. It was created by the Congress to provide the nation with a stable monetary and financial system.

FOMC: the Federal Open Market Committee – this is the branch of the Federal Reserve Board which determines monetary policy in the USA by setting interest rates and determining quantitative easing policy. It is composed of 12 members--the seven members of the Board of Governors and five of the 12 Reserve Bank presidents.

GDP: gross domestic product – a measure of the growth and total size of the economy.

G7: the group of seven countries that form an informal bloc of industrialised democracies--the United States, Canada, France, Germany, Italy, Japan, and the United Kingdom--that meets annually to discuss issues such as global economic governance, international security, and energy policy.

Gilts: gilts are bonds issued by the UK Government to borrow money on the financial markets. Interest paid by the Government on gilts is called a coupon and is at a rate that is fixed for the duration until maturity of the gilt, (unless a gilt is index linked to inflation); while the coupon rate is fixed, the yields will change inversely to the price of gilts i.e. a rise in the price of a gilt will mean that its yield will fall.

IMF: International Monetary Fund - the lender of last resort for national governments which get into financial difficulties.

LIBID: the London Interbank Bid Rate is the rate bid by banks on deposits i.e., the rate at which a bank is willing to borrow from other banks. It is the "other end" of the LIBOR (an offered, hence "ask" rate, the rate at which a bank will lend).

MHCLG: the Ministry of Housing, Communities and Local Government -the Government department that directs local authorities in England.

MPC: the Monetary Policy Committee is a committee of the Bank of England, which meets for one and a half days, eight times a year, to determine monetary policy by setting the official interest rate in the United Kingdom, (the Bank of England Base Rate, commonly called Bank Rate), and by making decisions on quantitative easing.

MRP: minimum revenue provision -a statutory annual minimum revenue charge to reduce the total outstanding CFR, (the total indebtedness of a local authority).

PWLB: Public Works Loan Board – this is the part of H.M. Treasury which provides loans to local authorities to finance capital expenditure.

QE: quantitative easing – is an unconventional form of monetary policy where a central bank creates new money electronically to buy financial assets, such as government bonds, (but may also include corporate bonds). This process aims to stimulate economic growth through increased private sector spending in the economy and also aims to return inflation to target. These purchases increase the supply of liquidity to the economy; this policy is employed when lowering interest rates has failed to stimulate economic growth to an acceptable level and to lift inflation to target. Once QE has achieved its objectives of stimulating growth and inflation, QE will be reversed by selling the bonds the central bank had previously purchased, or by not replacing debt that it held which matures. The aim of this reversal is to ensure that inflation does not exceed its target once the economy recovers from a sustained period of depressed growth and inflation. Economic growth, and increases in inflation, may threaten to gather too much momentum if action is not taken to 'cool' the economy.

RPI: the Retail Price Index is a measure of inflation that measures the change in the cost of a representative sample of retail goods and services. It was the UK standard for measurement of inflation until the UK changed to using the EU standard measure of inflation – CPI. The main differences between RPI and CPI is in the way that housing costs are treated and that the former is an arithmetical mean whereas the latter is a geometric mean. RPI is often higher than CPI for these reasons.

TMSS: the annual treasury management strategy statement reports that all local authorities are required to submit for approval by the full council before the start of each financial year.

VRP: a voluntary revenue provision to repay debt, in the annual budget, which is additional to the annual MRP charge, (see above definition).



Overview & Scrutiny Committee

Briefing Paper

Report of: Kate Bailey
Date: 5th September 2019
Open

Worcestershire's Homelessness and Rough Sleeping Strategy 2019 - 2022

1. Summary

- 1.1 The purpose of this report is to agree that the new Homelessness and Rough Sleeping Strategy 2019 -2022 is publically consulted on in advance of adoption. The Strategy has been amended to take into consideration the government's Rough Sleeping Strategy 2018 and the requirement by the Ministry of Housing, Local Government and Communities (MHCLG) to update the Council's current strategy by the end of 2019:

2. Background

- 2.1 In 2017 the Worcestershire Strategic Housing Partnership (comprising representatives from the Local Authorities, the Clinical Commissioning Group, Department of Work and Pensions and Registered Providers) developed their first Housing Partnership Plan (HPP). This is the overarching document which sets out Worcestershire's combined strategic direction for housing including homelessness. This Partnership Plan was approved by Cabinet on 14 March 2017. Many of the high level actions within the HPP and the projects/proposals developed to achieve them relate either directly or indirectly to the prevention of homelessness.
- 2.2 Throughout 2018 the Local Housing Authorities (LHA) developed the Worcestershire Strategic Direction for Tackling Homelessness 2018-21, which was approved by the Council 19th September 2018. This strategy fits within the overall context of the Worcestershire Partnership Plan. In 2016/2017 officers undertook the Worcestershire Homelessness Review to inform the development of the Homeless Strategy in line with legislative requirements. The review is a comprehensive assessment of the nature and extent of homelessness across the county, developed by analysing homelessness data and the views of customers and partner organisations.
- 2.3 Homelessness strategies must set out each local authority's plans for the prevention of homelessness and for ensuring that sufficient accommodation and support are or will be available for people who become homeless or who are at risk of becoming so.
- 2.4 The implementation of the Homelessness Reduction Act (HRA) which came into force on 3rd April 2018 and the new Homelessness Code of Guidance developed by Government to assist Local Authorities to implement the Act

have placed further requirements on authorities' strategic response to preventing homelessness. The Act strengthens statutory duties to prevent homelessness for all eligible applicants, including those who do not have priority need or may be considered intentionally homeless.

- 2.5 The Act also creates a new duty on certain public authorities (including prisons, Social Services and emergency departments at hospitals) to refer users of their services who are threatened with homelessness to a housing authority of their choice. This enables the earlier identification of people at risk of becoming homeless.
- 2.6 In August 2018 the Government published the Rough Sleeping Strategy 2018 and has subsequently required all Local Housing Authorities (LHA) to take this into consideration and update their Homelessness Strategies by the end of 2019. The strategy aims to support everyone off the streets and into a home and to end rough sleeping entirely by 2027.
- 2.7 During 2019 a Rough Sleeper Expert Panel and Task and Finish group has considered the needs and issues of rough sleepers in Worcestershire following the deaths of two rough sleepers in Malvern Hills district area.
- 2.8 The Strategy proposed for consultation has therefore been written to expand on the high level actions within the existing HPP and in response to the new duties of the HRA, the Rough Sleeping Strategy and the Rough Sleeping Task and Finish group. Whilst it is anticipated that some amendments to the existing strategy will need to be made, much of the national strategy is already encompassed within the previous homelessness strategy. This is a Worcestershire wide strategy which is simultaneously being adopted by all of the relevant partners, following consultation.

3. Key Issues

- 3.1 Under the Homelessness Act 2002 all housing authorities must have in place a homelessness strategy based on a review of all forms of homelessness in their district, currently this is the HPP All LHA have now been directed to update their existing strategies in light of the Rough Sleeping Strategy 2018 and to rebadge them as a Homelessness and Rough Sleeping Strategy by the end of 2019.
- 3.2 The original Homelessness Strategy 2018 – 2021 has three main priorities:
 - 3.2.1 Firstly, to prevent homelessness at a much earlier stage by targeting groups that are more vulnerable to becoming homeless (and developing complex needs in the future).
 - 3.2.2 Secondly, to provide flexible and comprehensive responses to those in crisis and those with complex needs.
 - 3.2.3 Finally, to improve the supply of and access to good quality, affordable and supported housing
- 3.3 This mirrors the Rough Sleeping Strategy 2018 priorities of; Prevention, Intervention and Recovery, so limited amendments are required to the original strategy.
- 3.4 For the strategy to be effective it will need to include a strategic response to homelessness prevention that is jointly developed and owned with partners who will be responsible for its delivery. The new Homelessness and Rough Sleeping Strategy and consultation responses will then be used to develop an

action plan, with partners (through the local Homelessness Forum), to help ensure that the objectives set out in the homelessness strategy are achieved.

- 3.5 The proposed new Strategy (Appendix 1) will go out to consultation from the 23rd September for a period of six weeks. The consultation will be promoted through the Council's website and social media as well as through notification to Council partners, members and stakeholders. Consultation responses can be given through the questionnaire (Appendix 2), through Survey Monkey and/or electronic forms.
- 3.6 Because the consultation will close on 4th November and has to be adopted in place by the end of the calendar year it does not allow sufficient time for the strategy to be reported to the December meetings of Overview and Scrutiny nor Cabinet in order to agree the final version for adoption, it is recommended that delegated authority be granted to the Corporate Director: Economic Prosperity & Place in consultation with the Cabinet Member for Housing, Health & Wellbeing to agree the final version for adoption.

4. Options

- 4.1 To recommend to Cabinet the Homelessness and Rough Sleeping Strategy 2019 – 2022 is publically consulted on in advance of being adopted AND
- 4.2 To recommend to Cabinet that they delegate to the Corporate Director: Economic Prosperity and Place, in consultation with the Cabinet Member for Housing, Health and Wellbeing, to agree the finalised strategy following any changes arising as a consequence of the consultation and that the final strategy be adopted from 31 December 2019 OR
- 4.3 To put forward alternative or additional proposals to recommend to Cabinet

5. Consultation

- 5.1 CLT
- 5.2 Legal

6. Related Decisions

- 6.1 Not applicable

7. Relevant Council Policies/Strategies

- 7.1 Worcestershire Housing Partnership Plan
- 7.2 The Strategic Direction for Tackling Homelessness 2018-2021

8. Implications

- 8.1 Resources: All spending proposals are within the existing budget.
- 8.2 Equalities: Not applicable
- 8.3 Partnership working: The Strategy is Worcestershire wide and we have collaborated with the other Local Housing Authorities in its development.
- 8.4 Human Rights: Not applicable
- 8.5 E-Government: Not applicable

8.6 Transformation: Not applicable

9. Equality Needs Impact Assessment

9.1 An Equality Impact Needs Assessment screening exercise has been completed in July 2018. As the strategy amendments are minimal it is not proposed that a further screening exercise is required.

10. Wards affected

10.1 All wards within the district are affected.

11. Appendices

11.1 Appendix One - The Homelessness and Rough Sleeping Strategy 2019 – 2022.

11.2 Appendix Two – Consultation Questionnaire

12. Background papers

Rough Sleeping Strategy 2018 (MHCLG).

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Worcestershire Homelessness and Rough Sleeping Strategy 2019-2022

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1. Foreword by the chair of Worcestershire Strategic Housing Partnership

I am very pleased to introduce Worcestershire's Homelessness and Rough Sleeping Strategy. It is the third homelessness strategy developed for the County and comes at a crucial time with implementation of the Homelessness Reduction Act and the publication of the national Rough Sleeping Strategy in 2018.

This document represents the continued commitment that we have as a County to preventing homelessness in partnership, across sectors and districts. I would like to take this opportunity to thank all of the organisations and individuals who have contributed towards its development.

We are clear that we want to tackle homelessness in all its forms. Although the most acute and obvious form of homelessness can be seen among those sleeping rough, it is much wider than this. It can include those "hidden homeless" who might be sleeping on a sofa. It can also include those who have a roof over their head, but where it is not safe to remain, perhaps due to abuse or violence, or those living in a home that is unsuitable for a variety of reasons e.g. severe overcrowding, poor property standards, poor health.

Homelessness is experienced by single people, couples and families alike. It can be a consequence of individual risk factors and triggers, or wider structural issues that are beyond their control.

The effects of homelessness for families and individuals can be devastating and can have significant negative impacts on health and wellbeing, employment, education, and crime. It can also have significant costs to communities, local authorities and public services.

Tackling homelessness is becoming particularly challenging in today's tough external environment. Welfare reform has increased pressure on people's ability to manage their finances and access and sustain accommodation. The

demand for social and affordable housing far outstrips supply. Whilst reductions in public spending and additional duties contained within the Homelessness Reduction Act have increased pressure on housing and homelessness services.

We need to work together to ensure the best use and balance of limited resources.

This is why it is vital that this strategy sits at strategic partnership level within the umbrella of the Worcestershire Strategic Housing Partnership Plan - recognising that tackling homelessness benefits the economy, the health of our population, reduces crime and disorder, and reduces costs to the taxpayer. It should therefore be seen as all of our problem to solve.

Our approach to tackling homelessness is based around 3 Priorities. Firstly, to prevent homelessness at a much earlier stage by targeting groups that are more vulnerable to becoming homeless (and developing complex needs in the future).

Secondly, to provide flexible and comprehensive responses to those in crisis and those with complex needs. We need to design services based on what is best for customers whose needs go beyond homelessness – so that they receive the services they need (not limited by existing practice or legislation).

Finally to improve the supply of, and access to, good quality affordable and supported housing.

This strategy will govern our approach for three years. However, in a period of new legislation, welfare reform and austerity measures, it is vital that it remains responsive.

Kevin Dicks, Chief Executive of Bromsgrove and Redditch Councils and Chair of the Worcestershire Strategic Housing Partnership

2. Introduction

The causes of homelessness are complex, and it is often a combination of individual circumstances as well as structural issues (that are often outside of someone's control) that lead up to crisis point.

Each person or household's journey into homelessness is different and requires a tailored and flexible approach in order to prevent it from happening.

It is widely recognised that individual risk factors and triggers such as poor mental or physical health, adverse childhood experiences, substance misuse, and domestic abuse can increase the risk of homelessness. Recent research found that the chances of experiencing homelessness by age 30 can be predicted by childhood poverty, geography, adverse experiences as a teenager and early adult experiences.

It is vital that the right interventions and solutions are provided at the right time in someone's life, to prevent crisis and a reoccurring cycle of homelessness. The earlier, more "upstream" the intervention, the more chance there is of avoiding a situation that is complex and expensive to resolve, both in the human and financial sense.

Structural issues such as the demand for social and affordable housing outstripping supply, welfare reform, and affordability/access to private rented housing also impact on levels of homelessness.

In order to carry out more "upstream" prevention activities and to mitigate the risk of structural issues resulting in homelessness, true collaboration across statutory, voluntary and community sectors is required – now more

than ever with the implementation of the [Homelessness Reduction Act](#) in 2018.

It is also important to recognise that however good our upstream prevention efforts, there will always be some people who find themselves homeless, therefore the need to take a systemic approach and co design services to help people not just at crisis point, but also to recover and move on from homelessness is essential.

To ensure this systemic approach is taken, this document sits within the umbrella of the [Worcestershire Housing Partnership Plan 2017](#), in recognition that homelessness is not just a housing issue and needs to sit within the wider context if we are to truly tackle it.

