

Open

Overview & Scrutiny Committee

Agenda

To be held remotely
6pm
Tuesday, 8th September 2020



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 T L Onslow
Councillor S E N Rook

Councillor C Edginton-White
Councillor S Miah
Councillor M Rayner
Councillor D R Sheppard

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.

1. The Overview & Scrutiny Committee meeting is open to the public except for any exempt/confidential items. These items are normally discussed at the end of the meeting. Where a meeting is held remotely, “open” means available for live or subsequent viewing.
2. Members of the public will be able to hear and see the meetings by a live stream on the Council’s website:

<https://www.wyreforestdc.gov.uk/streaming.aspx>
3. This meeting is being held remotely online and will be recorded for play back. You should be aware that the Council is a Data Controller under the Data Protection Act 2018. All streamed footage is the copyright of Wyre Forest District Council.

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

Tuesday, 8th September 2020

To be held remotely

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 special meeting held on the 25 th June 2020, the minutes of the meeting held on the 2 nd July 2020 and the minutes of the special meeting held on the 23 rd July 2020.	6
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 2020.	16
6.	Annual Report on Treasury Management Service and Actual Prudential Indicators 2019-20 To consider a report from the Corporate Director: Resources which provides a review of the treasury management activities for 2019-20, 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). To also consider recommendations from the Treasury Management Review Panel from its meeting on 2 nd September 2020. To follow	73

7.	Planning Consultation Responses To consider a report from the Corporate Director: Economic Prosperity and Place on the responses to the Planning for the Future consultation and the Planning Reform consultation. Report to follow.	-
8.	Planning s106 Obligations To consider a report from the Head of Strategic Growth to agree the prioritisation of s106 monies for sites where viability limits the contributions that can be achieved. Report to follow.	-
9.	Consultation Response to the Pre-Submission Draft of the Shropshire Local Plan Regulation 18 To consider a report from the Senior Planning Policy Officer on the consultation currently running on the Pre-Submission draft of the Shropshire Local Plan (Regulation 18).	97
10.	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.	103
11.	Press Involvement To consider any future items for scrutiny that might require publicity.	
12.	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.	
13.	Exclusion of the Press and Public To consider passing the following resolution: “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”.	

Part 2 - Not open to the Press and Public

14.	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.	
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WYRE FOREST DISTRICT COUNCIL
OVERVIEW & SCRUTINY COMMITTEE
HELD REMOTELY
THURSDAY, 25TH JUNE 2020 (6PM)

Present:

Councillors: M J Hart (Chairman), S J Chambers (Vice-Chairman), N J Desmond, C Edginton-White, S Griffiths, S Miah, T L Onslow, M Rayner, S E N Rook and D R Sheppard.

Observers

Councillors: G W Ballinger, J F Byng, V Caulfield, R H Coleman, P Dyke, I Hardiman, P Harrison, N Martin and C Rogers.

OS.10 Apologies for Absence

There were no apologies for absence.

OS.11 Appointment of Substitutes

No substitutes were appointed.

OS.12 Declarations of Interests by Members

No declarations of interest were made.

The Chairman welcomed everybody to the meeting. He explained that the purpose of the meeting was an opportunity for the Environment Agency representatives to set the scene, give their evidence and for members to scrutinise and ask questions. He said it was important that the Committee did not jump to any conclusions before all of the evidence had been heard.

He thanked the representatives from the Environment Agency for making time to come to the meeting and for providing a very comprehensive written report.

OS.13 Consideration of the flooding motion from Council – Evidence Gathering from the Environment Agency

The Committee received a detailed report from Dave Throup, Area Manager Herefordshire and Worcestershire and Charles Chandler, West Midlands Strategic Flood Recovery Manager.

Councillor R Coleman joined the meeting at 6.15pm.

Councillor V Caulfield joined the meeting at 6.17pm and left at 6.42pm.

Dave Throup thanked the Committee for the invitation to the meeting. He said that

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the significant flood events over the winter of 2019/20 had been a huge incident, not only for the Environment Agency, but for multi agency partners too. He said that the Environment Agency welcomed local scrutiny both of its actions and of the multi agency response to the flooding which was very considerable indeed.

The Committee received a high level overview of the report which provided detailed information and data on flood forecasting; the Bewdley Severn Side barrier deployment in February 2020; property flood resilience measures at Beales Corner; flood risk Government funding mechanism; the options for a permanent scheme for Beales Corner and the lessons learnt.

Dave Throup spoke about the spectre of climate change. He said that you can never escape the events of the rainfall that occurred over the winter, which were not necessarily the result of climate change; it could just be part of the natural variability in the climate. However it was exactly the sort of thing that was expected to be seen in the future as the world was warming and the atmosphere was becoming more turbulent. He said that the Environment Agency was working locally to determine what this effect would have on larger rivers such as the Severn. He said that over the next 30 years it was predicted that flood peaks upstream of Worcester would be 0.6-0.8m higher than those currently experienced. Therefore it was an important issue to bear in mind.

In relation to the deployment of the barriers in Bewdley. Dave Throup paid tribute to the Environment Agency Field Operations Team for all their hard work and for not taking unnecessary risks during the events.

The Committee fully scrutinised the report. After each section Dave Throup and Charles Chandler engaged in a question and answer session with members.

Councillor T Onslow left the meeting at 7.26pm.
Councillor P Dyke left the meeting at 7.42pm.

At 7.57pm the Committee unanimously agreed to suspend Council Procedure Rules (Standing Orders) 1.1 (iii) to allow the meeting to continue past 8pm.

Councillor N Martin left the meeting at 7.58pm.

In conclusion, Dave Throup advised the Committee that there were lessons to be learnt after every single flood event. He said the Environment Agency learn both internally and through multi-agency debriefs. The scale and magnitude of lots of different things coming together had made the winter floods a particularly complex series of events. He added that the normal de-briefing procedures and review procedures had commenced, however the Covid-19 pandemic had made things extremely difficult.

He said that a number of local de-briefs had been undertaken and a multi agency Worcestershire review was scheduled to be held, which would be chaired by either the Police or the Fire and Rescue Authority. This would allow all agencies to share their experiences and allow learning to be implemented. The review would look at the wider geography along the River Severn.

On behalf of the Committee, the Chairman thanked Dave Throup and Charles

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Chandler for attending the meeting and for answering the questions in a very open, honest and candid way.

There being no further business, the meeting ended at 8.12pm.

WYRE FOREST DISTRICT COUNCIL
OVERVIEW & SCRUTINY COMMITTEE
HELD REMOTELY
THURSDAY, 2ND JULY 2020 (6PM)

Present:

Councillors: M J Hart (Chairman), S J Chambers (Vice-Chairman), N J Desmond, C Edginton-White, S Griffiths, S Miah, T L Onslow, M Rayner, S E N Rook and D R Sheppard.

Observers:

Councillors: G W Ballinger, J F Byng, A Coleman, R H Coleman, H E Dyke, P Dyke, I Hardiman, C Rogers, L Whitehouse and P W M Young.

OS.14 Apologies for Absence

There were no apologies for absence.

OS.15 Appointment of Substitutes

No substitutes were appointed.

OS.16 Declarations of Interests by Members

Councillor S J Chambers declared an Other Disclosable Interest (ODI) that she is related to the current West Mercia Police & Crime Commissioner.

OS.17 Minutes

Decision: The minutes of the meeting held on 11th June 2020 be confirmed as a correct record and signed by the Chairman.

Councillor T L Onslow entered the meeting at this point (6:04pm)

OS.18 Consideration of the flooding motion from Council – Evidence Gathering from Worcestershire County Council, West Mercia Police, Hereford & Worcester Fire and Rescue Service and Severn Trent

Members welcomed representatives from several key agencies involved with the flooding support effort and invited them to address the Committee and answer questions on their relevant agencies response to the floods.

Councillor I Hardiman entered the meeting at this point (6:09pm)

Matt Maginnis - Flood Risk Manager at Worcestershire County Council presented Members with a report on the contributions made to the flood event

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response and recovery effort by Worcestershire County Council (WCC). He led Members through the report including answers to questions already raised by Members and answered additional questions on the timings of the closure of Bewdley bridge. He clarified that the bridge was closed to support the operation of the barriers as opposed to it being unsafe for users. He explained the processes that were activated by WCC once alerted to flood barrier deployment and discussed in great detail natural flood management systems that are being used in locations such as Wolverley.

Superintendent Mark Colquhoun - West Mercia Police spoke at length about the operational work completed by West Mercia Police in partnership with other agencies and the work of the Local Resilience Forum (LRF) and the Worcestershire Tactical co-ordination Group (TCG). At the height of response TCG meetings were being held up to 6 times a day between 5.30am and 11pm which demonstrated to Members the scale of the operation undertaken. Superintendent Colquhoun explained the responses delivered by agencies varied dependent on the warning levels provided by the Environmental Agency. He discussed the location of the bronze cell support hub and informed Members that several locations are identified in advance then the most suitable option chosen during each event. He stressed the value of having all key agencies in one location during the response.

Councillors L Whitehouse and A Coleman left the meeting at this point (6:50pm)

Superintendent Colquhoun gave details of which agencies took responsibility for which tasks and went into detail on the response implemented by the police including providing extra Officers to support public safety.

Councillor H E Dyke left the meeting at 7:01pm and rejoined at 7:50pm.

Nathan Travis - Chief Fire Officer, Hereford & Worcester Fire and Rescue Service (HWFRS) gave specific detail as to the role of the Fire and Rescue Service during the floods which included crews conducting welfare checks, giving residents advice on how to prepare in case of evacuation, pumping out flooded properties and supporting residents with evacuating properties if needed. Over the period in question and over the 2 counties, HWFRS attended 182 flooding and water rescue incidents of which 127 involved flooded homes and over 50 were vehicles caught in flood water. A number of these incidents occurred across the Wyre Forest area. Officer Travis explained how Officers train for these situations to be able to utilise that training and their skills when needed in order to protect and support vulnerable communities.

Tim Smith - Flooding & Partnerships Manager and Matthew Jeynes - Waste Network Manager, Worcestershire & Gloucestershire - Severn Trent delivered a comprehensive presentation including details of Severn Trent's flood risk management roles and responsibilities, temporary barriers and pumping at Beales Corner and property flood resilience measures. They gave Members more detail about the workings of non-return valves and gave examples of situations that they may fail.

The Chairman thanked all of the agencies for giving their time to attend the meeting and expressed thanks on behalf of all Members to them and their colleagues, for the contribution they made to the flood efforts.

At 7:58pm the Committee agreed unanimously to suspend Council Procedure Rule (Standing Orders) 1.1 (iii) to allow the meeting to continue past 8pm. Councillor P Dyke left the meeting at this point.

OS.19 Review of Public Space Protection Orders (PSPOs) and Results of the Consultation Process

The Committee considered a report from the Community Services Manager which outlined the results from the consultation process regarding the dog control PSPO and the restriction of alcohol consumption in Bewdley and Stourport-on-Severn PSPOs and outlined the implementation process should the Public Space Protection Orders be agreed.

The Committee discussed the report in detail with particular debate around the number of dogs allowed to be walked at one time and the exception that may be considered for professional dog workers. The Community Services Manager and Senior Community and Environmental Protection Officer answered Members questions around PSPOs.

Agreed: Recommend to Cabinet that:

- 1.1 A Public Space Protection Order regarding dog controls, within the specified area, outlined in Appendix 4 of the report, is implemented.**
- 1.2 A Public Space Protection Order to restrict the consumption of alcohol within the specified area of Bewdley, as outlined in Appendix 4 of the report and the same boundary as is currently in place, is implemented.**
- 1.3 A Public Space Protection Order to restrict the consumption of alcohol within the specified area of Stourport-on-Severn, as outlined in Appendix 4 of the report, is implemented.**
- 1.4 The Public Space Protection Orders are reviewed 6 months after their implementation and results of the review are considered by the Overview & Scrutiny Committee. As part of that 6 month review, to consider the comments of the Overview & Scrutiny Committee in regards to professional dog walkers.**
- 1.5 Council Officers and Partners to give due consideration and implement appropriate actions regarding issues that have been raised through the consultation but are not suitable for inclusion in a PSPO.**

Councillor N J Desmond left the meeting at 9pm and returned at 9:09pm. Councillor H E Dyke left the meeting at this point.

OS.20 Community Led Housing Policy Update

The Committee considered a report from the Head of Strategic Growth on the progress on Community Led Housing (CLH) and sought approval for the updated CLH policy.

The Committee discussed aspects of the report with particular focus on the definition of affordable housing.

Agreed: Recommend to Cabinet that:

1.1 The updated Community Led Housing policy is approved.

OS.21 Property Flood Grants – Amendment to Capital Programme

The Committee considered a report from the Head of Strategic Growth which set out the process for the Government funded property flood grants to be distributed to affected residents and businesses. This included the requirement to amend the capital programme.

The Principal Environmental Health Officer (Housing & Water Management) answered Members questions on the Capital Programme.

Agreed: Recommend to Cabinet that:

1.1 Cabinet recommend to Council that there is an amendment to the Capital programme by £650k to provide Property Flood Grants (to be recovered by funding from DEFRA) noting that the exact level of expenditure will be dependent of the number of eligible applicants received.

OS.22 Bromsgrove Street Car Park Developer Agreement

The Committee considered a report from the Corporate Director: Economic Prosperity & Place which set out the details of a proposed Agreement with the Council's former Glades Leisure Centre site development partner, Cordwell, in respect of the public car park at Bromsgrove Street and its usage in relation to the proposed cinema led leisure scheme planned for the former leisure centre site.

The Corporate Director: Economic Prosperity & Place clarified points raised in the report for Members and answered questions on the proposal.

Agreed: Recommend to Cabinet that:

1.1 The Council agrees to enter into the Agreement once a final version has been agreed between the Council and Peveril Securities Ltd.

OS.23 Treasury Management Review Panel

Treasury Management Review Panel meeting dates and training sessions were circulated and the Chairman invited nominations for the current municipal year. Councillors M Rayner, N J Desmond, S Miah agreed to sit on the panel and membership would be offered out to Members who do not sit on the Overview & Scrutiny Committee.

OS.24 Work Programme

The Committee reviewed the work programme for the current municipal year.

Agreed: The work programme be noted.

OS.25 Press Involvement

The Chairman requested that an update on the consideration of the flooding motion from Council be flagged up with the Media Team as an item requiring publicity.

There being no further business, the meeting ended at 9:44pm.

WYRE FOREST DISTRICT COUNCIL
OVERVIEW & SCRUTINY COMMITTEE
HELD REMOTELY
THURSDAY, 23RD JULY 2020 (6PM)

Present:

Councillors: M J Hart (Chairman), S J Chambers (Vice-Chairman), N J Desmond, C Edginton-White, S Griffiths, S Miah, T L Onslow, M Rayner, S E N Rook and P W M Young.

Observers

Councillors: G W Ballinger, J F Byng, V Caulfield, I Hardiman, F M Oborski MBE and C Rogers.

OS.26 Apologies for Absence

Apologies for absence were received from Councillor D R Sheppard.

OS.27 Appointment of Substitutes

Councillor P W M Young was a substitute for Councillor D R Sheppard.

OS.28 Declarations of Interests by Members

No declarations of interest were made.

OS.29 Capital Portfolio Fund – Quarterly Fund Report

The Committee received a report from the Corporate Director: Economic Prosperity & Place which provided an update on the performance of the Capital Portfolio Fund for the first quarter 2020 for the period up to 30th March 2020.

The Corporate Director: Economic Prosperity & Place presented the report and reminded members that as set out in the Council's adopted Asset Management Strategy, performance reports would be presented to the Committee on a bi-annual basis. He added that the Quarterly Fund Report (QFR) was up to the end of March 2020 and therefore did not reflect the full impact of the Coronavirus Pandemic.

OS.30 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.

OS.31 Capital Portfolio Fund – Quarterly Fund Report

The Committee received a detailed confidential quarterly performance report from the Council's advisers, Jones Valerio.

Councillor V Caulfield joined the meeting at 6.14pm

Councillor C Rogers joined the meeting at 6.28pm.

Councillor J Byng left the meeting at 6.54pm.

Councillor S Griffiths lost connection to the meeting at 7.22pm and rejoined at 7.23pm.

The representatives from Jones Valerio gave a comprehensive presentation of the information provided in the Jones Valerio June Quarterly Performance Report as set out in appendix 1 of the exempt report.

The Committee fully scrutinised the detailed report. The representatives from Jones Valerio answered questions from members about the report with input from the Corporate Director: Resources.

Agreed: The performance of the Capital Portfolio Fund be noted.

There being no further business, the meeting ended at 7.56pm.



Overview & Scrutiny Committee

Briefing Paper

Report of: Rhiannon Foxall, Business Improvement Officer
Date: Tuesday 8th September 2020
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 2020 to 30th June 2020).

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 2019-23.
- 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 the [Capital Projects](#) report
- 3.2 **Appendix 3** is the [measures report](#) for all our purposes (People, Place, Housing, Planning, Business, Enabling).

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 Appendix 4 has been reported as an additional appendix to allow members of the committee to monitor the impact of the Covid 19 pandemic/lockdown on our key performance measures. Variances in data can be seen the most in our measures monitoring demand for services and also our income related measures. For example, unsurprisingly, there was a peak in demand on welfare and benefit services in March/April and an absence of visitors to the museum while it was shut. Conversely, there has been no impact on speed or method of payment to suppliers through BACS - performance is in line with the period before March 2020 - and the number of planning applications being received did not differ noticeably from previous periods. Many income measures are down significantly, as has been reported to Cabinet in May and July. Calls to the help desk were up, particularly in March, but have now returned to more normal levels, while availability of ICT systems remained high throughout.

The number of requests for adaptations has varied over the last 12 months. Quarter 1 and quarter 2 in last year were much higher due to grant activity. Grant activity/completions has dropped significantly due to Covid 19 and fewer site visits have been undertaken to resolve private tenant complaints and fewer complaints have been received. In addition, there have been fewer pro-active housing inspections as this was previously resourced by the migration project externally funded additional staffing.

The number of people presenting themselves in need of housing advice has seen less customer contact in quarter 1 than the previous quarters where contact has been instigated by the customer which could be due to Covid 19 and the changes to legislation relating to notices and evictions. Throughout the 'lockdown' period a lot of contact was made by the Housing Advice Team to vulnerable customers and the hard to engage to ensure the safety of those rough sleeping, in temporary accommodation and in unsecure accommodation. The figures for July 2020 show a significant increase which indicates customer contact instigated from the customer is on par with previous quarters.

Overall, the data do not suggest any noticeable impact on performance or productivity arising from homeworking being implemented in March for the vast majority of office-based staff. Indeed, some teams, for example ICT, housing services and revenues and benefits, have faced much higher workloads as a result of Covid 19 while still undertaking their "normal" work.

- 4.3 Data for the total recorded ASB incidents is out of date. This data is provided by West Mercia Police who are unable to provide the data at this time. Data will hopefully be provided in September 2020.

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 2019 – 2023.

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
- 12.3 Appendix 3 – Measure 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 20/21 55

We support our people and enable them to work well

25%

▶

Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2021	Corporate Leadership Team; Ongoing Rachael Simpson		06-Jul-2020

WFF 20/21 57

Delivery of the ICT Strategy 2018-2023

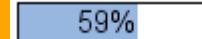
65%

▶

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

WFF 20/21 57.8

Review and Update Security Systems



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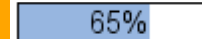
31-Mar-2023

Number of Server upgrades to newer OS or software versions including Agresso, elections, Revenues, Land Charges and planning
Continue to roll out new laptops to priority WDFC and WRS users. Currently preparing next full batch of laptops to go out to WDFC and WRS users.
Couple of security infrastructure devices have been updated / licences renewed. Also email system upgraded and number of other infrastructure servers and software due to be upgraded in the next few weeks
Cyber Training being arranged as well as procurement of a security platform for training purposes

13-Jul-2020

WFF 20/21 57.11

Digital by Default including supporting the Commercial Agenda



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

Dave Johnson

Digital Platform – set up for MyCouncilService (MCS) self-service platform is proceeding well and went live in the back office on 8th June and marketed from 12th June. Summary of current situation: –
. System has been well received by staff and are now using it for all tasks and requests.
. Number of positive comments from members of the

13-Jul-2020

- public.
- . Work still ongoing on payment.
- . As of 26/06, we have had 364 customers register for the platform.
- . Once the payment setup has been completed, work will begin on the mobile worker project pushing jobs out in the field.
- . Following on from this, the contracts module will be setup for garden waste and trade waste.
- . Mobile app is live now to download
- . Can look at additional areas to include in the near future

IVR– Work had been put on hold until the new digital platform has been implemented as it would have meant duplicating some of the work e.g. links to webpages and forms.

Planning are currently installing a digital / mobile app as part of the Idox install



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2023		<p>Planning / Land Charges – The DM team went live with the Idox Uniform software on 10th February. Uniform test has been upgraded with Live systems due to be upgraded later in July. Migrated historic data has now been loaded in to Live.</p> <p>UAT has been undertaken and error logs submitted to IDOX. The remaining issues will then need to be resolved</p>	13-Jul-2020

in the upgraded test system before upgrading live system and then applying the fixes. This will then lead into the implementation project for Land Charges.

Land Charges has been upgraded to the latest version of the software, Uniform for planning as mentioned above is scheduled for July before current version is de-supported.

Number of Samsung tablets have been set up in readiness for roll out of Idox mobile app for the planning department later in the autumn

M3 – Upgrade of system used for Housing / Water Management is challenging, most of the initial work has been completed. Have now received quote for Northgate for upgrade of main database server. PO raised and work being scheduled in for September time the earliest Northgate can accommodate the upgrade.

Info@Work – Remaining Revs / Bens documents not initially imported into the Revs / Bens Civics system will need importing into OpenRevenues system before system is turned off, these documents have already been extracted. All remaining HR documents have now been extracted, legal and forward planning documents need to be extracted. ICT currently liaising with departments as to next steps and EDM system requirements.

Agresso Financials – Servers and test Agresso system has been installed and is currently under going UAT

Payroll – Project for new HR / Payroll system is commencing with project kick off meeting due in the next couple of weeks.



Due Date	Managed By	Latest Note	Latest Note Date
31-Mar-2023		<p>SAN / Servers – The webserver have now been migrated from Town Hall to Green Street following resolution of the bandwidth issues with the new internet line installed at Green Street. Final bit of configuration of backup and SAN has now been completed. Decommissioning including UPS and batteries in the cellar at the Town Hall needs to be arranged. Websites have also all been migrated to Green Street from the Town Hall</p> <p>Outstanding tasks: –</p> <ul style="list-style-type: none"> . Move remaining appliances to Green street e.g. email gateway . Decommission old servers and storage. . Complete handover and sign off of project <p>Primary firewalls have been moved from TH to GS</p> <p>Servers– A number of systems and servers have been upgraded over the last month including:–</p> <ul style="list-style-type: none"> . Agresso – All server built and software installed for testing the upgraded Agresso system. Go Live on new system scheduled September time. . Revs / Bens new servers now fully live . Elections new server fully live . IDOX test system upgraded live due W/C 20th July . New email servers created. . Active Directory and Certificate servers due to be upgrade W/C 13th July. <p>Exchange – New Exchange system has been install, configured and all mailboxes migrated to the new version of Exchange 2016. All users are now using either Outlook</p>	13-Jul-2020

2010 on Citrix, Exchange 2016 or Office 365 which will become the default once it has been tested on all systems.

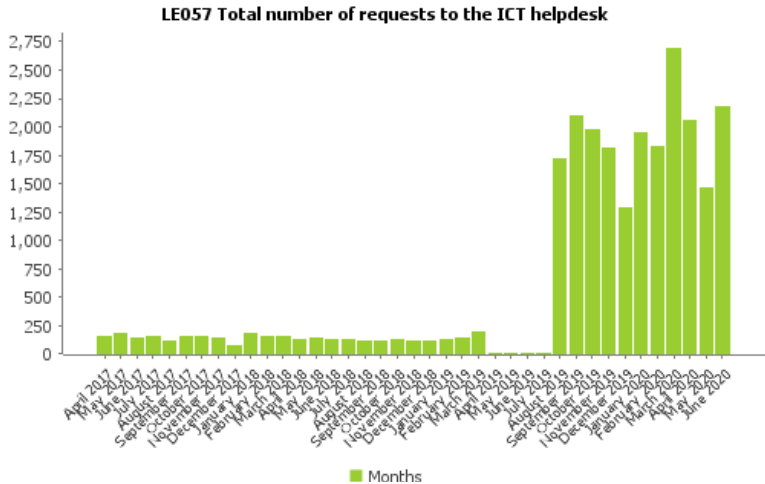
Wireless:– The final bit of configuration and failover testing has now been completed. Admin training for ICT and final handover still to be completed.

Citrix – Build of new Citrix environment had been delayed until the new SAN / Server environment was in place, this can now go ahead but may have to wait until restrictions are lifted as it could have a significant impact on homeworkers.

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

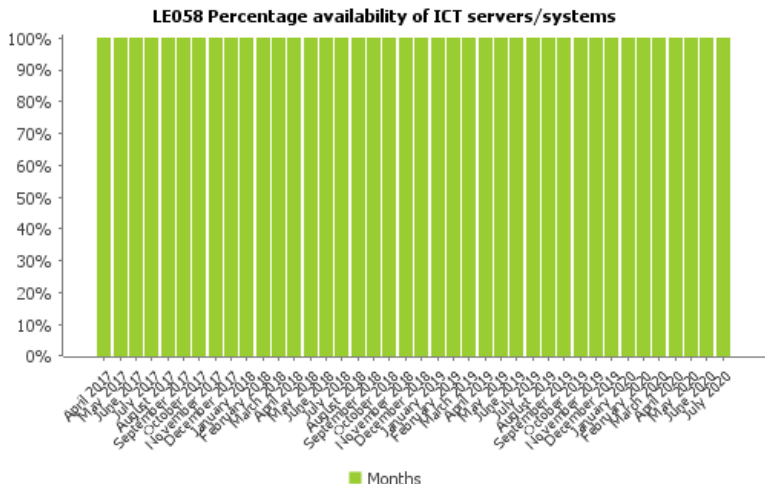


Current Value 2,179



Managed By Dave Johnson

LE058 Percentage availability of ICT servers/systems Aim to Maximise



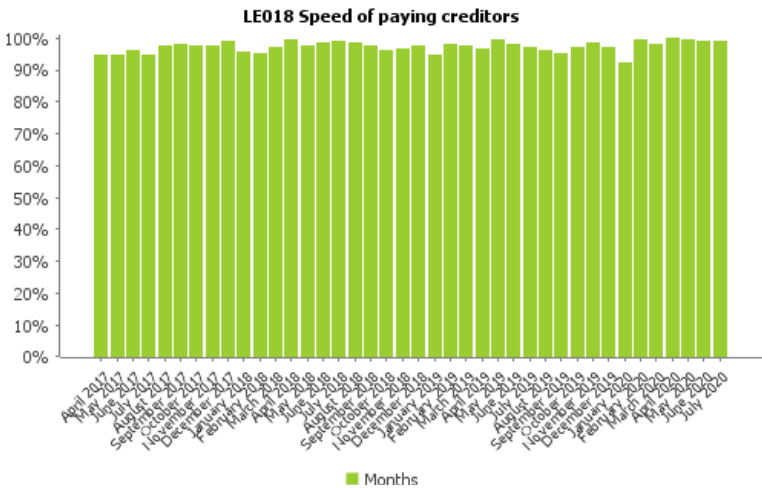
Current Value 100%



Managed By Dave Johnson

LE018 Speed of paying creditors

Aim to
Maximise



Current
Value

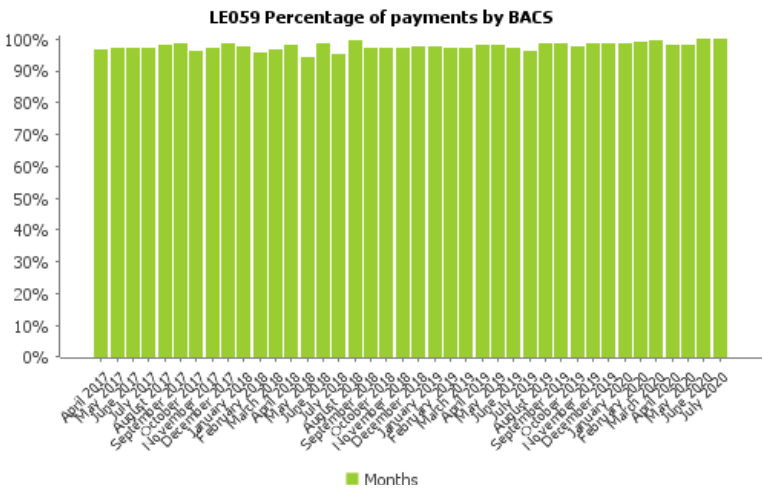
98.74%



Managed By Tracey Southall

LE059 Percentage of payments by BACS

Aim to
Maximise



Current
Value

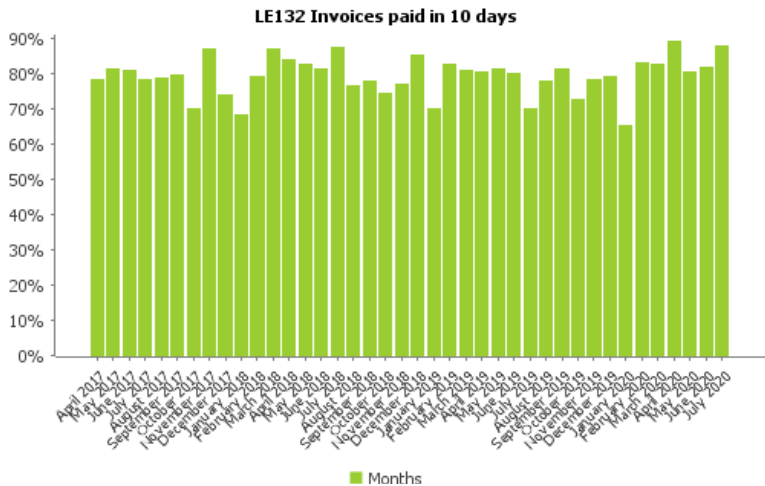
99.79%



Managed By Tracey Southall

LE132 Invoices paid in 10 days

Aim to
Maximise



Current
Value

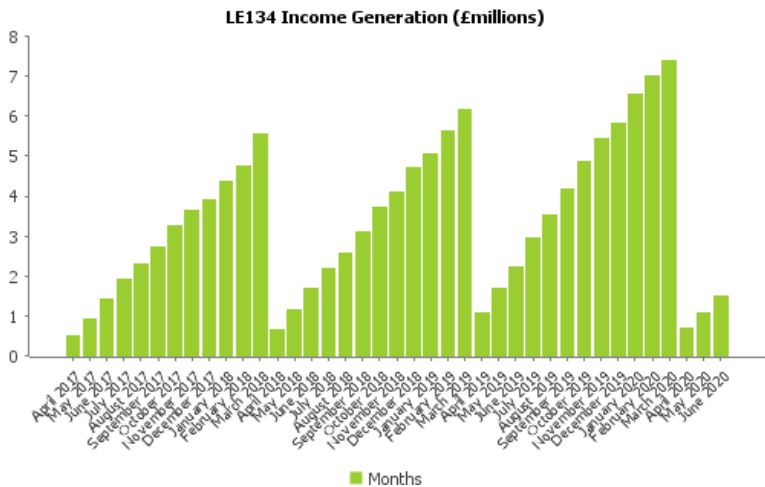
88%



Managed By Tracey Southall

LE134 Income Generation (£millions)

Aim to
Maximise



Current
Value

1.51



Managed By Tracey Southall

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

Aim to Minimise



Current Value 1.13

Managed By Rachael Simpson

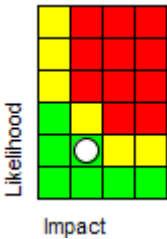
Risks

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

Failure to adapt to streamlining of service delivery.
The Council continues to male plans to close the significant funding gap and this inevitably means it will continue to undergo major transformational change. Whilst this change will include the review of processes, cultural and behavioural change, it will also involve the cessation/transfer of some services. 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. Activity to mitigate

Current Risk Matrix



Impact Marginal
Likelihood Very Low



Target Risk Matrix



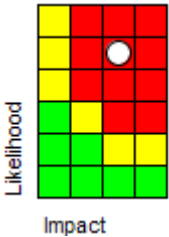
Impact Negligible
Likelihood Very Low



this risk has been delayed by the Covid-19 Pandemic – see COPRRISK 16.

Unable to deliver a sustainable budget for the long term. The outcome of the Fair Funding Reform has been deferred past 2021-22 and represents a significant risk. There has been a 1 year Spending Round for 2020-21. This confirmed the Reset and Fair funding review will be put back to 2021-2022. Negative RSG should be removed for 2021, The working assumption is that NHB Legacy payments will be paid. Business Rates 75% pilots to end after 2019-20. 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 £1.7m per annum by 2022. 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

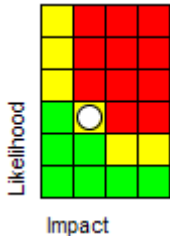
Current
Risk
Matrix



Impact Critical
Likelihood High



Target
Risk
Matrix



Impact Marginal
Likelihood Low



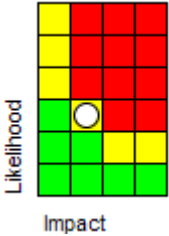
CORPRISK04

in this 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 are intended to generate both housing and business growth whilst also generating a net revenue income stream to help alleviate the significant financial pressures. The introduction of a Financial Resilience Index by the Chartered Institute of Finance and Accountancy (CIPFA) may prompt further challenge to our future financial resilience. The Council is also responding to the findings of the follow up visit by the LGA peer review team. Brexit and COVID_19 also impact on financial sustainability. Corporate Risk 16 covers the COVID-19 pandemic impact on the Council including the significant financial impact. Corporate Risks 03 – Affordable Homes and 16 is also allied to delivery of a sustainable budget

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 and COVID-19 so increase this risk.

CORPRISK05

Current
Risk
Matrix



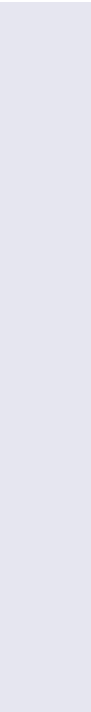
Impact Marginal

Likelihood Low

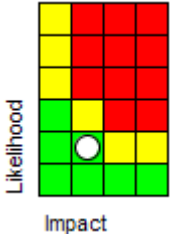
CORPRISK06

Implementation of ICT Strategy. There continues to

Current



Target
Risk
Matrix



Impact Marginal

Likelihood Very Low



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 with a further approval of £653k approved in February 2020. This 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 Financial Strategy. There are emerging issues around some integration limitations that may hinder some transformation work streams. 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. particularly in light of the increased requirement for homeworking and remote meetings.

Risk Matrix

Current

Impact Critical
Likelihood Low



Risk Matrix

Target

Impact Marginal
Likelihood Very Low

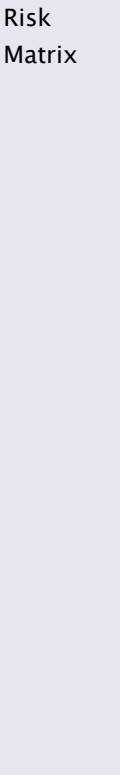


CORPRISK07 Not able to maintain a skilled and motivated

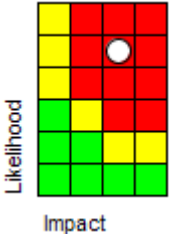
CORPRISK08

workforce. Against the background of the current local agreement until March 2021. Council on 25th September 2019 agreed a move back toward annual pay increases in line with the National Pay Agreement from 2021. 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 have 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 workforce restructures. The Council has responded to findings from the peer review follow up visit that relate to workforce issues.

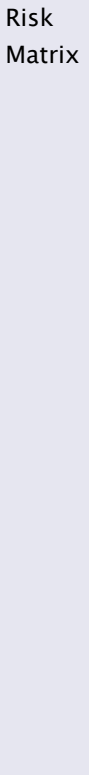
Capacity to do everything is insufficient. A flexible resource is required to do everything that the Council has committed itself to – transformation, core service review, and review of partnerships to commence in 2020. The pace of change and need to continue to deliver key projects, represent a significant 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



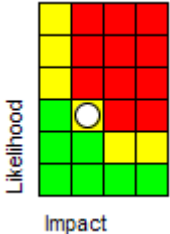
Impact Critical
Likelihood Significant



Impact Critical
Likelihood High

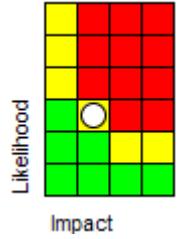



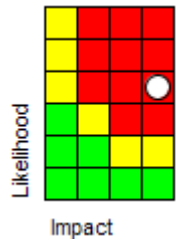
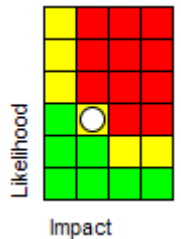








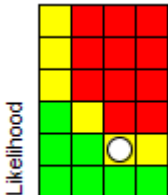

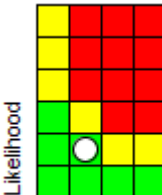





Impact Marginal
Likelihood Low



Impact Marginal
Likelihood Low



	<p>Council. This is particularly true given the increased savings targets from 2020–21 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. The impact of Coronavirus (COVID–19) represents a risk to business need see CORPRISK 16.</p>				
CORPRISK09	<p>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.</p>	Current Risk Matrix	 <p>Impact Marginal Likelihood Low</p>	 <p>Impact Negligible Likelihood Very Low</p>	 
CORPRISK10	<p>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.</p>	Current Risk Matrix	 <p>Impact Catastrophic Likelihood Significant</p>	 <p>Impact Marginal Likelihood Low</p>	 
CORPRISK11	<p>Unable to deliver satisfactory services through</p>	Current			 

	<p>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 setup 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</p>	Risk Matrix	<p>Impact Marginal</p> <p>Likelihood Very Low</p>	Risk Matrix	<p>Impact Negligible</p> <p>Likelihood Very Low</p>
CORPRISK12	<p>Ensure Members are regularly updated on corporate plans and proposals including Wyre Forest Forward. This also includes regular meetings of the Group Leaders and the Corporate Induction Plan undertaken in May – July 2019.</p>	Current Risk Matrix	 <p>Impact Critical</p> <p>Likelihood Very Low</p>	 <p>Target Risk Matrix</p>  <p>Impact Marginal</p> <p>Likelihood Very Low</p>	
CORPRISK13	<p>Localism: Sustaining the pace and effectiveness of</p>	Current		 <p>Target</p> 	

asset and service transfers to third sector parties,
Parish and Town Councils



Impact Marginal
Likelihood Significant



Impact Marginal
Likelihood Very Low

Capital Projects

This report details the progress of all our capital projects



WFF 20/21 68

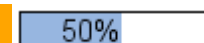
Green street depot 2020 improvement and investment plan



Due Date	Managed By	Latest Note	Latest Note Date
30-Jun-2020	Steve Brant	Building fully completed and we are in 12 month retention period.	19-Aug-2020

WFF 20/21 77

Churchfields



Due Date	Managed By	Latest Note	Latest Note Date
31-Dec-2020	Mike Parker	County Council's contractor has now resumed works with expected completion early 2021.	24-Jun-2020

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

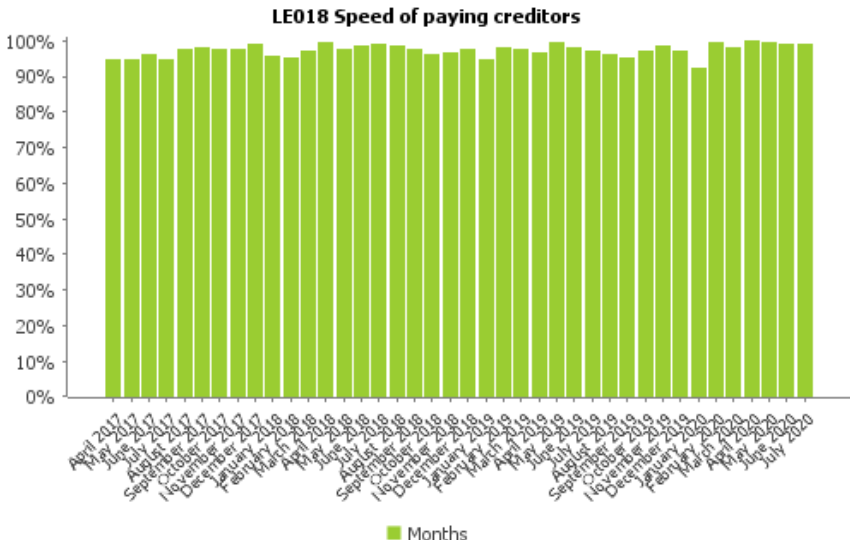
WFF 20/21 31

Lion Fields

ALL MEASURES

This report provides the data we have for all measures for all purposes.

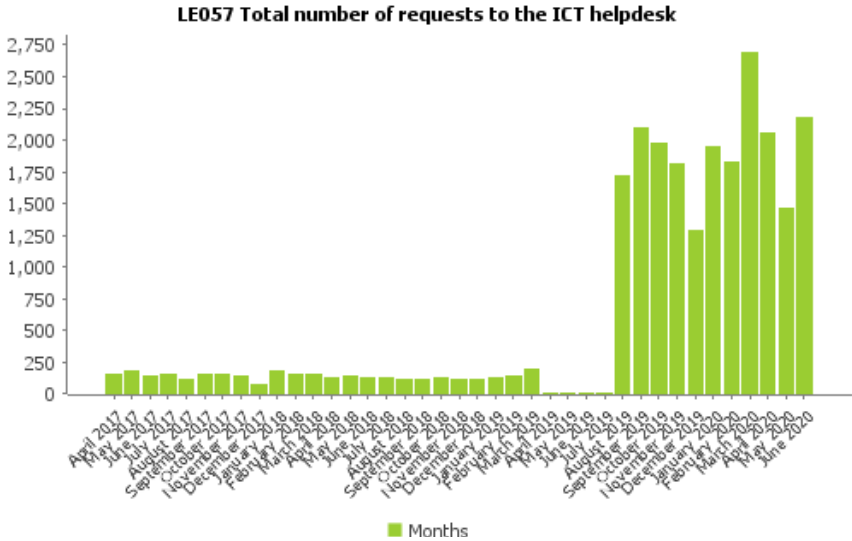
LE018 Speed of paying creditors



Current Value 98.74%

Managed By Tracey Southall

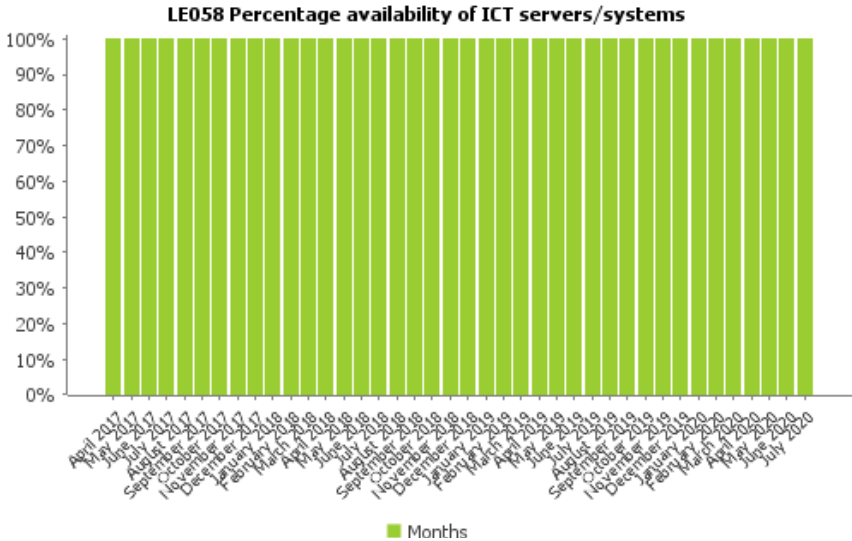
LE057 Total number of requests to the ICT helpdesk



Current Value 2,179

Managed By Dave Johnson

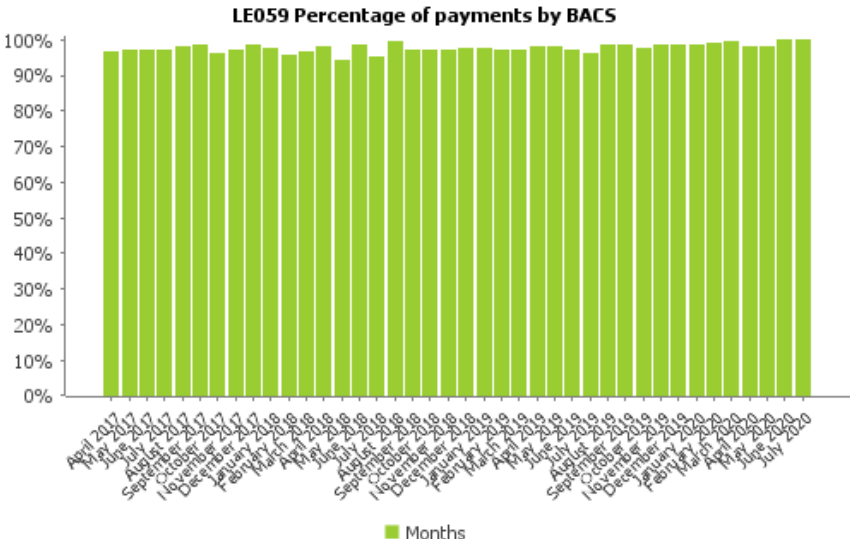
LE058 Percentage availability of ICT servers/systems