On 13th August 2018, the Government published a new national [Rough Sleeping Strategy](#) which sets out its vision to halve rough sleeping by 2022 and end it by 2027. It requires all local authorities in England to update their homelessness strategies and rebadge them as homelessness and rough sleeper strategies by the end of 2019. The refreshed strategies must have a stronger emphasis on rough sleeping. Local authorities are also required to publish annual action plans and report on progress.

The Worcestershire Homelessness and Rough Sleeping Strategy 2019-2022 replaces the Worcestershire Strategic Direction for Tackling Homelessness 2018-2021.

3. Worcestershire Housing Partnership Plan 2017

In 2017 the Worcestershire Strategic Housing Partnership developed their first [Housing Partnership Plan](#). This is the overarching document which sets out Worcestershire's strategic combined approach for housing including homelessness. The Plan's vision is;

“To create the *right* home environment for Worcestershire residents that is essential to their health, wealth and wellbeing, throughout life”

This new way of developing a partnership document/approach to housing for the County is viewed as a real step forward. It recognises that to maximise the health, wealth and wellbeing of residents and make the most effective use of existing resources, we need to work very closely with partner organisations across a range of sectors.

Creating the right home environment and meeting housing need is not only essential for residents, but is vital to enable the Partnership's organisations to achieve their ambitions, policy objectives and duties, such as reduced homelessness, improved health and wellbeing, educational achievement of children and young people, employment, crime reduction and sustainable, resilient communities.

To achieve its Vision, the Partnership Plan sets out five High Level Actions and a number of Projects to deliver on those actions. The links to the prevention of homelessness are clear throughout many, if not all, of the projects. Therefore, it is important to note that the Partnership Plan has set the strategic direction for tackling homelessness.

Partnership Plan Projects;

- Develop a county wide supported housing plan
- Undertake a whole systems review of support and accommodation for people with vulnerability or disability
- Develop a 'Housing First' approach to provide permanent housing quickly for homeless people and then provides services as needed
- Develop an intensive support provision for those with complex needs
- Establish clear pathways into support and accommodation for people with complex needs
- Jointly commission new models of accommodation for young people and care leavers
- Establish a multi agency approach to sharing information
- Demonstrate the impact poor housing has on health and social care intervention, to promote the strategic relevance and future design of services

This document will provide a more in depth focus on homelessness and provide the detail on how all the partners dealing with homelessness are going to work together to address the need at both a county and local level. It will provide the link to the wider strategies of our partners and each district council's corporate objectives.



4. Rough Sleeping Task and Finish Group 2019

The Task and Finish Group for Rough Sleeping commenced in April 2019, following an Expert Panel event, held in Malvern Hills during February 2019.

This was following the deaths of two rough sleepers in the autumn of 2018 both within Malvern Hills district.

The Expert Panel was attended by 56 professionals from across public, private and voluntary sectors from across Worcestershire. During this event, the following questions were asked of the Panel:

- What role does your organisation play in addressing rough sleeping?
- How well do we work together?
- Do we assess wider support needs?
- What gaps in provision are there?
- What does a Housing First approach mean to us?
- What should a Housing First approach look like in Worcestershire?
- What barriers are there to introducing a Housing First approach in Worcestershire?

Following this event it was agreed that a Task and Finish Group should be created, to work alongside the delivery of Worcestershire Strategic Direction for Tackling Homelessness (2018-2021) document.

The group has representation from across sectors, including: all local authorities within Worcestershire, housing associations that operate across

the county, local Councillors, Swanswell, Maggs, Moats, CCP, South Worcestershire Citizens Advice, Probation, West Mercia Police, Worcestershire Office for Data Analytics, DWP (staff from across the county and well as the Universal Credit Lead for the county), Public Health, NHS (Mental Health and Crisis Team), Worcestershire County Council Commissioners, Clinical Commissioning Groups, YMCA, St Pauls, Shelter Birmingham, Evesham Street Pastors and NatWest Bank.

The group has met three times (with the last scheduled meeting in September 2019) to finalise a countywide action plan.

The action plan will have four underlying themes around access to services, engagement (from both the customer with assistance, but also with the perception from the general public), overcoming issues and employment / economic development to include meaningful activities.

A full action plan will be presented for final agreement at the September 2019 meeting. Actions will be taken forward by all organisations present at the Task and Finish Group and will be managed by an online portal to track progress.

The group will have a commissioned evaluation following the last meeting in September to fully understand its effectiveness.

5. Defining homelessness

The Ministry of Housing, Communities and Local Government (MHCLG) says that someone is considered to be homeless if “they do not have accommodation that they have a legal right to occupy, which is accessible and physically available to them (and their household) and which it would be reasonable for them to continue to live in.”

Local Housing Authorities are bound by various Housing Acts defining what assistance they should provide to those facing homelessness. For further details on definitions of homelessness and the legal duties please see Appendix One.

However this current legislation has been amended to further extend legal duties and these are outlined below.

Homelessness Reduction Act 2017

The Homelessness Reduction Act (HRA) 2017 significantly reformed England’s homelessness legislation by placing duties on local authorities to intervene at earlier stages to prevent and relieve homelessness in their areas. It also requires Local Housing Authorities (LHA) to try to help households to secure accommodation but it isn’t a duty to rehouse all homeless households.

The HRA will also impose a duty on some public authorities to refer homeless cases to LHAs and the LHAs will work with public and non-public bodies to ensure an effective referral process. It is essential LHAs are clear to partners about the range of duties we now have.

6. Impact of homelessness

Identifying and addressing the impact of homelessness for people at every stage of life is essential. The cost of homelessness is too high; for individuals, for communities, for Local Authorities and the tax payer, for it not to be considered a priority.

One of the drivers of the Homelessness Reduction Act was the recognition that homelessness has a higher impact on single people and childless couples who are more likely to be considered “non priority” homeless. The Act will transform the way homelessness services are delivered and ensure that all eligible applicants are given some help to resolve their homelessness regardless of whether they have a “priority need.”

The impact of homelessness on health and wellbeing

Homelessness affects many different household groups and happens for a variety of reasons. The table opposite outlines some of the reasons for homelessness and the variety of impacts homelessness can have on a person’s life. Some groups can be particularly adversely affected including young people and prison leavers, who perhaps don’t have the resilience, social networks and/or income to resolve the issues they face.

“Young people who experience homelessness are at risk of embarking on a ‘career’ in homelessness, criminal justice and health systems, at significant cost to their own health and wellbeing, their families and communities, and to the public purse. Their potential to contribute to and benefit from society and the economy is affected by homelessness.”

The Impact of Homelessness on Health: a Guide for Local Authorities, LGA 2017

Social economic political factors that may lead to homelessness	Consequences of homelessness
<ul style="list-style-type: none"> • Housing market failure including low levels of housing supply • Adverse childhood experiences • Family breakdown or poor relationships • Becoming a looked after child • Domestic abuse • Substance or alcohol misuse • Low income or benefit dependency • Involvement with the criminal justice system • Not in education, employment and training • Welfare reform • Public sector austerity leading to cuts in housing related support and other services • Teenage pregnancy • Overcrowding 	<ul style="list-style-type: none"> • Poor mental health including stress for adults / children – common mental health problems are over twice as high among people who are homeless compared with the general population, and psychosis is up to 15 times as high. • Poor physical health- greater risk of infection (delayed access to health care / immunisations) • Lower education attainment for children especially if access to school places is affected • Social isolation and loneliness • Additional financial burdens • Greater likelihood of not being in education, employment or training • Substance or alcohol misuse • Young people in particular might face; exploitation, abuse and trafficking, involvement in gangs. • Likelihood of premature death, dementia or other long term health condition • Low self-esteem and confidence

7. Evidence base - Worcestershire Homelessness Review 2016

The evidence base for this homelessness strategy is the [Worcestershire Homelessness Review 2016](#).

The review is a comprehensive assessment of the nature and extent of homelessness across the County, developed by analysing homelessness data and the views of customers and partner organisations.

It draws a number of conclusions and recommendations which have been used to develop our approach to preventing and managing homelessness locally, and these fed directly into the development of the Worcestershire Strategic Housing Partnership Plan.

It is vital that services are developed and delivered in partnership if we are to truly prevent homelessness from an individual, structural and systemic point of view. We believe that sitting our approach firmly within the Partnership Plan is the key to achieving this, bringing together statutory, voluntary and community organisations.

Local Housing Authorities are also working with the County Council in the development of the Joint Strategic Needs Assessment. The JSNA is designed to inform decisions made locally about what services are commissioned to improve the public's health and reduce inequalities; therefore, it is vital to make sure it contains robust homelessness data and supports the county's homelessness prevention approach.

What did the Homelessness Review tell us?

- Homelessness is increasing locally, as it is nationally. Successful prevention work across the county continues to have an impact as homelessness applications have remained relatively static whilst approaches for homelessness assistance have increased.

The impact of legislation, national policy, austerity measures and welfare reform will have a huge effect on housing options and the ability to continue preventative work at the same levels.

- Welfare reform will impact the affordability of housing. There are concerns about whether there are any affordable housing options for some households, especially large families and those under 35 in the private rented sector.
- It is becoming increasingly difficult to move people on from temporary accommodation not just due to affordability, but also due to complex or higher support needs and poor tenancy histories – both in the private and social rented sectors.
- The demand for social and affordable housing far outstrips supply, a buoyant private sector housing market means private landlords can afford to be selective.
- Pressures on temporary accommodation are set to increase with the Homelessness Reduction Act.
- The homelessness service does not adequately meet the needs of people with complex needs and the reduction in public sector budgets have meant the removal of housing related support for most homeless households.

- The ending of Assured Shorthold Tenancies continues to be a major reason for homelessness, and should become a priority for prevention work.
- The Single Person and Childless Couples service focuses on prevention work and quickly moving those newly arrived to the streets into long term housing, but there is gap in provision for continuing and entrenched rough sleepers – this will be reduced by the new MOATS service (rough sleeper outreach) commencing in April 2018.
- The Audit of Services identified a number of gaps in provision for certain client groups and also geographically. Gaps could increase as services become unviable due to further funding cuts.
- General lack of supported accommodation especially for victims of domestic abuse, young people, prison leavers and those with low level mental health or learning disabilities.
- General lack of good quality shared accommodation, particularly for young people and those under the age of 35. Particularly acute in some areas.

Recommendations from the review

Increase the range of prevention services

- Protect and increase good quality, cost effective support services that will prevent homelessness from the earliest possible stage and equip people with the skills to establish and maintain lifelong independence (systems thinking approach).
- Develop pathways to ensure a different and more integrated approach to meet the needs of single people and families with complex needs e.g. mental and physical health, social care, substance misuse. Increase service provision to assist entrenched rough sleepers move off the street.

- Increase the use of tenancy ready schemes and tenancy support especially for those in private rented accommodation to improve access and to prevent homelessness.
- Explore gaps in service provision identified by the audit of services - mediation and reconciliation services, support for ex offenders, those with mental health issues, low level Learning Difficulties and Autism.
- Work with partners to improve people's wealth and resilience to prevent homelessness occurring throughout their lives - getting people into work, provision of debt advice/financial management and maximising benefits.
- Upscale communications on housing options and support services to avoid crisis point and improve likelihood of preventing homelessness. Review whether current systems are achieving this.

Increase the supply of accommodation

- Review and expand the provision of interim accommodation and permanent affordable accommodation, particularly for large families and those under 35 who are increasingly finding it hard to access any accommodation options. This may include a local authority owned/procured property.
- Consider how to overcome the lack of supported accommodation for care leavers (especially those with complex needs) and young parents.
- Consider the lack of direct access accommodation for individuals who are homeless in an emergency.
- Improve data recording and analysis to reflect the true nature of homelessness across the County.
- Analyse the cost effectiveness of homelessness services (cost of statutory vs cost of prevention).

8. Achievements - Worcestershire Homelessness Strategy 2012-17

Through the work of the Worcestershire Homelessness Strategy 2012-17 and recommendations from the Homelessness Review, we have been able to improve services across Worcestershire. Under the four goals set out in the Homelessness Strategy 2012-2017 we have achieved the following:-

Improving Pathways

- Reviewed the housing and support pathway for 16/17 year olds.
- Introduced Young People's Pathway Workers within housing advice teams.
- Mapped out local single homeless services and implemented prison and hospital pathways.

Partnership

- Developed a Mental Health and Housing Protocol.
- Established closer working arrangements with Clinical Commissioning Groups and Health and Wellbeing Boards
- Developed agreements with Registered Providers to ensure that their response to flexible tenancies and affordable rent schemes does not increase homelessness.
- We now have one set of generic information for homelessness assistance with local elements for the majority of districts.
- Developed joint arrangements on the use of temporary accommodation and Rent Deposit Schemes across the County.
- Enabled the extension of Domestic Abuse support services, protected refuge accommodation and been able to carry out Survivor and Freedom programmes.
- Improved practice and procedure across Housing Benefit and Strategic Housing.

Preventing rough sleeping

- Established No Second Night Out.
- Developed more accommodation for single homeless people including emergency crash pads and move on accommodation.
- Developed a personalised approach for entrenched rough sleepers.
- Provided an emergency shelter during extreme cold weather and provisions for severe hot weather.
- Enabled support for rough sleepers to return to the area where they can access their support networks and services.

Reducing Financial Deprivation

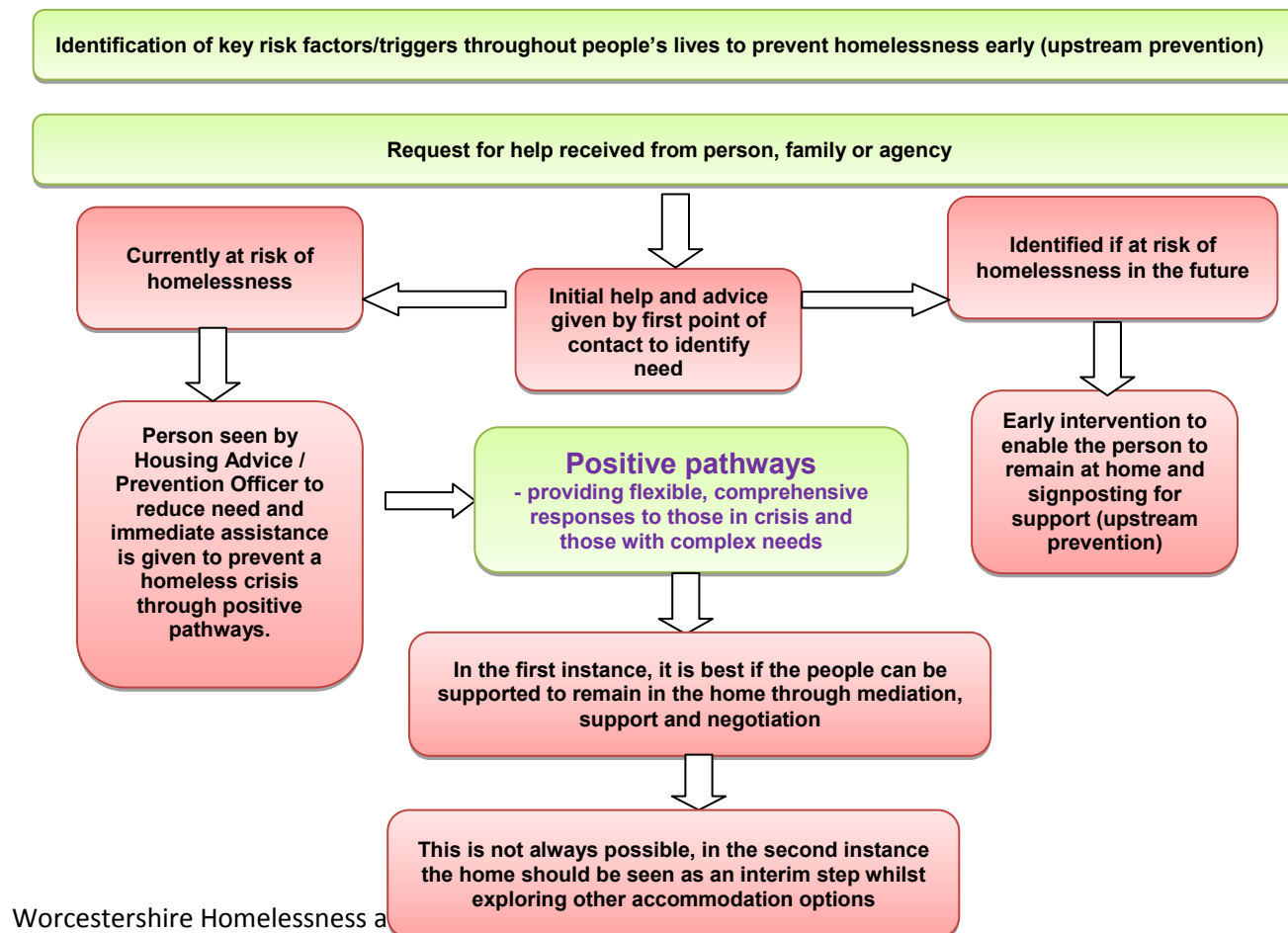
- Secured funding through the Homes and Communities Agency for housing development.
- Established discretionary welfare schemes across the County.
- Developed plans to mitigate the affects of welfare reform locally.

During 2017 and 2018, Worcestershire Local Housing Authorities worked to an *Interim* Homelessness Strategy Action Plan – whilst the new strategy was in development. This resulted in;

- Continued joint strategic work to implement the Homelessness Reduction Act.
- Utilising the Rough Sleepers grant of £380k to recruit homelessness prevention officers working in each district to prevent rough sleeping.
- Developing a new outreach service for entrenched rough sleepers through a joint bid led by Maggs Day Centre.
- The implementation of new data monitoring system to enable a better understanding of need and inform commissioning.
- Identification of funding to enable the continuation of the Hospital and Prison Pathway support work.

9. Positive pathways approach

Like many Local Authority areas, the Positive Pathways Model first developed by St. Basil's (in relation to young people) has been successfully implemented in Worcestershire. We would like to build on that success and extend the concept across all groups that might be more vulnerable to becoming homeless. The following diagram and priorities outlined in the next section explain how we will do this.



10. Our priorities for tackling homelessness and rough sleeping

The Homelessness Monitor 2017 suggests that priorities for homelessness prevention should be based around – “upstream” prevention (preventing homelessness at the earliest stage), systemic prevention (designing services based on what is best for people in crisis) and structural prevention (mitigating the impact of things outside individual control e.g. lack of affordable housing, welfare reform).

The Partnership Plan and the Homelessness Review identified a number of priorities and actions to aim to end homelessness from these perspectives. There are also clear links with the Pathways approach we want to achieve.

The national Rough Sleeping Strategy published in 2018 is based around three principles;

- **Prevention:** timely support before someone becomes homeless. For example, making sure no one leaves prison without suitable accommodation in place.
- **Intervention:** targeted support to get people off the streets.
- **Recovery:** the need for accommodation and support.

These national principles are very much aligned with the priorities contained within our original homelessness strategy developed in 2018. Therefore our priorities have remained the same during the refresh;

- 1 Prevent homelessness at a much earlier stage
- 2 Provide flexible and comprehensive responses to those in crisis and those with complex needs

- 3 Improve supply of/access to good quality, affordable and supported housing

The national strategy sets out a number of commitments against the three principles and a delivery plan setting out the detail. This strategy follows the same structure; this section sets out our commitments and the detailed delivery plan will be published online by the end of 2019.

Priority 1 Prevent homelessness at a much earlier stage

What do we want?

We want to prevent homelessness by identifying the key risk factors/triggers in people's lives that can cause it, and take action at a much earlier stage.

What does this mean?

We know that individual risk factors and triggers such as poor mental or physical health, adverse childhood/early adult experiences, substance misuse, and domestic abuse can increase the risk of homelessness. Childhood poverty and geography also have a part to play in predicting homelessness.

We need to minimise the risk of homelessness for people experiencing these factors to truly prevent it happening *and* reoccurring throughout life, to prevent a generation of homeless people with complex needs and to improve health and wellbeing.

The Homelessness Reduction Act provides opportunity to build on our preventative work with partner organisations and to identify those at risk of homelessness at a much earlier stage. However, it is becoming clear nationally and locally that the strengthened duties within the Act have increased pressure on local authority housing teams - and will require improved cooperation across sectors to truly prevent homelessness for all of our customers.

“There must be a focus on helping people to remain in their own homes (where it is safe to do so), prevention and support services should view losing accommodation as the last resort.”

Developing Positive Pathways, St. Basil's, 2015

By investing in proactive, front line services we will avoid crisis situations and the use of Bed and Breakfast accommodation which is expensive and unsuitable, especially when people have to be placed in temporary accommodation out of area.

What will we do?

- **Develop a blueprint that sets out and quantifies the resource needed to prevent and tackle homelessness and rough sleeping for the next 5 years.**
- **Review the effectiveness of current referral processes to local housing authorities.** There will be a specific focus on providing a rapid response in cases where someone is threatened with street homelessness.
- **Develop, review and promote local housing and support pathways for groups that are more vulnerable to becoming homeless due to;**
 - Domestic abuse
 - Mental health problems
 - Leaving local authority care
 - Age - 16-17 year olds
 - Substance misuse
 - Rough sleepers
 - Offenders
 - Former members of the regular armed services
- **Investigate the need for and feasibility of a joint system for support providers and local authorities to gather and share information about rough sleepers and their personal housing and support plans.**

- **Develop pre eviction protocols/arrangements with registered housing providers and private sector landlords** to prevent homelessness from rented accommodation.

Priority 2 Provide flexible and comprehensive responses to those in crisis and those with complex needs

What do we want?

- To design services based on what is best for people in crisis and for those whose needs go beyond homelessness – so that they receive the services they need (not limited by existing practice or legislation).

What does this mean?

However good our upstream prevention efforts, there will always be some people who find themselves homeless or threatened with homelessness. This is why an improved systemic response (particularly in relation to single homeless people) provided for in the Homelessness Reduction Act is so important for us to achieve.

We must also focus on providing sustained support required by homeless people with needs beyond housing.

Our evidence locally tells us that large families and those with complex needs find it particularly challenging to maintain and access housing, often due to poor tenancy/housing histories. Their needs are not just about housing and they will require intensive support provision beyond Local Housing Authority provision, to resolve their housing need - for example those with mental health or substance misuse problems.

The use of psychological or trauma informed care in commissioning and treatment/support services is key to the design of this intensive support service – the need to recognise the impact of life experiences on behaviours – and needs to be understood across sectors.

What will we do?

- Pilot a Somewhere Safe To Stay hub – providing a year round emergency assessment/bed space for rough sleepers to access housing and support regardless of whether they are new or existing rough sleepers.
- Pilot Housing First - an approach to provide permanent housing quickly for homeless people with complex and multiple needs. Providing flexible and tailored support.
- Pilot Supported Lettings – intensive tenancy support for rough sleepers/those at risk of rough sleeping – allowing landlords to take more of a risk on tenants with complex needs.
- Provide a rapid response to rough sleeping and increase emergency bed spaces during the harshest months of the winter.
- Explore the need to develop services/improve integration of existing services to meet the needs of families and individuals with complex needs but who do not meet the social care threshold.
- Deliver on the outcomes from the Rough Sleeper Task and Finish Group - review the partnership approach and responses to preventing rough sleeping across the County.

Priority 3 Improve supply of/access to good quality, affordable and supported housing

What do we want?

We want to ensure that we work together with partners to make the best use of land and property assets – to meet affordable and supported housing needs.

We want any barriers to accessing accommodation for particular groups to be overcome for example low income households, those with poor tenancy histories, those with high support needs.

What does this mean?

There is not enough affordable housing to meet the need, both nationally and locally. There are also some identified groups who are acutely affected by welfare reform including those under the age of 35 and large families for whom affordability is a huge factor, for any type of housing, including affordable housing.

Other groups such as those with certain support needs, or with poor tenancy histories find it difficult to access any type of housing. If people within these groups become homeless, they often have very limited housing options and remain in temporary or “move on” accommodation for some time. This is often not suitable for the household, and also expensive for local authorities.

In very simplistic terms, it can be said that homelessness is about money. If you have a low or insecure income, or you don't manage money well (for a variety of reasons which may or may not be outside your control) you can be at risk of homelessness or find it hard to access housing.

What will we do?

- Work closely with our Registered Housing Providers in ensuring the most effective use of existing social housing stock and through their plans to develop new housing.
 - Develop a county wide supported housing plan based on housing need evidence.
 - Improve our private rented housing offer for homeless/potentially homeless households by ensuring the accommodation is of good quality and easy to obtain. Also improve our offer to landlords to encourage them to provide accommodation for homeless households.
 - Work with partners to develop additional housing options e.g. shared housing is an important stepping stone for many rough sleepers for whom having a safe place to sleep is all that they can manage initially.
 - Develop “tenancy ready” training and support to improve access to and sustainment of tenancies. Including developing general principles around what tenancy ready training is and mapping what services are already being provided.
- If landlords can be assured that someone has the skills to manage a tenancy, including financial skills and the payment of rent, then the risk to is reduced and they may be inclined to offer them housing.
- Consider the feasibility of a “second chance” housing model - recognising the need to have open and honest conversations about past tenancy history in order to provide the right housing and support for that individual/family.

11.Delivering on our approach

Oversight

Worcestershire Strategic Housing Partnership (WSHP) is responsible for ensuring that the commitments within this strategy are realised. It is a multi-agency, and cross sector partnership, ensuring homelessness prevention is placed in the wider context. See diagram on page 19 for more detail.

The role of the WSHP is to influence commissioning and system change across sectors to resource and deliver on this Strategy.

Delivery

Worcestershire Strategic Housing Officers Group (WSHOG) is responsible for delivery of this document. WSHOG is a well established group, with a proven track record of housing and homelessness strategy delivery, representing each of the districts.

Assurance

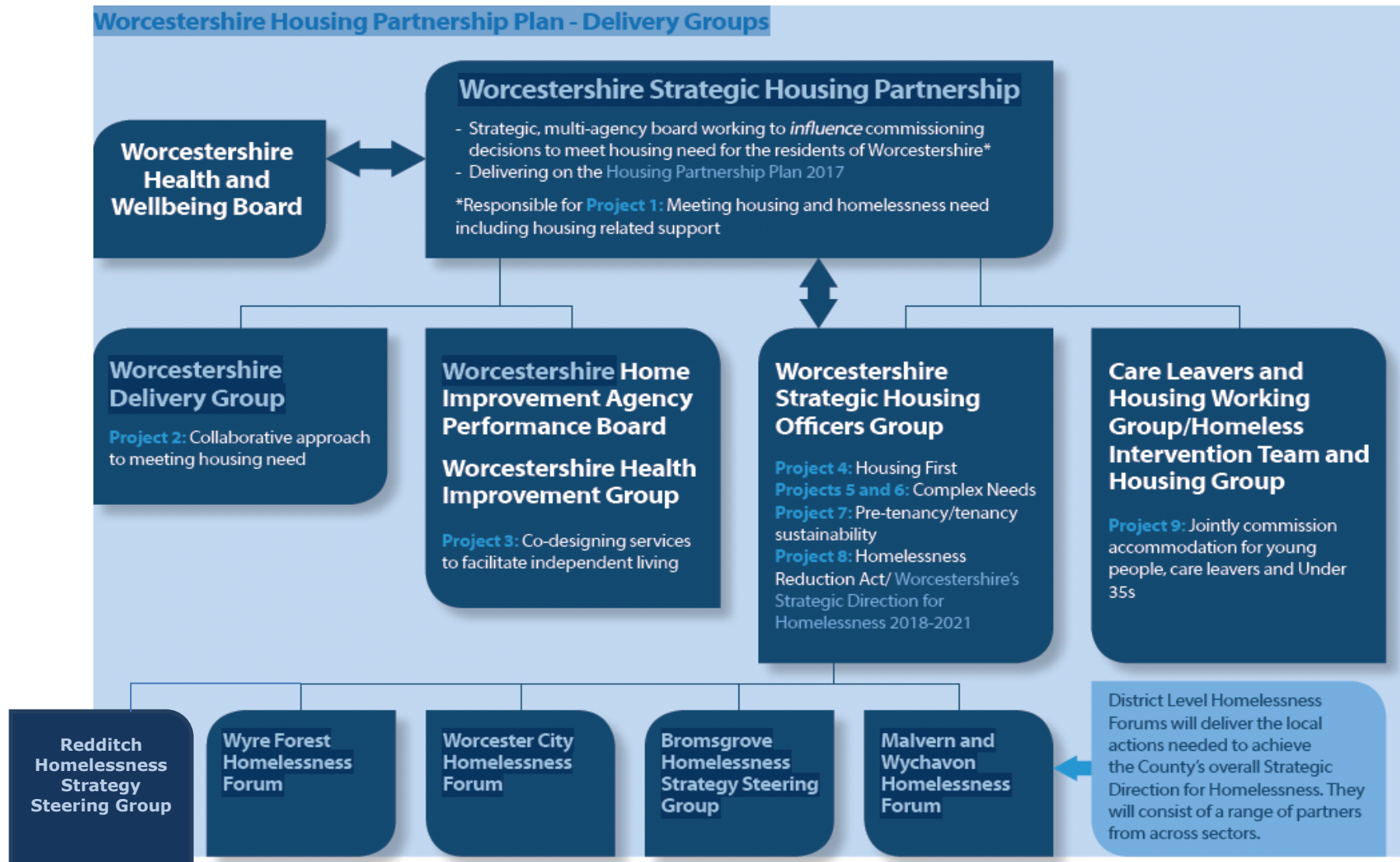
WSHP will seek assurance from the delivery group on the effectiveness of partnership working in the development and implementation of local strategy implementation plans. In addition, Worcestershire Health and Wellbeing Board will seek assurance on the commitment to the Local Housing and Health Memorandum of Understanding and the Homeless Health Charter.