Current Value 100%

Managed By Dave Johnson

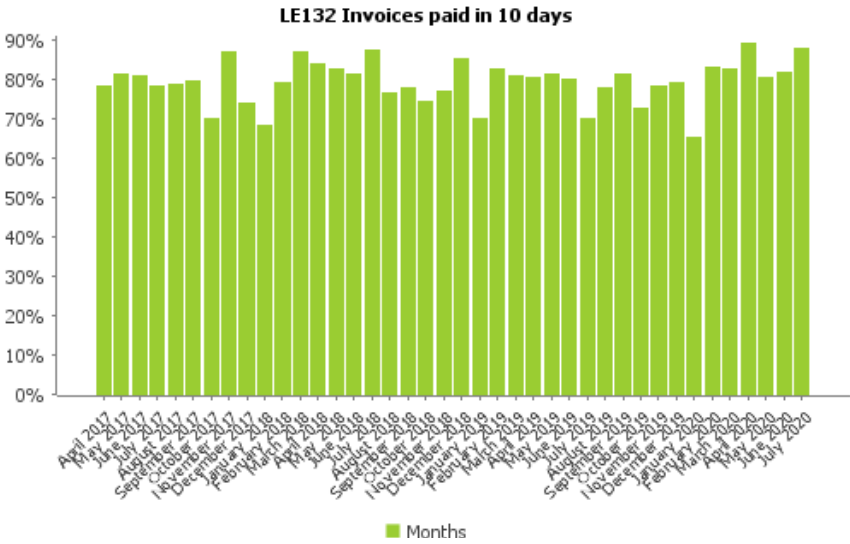
LE059 Percentage of payments by BACS



Current Value 99.79%

Managed By Tracey Southall

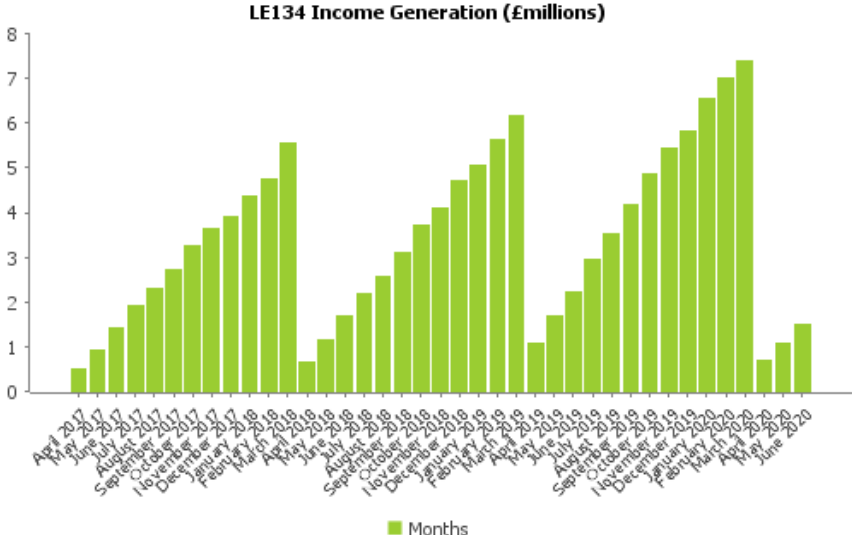
LE132 Invoices paid in 10 days



Current Value 88%

Managed By Tracey Southall

LE134 Income Generation (£millions)

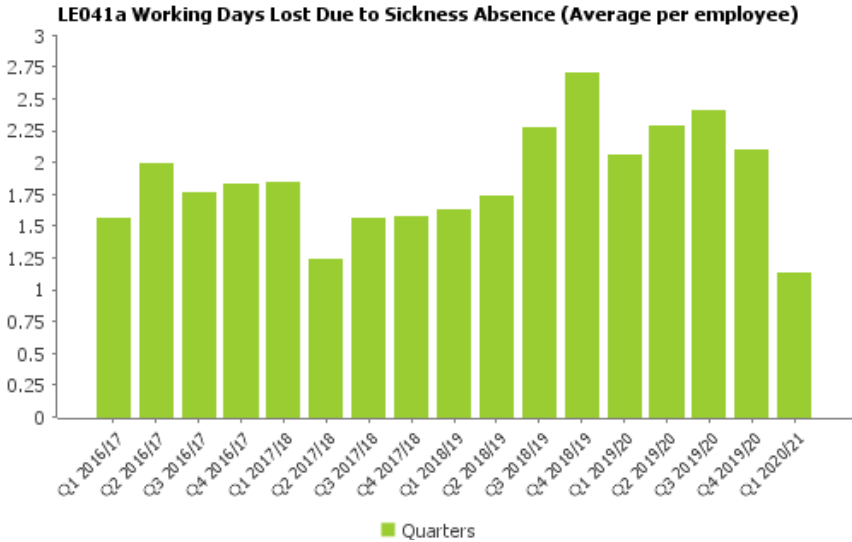


Current Value 1.51

Managed By Tracey Southall

LE041 Working Days Lost Due to Sickness Absence (Average per employee)

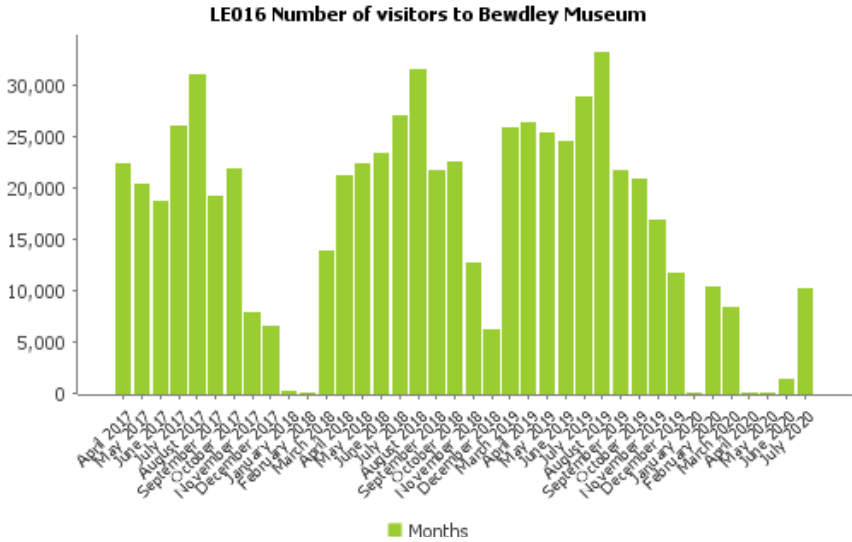
a



Current Value 1.13

Managed By Rachael Simpson

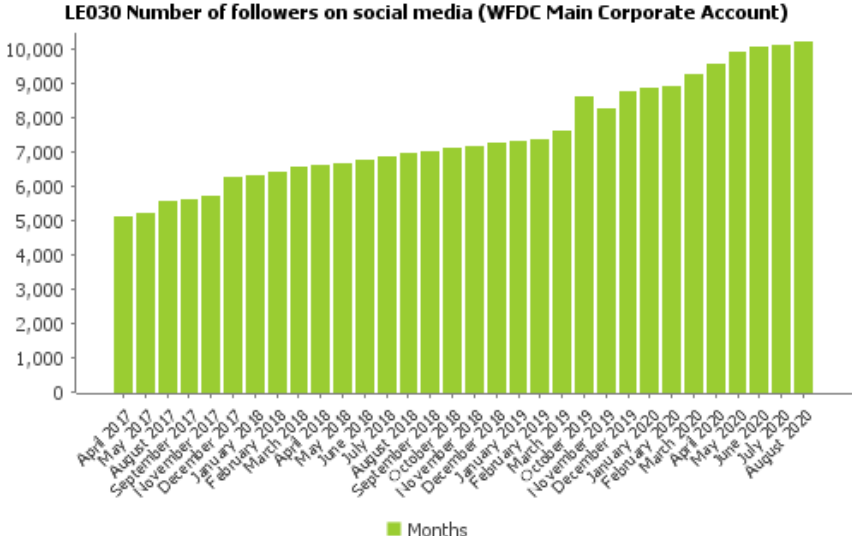
LE016 Number of visitors to Bewdley Museum



Current Value 10,189

Managed By Alison Bakr

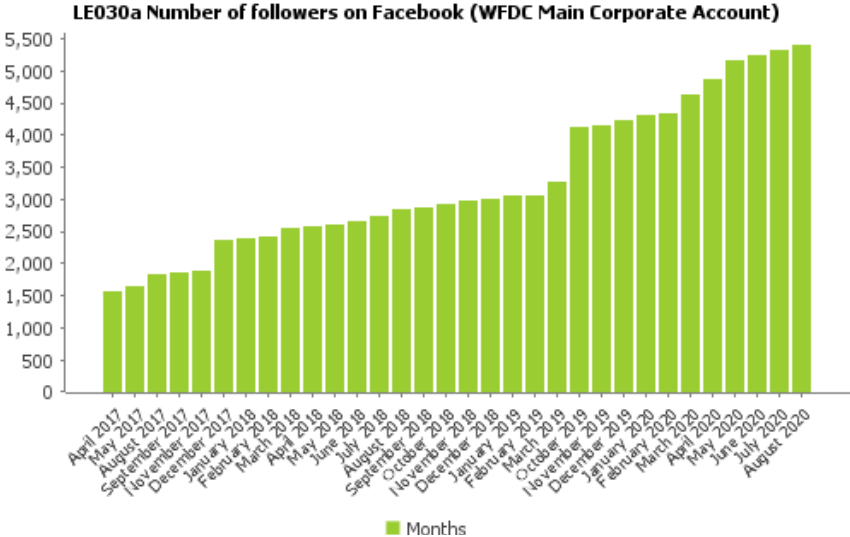
LE030 Number of followers on social media (WFDC Main Corporate Account)



Current Value 10,225

Managed By Suzanne Johnston-Hubbold

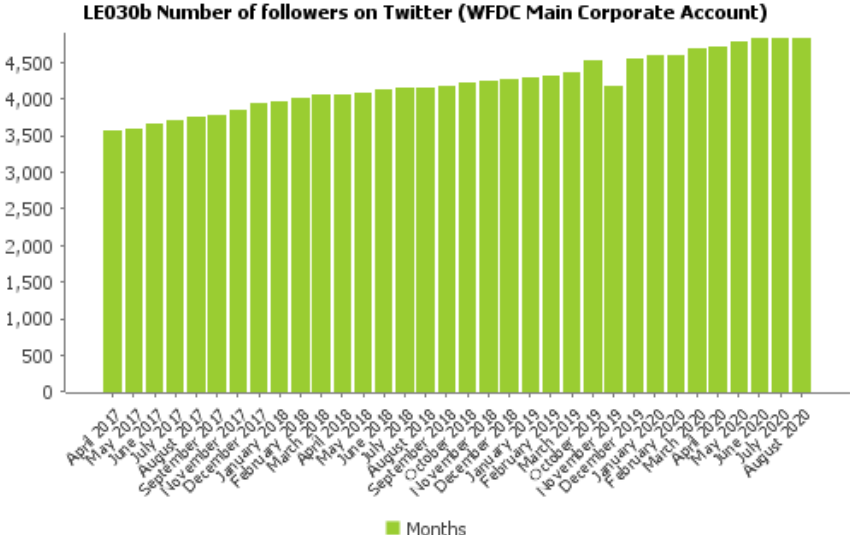
LE030 Number of followers on
a Facebook (WFDC Main Corporate Account)



Current Value 5,393

Managed By Suzanne
Johnston-
Hubbold

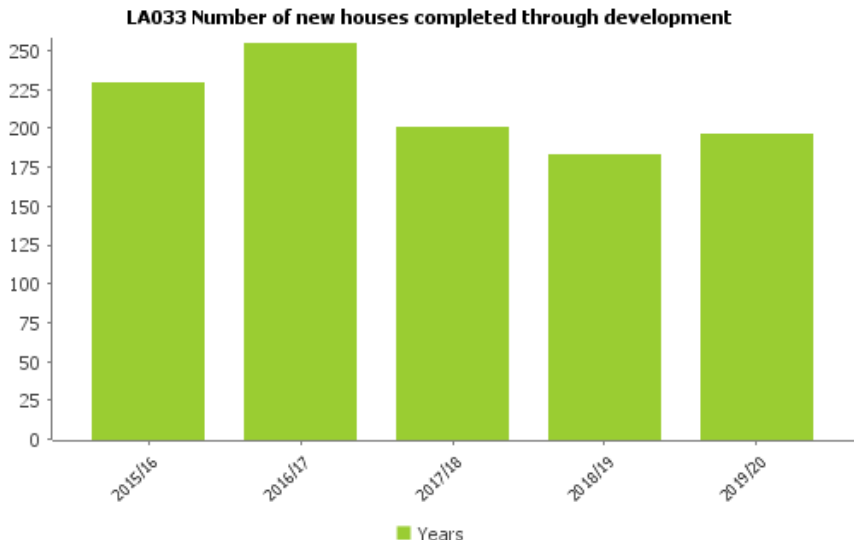
LE030 Number of followers on Twitter
b (WFDC Main Corporate Account)



Current Value 4,832

Managed By Suzanne
Johnston-
Hubbold

LA033 Number of new houses completed through development



Current Value 196

Managed By Kate Bailey

LA038 Average house price



Current Value £196,326.66

Managed By Kate Bailey

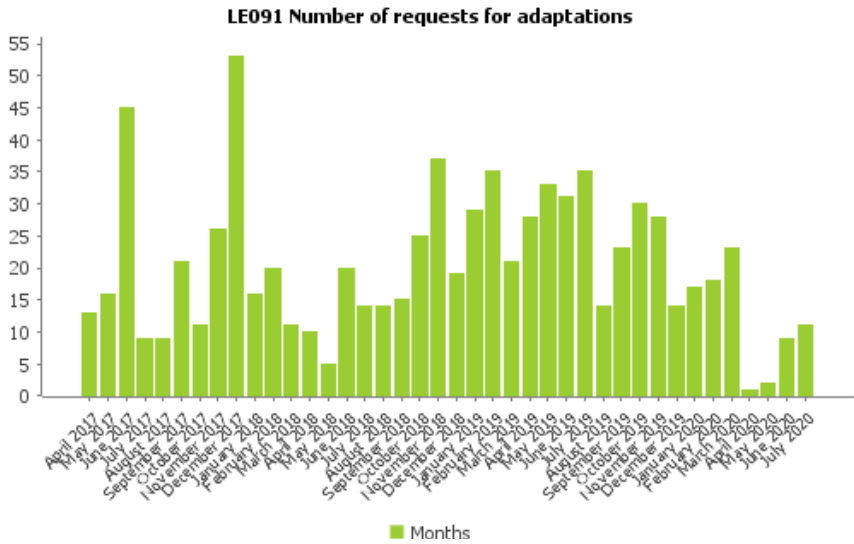
LA054 Number of new units of housing
a in planning applications
approved



Current Value 306

Managed By Kate Bailey

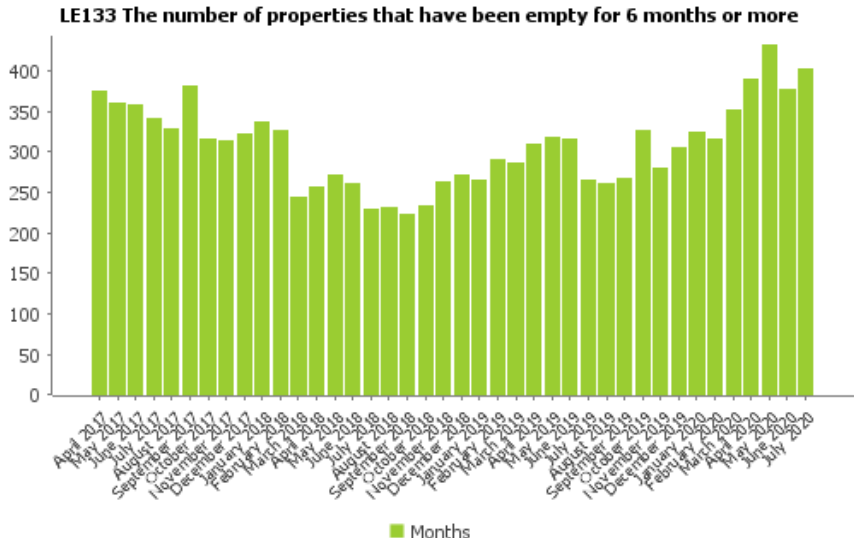
LE091 Number of requests for
adaptations



Current Value 11

Managed By Kate Bailey

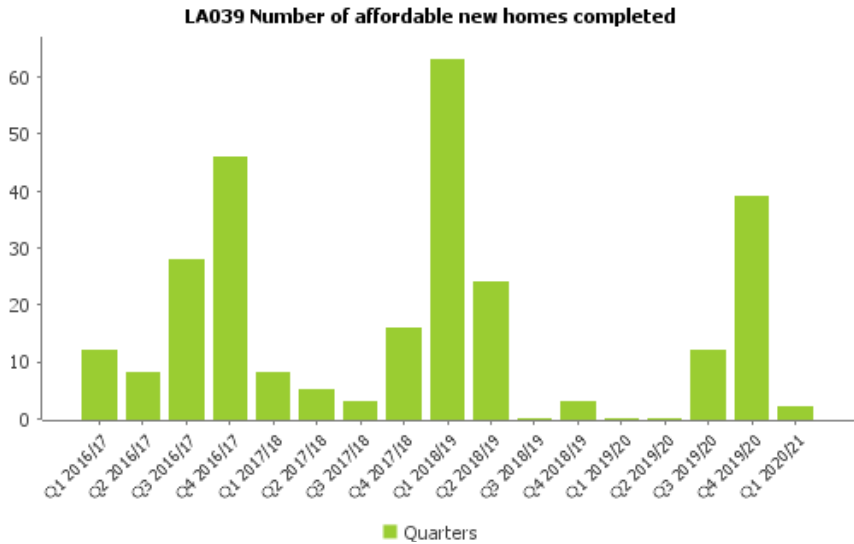
LE133 The number of properties that have been empty for 6 months or more



Current Value 403

Managed By Kate Bailey;
Mike Parker

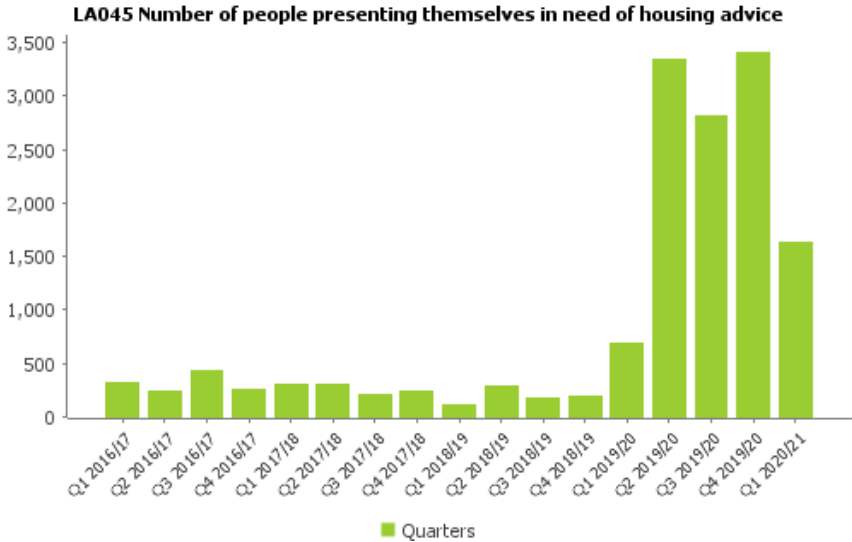
LA039 Number of affordable new homes completed



Current Value 2

Managed By Kate Bailey

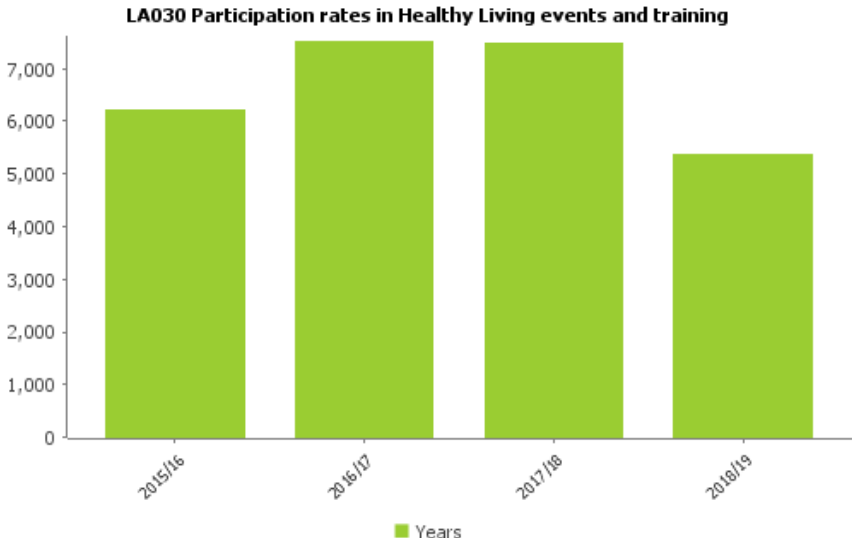
LA045 Number of people presenting themselves in need of housing advice



Current Value 1,633

Managed By Kate Bailey

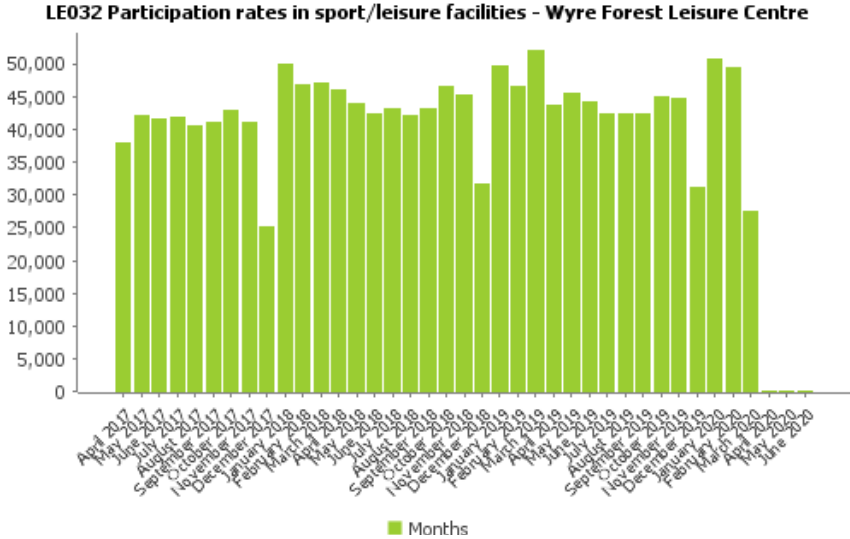
LA030 Participation rates in Healthy Living events and training



Current Value 5,380

Managed By Kate Bailey

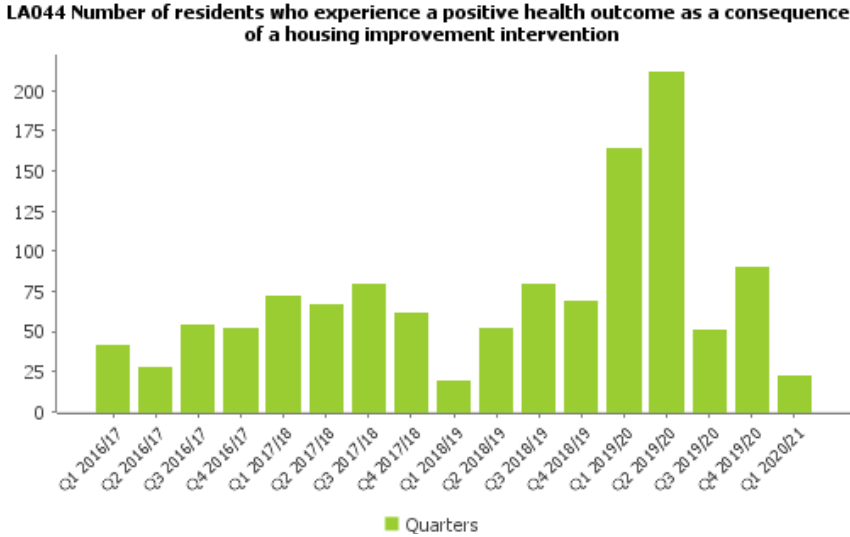
LE032 Participation rates in sport/leisure facilities – Wyre Forest Leisure Centre