Monitoring

WSHOG will report progress against local strategy implementation plans to WSHP. WSHP will undertake a review of progress on an annual basis up to and including 2022.

Equality duty

The Public Sector Equality Duty (Equality Act 2010) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. Our approach will adhere to this.



12.Implementation

There will be briefings and regular training on the importance of tackling homelessness, including an annual stakeholder event.

Our approach recognises that the causes of homelessness are complex and multi faceted – and that to tackle it holistically, we need to prevent the structural as well as individual factors that lead to homelessness.

By sitting this homelessness strategy within the Partnership Plan, we will ensure that homelessness prevention will be placed at the forefront when designing system change needed to achieve our vision.

It is important to recognise that although this is a county approach, there are differences between districts that will need individual district focus. Some districts experience higher levels of rough sleeping, some have higher levels of deprivation and domestic abuse, some have a huge lack of supported and temporary accommodation as compared to others.

Worcestershire Strategic Housing Officers Group will be responsible for delivery of this strategy. Local strategy implementation plans will be developed in partnership with local organisations and partners via local homelessness forums that currently exist in each of the districts. They will identify a series of actions, initiatives and opportunities.

The implementation plan will be delivered by working with key partner agencies and will be achieved through task and finish groups and through the expertise and resources of existing meetings/groups. They will continually be reviewed and monitored by Worcestershire Strategic Housing Officers Group and the Worcestershire Strategic Housing Partnership – to keep up to date and have the flexibility it needs to have.

Appendix One – Legal duties

Legal duties

The primary homelessness legislation – Part 7 of the Housing Act 1996 – provides the statutory under-pinning for action to prevent homelessness and provide assistance to people threatened with or actually homeless.

In 2002, the Government amended the homelessness legislation through the Homelessness Act 2002 and the Homelessness (Priority Need for Accommodation) (England) Order 2002 to ensure a more strategic approach to tackling and preventing homelessness and to strengthen the assistance available to people who are homeless or threatened with homelessness by extending the priority need categories.

Statutory Homelessness – where the rehousing duty is owed

Housing authorities have a legal duty to provide advice and assistance to anyone that is homeless or threatened with homelessness. If a housing authority has reason to believe that someone may be homeless or threatened with homelessness, they must investigate what duty they owe to them under the homelessness legislation.

A ‘main homelessness duty’ is owed where the authority is satisfied that the applicant is eligible for assistance, unintentionally homeless and falls within a specified ‘priority need’ group.

The ‘priority need groups’ include households with dependent children or a pregnant woman and people who are vulnerable in some way e.g. because of mental illness or physical disability. In 2002 the priority need categories were extended to include applicants who are aged 16 or 17, care leavers aged 18-20, people who are vulnerable as a result of time spent in care, in HM Forces,

in prison or custody, and those who are vulnerable as a result of having to flee their home because of violence or the threat of violence

Homelessness Households not owed the rehousing duty

Homeless people not owed the full rehousing duty are typically single people or childless couples who are not assessed as being in ‘priority need’ or those deemed to be intentionally homeless. These groups are only entitled to advice and assistance if homeless, not the “main housing duty”. Some non-priority homeless people are offered access to Local Authority commissioned housing support services.

Street Homelessness

DCLG defines street homelessness as: “People sleeping, about to bed down (sitting on/in or standing next to their bedding) or actually bedded down in the open air (such as on the streets, in tents, doorways, parks, bus shelters or encampments). People in buildings or other places not designed for habitation (such as stairwells, barns, sheds, car parks, cars, derelict boats, stations, or “bashes”

Worcestershire Homelessness and Rough Sleeping Strategy 2019-22

Consultation

We are asking for your views on Worcestershire's Homelessness and Rough Sleeping Strategy 2019-22.

This document expands on the strategic priorities for tackling homelessness already identified within the [Worcestershire Housing Partnership Plan](#) and the [Homelessness Review](#).

On 13th August 2018, the Government published a new national Rough Sleeping Strategy which sets out its vision to halve rough sleeping by 2022 and end it by 2027. It required all local authorities in England to update their homelessness strategies and rebadge them as homelessness and rough sleeper strategies by the end of 2019. The refreshed strategies must have a stronger emphasis on rough sleeping. Local authorities are also required to publish annual action plans and report on progress.

The Worcestershire Homelessness and Rough Sleeping Strategy 2019-2022 replaces the Worcestershire Strategic Direction for Tackling Homelessness 2018-2021.

In order to tackle homelessness comprehensively, we need to ensure that;

- There are genuinely affordable low-cost rental options for households on benefits and low paid/insecure work.
- We minimise risks for those who are most vulnerable to homelessness by focusing our prevention activities further "upstream."
- We provide earlier, more flexible and more comprehensive responses to those in crisis/at risk of entering crisis, and provide appropriate support for homeless people whose needs go beyond homelessness.

We value your input on how we are going to deliver those priorities within each of the districts of Worcestershire.

Please take a look at the Worcestershire Homelessness and Rough Sleeping Strategy 2019-22 and let us know your views in a short questionnaire using this link:-

INSERT LINK TO SURVEY MONKEY

(Please note, the document is currently in draft format)

The consultation period runs from 1st October – 26th November 2019. We would ask that you return your comments to us, no later than 9.00am on 26th November 2019.

Questions

Q1 Do you think there is anything missing from the Worcestershire Homelessness and Rough Sleeping Strategy?

No

Yes (please provide examples of what we have missed);

Q2 Thinking about Section 10 - do you agree with our plans to tackle homelessness? If not, please tell us why.

Yes

No (please provide more detail on why you do not agree);

Q3 It is intended that detailed action plans will be developed and delivered in each of the 6 districts of Worcestershire by local homelessness forums. Are there specific actions that would you like to see in those action plans to deliver on the strategy commitments?

No

Yes (please provide examples of actions)

Q4 Do you have any further comments to make on the document, which are not covered in the previous questions?

No

Yes



Overview & Scrutiny Committee

Briefing Paper

Report of: Mike Parker

Date: Thursday 5th September 2019

Kidderminster Business Improvement District (BID) – Forward Funding

1. SUMMARY

- 1.1 The purpose of this report is to set out a proposal to provide forward funding to the Kidderminster BID in advance of the initial collection of the additional business rates in 2020/21 to enable continued progress to set up the BID company and to appoint a BID Manager.

2. BACKGROUND

- 2.1 Over the last two years the district council has supported businesses in Kidderminster Town Centre to undertake a ballot on whether to establish a Business Improvement District (BID). Cabinet received a report on 11th July 2017 at which its support was agreed. Included in that agreement was delegation to the Corporate Director: Economic Prosperity & Place *“upon achieving the necessary outcome from the BID ballot to proceed to formally establish the BID including the entering into of all necessary documentation to create the operating body for the BID”*.
- 2.2 A ballot was held in July 2018 and was unsuccessful as, although the numerical majority was reached, it failed to meet the necessary majority by rateable value. Businesses decided to amend the BID proposal (setting an upper limit to the levy amount and removing Crossley Park from the BID boundary) and to hold a further ballot in May 2019 which was successful.
- 2.3 The BID will now run for a period of five years, at which point a further ballot will be required to determine whether the BID should remain for a second five year term. The Council will be the body responsible for collecting the BID levy as part of its Business Rates collection and it is anticipated that the first levy will be collected at the beginning of the 2020/21 financial year.
- 2.4 Work is now progressing with town centre businesses with the support of consultants, Mosaic (who worked on both ballots), to formally establish the BID company and to put all necessary measures in place so that it can be effective as soon as possible and at the latest from April 2020.
- 2.5 The Corporate Director: Economic Prosperity & Place together with Councillor Helen Dyke have been supporting the establishment of the BID as part of the Shadow Steering Group.

3. KEY ISSUES

- 3.1 The establishment of the formal BID company needs to progress and measures are already in hand to formally register the Company with the current Shadow Bid Board Chairman and Vice Chairman being the initial two Directors required to establish the Company. In parallel, communication with other businesses in the BID area will continue with a view to appointing further Directors and Members of the BID Board. It is anticipated that the Council will be invited to nominate a Member to represent the Council on the BID Board: this external appointment will be dealt with in the usual way, with the Cabinet making an appointment as an in year vacancy in the first instance and with the Council making an appointment for 2020/21 at its May meeting.
- 3.2 The first levy payment from businesses within the BID area is expected to be made as part of the Council's collection of Business Rates in 2020/21, subject to the Council being able to have in place the additional IT software required to enable the collection of the BID levy (the cost of which would be refunded from the levy collected). In the meantime the BID has no funds at its disposal to cover any set up costs. Moreover, in order to be effective from 2020/21 the BID Company will wish to recruit a BID Manager to support the Board and deliver their plans and to have them in place for April 2020 or sooner if possible and will require funds to enable recruitment to take place. There are examples elsewhere where BIDs have been established of the local council forward funding part of the BID levy in advance of the first collection in order to provide some working funds for the BID to begin to operate.
- 3.3 The Ministry of Communities and Local Government (MHCLG) has created a loan fund to support BID proposers to develop BID proposals, offering loans of between £10,000 and £50,000. Criteria for the loan fund require the support of the local authority, and for the local authority to act as the Accountable Body and to underwrite the loan. The BID loan is repayable, but if the BID is unsuccessful, the BID proposer is not required to repay the loan.
- 3.4 To access the MHCLG BID Loan, the BID Company would need to complete and submit an application to DCLG with no guarantee that loan would be approved (either in full or in part). It is therefore proposed to make a direct short-term cash flow loan available from District Council as set out in this report.
- 3.5 It is proposed that the Council follows this model and makes available the sum of up to £75,000 to the BID Company when it is formally established in order to enable the continued set up and recruitment plans in advance of 2020/21 financial year. This sum would then be immediately paid back from the first BID levy collected in 2020/21.

4. FINANCIAL IMPLICATIONS

- 4.1 The expected annual levy amount to be collected from the BID area is £215,000. The Council has the statutory responsibility for collecting the BID levy which is then passes to the BID Company, having deducted any costs

incurred in collecting the levy. In the first year such costs will also include the cost of implementing the new software (estimated at £21,000, with an annual licence of £3,000) and the amount the Council provides in advance of the first BID collection.

- 4.2 The proposed BID short-term forward funding cash flow loan of up to £75,000 will be held as a debtor to the Council prior to repayment. Once the Company has been formally established the loan will be repaid from the income generated by the BID levy within the first twelve months. Since the Council will collect the BID levy the loan repayments can be deducted before any levy income is paid to the BID Company.
- 4.3 This cash flow funding is outside the Treasury Management Service Strategy as it is financial assistance to a third party which is outside the scope of the requirements of the MHCLG Investment Guidance so therefore outside the scope of treasury loans. Taking into account the relatively low sum involved with short-term repayment from the business rates levy and the fact it is to pump prime economic regeneration that is a Council corporate priority the proposal is to offer this cash flow funding interest free. This is in line with the approach taken by other Councils.
- 4.4 The opportunity cost to the council of not being able to invest up to £75,000 for the relatively short period is de minimis and should be more than offset by the improved economic and regeneration benefits from the BID company activity. In the unlikely event of the of the BID Company not being set-up, any costs will be met from appropriate reserves held for Economic Development and Regeneration purposes.

5. LEGAL AND POLICY IMPLICATIONS

- 5.1 The repayment of the sum will need to be protected by way of a short-term cash flow loan agreement entered into between the BID Company, once established, and the District Council which would require repayment in full by 31st March 2021 at the latest. This will be completed by the Solicitor to the Council before any monies are paid to the Company.

6. EQUALITY IMPACT NEEDS ASSESSMENT

- 6.1 An Equalities Impact Screening Assessment is not required.

7. RISK MANAGEMENT

- 7.1 A loan agreement will be entered into to require repayment, although there will be no assets to secure the loan against. However, the Council will be collecting the levy and the loan agreement can require the repayment to be deducted, with the balance passed onto the Company.

7.2

RISK REGISTER FOR BID Funding	Impact (H/M/L)	Likelihood (H/M/L)	Risk Rating (R/A/G)	Risk Mitigation
BID Company not established	L	L	G	There will be no Loan Agreement completed and no loan made.
BID Levy not collected in full	L	L	G	The district council is the body responsible for collecting the BID Levy as part of its annual rates collection. It can therefore ensure that sufficient levy is secured to cover repayment of the loan. It would require a very high level of failure of businesses in the BID area and/or failure to pay business rates to jeopardise the ability to reclaim up to £75k.
BID company fails to take the loan or fails to complete the Loan Agreement	L	L	G	There will be no Loan Agreement completed and no loan made.

8. **CONCLUSION**

- 8.1 The Business Improvement District for Kidderminster has been successfully approved by the ballot held in May 2019 and is now moving forward to operation with the establishment of the BID Company from April 2020 or sooner if possible. As the BID Company has no working funds to support set up and recruit a BID Manager, the proposal is that the Council forward funds up to £75,000 to the BID Company, when it is formalised, by way of a Loan Agreement which will be repaid from the first BID Levy collected in 2020-21.

9. **OPTIONS**

- 9.1 The Overview and Scrutiny Committee is invited to consider this report and:
- 9.1.1 Recommend to Cabinet that the proposed forward funding by way of a Loan Agreement should proceed;; or
 - 9.1.2 Make any other recommendation to Cabinet which the Committee agrees.

10. OPEN AND EXEMPT APPENDICES

None.

11. BACKGROUND PAPERS

Cabinet Report 11th July 2017

Officer Contact Details:

Name: Mike Parker
Title: Corporate Director: Economic Prosperity & Place
Contact Number: 01562 732500



Overview & Scrutiny Committee

Briefing Paper

Report of: Ostap Paparega, Head of NWedR
Date: 5th September 2019
Open

North Worcestershire Economic Growth Strategy 2019-2024

1. Summary

- 1.1 This report provides a summary of the North Worcestershire Economic Growth Strategy 2019-2024 and outlines its four pillars of growth, strategic priorities and supporting projects and interventions.

2. Background

- 2.1 Since 2011, Wyre Forest DC has relied on the Worcestershire Local Enterprise Partnership and Greater Birmingham and Solihull LEP Strategic Economic Plans (SEPs) as its key economic strategy documents. This was considered appropriate at the time, as the Local Enterprise Partnerships (LEPs) had been set up to deliver local economic growth.
- 2.2 Since then, a series of political, economic, social, technological and legislative changes have taken place that would require a more specific place based strategy capable of responding to these challenges and embracing the growth opportunities arising from them.
- 2.3 Perhaps one of the most significant developments was the launch of the government's Industrial Strategy last year followed by the request that all Local Enterprise Partnerships should develop their own Local Industrial Strategies.
- 2.4 In 2017 the government announced the creation of a UK Shared Prosperity Fund to replace the EU funding programmes in the UK after the UK had left the European Union and its intention to distribute the fund through LEPs on the basis of their Local Industrial Strategies. Although the Industrial Strategy promised consultation on the UK Shared Prosperity Fund by the end of 2018, this consultation is still awaited: the new fund is due to be fully operational for grants to be awarded from 1 January 2021 and time is now beginning to run short for the Government to consult adequately prior to the fund being opened for applications during 2020.
- 2.4 Also, in 2017 the government published its national review of Local Enterprise Partnerships – 'Strengthening Local Enterprise Partnerships'. One of the

review's key outcomes was a request that LEPs come forward with 'proposals which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers.' This request has a direct impact on Wyre Forest DC, as it and the other two North Worcestershire local authorities – Bromsgrove DC and Redditch BC – are members of two LEPs, Greater Birmingham & Solihull and Worcestershire respectively.

3. Key Issues

- 3.1 The North Worcestershire Strategy is attached in Appendix 1. It is intended to cover a five year period 2019-2024 and sets out some of the key economic indicators across the North Worcestershire geography as well as the key attributes that make the area attractive for businesses and visitors supporting local economic growth.
- 3.2 The strategy is built on the four pillars of economic growth – talent, infrastructure, technology and creativity – as these are common to all three North Worcestershire partners. The strategy then goes on to set out what our key growth priorities are and these are what give the collective geography the individual identity that each of the partner district and borough areas has.
- 3.3 Taking a North Worcestershire wide approach, which covers the districts of Bromsgrove and Wyre Forest and the borough of Redditch, recognises the North Worcestershire functional economic geography and the principle that 'the whole is greater than the sum of its parts'.
- 3.4 A North Worcestershire strategy provides stronger evidence of the North's combined strengths and opportunities to generate economic growth. It also offers a coherent narrative that demonstrates alignment with the Local Industrial Strategies and provides the evidence base for investments from the UK Shared Prosperity Fund.

4. Options

- 4.1 The Overview and Scrutiny has three options:
 - 4.4.1 To recommend the Strategy to Cabinet for adoption;
 - 4.4.2 To recommend the Strategy with any proposed amendments;
 - 4.4.3 Not to recommend the strategy and the reasons for making any such recommendation.

5. Consultation

- 5.1 Consultation has taken place with the Council's immediate partners: GBSLEP, WLEP, WCC and Re-Wyre, which is Wyre Forest's business-led regeneration board that includes local businesses.
- 5.2 Further consultation will take place with North Worcestershire-wide business groups and other key stakeholders.

6. Wards affected

- 6.1 This strategy covers the entire district.

7. Appendices

- 7.1 Appendix 1 – North Worcestershire Economic Strategy

8. Background Papers

Details of Background Papers not circulated, but which Members may be interested in consulting.

Officer Contact Details:

Name: Ostap Paparega

Title: Head of North Worcestershire Economic Development and Regeneration

Contact Number: 01562 732192

NORTH WORCESTERSHIRE ECONOMIC GROWTH STRATEGY

PLACES | BUSINESSES | PEOPLE

2019-2024



Bromsgrove
District Council
www.bromsgrove.gov.uk



Wyre Forest
District Council



FOREWORD

Combining old and new urban settlements, rolling green landscapes and small villages with an eclectic mix of history and culture, North Worcestershire is a place of tremendous business innovation, pioneering spirit and distinguished heritage of national and international significance.

From Kidderminster-based Sir Rowland Hill, the originator of the penny postage system and developer of the modern postal service, which was adopted worldwide, to playing a major role in manufacturing and developing technologies around the world, such as helping to make the world's first jet engine (Redditch) and being home to one of the top ten and internationally renowned independent schools in the country (Bromsgrove), North Worcestershire is defined by a constant drive to innovate, progress and excel.

This entrepreneurial and innovating spirit is embraced today by many of the 17,500 businesses based in North Worcestershire, accounting for 52.5% of all businesses in Worcestershire. Our businesses continue to achieve phenomenal levels of growth with half of the top 50 fastest growing companies in the county coming from North Worcestershire and seven of them placed in the top 10, as reported in the Worcestershire Business Growth Barometer published by BDO in 2018.

Building on the area's current success and recognising that the public sector must do its share to enable North Worcestershire to retain and strengthen its competitive advantages, the local authorities of Bromsgrove, Redditch and Wyre Forest have prepared this strategy and its supporting interventions.

Access to enabling technologies, such as ultrafast broadband and 5G; adequate infrastructure that connects people with jobs and businesses with markets; supply of quality employment land and premises; thriving town centres that are home to creative industries, arts and culture; a skilled and highly knowledgeable workforce ready to embrace employment opportunities brought about by new and emerging technologies and a knowledge intensive economy are our combined priorities.

We are setting out these priorities and supporting interventions as a platform for future, smart growth that will deliver significant economic, social and environmental benefits for North Worcestershire's residents, businesses and communities and strengthen the area's attractiveness as a great place to live, work, do business and enjoy. We look forward to working with our key partners, stakeholders, developers and investors to make this strategy a success.

Cllr Karen May

Cllr Matt Dormer

Cllr Fran Oborski

Leader of Bromsgrove DC
 Cabinet Member for Economic
 Development, Town Centre and
 Strategic Partnerships

Leader of Redditch BC
 Cabinet Member for Planning, Economic
 Development, Commercialism and
 Partnerships

Deputy Leader of Wyre Forest DC
 Cabinet Member for Economic Regeneration,
 Planning and Capital Investments

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NORTH WORCESTERSHIRE – AT A GLANCE

World leading businesses

North Worcestershire is home to world leading companies and a significant advanced engineering and manufacturing sector

25 of the Top 50 fastest growing companies in Worcestershire are based in the north of the county (BDO Worcestershire Growth Barometer 2018)

The fastest growth in creative industries jobs (25%) in the Greater Birmingham and Solihull LEP area (Greater Birmingham Creative Economy Mapping 2017) - Bromsgrove

World's first Wi-Fi 6 and industrial IoT trial at Mettis Aerospace in Redditch

Over 17,500 companies based in North Worcestershire accounting for 52.5% of all businesses in the county

95% superfast broadband coverage across the area, 88% ultrafast (> 100mbps) broadband coverage in Redditch well above the West Midlands' 68% coverage

Well skilled workforce above West Midlands average

Heritage of national and international significance

Sir Rowland Hill, originator of the penny postage system and developer of the modern postal service (Kidderminster)

Museum of Carpet – over 300 years of Kidderminster's fascinating industrial heritage. Over 3,000 carpet designs, many by significant designers.

Witley Court – spectacular ruins of what once was one of the England's greatest country houses. An English Heritage estate.

Hagley Hall and Park, magnificent achievements of eighteen century English architecture. The Hall is the last of the Great Palladian houses.

Harvington Hall, built in the 1300s and developed in the 1500s, has the largest surviving series of priest hides in the country and a rare collection of original Elizabethan wall paintings

Forge Mill Museum, one of the most unique museums in Worcestershire and the West Midlands. Redditch once produced 90% of the world's needles.

Bewdley – 'the most perfect small Georgian town in Worcestershire'

Stourport – 'the pioneer town of the canal age' and home to the award-winning Canal Basins

Great outdoors and attractions

Arley Arboretum – 'best place in Britain to see the autumn colours' (BBC Countryfile 2017), over 300 species dating back over 350 years

Bodenham Arboretum – over 3,000 species of trees and shrubs from all over the world spread over 134 acres

Arrow Valley Country Park – 900 acres of parkland, excellent wildlife, 29 acre lake, water sports activities

Wyre Forest – one of the largest, most ecologically significant oak woodlands in England. Great opportunities for walking, mountain biking, horse riding, learning and adventure play

Clent Hills – a National Trust estate to explore miles of footpaths, bridleways and trails offering breathtaking panoramic views over the Cotswolds, Shropshire Hills and Welsh borders

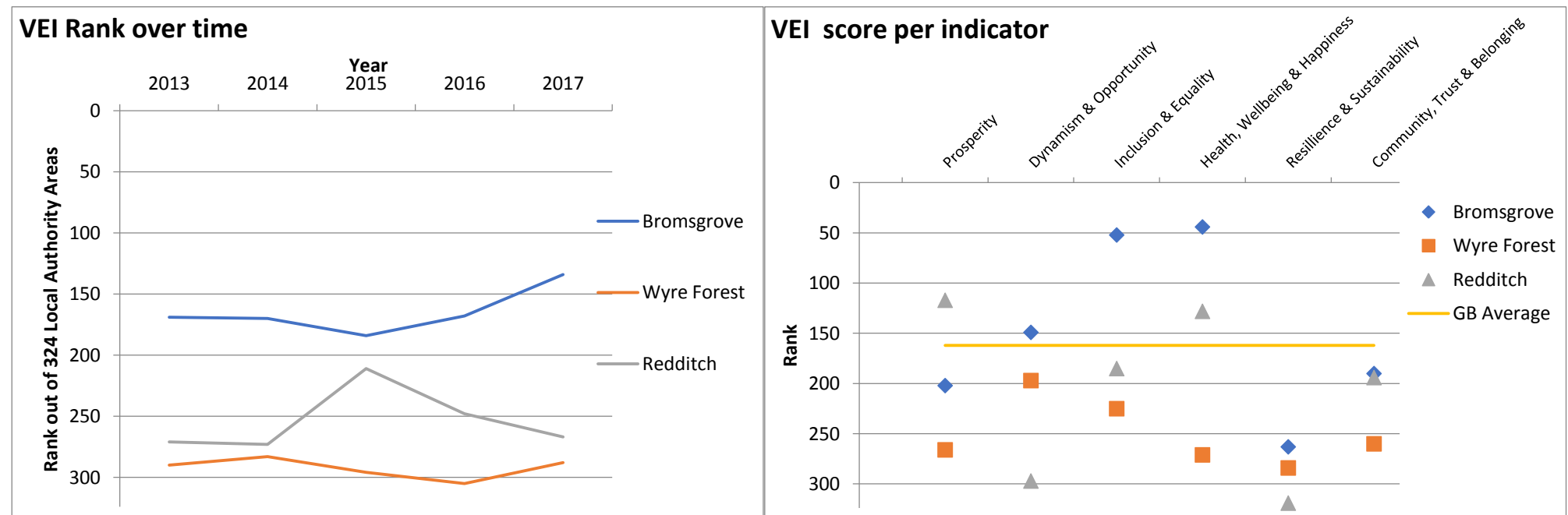
Severn Valley Railway – steam-hauled train along 16 miles of full-size standard-gauge railway line through the amazing scenery of the Severn Valley. Over 250,000 visitors a year.

Wet Midland Safari Park – award-winning visitor attraction (over 700,000 visitors a year) home to around 140 species including cheetah, lions, elephants giraffes and rhinos.

In order to assess the state of the North Worcestershire economy, a variety of quantitative and qualitative data has been assessed. The key findings are presented below, often with comparison to the wider West Midlands geography and that of Great Britain. In order to highlight spatial disparities between the three districts some figures are presented individually, though the strategy is designed to encompass the North Worcestershire area in its entirety.

The Vibrant Economy Index

The Vibrant Economy Index, created by Grant Thornton, scores districts based on a variety of socio-economic indicators to help reveal each economy's strengths and weaknesses. A breakdown of the comprehensive index can be found in Appendix A. Each local authority is ranked against 324 other areas.



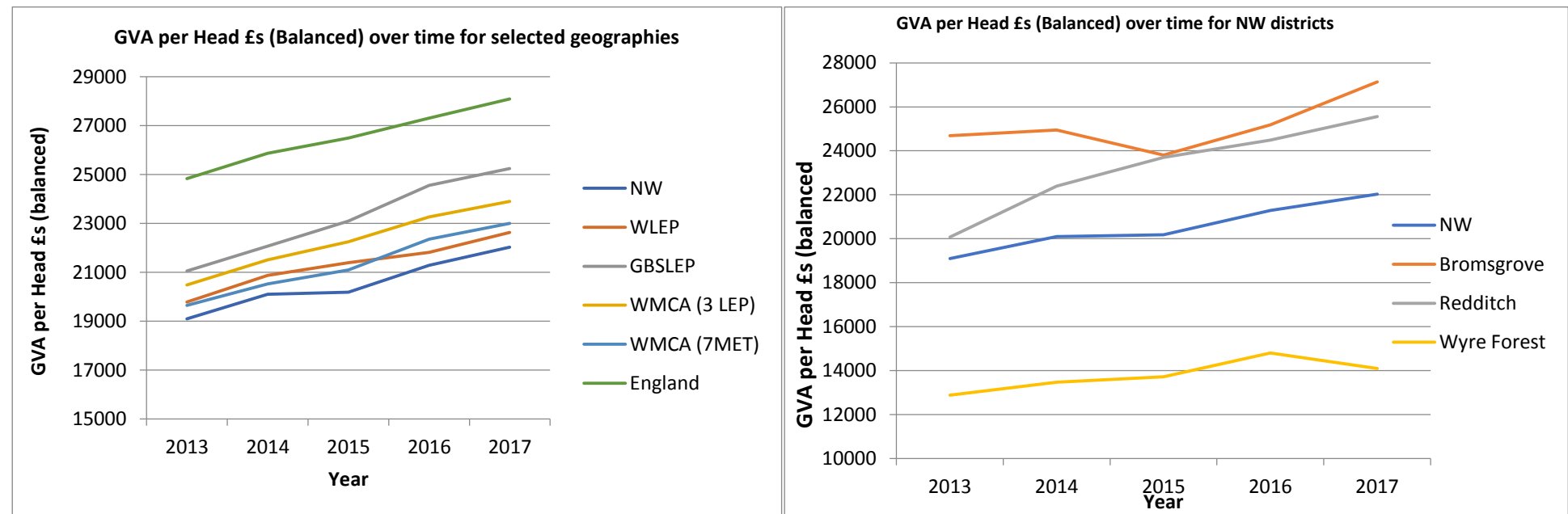
From this data the spatial diversion in economic performance across the districts becomes apparent. Bromsgrove outperforms Redditch and Wyre Forest in all but one basket of indicators (Prosperity). All of the districts have scored below the national average for both the Resilience & Sustainability measure and the Community, Trust & Belonging measure.