Current Value 0

Managed By Dale Evans

LA044 Number of residents who experience a positive health outcome as a consequence of a housing improvement intervention



Current Value 22

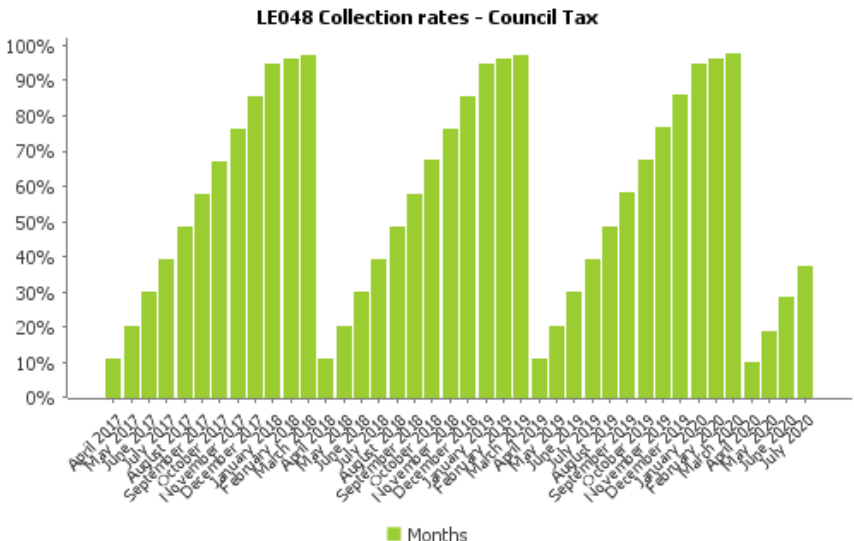
Managed By Kate Bailey

LA037 Average earnings



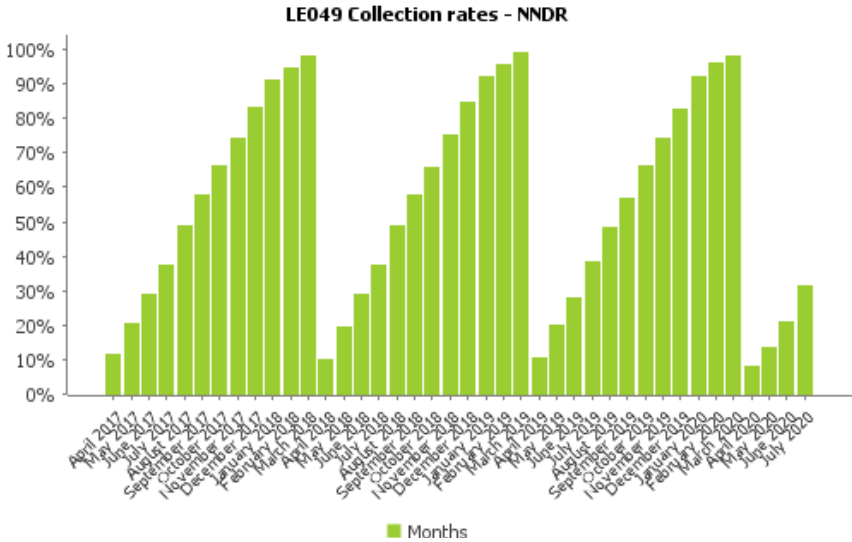
Current Value	£28,626.00	Managed By	Kate Bailey
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LE048 Collection rates – Council Tax



Current Value	37.4%	Managed By	Lucy Wright
---------------	-------	------------	-------------

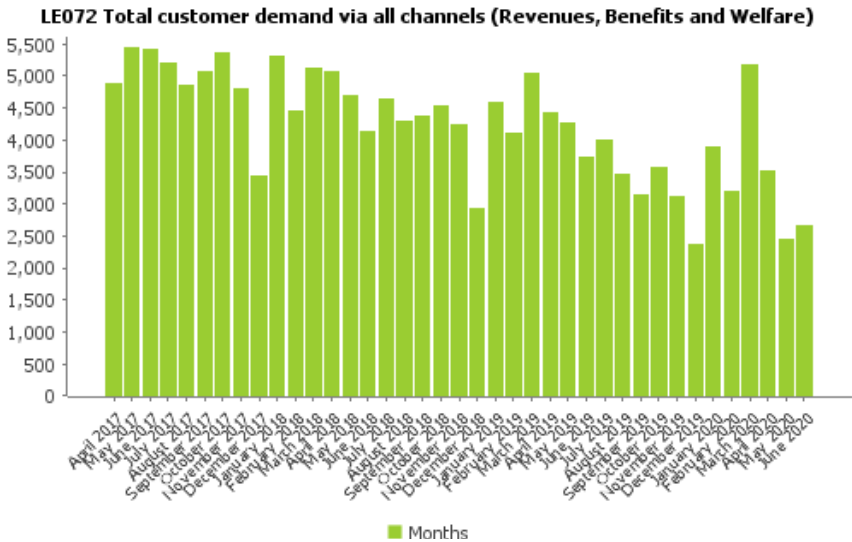
LE049 Collection rates – NNDR



Current Value 31.44%

Managed By Lucy Wright

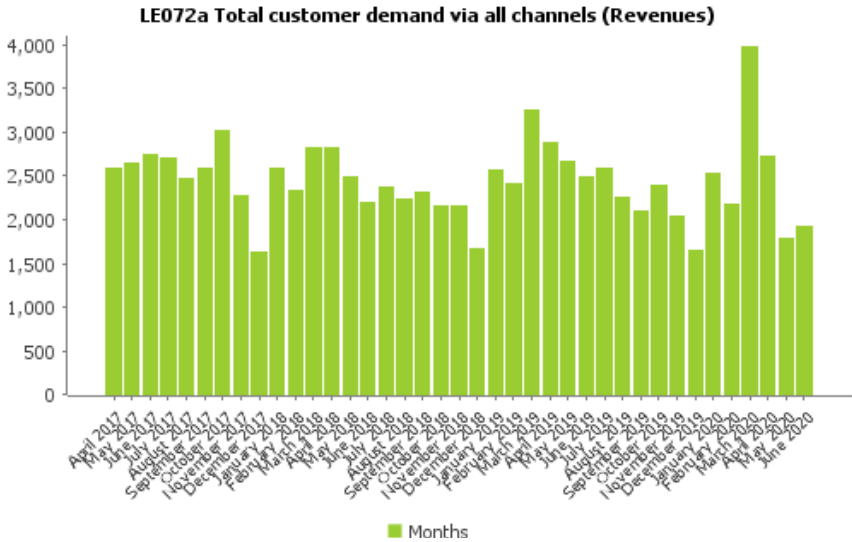
LE072 Total customer demand via all channels (Revenues, Benefits and Welfare)



Current Value 2,648

Managed By Lucy Wright

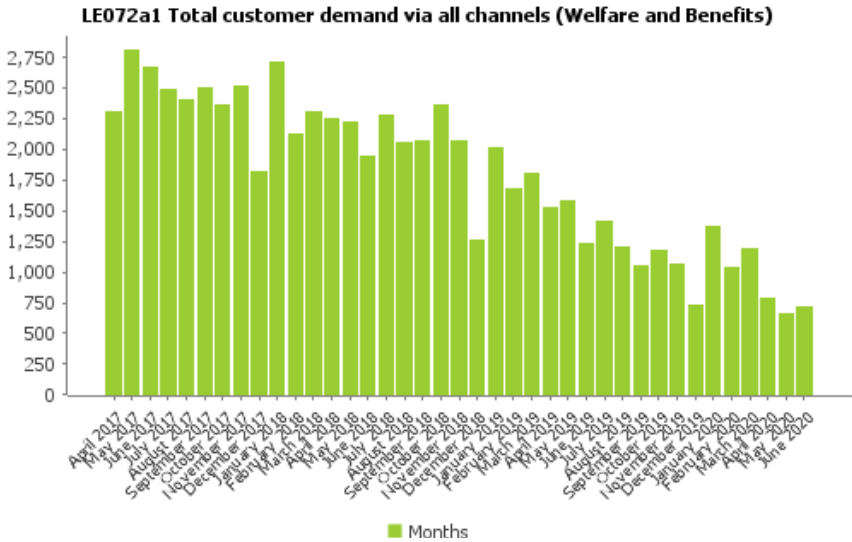
LE072 Total customer demand via all channels (Revenues)
a



Current Value 1,931

Managed By Lucy Wright

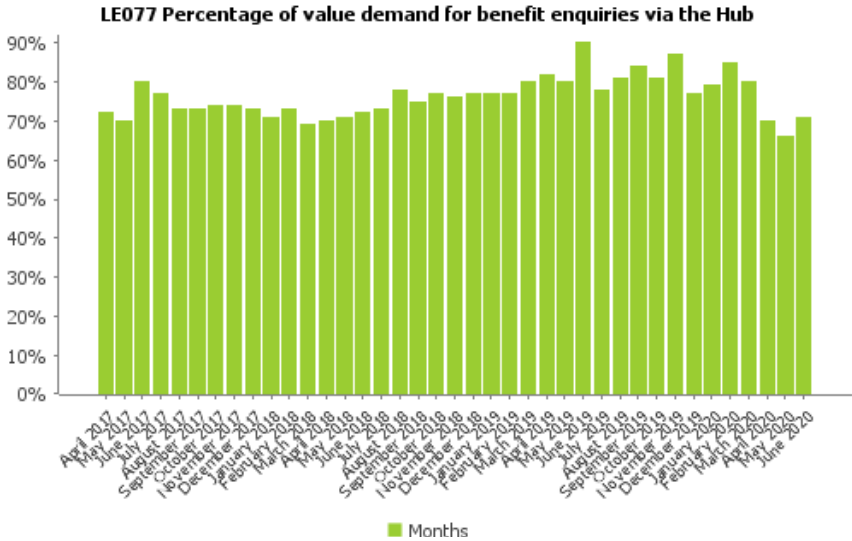
LE072 Total customer demand via all channels (Welfare and Benefits)
a1



Current Value 717

Managed By Lucy Wright

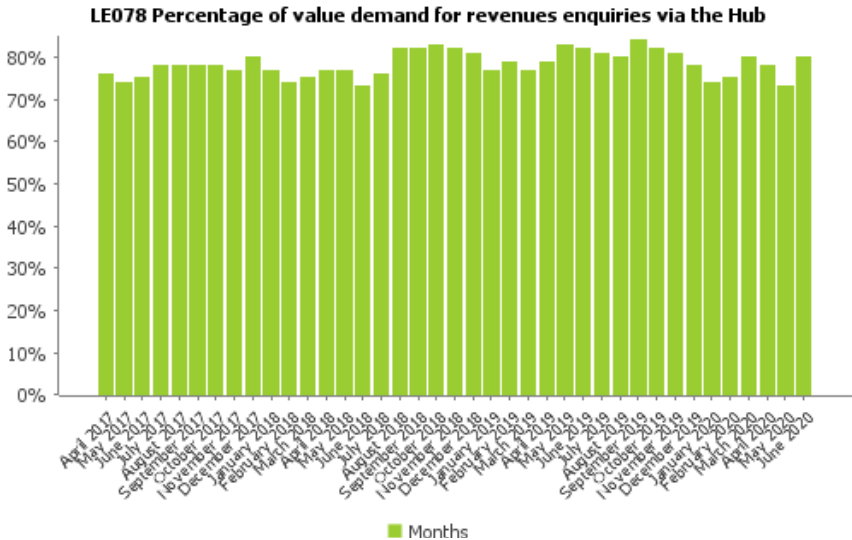
LE077 Percentage of value demand for benefit enquiries via the Hub



Current Value 71%

Managed By Lucy Wright

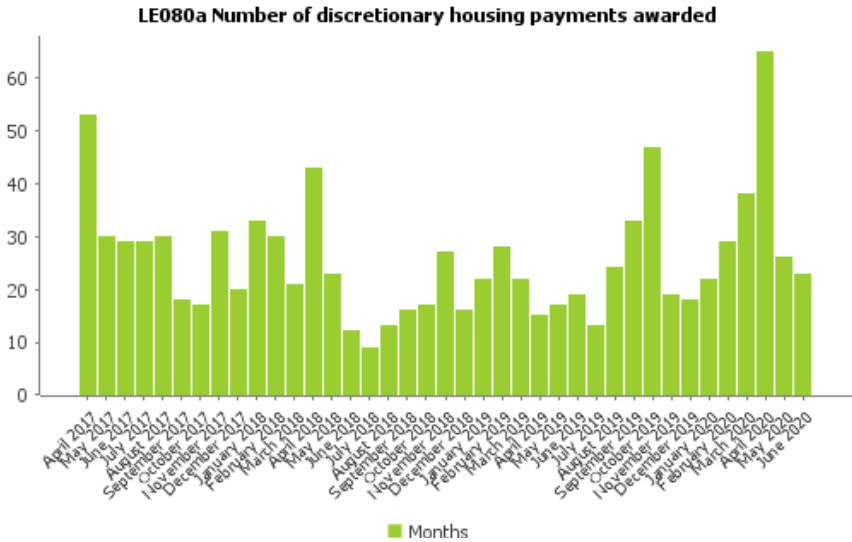
LE078 Percentage of value demand for revenues enquiries via the Hub



Current Value 80%

Managed By Lucy Wright

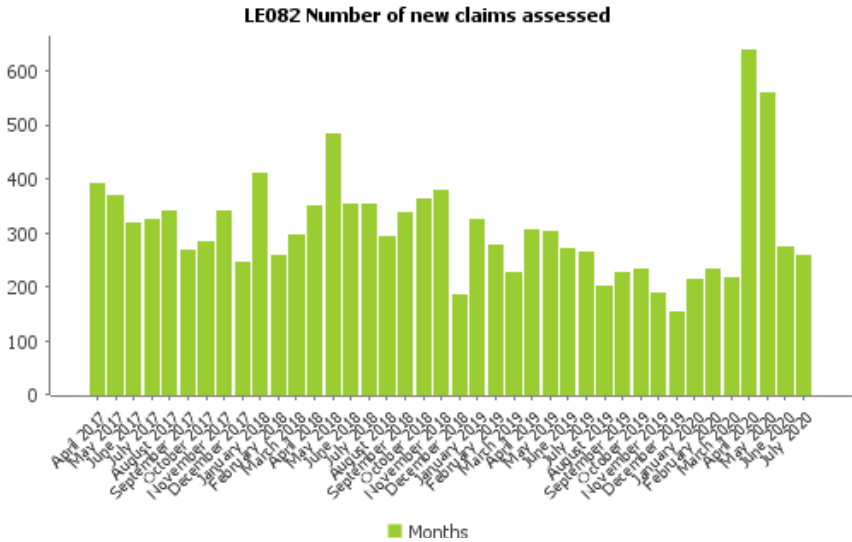
LE080 Number of discretionary housing payments awarded
a



Current Value 23

Managed By Lucy Wright

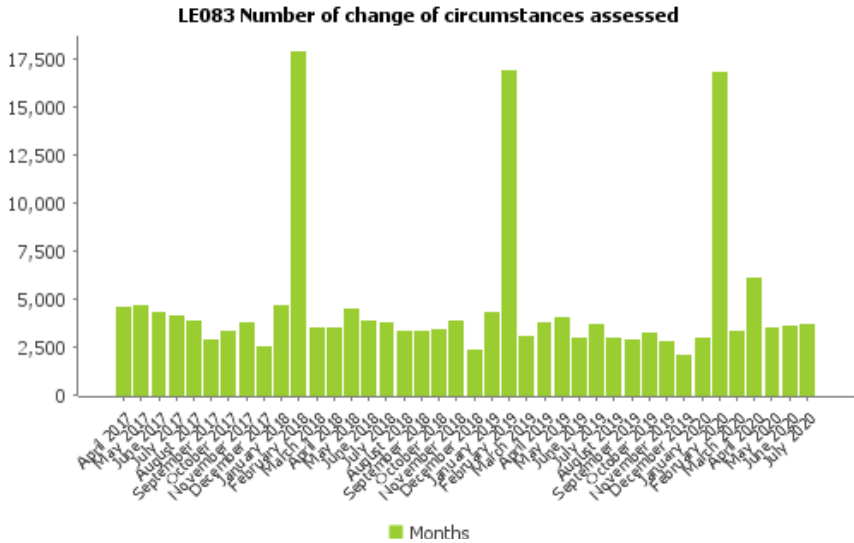
LE082 Number of new claims assessed



Current Value 258

Managed By Lucy Wright

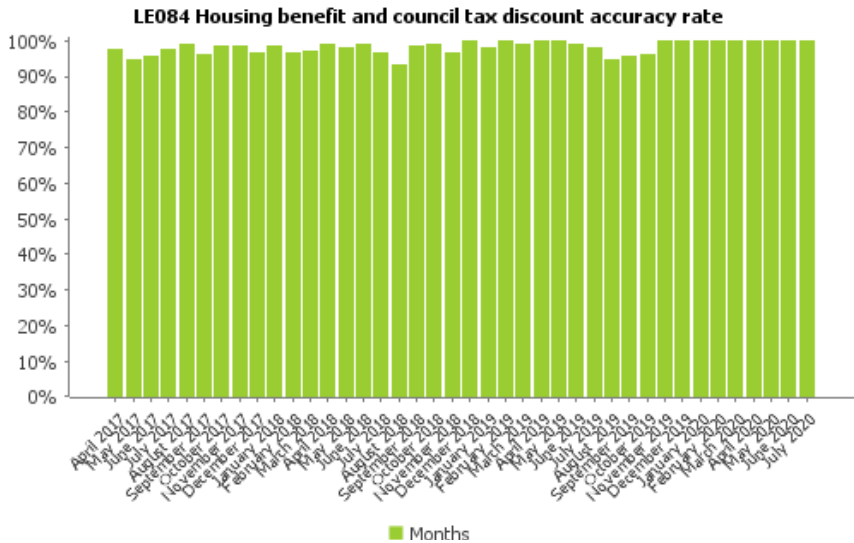
LE083 Number of change of circumstances assessed



Current Value 3,736

Managed By Lucy Wright

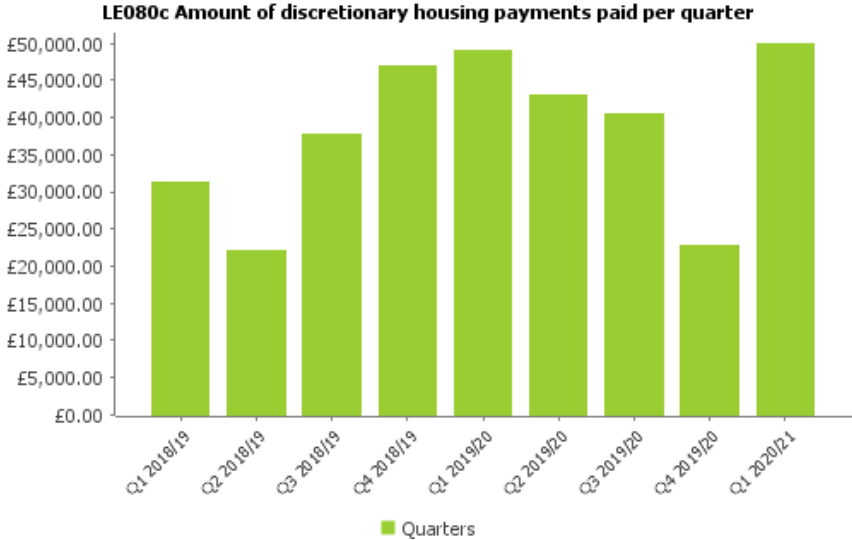
LE084 Housing benefit and council tax discount accuracy rate



Current Value 100%

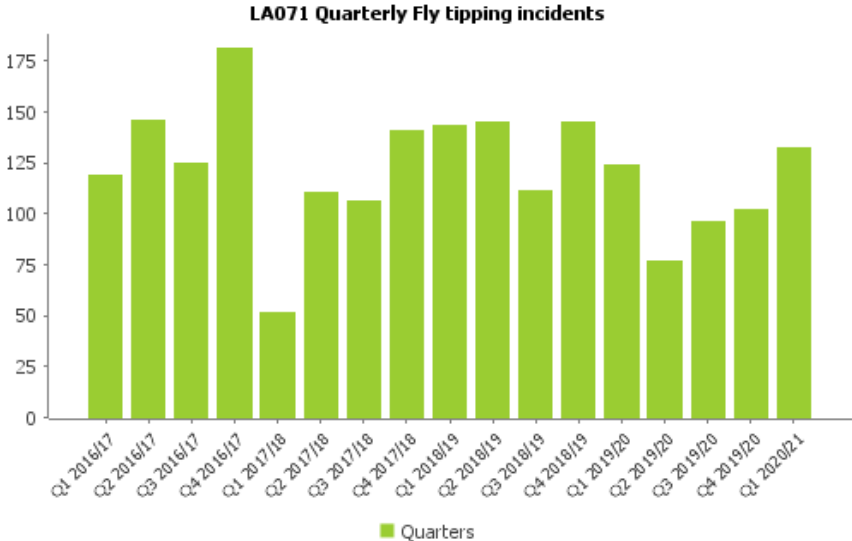
Managed By Lucy Wright

LE080 Amount of discretionary housing
c payments paid per quarter



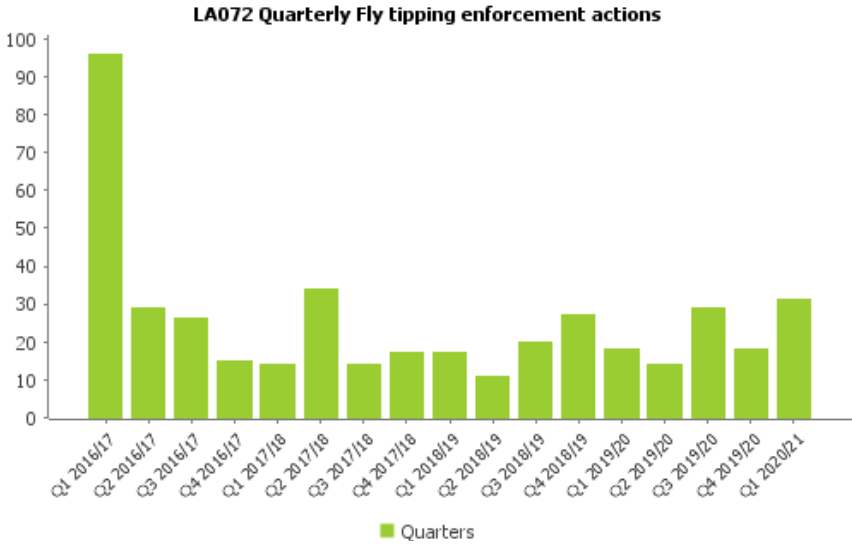
Current Value £49,952.00 Managed By Lucy Wright