Gross Value Added (GVA)

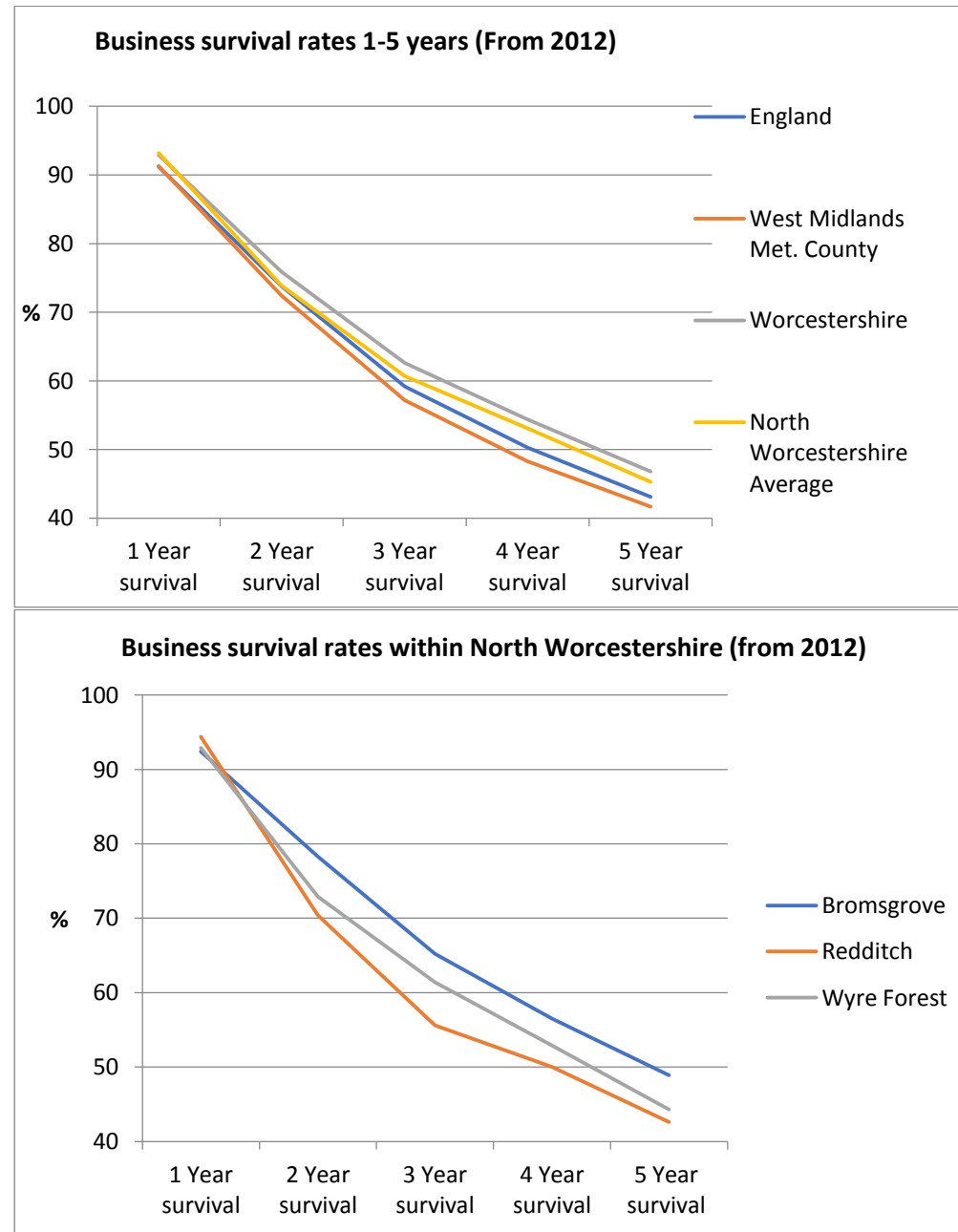
North Worcestershire's GVA falls behind all geographies shown in the graph below – England, West Midlands Combined Authority (WMCA), WMCA Tri-Sep geography, GBSLEP and WLEP.

In order to improve North Worcestershire's GVA, which is significantly below England's average, focus on knowledge intensive sectors such as tech, advanced engineering and manufacturing, finance, professional, scientific and technical activities need to be encouraged. In order for these sectors to thrive, further advances in the employment and skills agenda to promote a highly skilled workforce must be championed. Furthermore, building upon the area's historical success in advanced engineering manufacturing and supply chains whilst diversifying across high growth sectors will not only help protect our economy from shifting global trends and shocks, but raise our added value.

Continued work and support on regeneration and development projects must be advanced and supplemented as high quality infrastructure, public realm and business space will be vital to complement our geographies inherent advantages of high connectivity, proximity to pivotal urban centres and natural beauty.



The Business Environment



Business survival rates across North Worcestershire are above the England average for every year.

Compared to the West Midlands Metropolitan County rates are also far higher and this gap increases over time from 1.9% higher after one year in business to 3.6% higher after five.

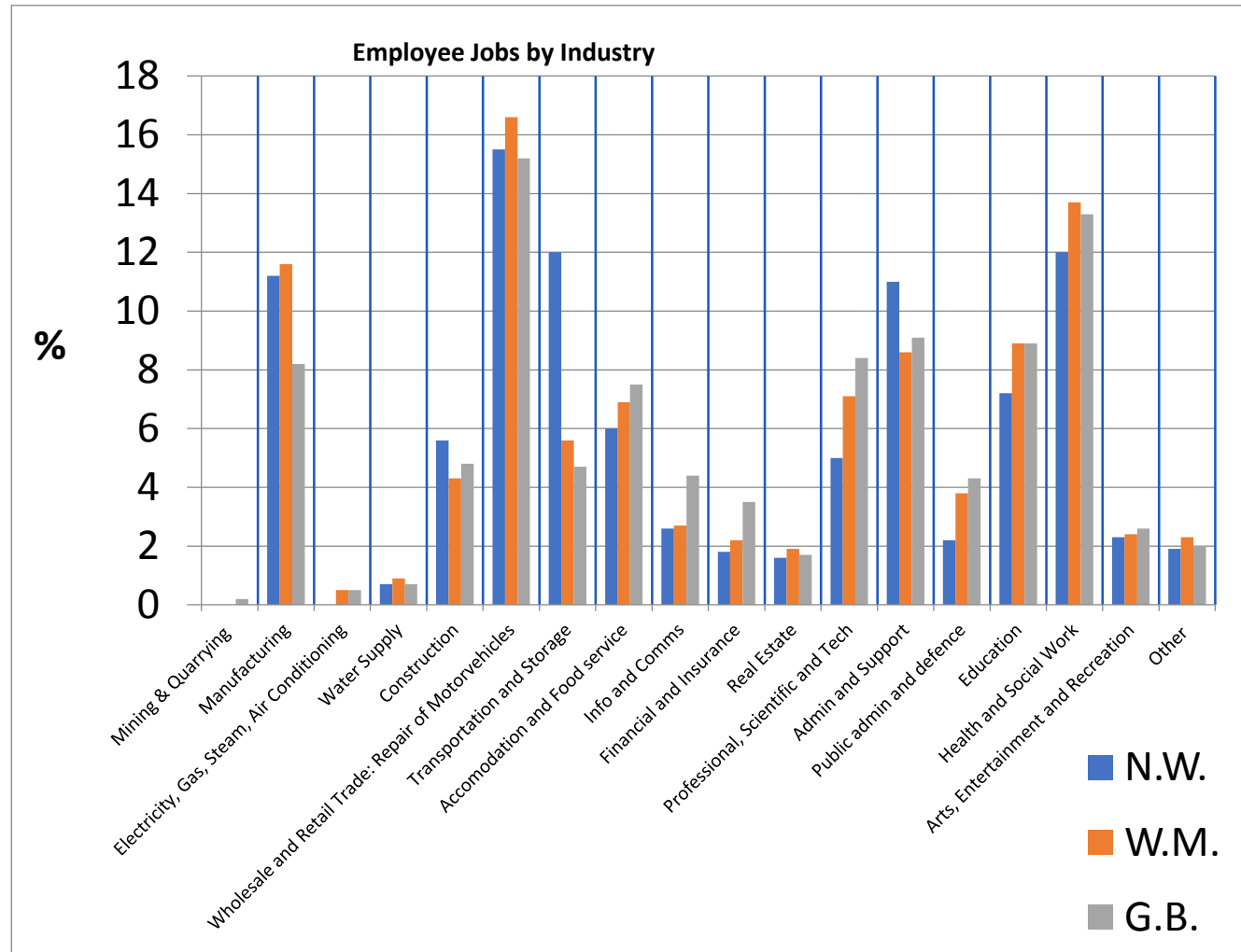
Survival rates are also higher than the Worcestershire average after year one, however from years 2 to 5 businesses in other districts in the county outperform those of North Worcestershire.

Within the district Bromsgrove consistently outperforms Redditch and Wyre Forest in terms of business survival, except for year one where both supersede it.

Here, Redditch has the highest survival rate at 94.4%, though in the following years it falls below Wyre Forest for survival rates.

Sector Strengths

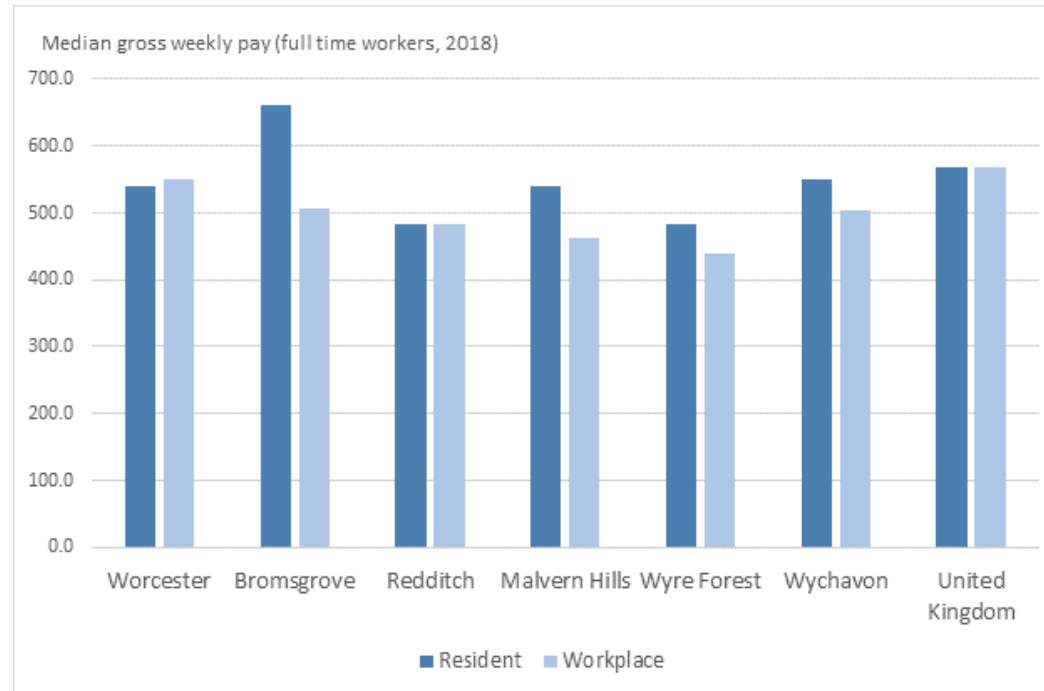
As is shown in the graph below, North Worcestershire's job market is dominated by Manufacturing, Wholesale and Retail Trade; Repair of Motor vehicles, Transportation and Storage, Admin and Support and the Health and Social Work sectors with each utilizing over 10% of the workforce. Compared to the West Midlands and Great Britain average, the Transportation and Storage, Construction and Admin and Support sectors provide a higher percentage of jobs in the area.



Source: NOMIS, Official Labour Market Statistics

Resident vs workplace earnings

The graph below shows that both resident and workplace earnings in all three districts, apart from Bromsgrove residents, fall below the UK median. In addition there is a large disparity between the resident and workplace earnings in Bromsgrove, indicating that people are emigrating out of the district for higher paid work. The same can be said of Wyre Forest although the difference is less pronounced. Both Redditch and Wyre Forest fall behind South Worcestershire on both fronts.