LA071 Quarterly Fly tipping incidents



Current Value 132 Managed By Steve Brant

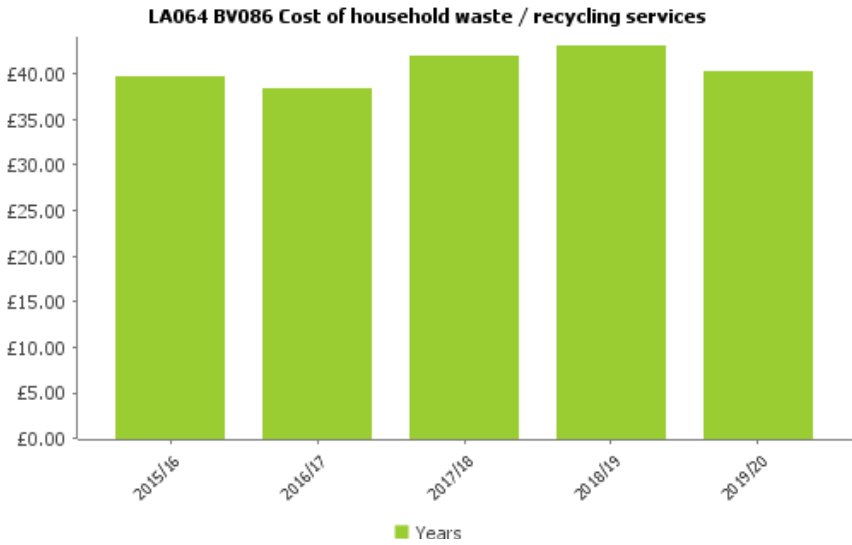
LA072 Quarterly Fly tipping enforcement actions



Current Value 31

Managed By Steve Brant

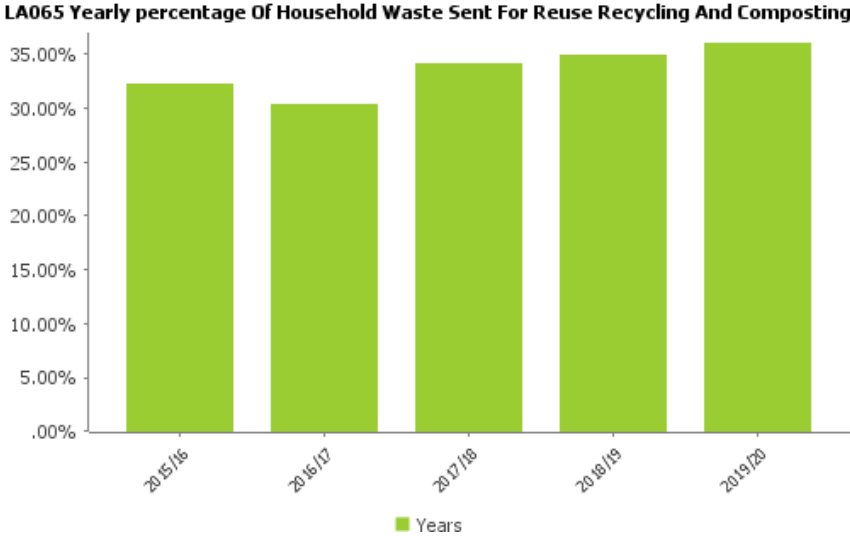
LA064 Cost of household waste / recycling services
BV086



Current Value £40.23

Managed By Steve Brant

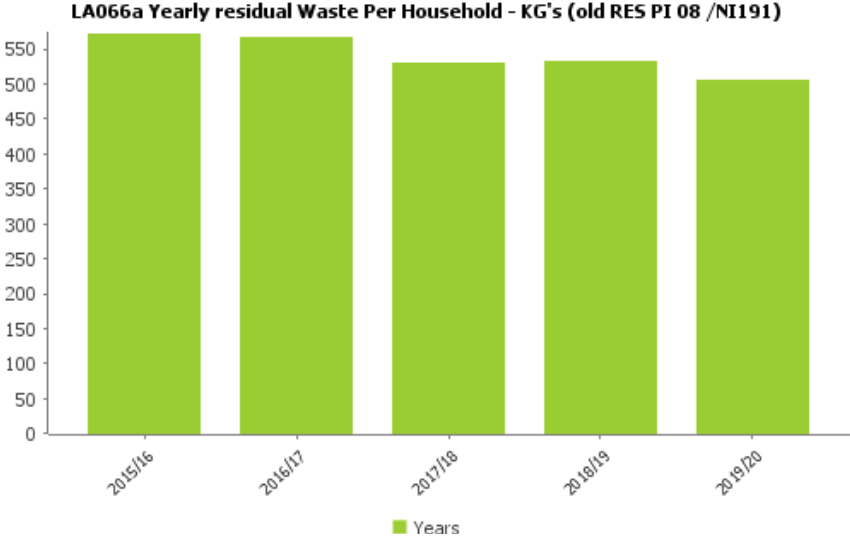
LA065 Yearly percentage Of Household Waste Sent For Reuse Recycling And Composting



Current Value 36.02%

Managed By Steve Brant

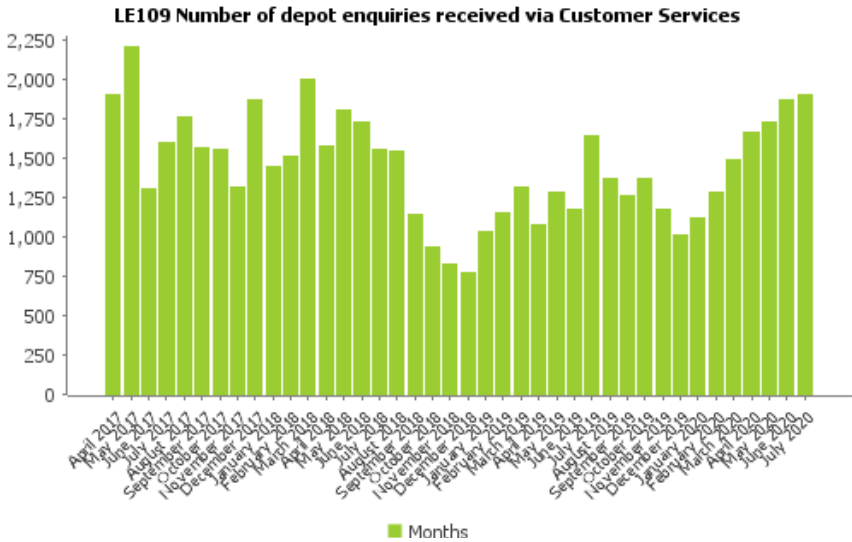
LA066 Yearly residual Waste Per Household – KG's (old RES PI 08 /NI191)
a



Current Value 506

Managed By Steve Brant

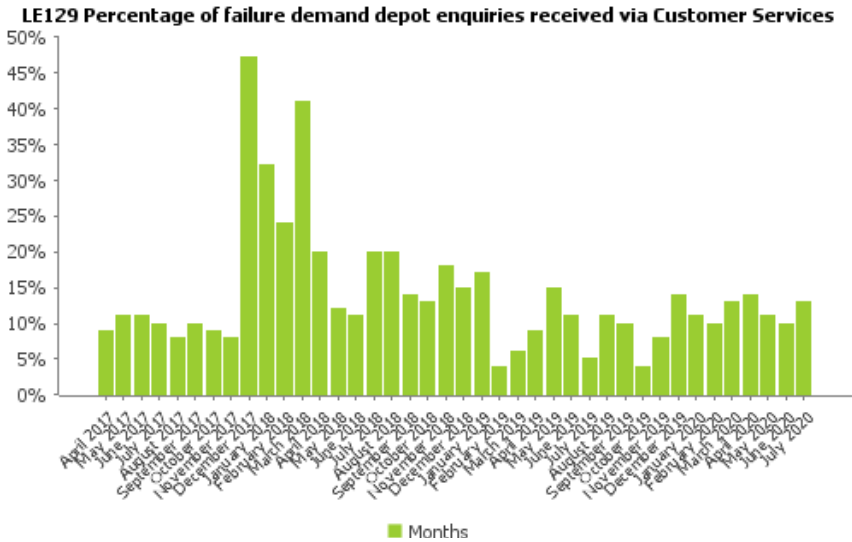
LE109 Number of depot enquiries received via Customer Services



Current Value 1,903

Managed By Steve Brant

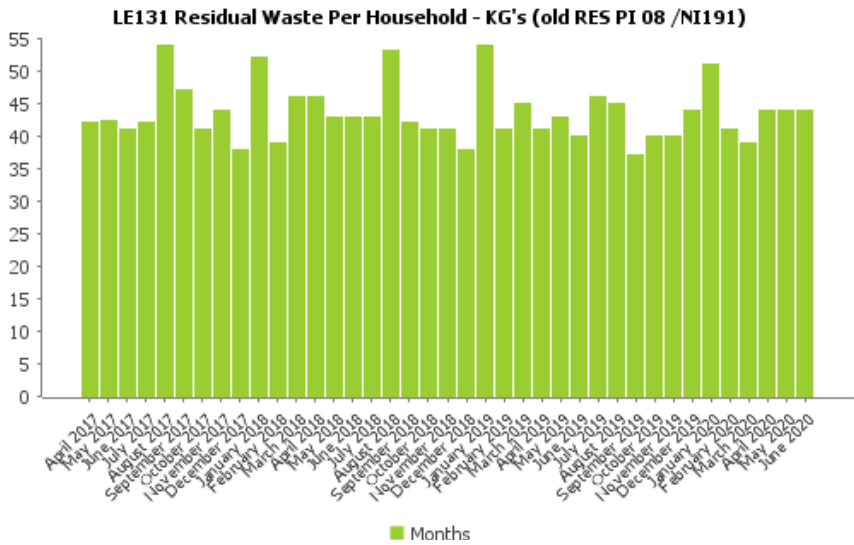
LE129 Percentage of failure demand depot enquiries received via Customer Services



Current Value 13%

Managed By Steve Brant

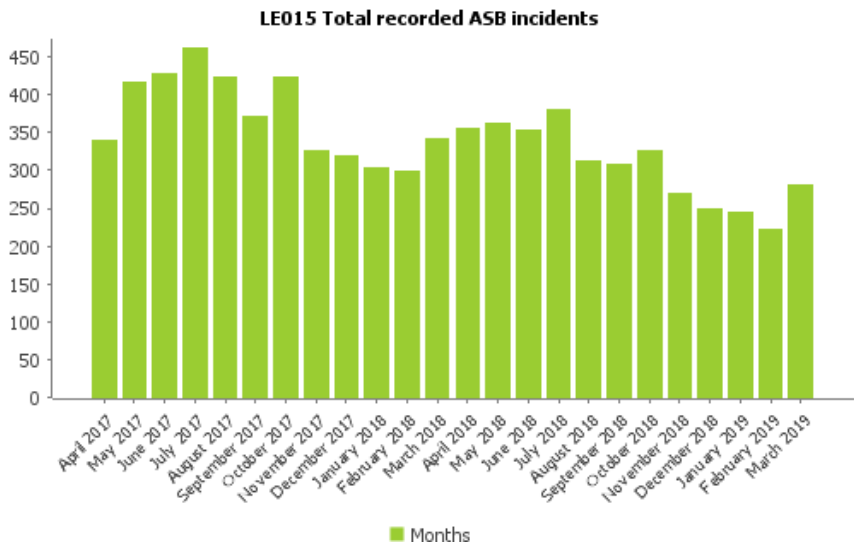
LE131 Residual Waste Per Household –
KG's (old RES PI 08 /NI191)



Current Value

Managed By Steve Brant

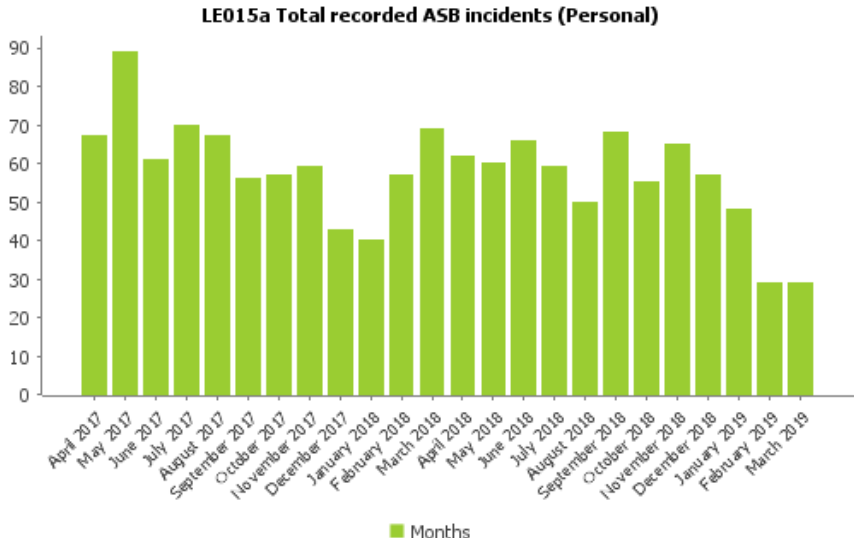
LE015 Total recorded ASB incidents



Current Value 280

Managed By Kathryn Underhill

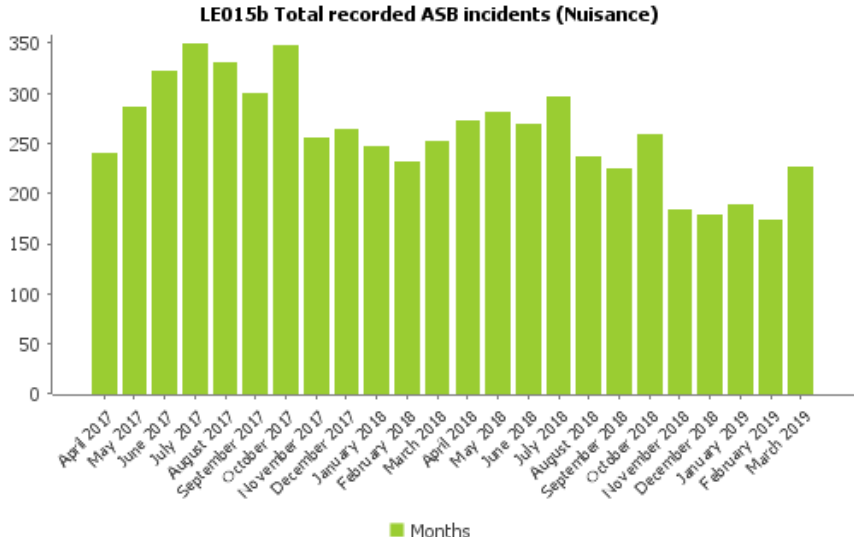
LE015 Total recorded ASB incidents
a (Personal)



Current Value 29

Managed By Kathryn Underhill

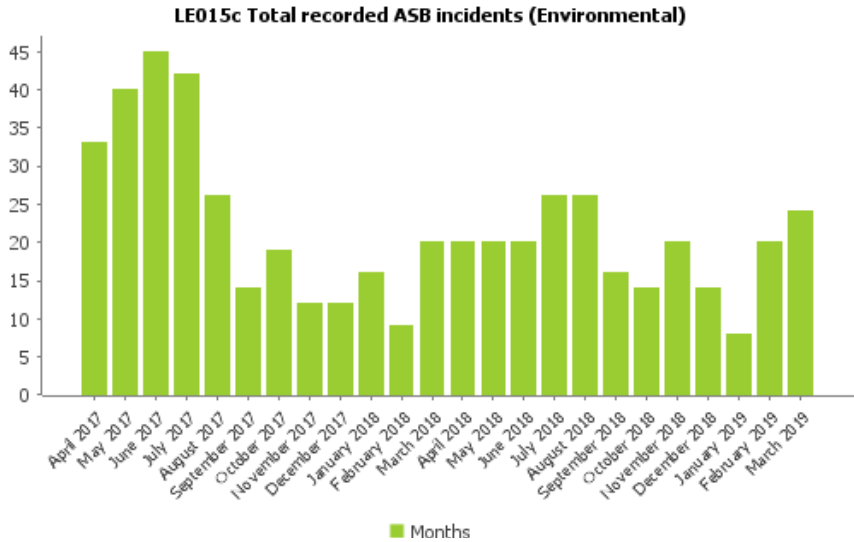
LE015 Total recorded ASB incidents
b (Nuisance)



Current Value 227

Managed By Kathryn Underhill

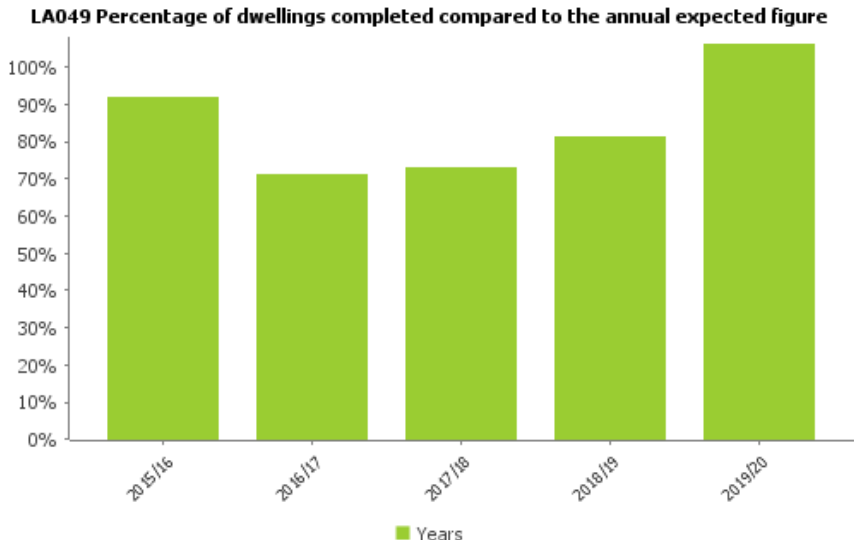
LE015 Total recorded ASB incidents (Environmental)
c



Current Value 24

Managed By Kathryn Underhill

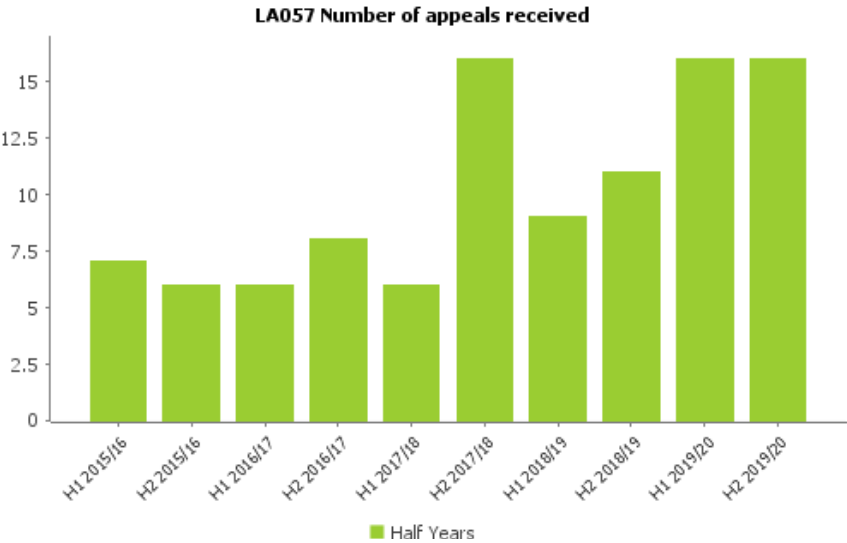
LA049 Percentage of dwellings completed compared to the annual expected figure



Current Value 106%

Managed By Kate Bailey

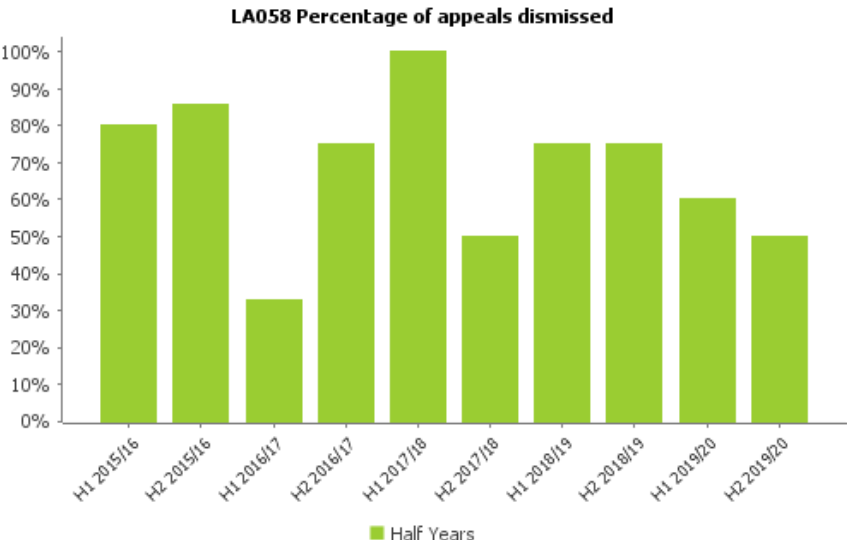
LA057 Number of appeals received



Current Value 32

Managed By Paul Round

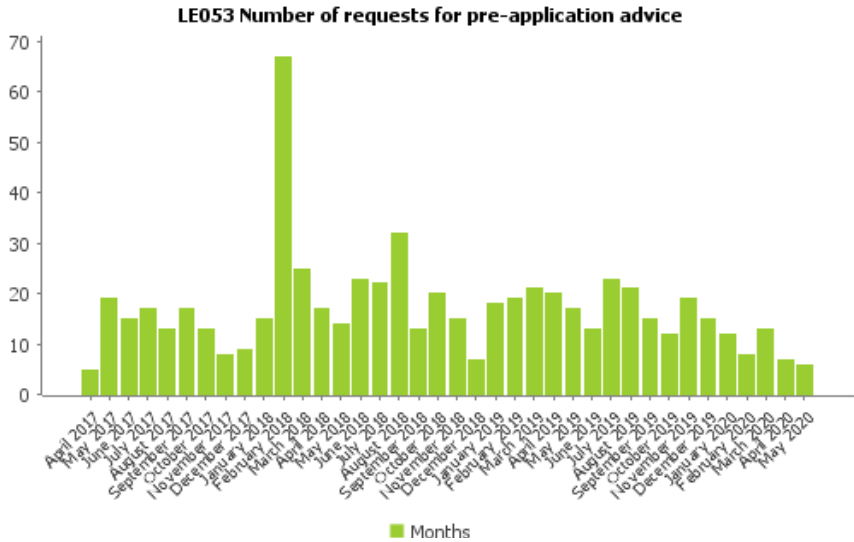
LA058 Percentage of appeals dismissed



Current Value 50%

Managed By Paul Round

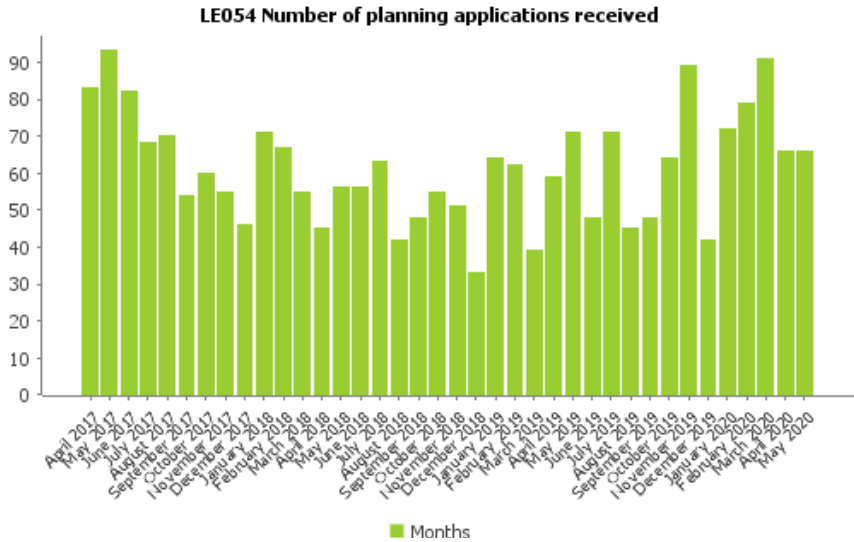
LE053 Number of requests for pre-application advice