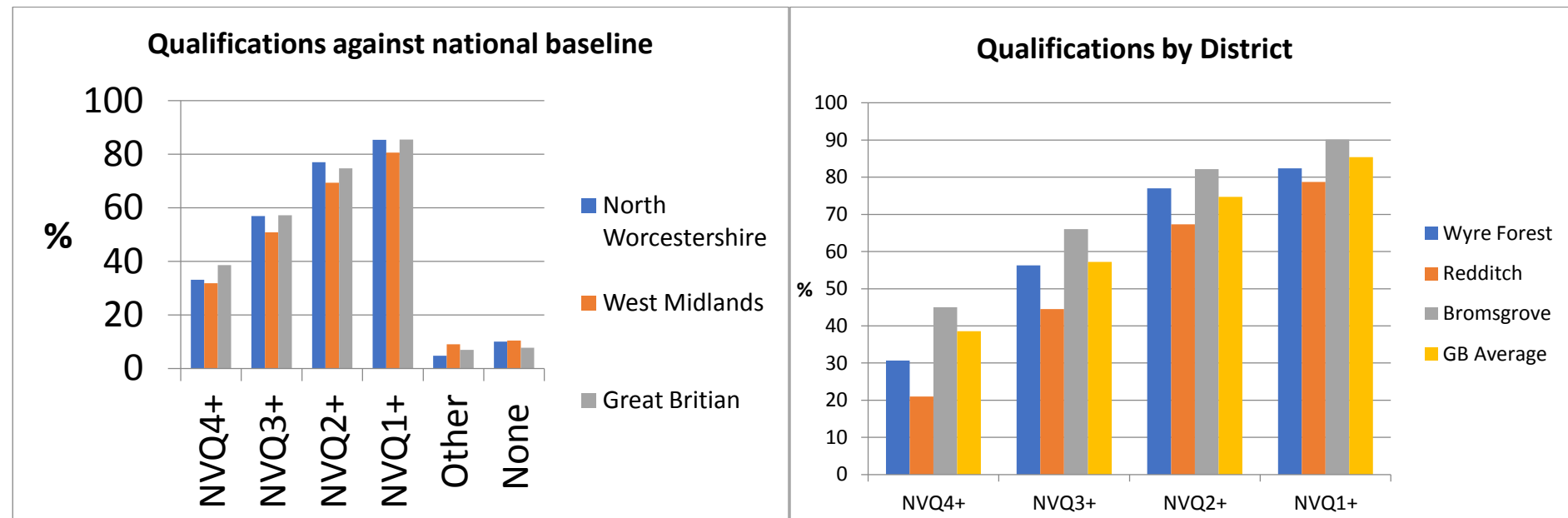
PILLARS OF GROWTH

Talent | Infrastructure | Technology | Creativity

TALENT

A key pillar of growth is the human capital of the area, and as such, raising its levels of skills, qualifications and knowledge will help drive productivity and growth in the future.

The workforce in North Worcestershire is relatively well skilled in relation to the rest of the West Midlands. However, compared to the rest of GB, education levels are similar apart from NVQ4+ where the districts fall behind. Within the geography, Redditch fares the poorest with only 21% of the population gaining NVQ4+ qualifications compared to 38.6% across GB. Wyre Forest also falls behind here at 30.7%, whereas Bromsgrove pulls North Worcestershire's average statistics up with 45% of 16-64 year olds gaining a NVQ4+ qualification.



INFRASTRUCTURE

Land | Premises | Rail | Road

There is an overall need for a 'North Worcestershire Infrastructure' package that captures improved intra North Worcestershire connectivity and improved inter Worcestershire connectivity for North Worcestershire as well as significant interventions to address the severe lack of supply of employment land in the north of the county.

Rail

- Rail connectivity – investment in rail is needed to stimulate and realise the economic growth potential of the area – connectivity is poor within North Worcestershire and also to the south of the county; how does the collective county aim to realise the potential of the economic growth set out in the County Rail Strategy?
- Redditch Railway station – currently very poor – there is need for investment in the station and more express services to Birmingham;
- Bromsgrove Railway Station – a new station has been built but there is a need for more services; also, connectivity to the town centre is a key issue that needs addressing.

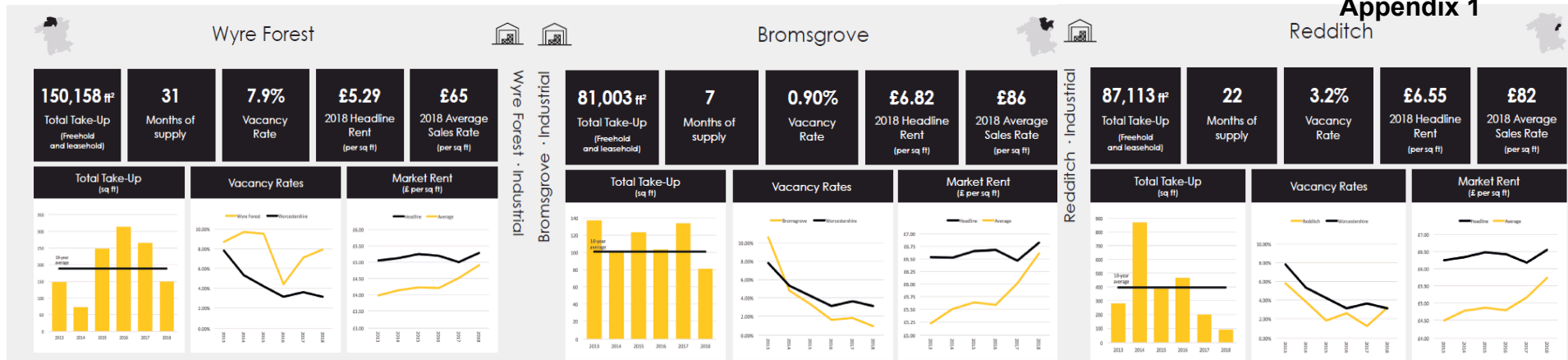
Road

- Redditch and Kidderminster – improved connectivity into Worcester – dualling schemes on A46 and A449;
- Bromsgrove – continued investment in the A38 to service existing growth; need for longer term infrastructure solutions to create capacity for future growth; re-dualling of the A491 towards Hagley;
- Wyre Forest – infrastructure to support growth to the east of Kidderminster;
- Realising the economic potential of 'growth corridors' – M42 & A435.

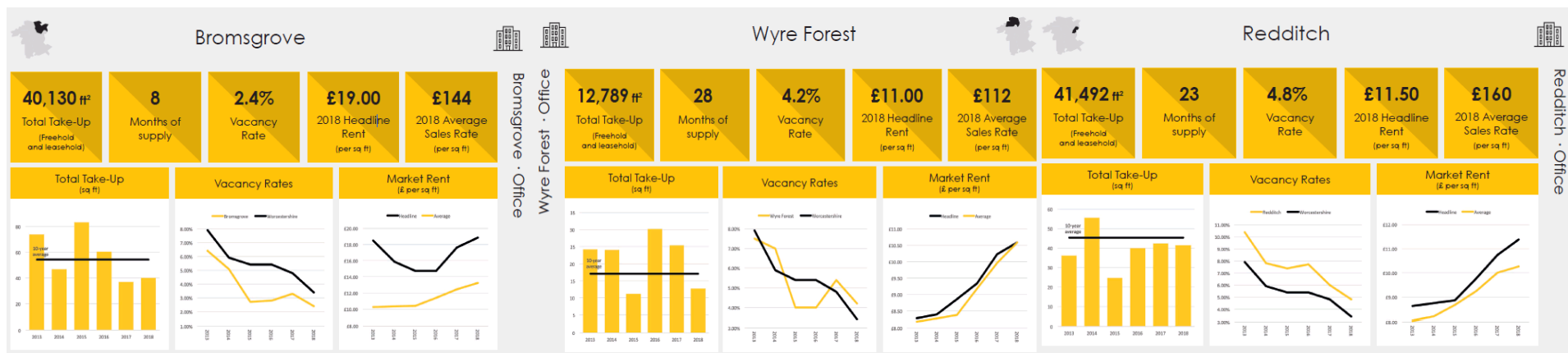
Land & premises

There is a severe shortage of top quality employment space in some parts of the geography, which is undoubtedly one of the biggest barriers to growth and future prosperity across North Worcestershire. This factor not only pushes up rents but also prevents investment and business relocation into the area.

With respects to *industrial premises*, the 2018/19 GJS Dillon Market Report notes high levels of demand for sub 10,000 sq/ft premises in Bromsgrove coinciding with a severe stock shortage. This is reflected in their low vacancy rate and high rents. As such newly developed land for the purpose of commercial use must be prioritised over residential use. The outlook in Redditch is more positive, with recent developments at Crescent Trade Park and Velocity42 and the forthcoming one at Redditch Eastern Gateway providing a wide choice for investors in size of property. Yet, Redditch's close proximity to other alternative spots means that ease of expansion for local businesses must be a priority. Wyre Forest houses the largest unused supply of industrial premises, largely linked to its historical past as a manufacturing hub. These brownfield sites offer exciting opportunities to investors with huge potential.



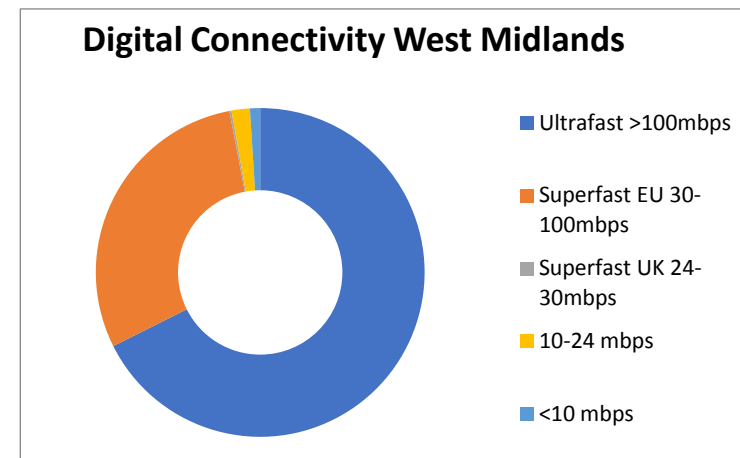
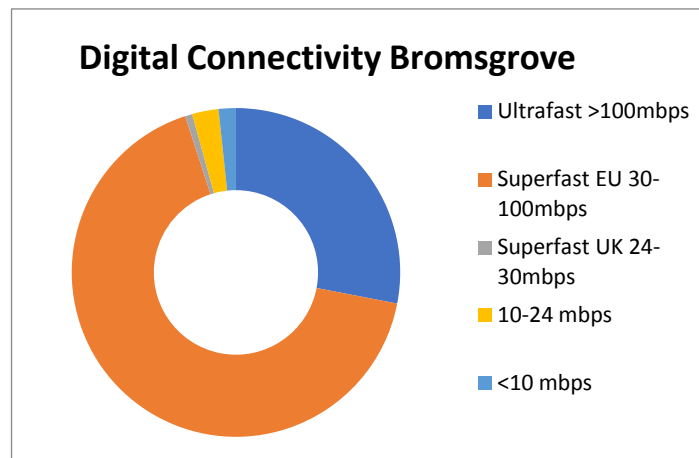
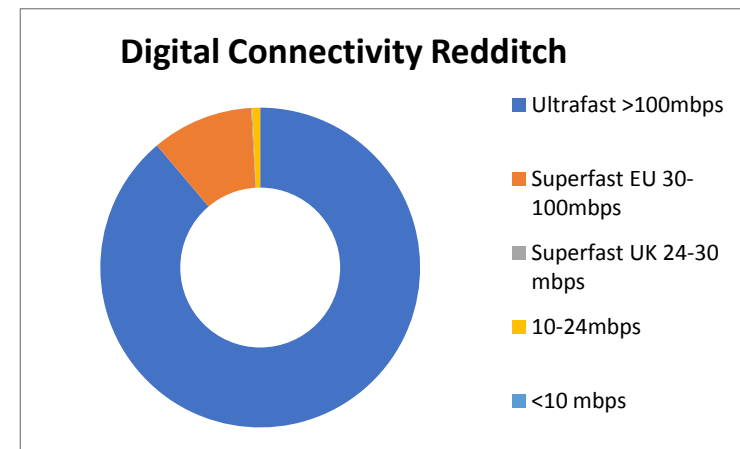
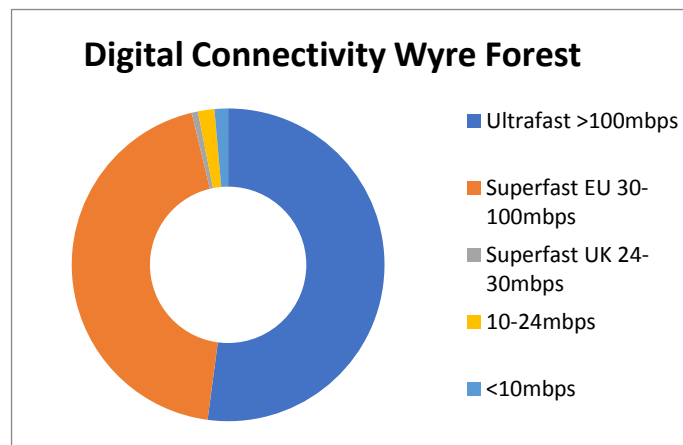
Office space faces a major challenge in Bromsgrove, with the lowest amount of supply across Worcestershire. This will increase rents (currently by far the highest across North Worcestershire) and capital values upwards and may prove a barrier to increasing local growth. In both Redditch and Wyre Forest the main challenges are due to a lack of Grade A stock. Wyre Forest represents the areas greatest opportunity to expand due to the vast manufacturing land which is dormant. In Redditch there is a need for large stock to meet current demand, meaning that small and mid-range stock has become more readily available.



TECHNOLOGY

The possibility of generating high levels of productivity and GDP growth, addressing key societal challenges and enabling *smart* living through technological advancements is of particular interest at this time. The expected roll out of 5G technology has the opportunity to transform the world as we know it, allowing high capacity, high reliability and low latency internet connections. This will lead to major economic advantages for the economy even creating new industries, products and services, touching every aspect of daily life.

Digital connectivity across the North Worcestershire is currently good, with over 95% of district households and businesses having access to superfast broadband. The coverage of ultrafast broadband (100mbps+) is especially good in Redditch, with Wyre Forest and Bromsgrove both failing below the English and West Midlands average in this category. Access to ultrafast broadband, as an enabling technology, is critical to business attraction, so improving the two districts' ultrafast broadband coverage must be an immediate priority.



CREATIVITY

The creative industries in North Worcestershire have achieved significant growth in the past few years with Bromsgrove recording the fastest growth in creative industries jobs (25%) in the Greater Birmingham and Solihull LEP area (Greater Birmingham Creative Economy Mapping 2017). Combining expert music industry knowledge and experience with conventional training and education, Kidderminster College-based MAS Records, an award winning innovative non-profit music development programme has expanded since its 2001 launch to 16 centres nationally.



Cultural heritage

North Worcestershire has heritage of national and international significance and this is reflected in the RSA Heritage Index that shows the area performing well compared to the national average score of the 325 districts. Wyre Forest comes out ahead on most indicators, but most importantly the level of potential growth for all districts is high and the positive impact on the visitor economy significant.