Current Value 6

Managed By Paul Round

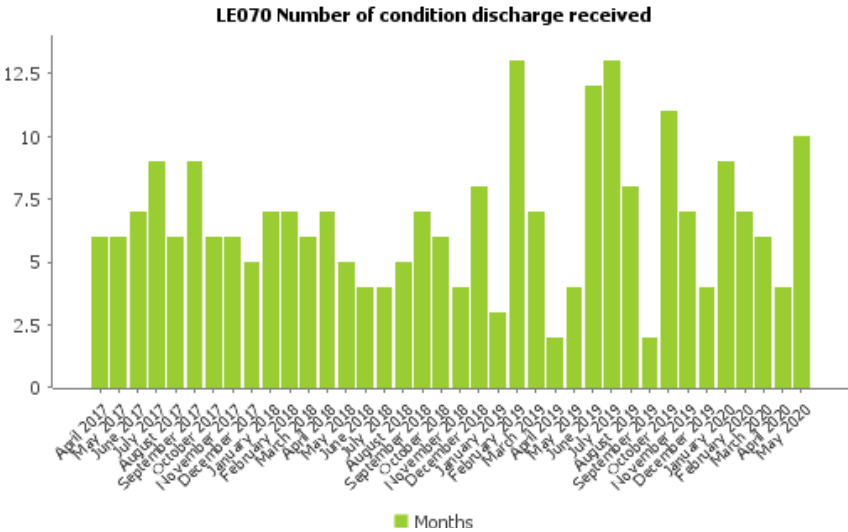
LE054 Number of planning applications received



Current Value 66

Managed By Paul Round

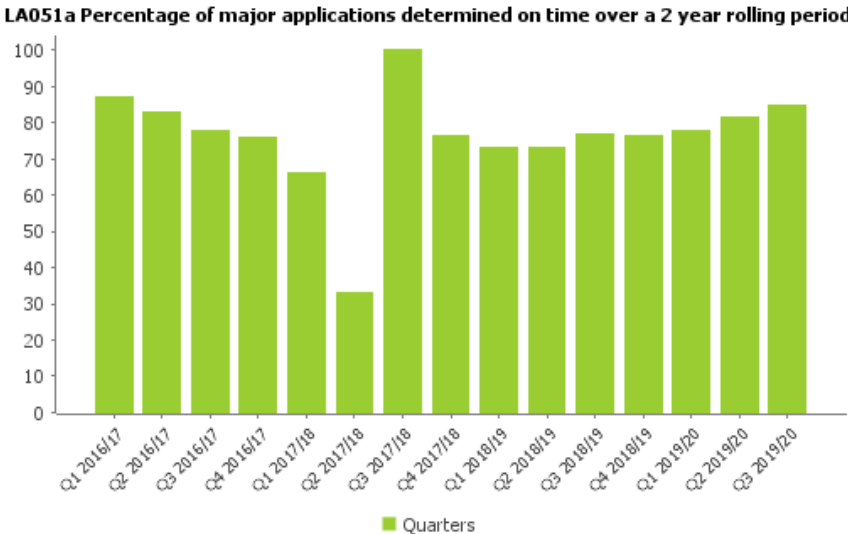
LE070 Number of condition discharge received



Current Value 10

Managed By Paul Round

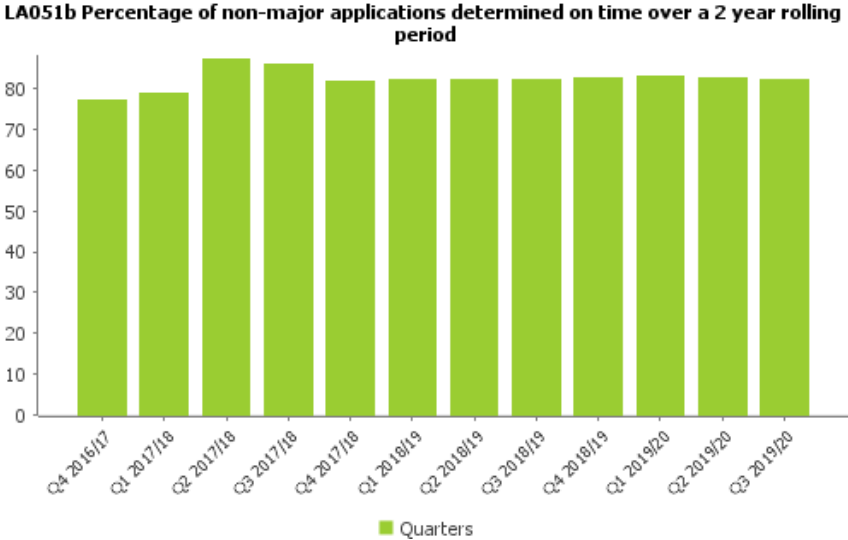
LA051 Percentage of major applications determined on time over a 2 year rolling period
a



Current Value 85

Managed By Paul Round

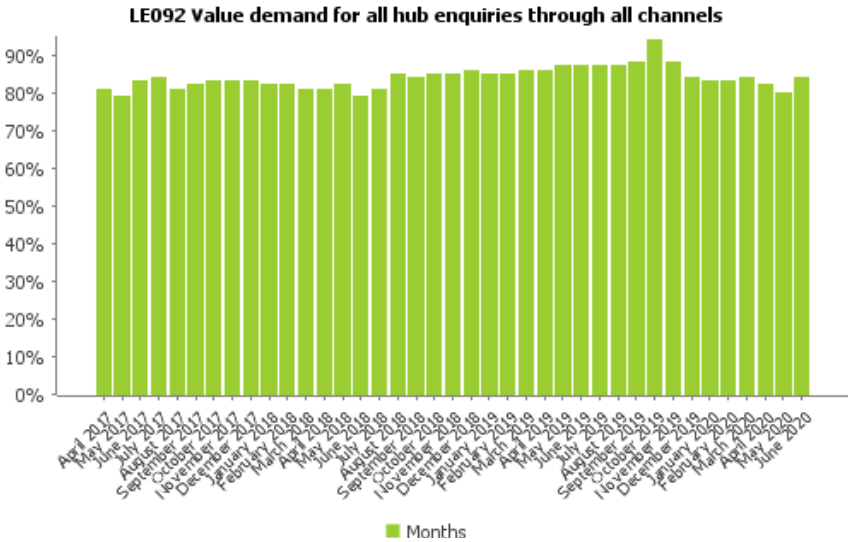
LA051 Percentage of non-major applications determined on time over a 2 year rolling period
b



Current Value 82

Managed By Paul Round

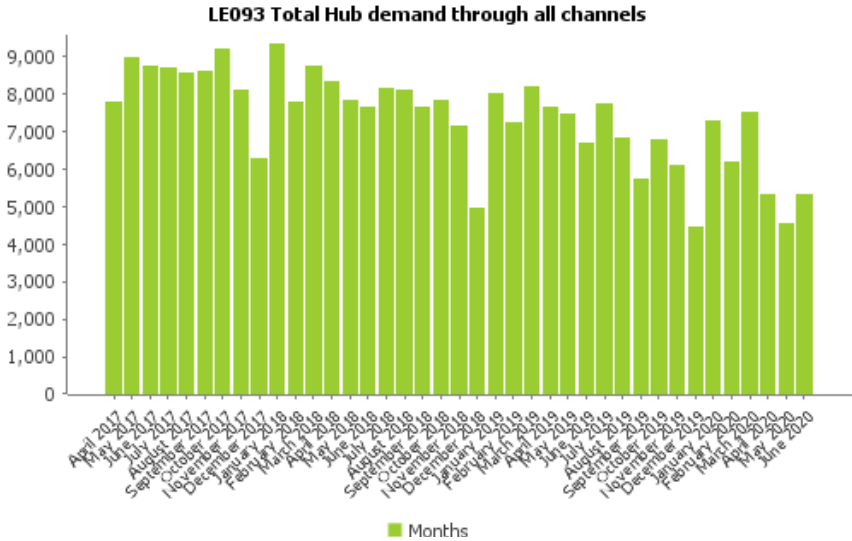
LE092 Value demand for all hub enquiries through all channels



Current Value 84%

Managed By Lucy Wright

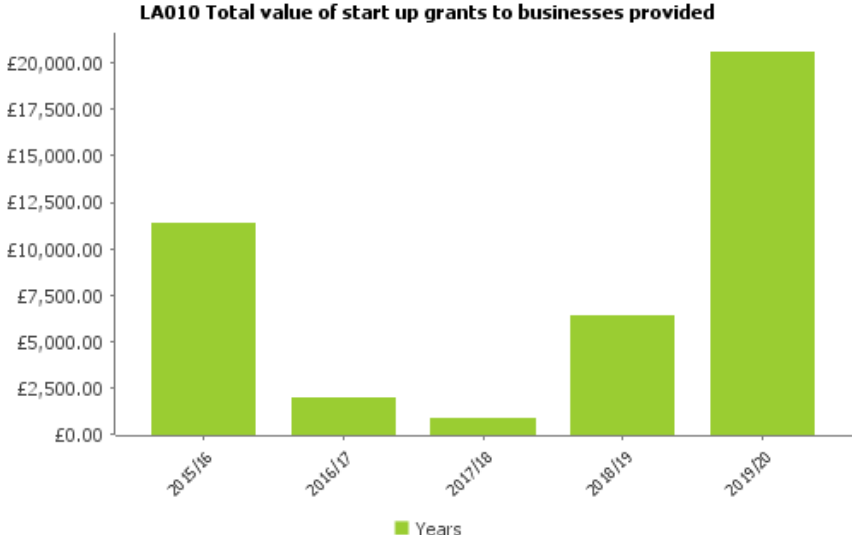
LE093 Total Hub demand through all channels



Current Value 5,327

Managed By Lucy Wright

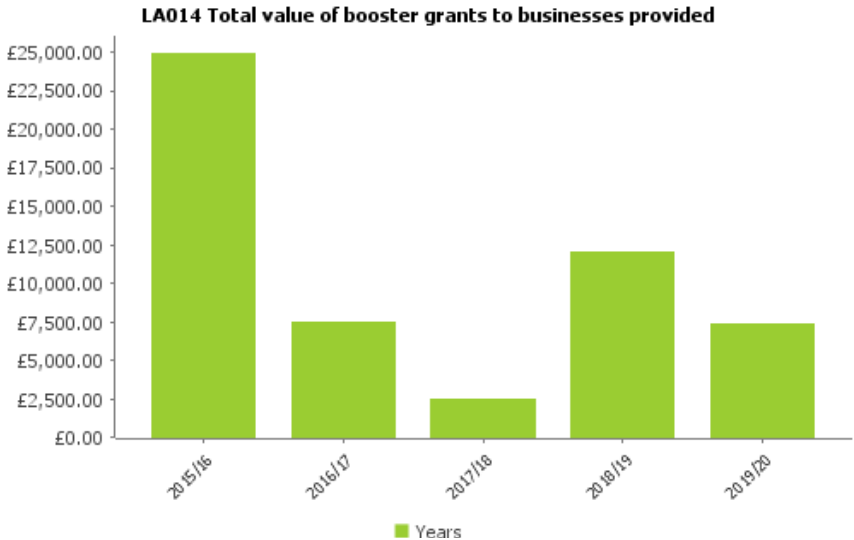
LA010 Total value of start up grants to businesses provided



Current Value £20,617.43

Managed By Jonathan Elmer

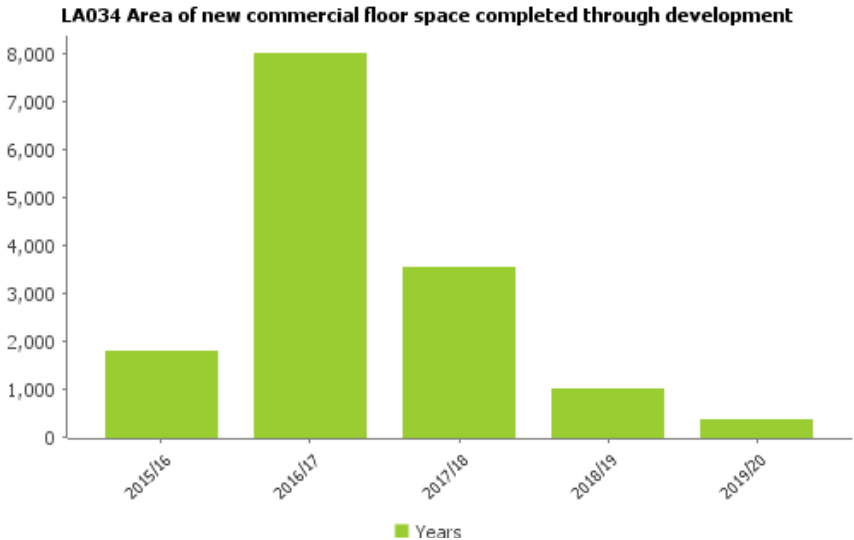
LA014 Total value of booster grants to businesses provided



Current Value £7,360.29

Managed By Jonathan Elmer

LA034 Area of new commercial floor space completed through development

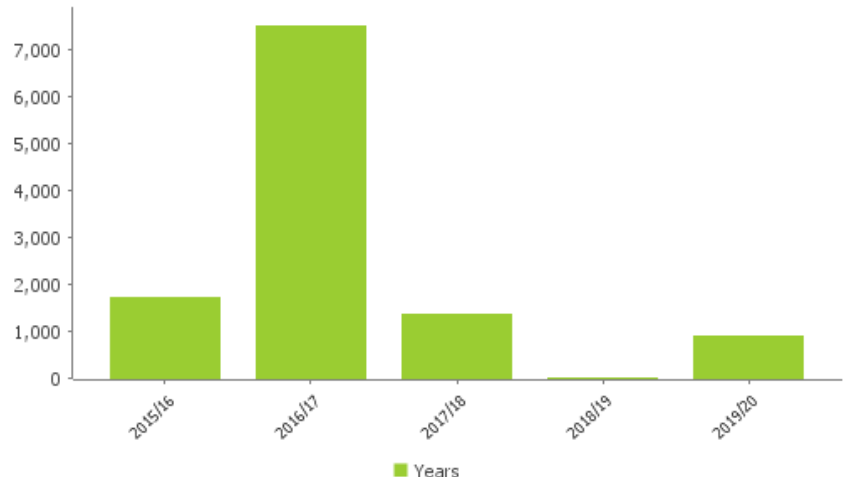


Current Value 360

Managed By Kate Bailey

LA048 Amount (m2) of new/extended business/commercial floorspace built as a result of the LDO

LA048 Amount (m2) of new/extended business/commercial floorspace built as a result of the LDO

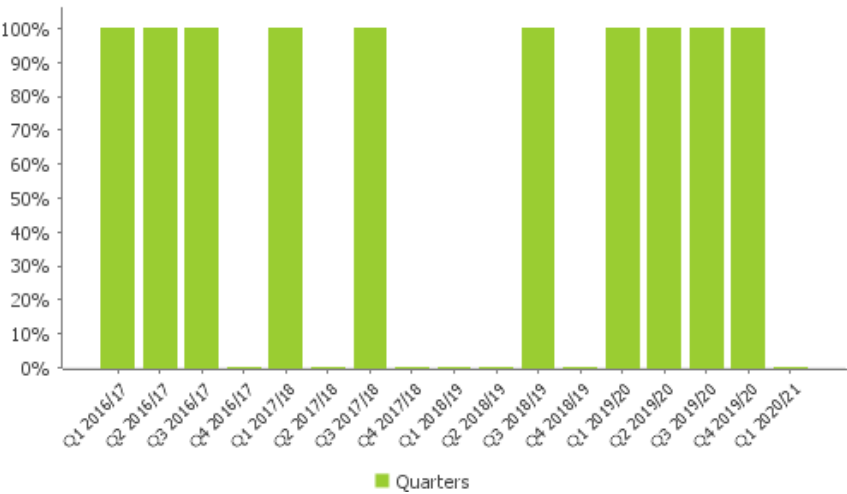


Current Value 910

Managed By Jonathan Elmer

LA011 Percentage of businesses in receipt of a Business Start Up Grant who are still trading after 6 months

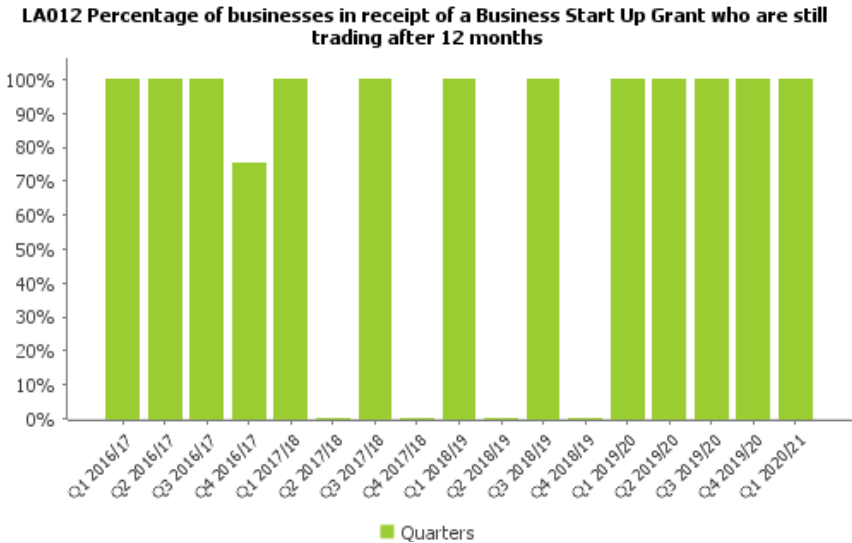
LA011 Percentage of businesses in receipt of a Business Start Up Grant who are still trading after 6 months



Current Value 0%

Managed By Jonathan Elmer

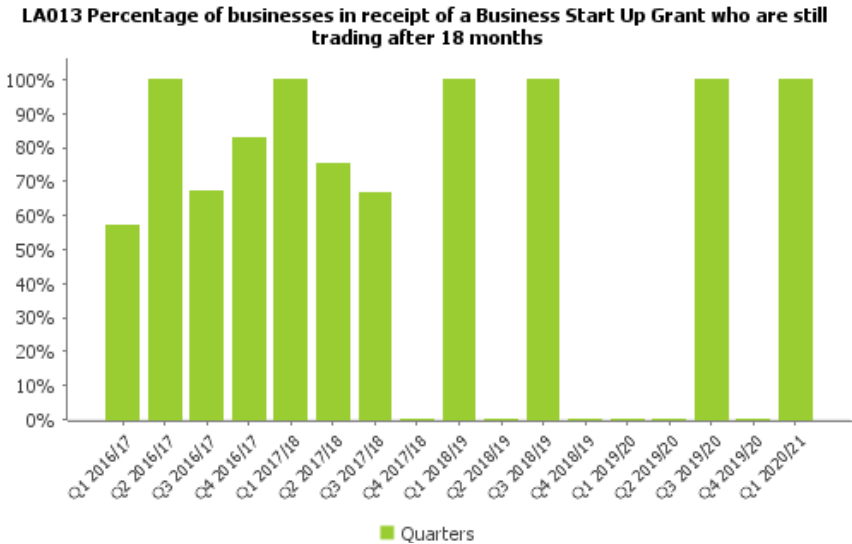
LA012 Percentage of businesses in receipt of a Business Start Up Grant who are still trading after 12 months



Current Value 100%

Managed By Jonathan Elmer

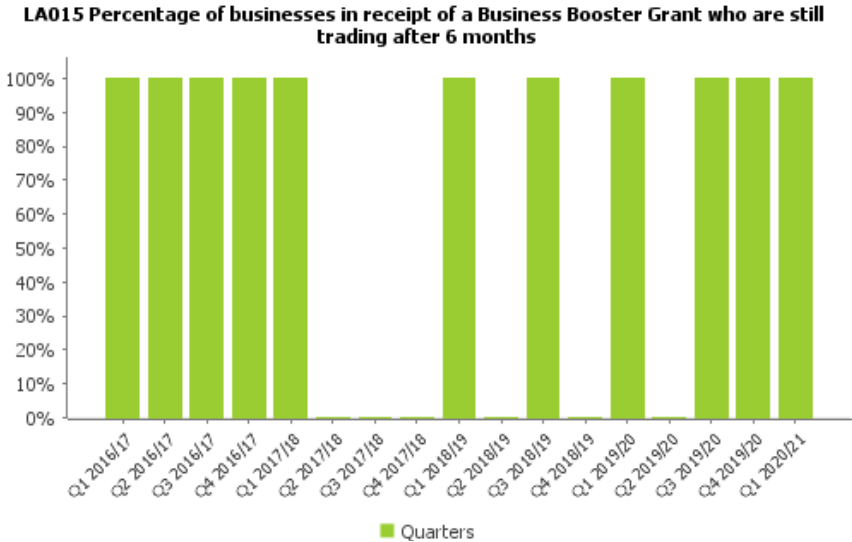
LA013 Percentage of businesses in receipt of a Business Start Up Grant who are still trading after 18 months



Current Value 100%

Managed By Jonathan Elmer

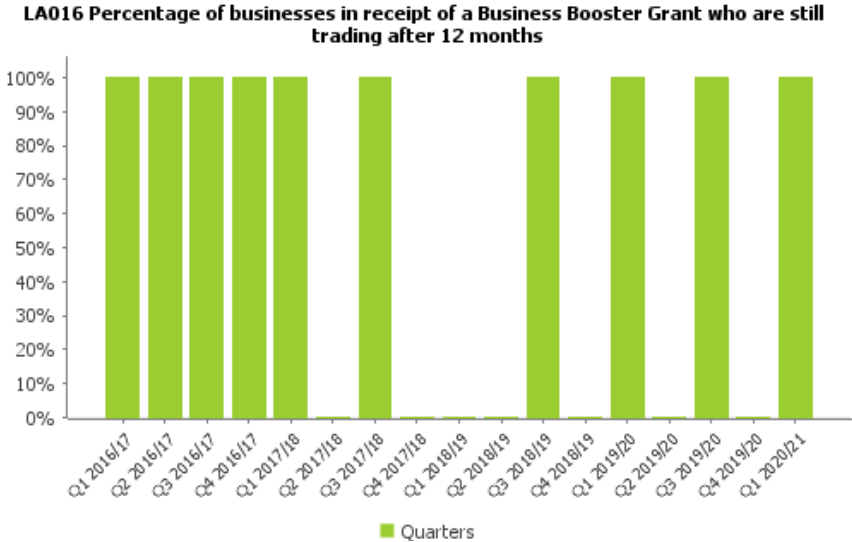
LA015 Percentage of businesses in receipt of a Business Booster Grant who are still trading after 6 months



Current Value 100%

Managed By Jonathan Elmer

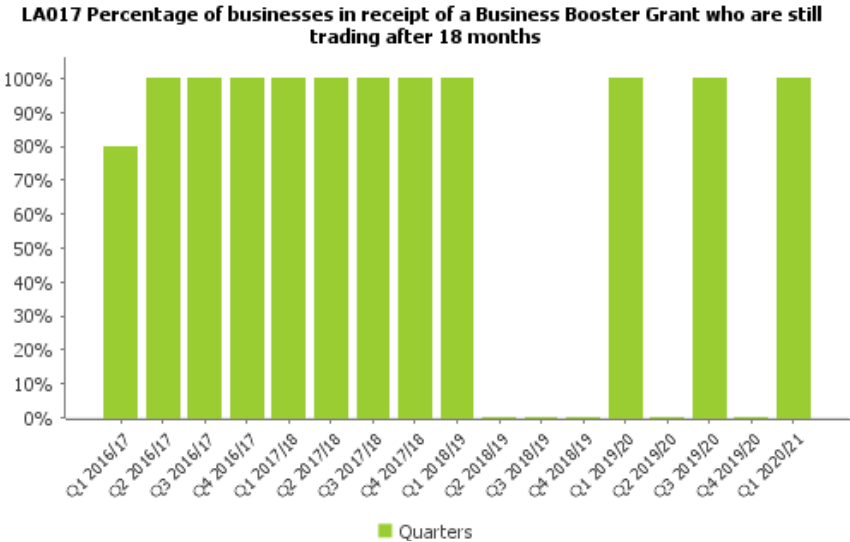
LA016 Percentage of businesses in receipt of a Business Booster Grant who are still trading after 12 months



Current Value 100%

Managed By Jonathan Elmer

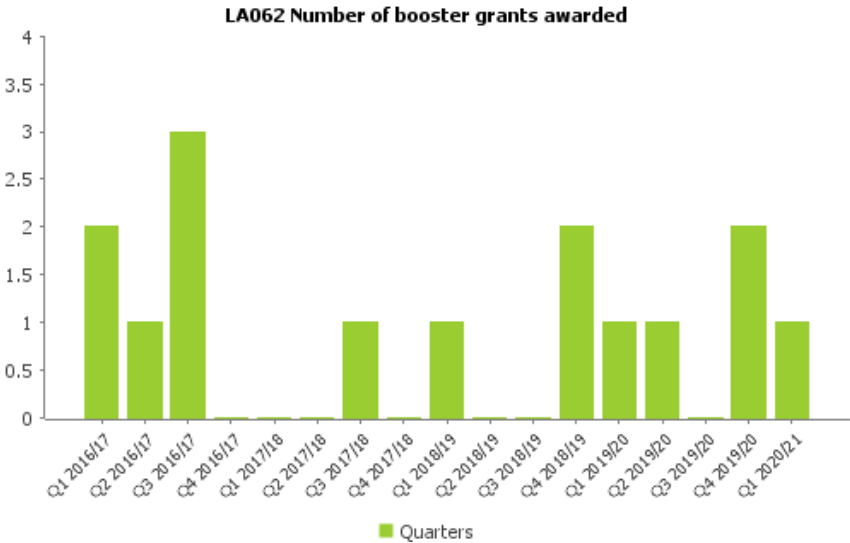
LA017 Percentage of businesses in receipt of a Business Booster Grant who are still trading after 18 months



Current Value 100%

Managed By Jonathan Elmer

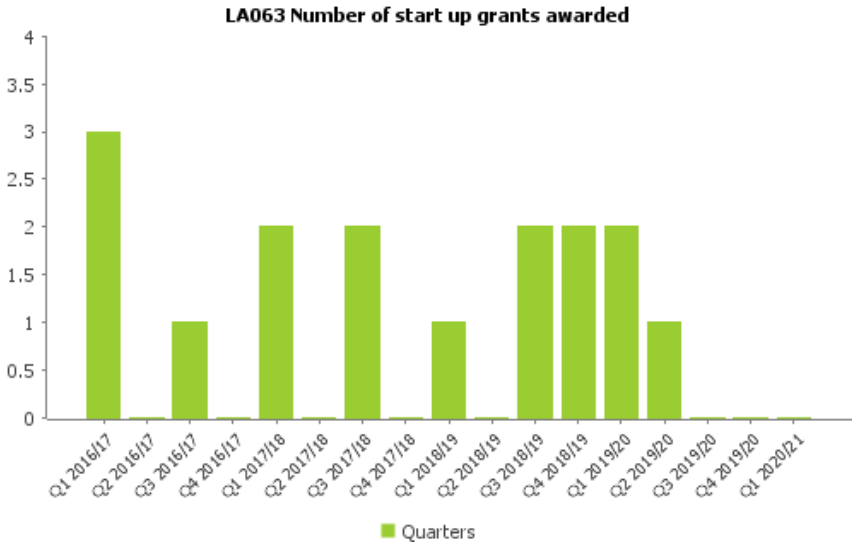
LA062 Number of booster grants awarded



Current Value 1

Managed By Jonathan Elmer

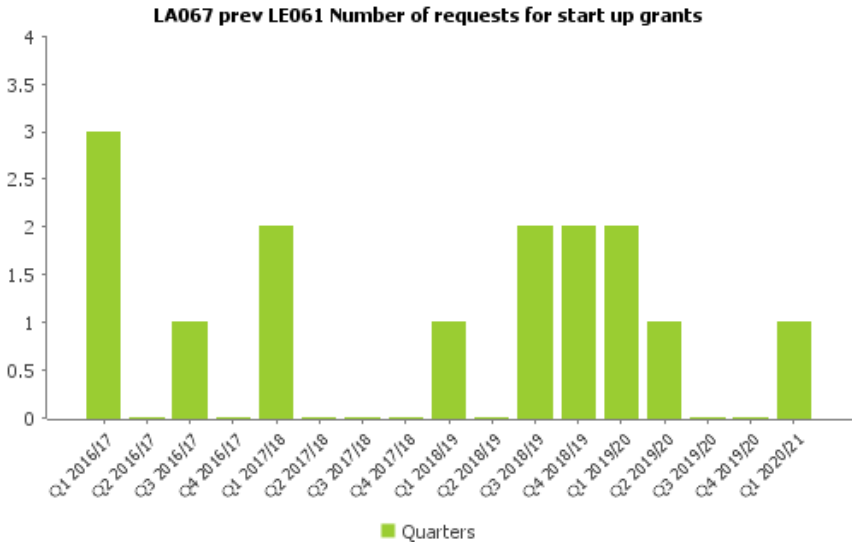
LA063 Number of start up grants awarded



Current Value 0

Managed By Jonathan Elmer

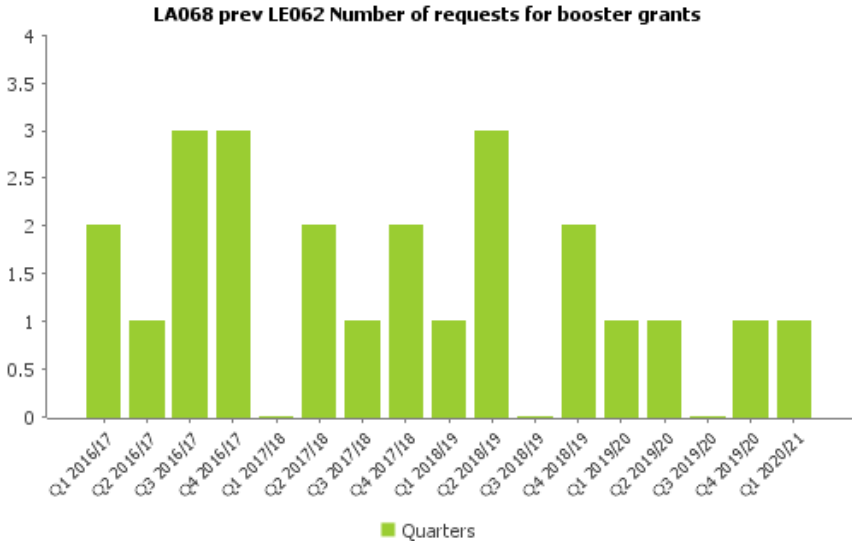
LA067 Number of requests for start up grants
prev grants
LE061



Current Value 1

Managed By Jonathan Elmer

LA068 Number of requests for booster
prev grants
LE062



Current Value 1

Managed By Jonathan Elmer

WYRE FOREST DISTRICT COUNCIL**OVERVIEW AND SCRUTINY COMMITTEE****8TH SEPTEMBER 2020****Annual Report on Treasury Management Service and
Actual Prudential Indicators 2019-20**

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 2019-20 Appendix 2 – Non Treasury Prudential Indicators 2019-20 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 2019-20, 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).

2. RECOMMENDATIONS

Overview and Scrutiny Committee recommends to Council to:

- 2.1 **Approve the actual 2019-20 prudential and treasury indicators in this report.;**
- 2.2 **Approve the actual 2019-20 non-treasury prudential indicators for Capital Portfolio Fund property acquisitions;**
- 2.3 **Note the annual treasury management report for 2019-20, 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 2019-20. 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 2019-20 the minimum reporting requirements were that the full Council should receive the following reports:
- an annual treasury strategy in advance of the year (Council 27/02/19)
 - a mid year treasury update report (Council 26/02/20, following cancellation of December 2019 Council)
 - 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 2nd September 2019 and 3rd February 2020 in order to support Members' scrutiny role.

4. KEY ISSUES

- 4.1 During 2019-20, 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	2018-19 Actual £'000	2019-20 Original £'000	2019-20 Actual £'000
Capital expenditure	14,622	14,935	13,200
Capital Financing Requirement	30,395	59,040	40,566
Gross borrowing	29,414	59,000	37,426
External debt	29,000	59,000	37,000
Investments:			
• Longer than 1 year*	35	-	18
• Under 1 year	15,941	12,000	19,679
• Total	15,976	12,000	19,697

*Investments at 31st March 2019 & 2020 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 2019-20 was slightly lower than originally anticipated mainly due to slippage and re-profiling of the Capital Programme.

- 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 2019-20 continued the challenging environment of previous years, namely low investment returns and market uncertainty. Shorter term investment interest rates were fairly flat during most of the year until the two cuts in bank rate in March 2020 caused investment rates to fall sharply. The impact of the COVID-19 pandemic from March 2020 is proving to be significant for treasury management, but as this occurred at the end of 2019-20 it will be further reported in the mid-year Treasury report.
- 4.4 The Council entered into further external borrowing, drawing a further 7 loans totalling £8m. 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 2019-20 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 The COVID-19 pandemic is placing unprecedented pressure on the Council finances and the Cabinet reports on Financial Stress testing taken in May and July 2020 showed the inevitability of a significant increase in the funding gap due to the unlikely prospect of the Government providing full funding to mitigate losses. The cash flow impact of the pandemic is being closely managed with early morning treasury team meetings held daily. The approved delegation in place to provide flexibility for the Corporate Director: Resources in consultation with the Cabinet

Member for Strategy and Finance to use General reserves to replace reduced income and increased expenditure that is not covered by government funding is being factored into treasury cash flows, as is, the receipt of significant sums of MHCLG Funding that is then pass ported to third parties.

- 7.3 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.
- 7.4 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 2019-20 approved by Council on 27th February 2019
- 11.2 Annual Report on Treasury Management Service and Actual Prudential Indicators 2018-19 approved by Council on 25th September 2019
- 11.3 Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2019-20 approved by Council on 26th February 2020
- 11.4 Treasury Management Strategy 2020-21 approved by Council on 26th February 2020
- 11.5 Capital Strategy 2019-22. Approved by Council 27th February 2019
- 11.6 Capital Strategy 2020-30. Approved by Council 26th February 2020
- 11.7 Asset Management Strategy – Cabinet 16th July 2019, endorsed by 24th July 2019 Council

APPENDIX 1

TREASURY ACTIVITY 2019-20

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 2019-20

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	2018-19 Actual	2019-20 Estimate	2019-20 Actual
Capital Expenditure	14,622	14,935	13,200
Resourced by:			
• Capital receipts	137	1,705	470
• Capital grants	1,391	1,640	1,365
• Revenue	158	-	350
Unfinanced capital expenditure	12,936	11,590	11,015

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 2019-20 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 2019-20 MRP Policy (as required by CLG Guidance – now MHCLG) was approved as part of the Treasury Management Strategy Report for 2019-20 on 27th February 2019.
- 3.6 The Council's CFR for the year is shown below, and represents a key prudential indicator.

CFR £'000	31 st March 2019 Actual	31 st March 2020 Original Indicator	31 st March 2020 Actual
Opening balance	18,067	48,875	30,395
Add unfinanced capital expenditure (as shown in 2.2)	12,936	11,590	11,015
Less MRP	(608)	(1,425)	(844)
Closing balance	30,395	59,040	40,566

- 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 (2019-20) plus the estimates of any additional capital financing requirement for the current (2020-21) 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 2019 Actual	31st March 2020 Original	31st March 2020 Actual
Gross borrowing position	29,414	59,000	37,426
CFR	30,395	59,040	40,566

Gross Borrowing balances detailed in the table above reflect the Balance Sheet position including interest accruals totalling £186k (£144k in 2018-19) and the investments placed with this Council by Kidderminster and Stourport-on-Severn Town Councils totalling £240k (£270k in 2018-19).

In accordance with Section 8.5 of the approved Treasury Management Strategy 2019-20, 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. However, as detailed above, the Council was under borrowed as at 31st March 2019 and 31st March 2020.

- 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 2019-20 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 2019-20, 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.

	2019-20
Authorised limit	£75.000m
Maximum gross borrowing position (during 2019-20)	£37.000m
Operational boundary	£65.000m
Average gross borrowing position	£34.380m
Financing costs as a proportion of net revenue stream – Prudential Code Indicator	13.51%
Financing costs as a proportion of net revenue stream – Local Indicator reflecting gross rental income stream	1.57%

4. **Treasury Position as at 31st March 2020**

- 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 2019-20 the Council's treasury position was as follows:

Treasury position	Principal at 31/03/2019 £'000	Average Rate/Return during 2018-19 %	Principal at 31/03/2020 £'000	Average Rate/Return during 2019-20 %
Fixed rate funding:				
PWLB	27,000	2.99	33,000	2.59
Market – Other Local Authorities*	2,000	1.09	4,000	1.40
Market – Mortgage Bonds**	-	6.7	-	-
Total Debt	29,000	2.81	37,000	2.50
Fixed Interest Investments***	(15,976)	0.72	(19,697)	0.83
Net debt position	13,024		17,303	

* £2m Charnwood Borough Council (commenced 12th October 2018), £2m Crawley Borough Council (10th December 2019)

** Liverpool Victoria Friendly Society Ltd (*final mortgage maturity was September 2018, hence an average rate is disclosed for part year 2018-19*)

***Principal at 31st March 2019 & 2020 includes Icelandic investments at impaired values. The average rate achieved excludes Icelandic investments.

The maturity structure of the debt portfolio was as follows:

	2018-19 Actual £'000	2019-20 Original Limits £'000	2019-20 Actual £'000
Under 12 months	-	100%	2,000
Between 1 and 2 years	2,000	100%	3,000
Between 2 and 5 years	1,000	100%	1,000
Between 5 and 10 years	4,000	100%	5,000
Between 10 and 15 years	4,000	100%	5,000

Between 15 and 20 years	3,000	100%	4,000
Between 20 and 25 years	2,000	100%	1,000
Over 25 years	13,000	100%	16,000
Total	29,000		37,000

The maturity structure of the investment portfolio was as follows:

	2018-19 Actual £'000	2019-20 Original £'000	2019-20 Actual £'000
Investments:			
• Longer than 1 year*	35	-	18
• Under 1 year	15,941	12,000	19,679
Total	15,976	12,000	19,697

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

The exposure to fixed and variable rates was as follows:

	31st March 2019 Actual	2019-20 Original Limits	31st March 2020 Actual
Fixed rate (principal or interest)	100%	100%	100%

5. **The Strategy for 2019-20**

- 5.1 Investment returns remained low during 2019-20. The expectation for interest rates within the treasury management strategy for 2019-20 was that Bank Rate would stay at 0.75% during 2019/20 as it was not expected that the MPC would be able to deliver on an increase in Bank Rate until the Brexit issue was finally settled. However, there was an expectation that Bank Rate would rise after that issue was settled, but would only rise to 1.0% during 2020.

Rising concerns over the possibility that the United Kingdom (UK) could leave the European Union (EU) at the end of October 2019 caused longer term investment rates to be on a falling trend for most of April to September 2019. They then rose after the end of October 2019 deadline was rejected by the House of Commons but fell back again in January 2020 before recovering again after the 31st January 2020 departure of the UK from the EU. When the coronavirus outbreak hit the UK in February/March 2020, rates initially plunged but then rose sharply back up again due to a shortage of liquidity in financial markets.

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 During 2019-20, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

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 The main issue in 2019 was the repeated battles in the House of Commons to agree on one way forward for the UK over the issue of Brexit. This resulted in the resignation of Theresa May as the leader of the Conservative minority Government and the election of Boris Johnson as the new leader, on a platform of taking the UK out of the EU on 31st October 2019. The House of Commons duly frustrated that renewed effort and so a general election in December 2019 settled the matter once and for all by a decisive victory for the Conservative Party: that then enabled the UK to leave the EU on 31st January 2020. However, this still leaves much uncertainty as to whether there will be a reasonable trade deal achieved by the target deadline of the end of 2020. It is also unclear as to whether the coronavirus outbreak may yet impact on this deadline; however, the second and third rounds of negotiations have already had to be cancelled due to the virus.
- 6.2 Economic growth in 2019 has been very volatile with quarter 1 unexpectedly strong at 0.5%, quarter 2 down at -0.2%, quarter 3 bouncing back up to +0.5% and quarter 4 flat at 0.0%, +1.1% y/y. 2020 started with optimistic business surveys pointing to an upswing in growth after the ending of political uncertainty as a result of the decisive result of the general election in December 2019 settled the Brexit issue. However, the three monthly Gross Domestic Product (GDP) statistics in January 2020 were disappointing, being stuck at 0% growth. Since then, the whole world has changed as a result of the coronavirus outbreak. It now looks likely that the closedown of whole sections of the economy will result in a fall in GDP of at least 15% in quarter two. What is uncertain, however, is the extent of the damage that will be done to businesses by the end of the lock down period, when the end of the lock down will occur, whether there could be a second wave of the outbreak, how soon a vaccine will be created and then how quickly it can be administered to the population. This leaves huge uncertainties as to how quickly the economy will recover.
- 6.3 After the Monetary Policy Committee (MPC) raised Bank Rate from 0.5% to 0.75% in August 2018, Brexit uncertainty caused the MPC to do nothing until March 2020; at this point it was abundantly clear that the coronavirus outbreak posed a huge threat to the economy of the UK. Two emergency cuts in Bank Rate from 0.75% occurred in March 2020, first to 0.25% and then to 0.10%. These cuts were accompanied by an increase in quantitative easing (QE), essentially the purchases of gilts (mainly) by the Bank of England (BoE) of £200bn. The Government and

the BoE were also very concerned to prevent people losing their jobs during this lock down period. Accordingly, the Government introduced various schemes to subsidise both employed and self-employed jobs for three months while the country was locked down. It also put in place a raft of other measures to help businesses access loans from their banks, (with the Government providing guarantees to the banks against losses), to tide them over the lock down period when some firms may have had little or no income. However, at the time of writing, this leaves open a question as to whether some firms will be solvent, even if they take out such loans, and some may also choose to close as there is, and will be, insufficient demand for their services. At the time of writing, this is a rapidly evolving situation so there may be further measures to come from the Bank and the Government in 2020 and beyond. The measures to support jobs and businesses already taken by the Government will result in a huge increase in the annual budget deficit in 2020-21 from 2%, to nearly 11%. The ratio of debt to GDP is also likely to increase from 80% to around 105%. In the Budget in March 2020, the Government also announced a large increase in spending on infrastructure; this will also help the economy to recover once the lock down is ended. Provided the coronavirus outbreak is brought under control relatively swiftly, and the lock down is eased, then it is hoped that there would be a sharp recovery, but one that would take a prolonged time to fully recover previous lost momentum.

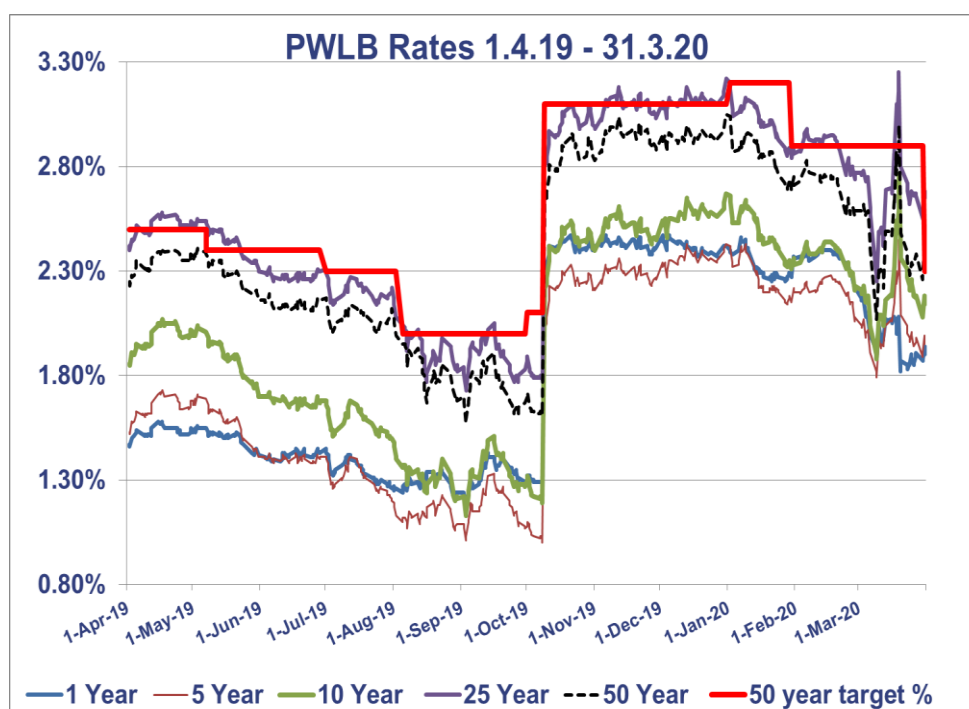
Link Asset Services Interest Rate View 31.3.20								
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 Month LIBID	0.45	0.40	0.35	0.30	0.30	0.30	0.30	0.30
6 Month LIBID	0.60	0.55	0.50	0.45	0.40	0.40	0.40	0.40
12 Month LIBID	0.75	0.70	0.65	0.60	0.55	0.55	0.55	0.55
5yr PWLB Rate	1.90	1.90	1.90	2.00	2.00	2.00	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50

- 6.4 Inflation has posed little concern for the MPC during the past year, being mainly between 1.5 – 2.0%. It is also not going to be an issue for the near future as the world economy will be heading into a recession which is already causing a glut in the supply of oil that has fallen sharply in price. Other prices will also be under downward pressure while wage inflation has also been on a downward path over the last half year and is likely to continue that trend in the current environment. While inflation could even turn negative in the Eurozone, this is currently not likely in the UK.
- 6.5 Employment had been growing healthily through the last year but it is obviously heading for a big hit in 2020. The good news over the last year is that wage inflation has been significantly higher than CPI inflation which means that consumer real spending power had been increasing and so will have provided support to GDP growth. However, while people cannot leave their homes to do non-food shopping, retail sales will also take a big hit.
- 6.6 The trade war between the United States (US) and China on tariffs was a major concern to financial markets and was depressing worldwide growth during 2019, as any downturn in China would spill over into impacting countries supplying raw materials to China. Concerns were particularly focused on the synchronised general weakening of growth in the major economies of the world. These concerns

resulted in government bond yields in the developed world falling significantly during 2019. In 2020, coronavirus is the big issue which is going to sweep around the world and have a major impact in causing a world recession in growth in 2020.