	Total score	Historic built environment	Museums, activities and artefacts	Industrial heritage	Parks and Open space	Landscape and natural heritage	Culture and memories	General/ Infrastructure
Bromsgrove	128	161	166	133	44	239	82	200
Malvern Hills	32	80	239	176	4	195	27	66
Redditch	85	198	157	18	19	189	246	254
Worcester	10	22	9	1	122	113	86	82
Wychavon	79	110	255	200	15	166	112	53
Wyre Forest	37	107	64	7	23	82	166	83

Source: RSA Heritage Index (www.thersa.org/heritage)

Note: The rankings are for 325 English Local authorities. Traffic lights: green (top third, 1-108); amber (middle third, 109-217); red (bottom third, 218-325)

GROWTH PRIORITIES

PLACES | BUSINESSES | PEOPLE

This strategies outlines the key growth priorities in North Worcestershire under three main categories: places, businesses and people. These are underpinned by the four pillars of growth – talent, infrastructure, technology, culture – as described above.

The analysis in previous sections shows that North Worcestershire has key strengths and competitive advantages to build on and realise its growth opportunities on the one hand, but is facing significant challenges and barriers in achieving its potential growth on the other hand. To maintain its economic competitiveness and attraction to business investment, which would bring new employment and North Worcestershire economy has

The section below outlines the growth priorities and supporting interventions that, if materialised, have the potential to bring about significant economic, social and environmental benefits to North Worcestershire’s residents, businesses and local communities.

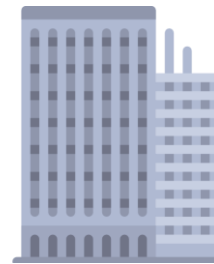
Cumulatively, these interventions have the opportunity to deliver over:



1,000
homes



500
jobs



500,000sqft
floorspace



£500m
GDV

This is an ambitious growth programme with a transformational potential that requires a comprehensive and coordinated approach. North Worcestershire Economic Development and Regeneration (NWEDR) – the shared service between Bromsgrove DC, Redditch BC and Wyre Forest DC – will lead on the programme implementation under the leadership of the three councils and work with key partners, stakeholders, developers and investors to ensure its successful delivery.

PLACES

Town Centres | Land & Premises | Connectivity

The investments in places will focus on strengthening the vibrancy and viability of our town centres, infrastructure that unlocks land for residential and employment development, estate regeneration, bringing unused / underutilised buildings back into commercial use and connecting people with jobs.

Our strategic priorities are:

- Unlocking strategic employment land to facilitate business growth and attract investment to North Worcestershire
- Accelerating development through the use of Local Development Orders (LDOs), enterprise zones and other delivery mechanisms
- Working with strategic partners to identify key 'growth corridors' to accelerate development of employment land, particularly
- Delivering major town centre projects that will bring more residential, employment and leisure uses to counterbalance the significant retail decline and address the significant structural challenges faced by our town centres
- Improving coverage for ultrafast internet (>100mbps), especially in Bromsgrove and Wyre Forest
- Creating the conditions for 5G roll-out in Bromsgrove, Kidderminster and Redditch

To deliver against these priorities, a number of projects and interventions are currently planned or at various stages of delivery – these are captured in the table below.

PROJECT / INTERVENTION	OUTPUTS / OUTCOMES	KEY PARTNERS
Bromsgrove Market Hall site	Mixed used development Public realm improvements	Bromsgrove District Council Worcestershire County Council
Bromsgrove Dolphin Centre site	Residential / mixed used development	Bromsgrove District Council Homes England
Redditch Railway Quarter	380 new homes 5,000 sqm of commercial space Public realm improvements	Redditch Borough Council West Midlands Railways Worcestershire County Council Homes England
Redditch Community Hub	10,000 sqm of new office space	Redditch Borough Council Worcestershire County Council NHS Trust CCG Department for Work and Pensions
Redditch Education & Enterprise Quarter	2,000-2,500 sqm of incubation / innovation space	Redditch Borough Council Worcestershire County Council Worcestershire LEP Betaden GBSLEP Heart of Worcestershire College

Redditch Matchborough & Winyates Regeneration	300-400 New homes 1,000 sqm of new commercial space Improved public realm	Redditch Borough Council Worcestershire County Council Homes England West Midlands Combined Authority RSA Academy
Kidderminster Town Centre Regeneration - Crown House - Lion Fields Parcel 4	Mixed use development – residential, workspace, food& beverage, leisure, public realm improvements	Wyre Forest District Council Worcestershire County Council
Kidderminster former Magistrates Court regeneration	2,000 sqm of new incubator / innovation space (creative industries)	Wyre Forest District Council Kidderminster College MAS Records
Kidderminster Lion Fields Parcel 1	Leisure-led mixed use development (cinema, food & beverage), gym, other leisure	Wyre Forest District Council Worcestershire County Council
A38 improvements	Improvements in capacity at Junction 4 of the M5 Improvements in capacity at the M42/A38 roundabout Introduction of a right turn lane for southbound traffic waiting to turn into Barley Mow Lane	Bromsgrove District Council Worcestershire County Council GBSLEP Worcestershire LEP Highways England
Bromsgrove Enterprise Zone	Unlocking of employment land to enable business growth and job creation	Bromsgrove District Council GBSLEP WLEP

BUSINESSES

Retention | Expansion | Relocation

Our priorities will focus on retaining the existing business base, supporting local businesses to expand and encourage new business formation and relocation to the area by:

- Providing a comprehensive package of business support – including business grants and regulatory advice - to ensure business retention and expansion
- Developing incubator / innovation space to encourage investment and growth in new and emerging technologies
- Working with key partners to attract investment in the area
- Encouraging investment in knowledge intensive sectors

The table below summaries the projects and interventions being implemented or planned to support the delivery against the above priorities.

PROJECT / INTERVENTION	OUTPUTS / OUTCOMES	KEY PARTNERS
Growth support	Number of businesses benefiting from Growth Hubs supports	GBSLEP Growth Hub Worcestershire Business Central
Booster grants	Number of businesses applying for grants Number of business grants issued	GBSLEP Growth Hub Worcestershire Business Central
Invest in North Worcestershire	Number of inward investment enquiries generated Number of inward investment enquiries responded to	Department for International Trade West Midlands Growth Company Worcestershire LEP (Invest in Worcestershire) GBSLEP
Business aftercare programme	Number of key accounts (businesses) developed and managed Number of businesses receiving support	Department for International Trade West Midlands Growth Company Worcestershire LEP Herefordshire and Worcestershire Chamber of Commerce
North Worcestershire Business Ambassadors	Number of ambassadors	NWedR
North Worcestershire Business Awards	Number or entries	North Worcestershire Business Leaders NWedR
Redditch Business Centres	Occupancy level	NWedR
Develop a Creative Hub in Kidderminster (former Magistrates Court building)	Number of businesses incubated and supported / Number of jobs created	GBSLEP WLEP National Lottery Heritage Fund Arts Council

		MAS Records Kidderminster College
Develop a Digital Innovation Centre in Redditch	Number of businesses incubated and supported / Number of jobs created	GBSLEP WLEP WM5G Company West Midlands Growth Company
Develop a Business Incubator Centre in Bromsgrove	Number of businesses incubated and supported / Number of jobs created	GBSLEP WLEP

PEOPLE

Skills | Apprenticeships | Careers |

A talented, skilled, knowledgeable and competent workforce is key to a successful economy. Despite North Worcestershire's workforce achieving qualifications above the West Midlands average, more needs to be done to ensure that the workforce is equipped with the relevant skills and knowledge to capitalise on the new employment opportunities that existing and emerging technologies will bring about.

Our key priorities are to:

- Reduce the mismatch between employers' skills needs (demand) and skills provision by education and training providers (supply)
- Motivate and inspire people to develop skills for the high growth key sectors and emerging technologies
- Use partnership and collaboration to tackle skills shortages and gaps that are barriers to long terms business growth and productivity
- Promote the wide spectrum of careers available in North Worcestershire to inspire the careers choices our young people make

PROJECT / INTERVENTION	OUTPUTS / OUTCOMES	KEY PARTNERS
Apprenticeships	Number of businesses offering apprenticeships	Worcestershire Apprenticeships Heart of Worcestershire College Kidderminster College Re-Wyre North Worcestershire businesses
Opening Doors to Business	Number of pupils visiting businesses participating in the project	Continu Trust RE-Wyre OGL Computers Worcestershire Apprenticeships
Careers advice	Number of schools participating	Career Enterprise Company
High Skills Level Match	Paid and unpaid internships for graduates	Birmingham City University Newham University Re-Wyre
WMCA Mayor's Mentors programme	Number of pupils / schools participating Number of mentors recruited	Redditch Borough Council West Midlands Combined Authority Faun Zoeller UK Trinity High School Redditch
Train for success	Free training for employed workers who are 50+ to retrain or up-skill	
Fifty Plus Futures Programme	IAG, career review, skills health check, bespoke and tailored workshops, retraining, up-skilling	

MEASURES OF SUCCESS

We will measure the success of our strategy and its supporting projects and interventions by the performance of the following indicators:

- Number of VAT / PAYE registered businesses within the District
- Number / type/ size of businesses within District
- Affordability of houses v income
- Wage levels for people who live and work in the district
- Number of people who live and work in the district (also expressed as a % of the working age population)
- Number of vacancies on existing employment sites and length of vacancy/turn around. This will show demand and if broken down into location/size it will give extra info on company demand profile in the local area to measure regional and national assumptions against
- Number of enquiries received by the Council and the NWEDR team from prospective inward investors
- Number of existing businesses supported to grow and develop
- Number of new business start-ups
- Skills attainment rates
- Town centre measures such as progression of key development sites / footfall
 - o Number of car parking spaces sold (as this would show the total number of people coming to the area)
 - o Average time bought in car parks (as this would show town centre dwell times or at least give an indication of how long people intend to stay for)
 - o % occupancy of market spaces (would show how attractive the town centre offer is to traders)
 - o Progression of key development sites
- Footfall
- Number of self-employed within District (as a % of businesses)
- Number of employment related applications

KEY STAKEHOLDERS

Partners | Funders | Supporters

Our ability to deliver this ambitious growth programme is heavily dependent on the collaboration with and support of our key partners, funders and supporters, as illustrated below. We are grateful for all their support provided so far and will continue to foster deeper and closer working relationships with them to deliver the interventions needed to enable our places, businesses and people to develop, grow and prosper.



WYRE FOREST DISTRICT COUNCIL
FEEDBACK FROM CABINET MEETING ON
TUESDAY 16TH JULY 2019

Agenda Item No.	Decision
7.1	<p>Local Plan Pre-Submission Consultation</p> <p>Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 4th July 2019:</p> <ul style="list-style-type: none">a) The Local Plan Pre-Submission Publication documentation for the re-opened public consultation (Regulation 19) (as shown in appendix 1 to 3 of the Cabinet report) be approved;b) The technical evidence base studies (in appendix 4) as part of the evidence base for the Local Plan be agreed; andc) Delegated authority be given to the Corporate Director: Economic Prosperity & Place in consultation with the Cabinet Member for Economic Regeneration, Planning and Capital Investments to make any necessary amendments to the consultation documentation up to the launch of the consultation that may arise from the receipt of additional information following the Cabinet meeting.
8.1	<p>Asset Management Strategy</p> <p>Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 4th July 2019:</p> <p>The Asset Management Strategy be approved and recommend to Council that it be adopted as part of the Capital Strategy 2019-22.</p>
EXEMPT 11.2	<p>Disposal of Land in Stourport</p> <p>Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 4th July 2019:</p> <p>Cabinet decided:</p> <ul style="list-style-type: none">1.1 To dispose of the land in Stourport as shown on the plan at Appendix 1 of the confidential Cabinet report, subject to:<ul style="list-style-type: none">a) The advertisement of the Council's intention to dispose of land and the consideration of any

representations arising from this advertisement;

- b) The grant of planning permission for the proposed use;
- c) The inclusion of appropriate provision in the disposal documentation to ensure that the land is developed for the intended use as detailed in the confidential report to Cabinet.

1.2 Delegated authority be granted to the Corporate Director: Economic Prosperity & Place to advertise the intended disposal of land in accordance with the statutory requirements identified in the report and in consultation with the Cabinet Member for Economic Regeneration, Planning and Capital Investments consider any objections made as a result of the advertisement and following such consideration to decide whether the land should be disposed of.

1.3 Delegated authority be granted to the Corporate Director: Economic Prosperity & Place in consultation with the Solicitor to the Council and the Cabinet Member for Economic Regeneration, Planning and Capital Investments to agree the wording of any provisions in the disposal to ensure that the land disposed of is developed for the intended purposes as detailed in the confidential report to Cabinet.

WYRE FOREST DISTRICT COUNCIL

**FEEDBACK FROM CABINET SUB-COMMITTEE MEETING HELD ON
WEDNESDAY 31ST JULY 2019**

Exempt Agenda Item No.	Decision
4	<p>Capital Portfolio Fund – Development Funding Proposal</p> <p>Decision: In line with the recommendations from the Overview and Scrutiny Sub-Committee from its meeting on 30th July 2019, Cabinet agreed:</p> <p>1.1 The business case for the development of the Land as set out in the confidential report to be funded from the Capital Portfolio Fund.</p> <p>1.2 To delegate authority to the Corporate Director: Economic Prosperity & Place in consultation with the Corporate Director: Resources, the Solicitor to the Council and the Cabinet Member for Housing, Health and Wellbeing to agree the terms for the development of the Land, to effect the redevelopment of the Land for the purposes set out in the confidential report.</p>

Overview & Scrutiny Committee Work Programme 2019-2020

June 2019

“How are we doing?” Q4 update

Wyre Forest District Local Plan: Revised Local Development Scheme (Project Plan 2019-21)

Tracking Recommendations 2018-2019

July 2019

Treasury Management Review Panel – request for nominations

Wyre Forest District Local Plan: Pre-Submission Publication

Asset Management Strategy

EXEMPT Disposal of Land in Stourport

September 2019

“How are we doing?” Q1 update (Enabling)

Annual Report on Treasury Management Service and Actual Prudential Indicators 2018-19

Worcestershire’s Homelessness and Rough Sleeping Strategy 2019 – 2022

Kidderminster Business Improvement District (BID) – Forward Funding

North Worcestershire Economic Growth Strategy 2019-2024

November 2019

“How are we doing?” Q2 update (Business and People)

Treasury Management Strategy Statement and Annual Investment Strategy Mid Year Report 2019/20

Effectiveness of PACT Action Plan

December 2019

Treasury Management Strategy Statement and Annual Investment Strategy Mid Year Report 2019/20

February 2020

“How are we doing?” Q3 update (Place)

Treasury Management Strategy Statement and Annual Investment Strategy 2020-21

Annual review of the North Worcestershire Community Safety Partnership 2019/20

2020-2021 Municipal Year

June 2020

“How are we doing?” Q4 update (Housing and Planning)