7. Borrowing Rates in 2019-20

7.1 **Public Works Loan Board (PWLB) certainty maturity borrowing rates** - the graph below shows how PWLB certainty rates remain at historically very low levels during the year.



PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields.

HM Treasury has imposed two changes in the margins over gilt yields for PWLB rates in 2019-20 without any prior warning; the first on 9th October 2019, added an additional 1% margin over gilts to all PWLB rates. That increase was then partially reversed for some forms of borrowing on 11th March 2020, at the same time as the Government announced in the Budget a programme of increased spending on infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins; this ends on 4th June 2020. It is clear that the Treasury intends to put a stop to local authorities borrowing money from the PWLB to purchase commercial property if the aim is solely to generate an income stream.

Following the changes on 11th March 2020 in margins over gilt yields, the current situation is as follows:

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)

There is likely to be little upward movement in PWLB rates over the next two years as it will take national economies a prolonged period to recover all the momentum

they will lose in the sharp recession that will be caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020-21.

8. Borrowing Outturn for 2019-20

8.1 Treasury Borrowing and control of interest rate risk

At 31st March 2020 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 PWLB and one market loan with Charnwood Borough Council to fund the net unfinanced capital expenditure and naturally maturing debt. Loans at 31st March 2020 are detailed as follows:

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)

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Lender	Date	Principal	Type	Interest Rate	Maturity
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)
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)
PWLB	01/04/19	£1m	Fixed interest rate	1.80%	01/04/29 (10 years)
PWLB	04/06/19	£1m	Fixed interest rate	1.74%	04/11/29 (10.4 years)
PWLB	04/06/19	£1m	Fixed interest rate	2.17%	04/06/69 (50 years)
PWLB	26/06/19	£1m	Fixed	2.13%	26/01/61 (41.6 years)

Lender	Date	Principal	Type	Interest Rate	Maturity
			interest rate		
PWLB	08/07/19	£1m	Fixed interest rate	1.86%	08/07/34 (15 years)
PWLB	20/08/19	£1m	Fixed interest rate	1.67%	20/08/69 (50 years)
Crawley Borough Council	10/12/19	£2m	Fixed interest rate	1.40%	10/12/21 (2 years)
Total		£37m			

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 2019-20 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

8.3 Rescheduling

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

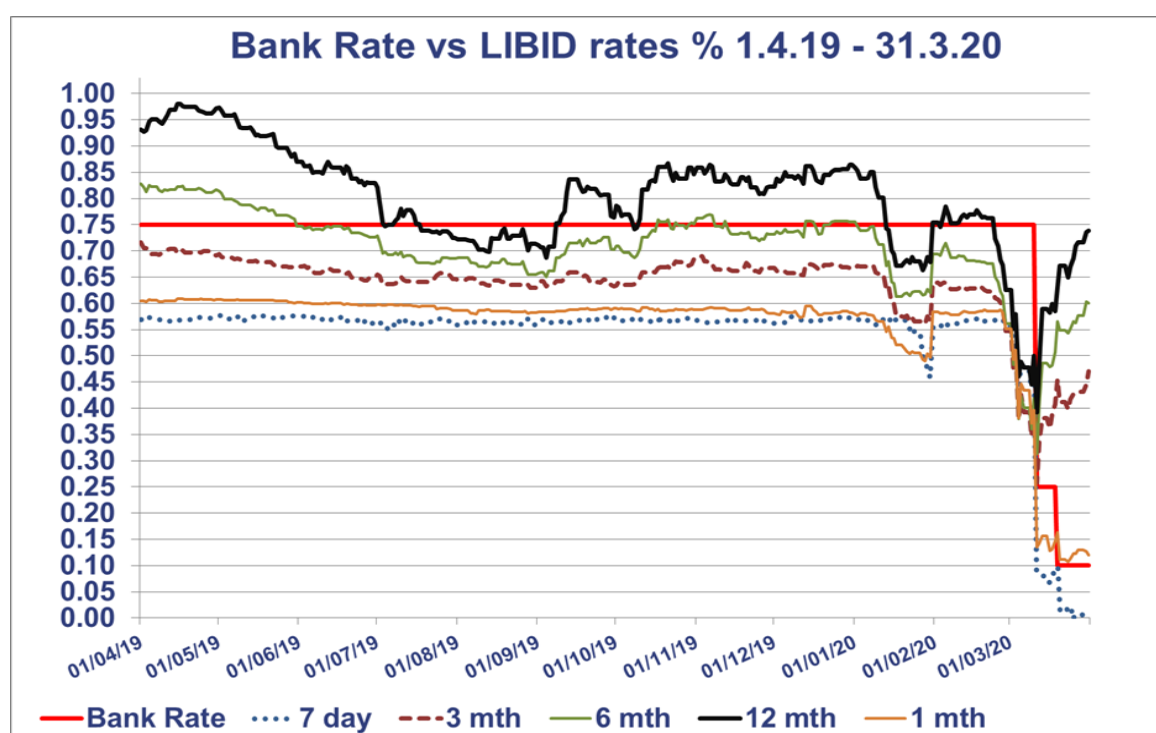
- the generation of cash savings and/or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

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 2019-20

- 9.1 Bank Rate remained at 0.75% throughout most of the year. However, two emergency cuts in the bank rate occurred in March 2020, first to 0.25%, and then to 0.10% in response to the coronavirus outbreak. At the time of writing, this is a rapidly evolving situation so there may be further measures to come from the Bank and the Government in the remainder of 2020 and beyond.



10. Investment Outturn for 2019-20

- 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 27th February 2019. 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)	31 st March 2019	31 st March 2020
Balances	4,987	6,033
Earmarked reserves	7,868	8,752
Provisions*	2,181	-
Usable capital receipts	2,752	2,704
Total	17,788	17,489

*the reduction in provisions reflects the different approach in technical accounting arrangements for the 75% Business Rates Pool in 2019-20.

- 10.4 **Investments held by the Council** - the Council maintained an average balance of £24.372m of internally managed funds. The internally managed funds earned an average rate of return of 0.83%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.53%. External Interest received on investments totalled £201,600 compared to the revised budget of £170,000.

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 (0.83%) compared to the 7 day London Interbank Bid (LIBID) rate (0.53%)
- 11.3 The Council continues to be a member of the Link regional benchmarking group. The group currently comprises twelve Local Authorities (LAs); 3 County Councils and 9 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 2020 were that the Weighted Average Maturity (WAM) was 60 days and the Risk Factor was 2.93 (1 being the lowest, 7 being the highest). Performance against the model band benchmark for 2019-20 was as follows:

June 2019: In line
 September 2019: In line
 December 2019: In line
 March 2020: Below*

*This was due to a decision by the Corporate Director: Resources to temporarily withdraw from Money Market Funds (MMF) to hold £22.5m of MHCLG Grant funding to be passported to third parties, as market indications were uncertain at that time. In line with the SLY policy, security of funds was considered paramount;

the Debt Management Office (DMO) was used as an alternative to MMFs whilst markets settled and grants were paid out. The DMO is a safe haven as an Executive Agency of HM Treasury. This approach was taken by many other Local Authorities at the time.

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 A final distribution of the £1m Heritable Bank investment was received on 30th July 2020 bringing the total recovery to just over 99%.
- 12.3 The position on recovery of the remaining £5m Icelandic investment with Kaupthing, Singer & Friedlander (KSF) is that, at 31st March 2020, a total of £4.460m had already been received (86.5%). A further distribution of 17 pence in the pound was made on 1st April 2020 bringing the recovery to date to 86.67%. 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 be extremely challenging. The decision to leave the European Union and the progression of the 'Brexit' process, along with the unprecedented Coronavirus crisis, 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 and the Coronavirus crisis on Local Government Finances. Following the emergency cuts in the Bank Base Rate in March to 0.10% there is speculation that there could be further rate changes to come, possibly even negative interest rates. The future impact of this will be assessed and taken into account in the Revised Budget. The PWLB borrowing rates, whilst still at historically low rates, continue to be volatile as the markets respond to the Coronavirus pandemic, 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 announced that the Spending Review has been further postponed and it is unlikely to take place until 2022-23. Instead, a further one-year Spending Round, covering budgets for 2021-22, is expected to take place in September 2020. The significant uncertainty around future funding across the public sector remains a key risk making projections of future treasury cash flows very difficult.

14. The Capital Portfolio Fund

- 14.1 Council on the 22nd February 2017 approved £25m Capital Portfolio Fund, funded by prudential borrowing. A further £1.5m was approved by Council on 26th February 2020. 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 2020-30 approved by Council in February 2020.

- 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 2019-20 outturn 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 capital allocation during 2019-20 was £7.359m on two property acquisitions and construction costs in respect of a suite of industrial units in Kidderminster. The remaining balance unspent at year end is £9.208m.
- 14.4 The prudential indicators in respect of the completed schemes as at 31st March 2020 are reported in Appendix 2. The performance of the Capital Portfolio Fund will continue to 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 2019-20

APPENDIX 2

		2019-20 Budgeted Indicators for Total Capital Portfolio Fund	2019-20 Outturn for Capital Portfolio Acquisitions at 31/03/20
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.	113.96%	69.07%
<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.	48.09%	32.09%
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.	510.62%	232.57%
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.	215.50%	108.06%
LOAN TO VALUE RATIOS			
Loan to value ratio (Gross)	The amount of gross debt compared to the total asset value (Long term assets - PPE).	89.72%	54.43%
Loan to PPE value ratio (property)	The amount of non treasury property debt compared to the total asset value (Long term assets - PPE).	37.86%	25.29%
Loan to value ratio (property only)	The amount of property debt compared to the total property asset value (property portfolio only).	101.27%	107.13%
CFR RATIOS			
<input type="checkbox"/> CFR - Property	Property CFR as a proportion of the gross CFR	41.91%	42.15%
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.	4.44%	3.29%
INCOME/INVESTMENT COVER RATIOS			
Property investment cover ratio	The total net income from property acquisitions, compared to the interest expense.	82.23%	82.74%
<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.	3.49%	5.47%
<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.	1.40%	2.21%
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.	2.82%	2.79%
TRENDS			
Gross income	The income received from the property portfolio at a gross level over time.	(£1,279,330)	(£1,329,505)
<input type="checkbox"/> Operating costs	The trend in operating costs of the non-financial investment portfolio over time, as the portfolio expands.	£421,860	£451,486
<input type="checkbox"/> Financing costs	The trend in financing costs of the non-financial property portfolio over time, as the portfolio expands.	£512,730	£522,800
Net income	The income received from the property portfolio at a net level (less costs) over time.	(£344,740)	(£355,219)

☐ Local quantitative indicators

Note: Original Indicators were based upon anticipated Capital Portfolio Fund expenditure £14.7m and Development Loans Fund expenditure £10.0m. Outturn was £7.4m 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.

DMO: Debt Management Office – an Executive Agency of HM Treasury

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: Helen Checketts Senior Planning Policy Officer
Date: Tuesday 8th September 2020
Open

CONSULTATION RESPONSE TO THE PRE-SUBMISSION DRAFT OF THE SHROPSHIRE LOCAL PLAN REGULATION 18

1. Summary

- 1.1. The purpose of this report is to inform Members on the consultation currently running on the Pre-Submission draft of the Shropshire Local Plan (Regulation 18). The report also outlines the content of the proposed comments attached at Appendix 1.

2. Background

- 2.1. Shropshire Council is continuing to progress its Local Plan Review and is currently consulting on the Pre-Submission draft of the Shropshire Local Plan. The consultation runs from 3rd August to 30th September 2020.
- 2.2. As a neighbouring Local Authority Wyre Forest District Council has been invited to respond to the Pre-Submission consultation. This is to comply with Duty to Co-operate.

3. Key Issues

- 3.1. The Regulation 18: Pre-Submission Draft of the Shropshire Local Plan identifies a draft vision and draft framework for the future development of Shropshire to 2038, to address issues such as the needs and opportunities in relation to housing, the local economy, community facilities and infrastructure; and seeks to safeguard the environment, enable adaptation to climate change and helps to secure high-quality and accessible design. It contains:
 - Draft strategic policies which set the priorities and framework for the Local Plan;
 - Draft 'strategic' implementation policies and more 'detailed' draft policies for managing development;
 - Draft settlement policies which provide draft strategies and draft guidelines for the settlements of Shropshire, including where appropriate identifying draft proposed site allocations;
And
 - Draft strategic settlement and draft strategic site policies which identify these draft proposed sites and provide draft strategies and draft guidelines for their

development.

- 3.2. Wyre Forest District has significant linkages with Shropshire in terms of employment, transport and economic development.
- 3.3. The proposed responses to the consultation are set out in the response in Appendix 1.
- 3.4. The key issues include:
 - Housing allocations within the Shropshire Pre-Submission Local Plan and potential increased demand on infrastructure within Wyre Forest District.
 - Employment allocations within the Shropshire Pre-Submission Local Plan and potential increased demand on infrastructure within Wyre Forest District.
- 3.5. Following consideration by this Committee it is proposed for efficiency that the final endorsement of the responses is taken through a Strong Leader report.

4. Options

- 4.1. The Committee may wish to:
 - Recommend the consultation response at Appendix 1
 - Or
 - Make additional comments or amendments to the comments contained in Appendix 1.

5. Financial Implications

- 5.1. There are no financial implications directly arising from this response.

6. Legal and Policy Implications

- 6.1 Duty to Co-operate and Statement of Common Ground.

The National Planning Policy Framework (NPPF) 2019 paragraphs 24-27 states that local planning authorities are under a Duty to Co-operate with each other. This is in order to demonstrate effective and on-going joint working and that local plans produced are positively prepared and justified. Discussion between the authorities should help determine if and where additional infrastructure is required. It states that strategic policy making authorities should prepare at least one Statement of Common Ground. This document includes cross-boundary matters and co-operation between parties to address issues.

- 6.2 Wyre Forest District and Shropshire signed a Statement of Common Ground for the Wyre Forest District Submission Plan. Under current legislation a Statement of Common Ground should be signed between the two parties in relation to the Shropshire Plan before it is submitted to the Planning Inspectorate. This should make reference to comments that have been submitted by Wyre Forest District Council to the Pre-Submission consultation.

7. Equality Impact Needs Assessment

7.1. Not applicable.

8. Risk Management

8.1. If the Council fails to respond to this consultation it runs the risk of not engaging in the process to shape the future Shropshire Council Local Plan and its impact upon the Wyre Forest district.

9. Conclusion

9.1. As a neighbouring local authority, Wyre Forest District Council has been invited to comment on the Shropshire Local Plan Review Pre-Submission Consultation. Appendix 1 sets out the council's response of which future housing and employment allocations are of the most importance.

10. Consultees

10.1. Corporate Leadership Team.

11. Appendices

11.1. Appendix 1 –Wyre Forest District Council consultation response to the Shropshire Local Plan Review Pre-Submission Consultation document.

12. Background Papers

12.1. Shropshire Local Plan Review – Pre-Submission Consultation

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Appendix 1

Wyre Forest District Council Response to the Shropshire Council Local Plan Review Pre-Submission Consultation

- 1 Thank you for the opportunity to comment on the Shropshire Council Local Plan Review Pre-Submission Consultation document.
- 2 The Regulation 18: Pre-Submission consultation version of the Shropshire Local Plan pulls together the four previous consultation stages of the Regulation 18 stages of the plan preparation.
- 3 The Pre-Submission document proposes a total of 30,800 dwellings which includes 1,500 from the Black Country to support the housing needs of the emerging Black Country Plan where evidence indicates that housing delivery opportunities are constrained. This number is higher than the 28,750 dwellings in the Preferred Options consultation which was equivalent to 1,430 per year due to be built between the 2016-2036 plan period. The plan period has been extended by 2 years to 2038 which is equivalent to 1,400 dwellings to be built per year. The Local Plan proposes strategic sites at Clive Barracks Tern Hill, the former Ironbridge Power Station sites and RAF Cosford.
- 4 Significant principal centres located near to Wyre Forest District which have been allocated development are:

Bridgnorth with around 1,800 proposed dwellings, previously the number was 1,500. This includes Tasley Garden Village a mixed-use sustainable urban extension to the south-west of Bridgnorth outside designated Green Belt. It would consist of 1,050 dwellings, 16ha of employment land, a new local centre, 20ha of green infrastructure together with a 19ha linear park. There are existing commitments for Bridgnorth due to total completions, sites with planning permission or prior approval, a saved allocation or windfall. Therefore in the Pre-Submission Plan the allocation is for 1,050.

Ludlow with around 1,000 dwellings and 11ha of employment land, also Burford 190 dwellings and Clee Hill 75 dwellings. Of these the actual Local Plan allocations are Ludlow 10, Burford 175 and Clee Hill 20. This is due to sites that already have planning permission, prior approval, saved allocations in the current Local Plan or windfall sites.

Proposed developments close to Wyre Forest District are in the settlements of Cleobury Mortimer (200 dwellings), Alveley (130), Ditton Priors (65) and Highley (250 dwellings and 3ha of employment land), in total 645 dwellings. Some of these sites have planning permission or prior approval, are saved allocations or windfall sites. The proposed allocation of 250 within Highley in particular could adversely affect congestion in Bewdley town centre, because access from Highley would be via Dowles Road which leads to the heavily used junction with Welch Gate (an air quality management area).

- 5 A total of 300 hectares of employment land is proposed during the plan period which equates to 15ha of employment land per annum. As the strategic centre Shrewsbury is allocated the largest quantity at 91 ha, with 49ha allocated for Bridgnorth (this has increased from 28ha in the previous consultation) and 11ha for Ludlow.

- 6 A summary of locations close to Wyre Forest District which have been allocated housing and employment development is shown below-

Location	Type of Settlement	Settlement Population ¹	Dwelling Estimate	Housing Allocation	Employment Allocation
Bridgnorth	Principal Centres and key centres	13,028	6,189	1,800	49
Alveley	Community Hub	1,583	718	130	
Ditton Priors*	Community Hub	831	342	65	
Ludlow	Principal Centres and key centres	10,717	5,404	1,000	11
Burford	Community Hub	1,202	517	190	
Clee Hill	Community Hub	916*	403	75	
Craven Arms	Principal Centres and key centres	2,607	1,210	500	5
Highley#	Principal Centres and key centres (with Netherton)	3,195	1,462	250	3
Cleobury Mortimer	Principal Centres and key centres	3,049	1,306	200	2

*Clee Hill and The Knowle

Highley with Netherton

- 7 By allocating the majority of development within the strategic and principal centres, the preferred sites document appears to be consistent with sustainable development as outlined in the revised NPPF.
- 8 However, Wyre Forest District Council would have serious concerns if future development were to result in adverse pressure on existing infrastructure that is important to Wyre Forest District, such as traffic levels on the A442 from Bridgnorth to Kidderminster and additional pressure on the Dowles Road/Welch Gate junction in Bewdley. Transport modelling work should identify any highway improvements that may be necessary as a result of future development.

¹ Shropshire Council, *Hierarchy of Settlements*, 2018, p33-43 and updated from information contained in Shropshire Council Local Plan Review Pre-Submission August 2020.

- 9 It is noted that Cleobury Mortimer is currently developing its Neighbourhood Plan, in which employment and residential land is to be allocated. This will have to support the delivery of strategic policies contained in the Local Plan Review, as outlined in the revised NPPF.
- 10 Wyre Forest District Council welcomes further employment land allocated in the local plan review. Employment land should be located within sustainable locations, with access to the strategic road networks and where possible to encourage vibrant town centres with a day/night economy. Wyre Forest has already a strong employment relationship with Shropshire, with 638 out commuting and 1,037 inflowing to Wyre Forest per day². Coupled with greater land allocation for employment this may contribute to further employment out-migration from Wyre Forest.
- 11 This may increase given the quantity of hectares proposed. Wyre Forest property is significantly lower in price than Shropshire, which may result in further work out migration. As of November 2018 Shropshire average house price is of £215,345, compared to Wyre Forest's £193,585. The West Midlands region average house price is £197,387³.
- 12 Wyre Forest would strongly support the protection of Shropshire Green Belt, as part of the wider West Midlands Green Belt, of which 11% is located within Shropshire. Protecting Green Belt land in order to prevent urban sprawl by keeping land permanently open is stated within the revised National Planning Policy Framework⁴. Wyre Forest would furthermore oppose any development within parcels BA5 and BA6 which are adjacent to the district⁵, as the village of Highley is allocated for 250 dwellings and is located just outside parcel BA6.
- 13 Wyre Forest District Council welcomes the opportunity for further discussion with the Shropshire Council through the Duty to Co-operate process. This is the final stage of consultation before the Shropshire Local Plan is submitted to the Planning Inspectorate.

² Wyre Forest Employment Land Review Update: Final Report, October 2018, Paragraph 3.51-

³ <http://landregistry.data.gov.uk/app/ukhpi/browse?from=2017-11-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2Fwyre-forest&to=2018-11-01>

⁴ National Planning Policy Framework, February 2019, Paragraphs 133-147

⁵ Shropshire Green Belt Assessment Final Report, September 2017, p 58 & 60

**Overview & Scrutiny Committee
Work Programme 2020-2021**

11th June 2020

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

Consideration of the flooding motion from Council

Car Parking Changes as of 1st June 2020

Information Items:

Recommendation Tracking 2019-2020

Feedback from Cabinet 31-03-2020

25th June 2020 – Special

Consideration of the flooding motion from Council – Evidence Gathering from the Environment Agency

2nd July 2020

Consideration of the flooding motion from Council – Evidence Gathering from Worcestershire County Council, West Mercia Police, Hereford & Worcester Fire and Rescue Service and Severn Trent

Review of Public Space Protection Orders (PSPOs) and Results of the Consultation Process

Community Led Housing Policy Update

Property Flood Grants – Amendment to Capital Programme

Bromsgrove Street Car Park Developer Agreement

Nominations for Treasury Management Review Panel

23rd July 2020 – Special

Capital Portfolio Fund - Quarterly Fund Report - EXEMPT Appendix

3rd September 2020 – Special

Consideration of the flooding motion from Council – Evidence Gathering from voluntary partners, affected residents and businesses.

Consideration of the flooding motion from Council - Draft Final Report and Recommendations for Council

8th September 2020

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

Annual Report on Treasury Management Service and Actual Prudential Indicators 2019-20

Planning Consultation Responses

Planning s106 Obligations

Consultation Response to the Pre-Submission Draft of the Shropshire Local Plan Regulation 18

Information Items:

Feedback from Cabinet 07-07-2020

November 2020

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

Treasury Management Report
Capital Portfolio Fund Quarterly Performance Report – EXEMPT Appendix

February 2021

“How are we doing?” Q3 update (Place)
Treasury Management Report