

# Corporate Management Committee

**Thursday 19 November 2020 at 7.30pm**

**This meeting will be held remotely via MS Teams with audio access to the public for the Part I items via registered dial-in only**

## **Members of the Committee**

Councillors N Prescott (Chairman), J Gracey (Vice-Chairman), A Alderson, I Chaudhri, D Cotty, L Gillham, M Heath, J Hulley, R King, M Maddox, D Whyte and M Willingale.

In accordance with Standing Order 29.1, any Member of the Council may obtain remote access via MS Teams to the meeting of this Committee, but may speak only with the permission of the Chairman of the Committee, if they are not a member of this Committee.

## **AGENDA**

### **Notes:**

- 1) Any report on the Agenda involving confidential information (as defined by section 100A (3) of the Local Government Act 1972) must be discussed in private. Any report involving exempt information (as defined by section 100I of the Local Government Act 1972), whether it appears in Part 1 or Part 2 below, may be discussed in private but only if the Committee so resolves.
- 2) The relevant 'background papers' are listed after each report in Part 1. Enquiries about any of the Agenda reports and background papers should be directed in the first instance to **Mr J Gurmin, Democratic Services Section, Law and Governance Business Centre, Runnymede Civic Centre, Station Road, Addlestone (Tel: Direct Line: 01932 425624). (Email: [john.gurmin@runnymede.gov.uk](mailto:john.gurmin@runnymede.gov.uk))**.
- 3) Agendas and Minutes are available on a subscription basis. For details, please ring Mr B A Fleckney on 01932 425620. Agendas and Minutes for all the Council's Committees may also be viewed on [www.runnymede.gov.uk](http://www.runnymede.gov.uk).

Continued.....

4) You are only permitted to hear the debate on the items listed in Part I of this Agenda, which contains matters in respect of which reports have been made available for public inspection. You will not be able to hear the debate for the items in Part II of this Agenda, which contains matters involving Exempt or Confidential information in respect of which reports have not been made available for public inspection. If you wish to hear the debate for the Part I items on this Agenda by audio via MS Teams you must register by 10.00 am on the day of the meeting with the Democratic Services Team by emailing your name and contact number to be used to dial-in to [democratic.services@runnymede.gov.uk](mailto:democratic.services@runnymede.gov.uk)

5) **Audio-Recording of Meeting**

As this meeting will be held remotely via MS Teams, you may only record the audio of this meeting. The Council will not be recording any remote meetings.

**LIST OF MATTERS FOR CONSIDERATION**  
**PART I**

**Matters in respect of which reports have been made available for public inspection**

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**PART II**

**Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection.**

**a) Exempt Information**

11. PROPOSED LETTING OF COMMERCIAL UNIT – ADDLESTONE ONE DEVELOPMENT	52
12. COMMUNICATIONS - PROPOSED STAFF REORGANISATION (TO FOLLOW)	60
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**b) Confidential Information**

(No reports to be considered under this heading)

1. **NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP**

2. **MINUTES**

To confirm and sign the Minutes of the meetings of the Committee held on 15 October 2020 (attached at Appendix 'A') and on 28 October 2020 (attached at Appendix 'B'). As this meeting is being held remotely, the Chairman will ask the Members of the Committee if they approve these two sets of Minutes which will then be signed when this is physically possible.

Runnymede Borough CouncilCORPORATE MANAGEMENT COMMITTEE

## APPENDIX 'A'

15 October 2020 at 7.30 p.m. via MS Teams

Members of the Committee present: Councillors N Prescott (Chairman), J Gracey (Vice-Chairman), A Alderson, I Chaudhri, D Cotty, L Gillham, M Heath, J Hulley, R King, M Maddox, D Whyte and M Willingale.

Members of the Committee absent: None.

Councillors D Clarke, M Cressey, R Edis, E Gill, C Howorth, S Lewis, I Mullens, J Olorenshaw and J Sohi also attended.

MINUTES

The Minutes of the meetings held on 10 September 2020 and 24 September 2020 were confirmed as correct records. As the meeting was being held remotely using MS Teams, the Chairman would sign these two sets of minutes when this was physically possible.

EGHAM GATEWAY WEST – NAMING AND COLOUR BRANDING OF THE RESIDENTIAL BUILDINGS AND SCHEME NAME

At its last meeting on 24 September 2020, the Committee had considered a report on the naming of the residential buildings for the Egham Gateway West development. At that meeting, the Committee had also agreed that it would be appropriate for the Egham Gateway West development to be renamed. The Committee had agreed to defer this item for further consultation on the naming of the residential buildings and on alternative names for the development and had agreed that a report would be submitted to its next meeting.

Accordingly, the Committee noted the report on the naming of the residential buildings that had been submitted to its last meeting. The Committee also considered suggestions which had been made by Committee Members for names for the residential buildings (which were set out on a Second Part I Addendum) and for a new name for the Egham Gateway West development scheme.

The Committee noted that some Egham residents had put forward the suggestion that the residential buildings be named after historic local buildings. The Committee considered this suggestion and also a proposal from a Member of the Committee that the buildings be named after Magna Carta barons. The Committee also considered two alternative suggestions for names for the development which were the Magna Square Development or the Egham Nexus development. Having considered and debated these alternative suggestions, a majority of Members of the Committee favoured the historic local buildings option for the residential blocks and the Magna Square development option for the new scheme name.

The Committee also agreed that officers would consult with Ward Councillors and report to a future meeting of the Committee on the colour branding for the residential buildings in the development.

**RESOLVED that -**

- i) **the residential buildings in the development be named as follows:-**

**Block A: Corn Merchant House**  
**Block B: Parish Hall**

**Block C: Gem House  
Block D: Holloway View; and**

- ii) **the Egham Gateway West development be renamed as the Magna Square development.**

PROPOSED VOLUNTARY REDUNDANCY SCHEME

The Chairman had agreed that this item be admitted to the Agenda as an item of urgent business for the special circumstances and urgency as set out below:-

Special Circumstances

The report was not able to be completed by the time of the despatch of the main agenda for the meeting.

Urgency

To enable the Committee to approve the proposed scheme so that the Council could seek volunteers for redundancy or redundancy and early retirement to assist in creating efficiency savings without delay.

The Committee considered a report on a proposed Voluntary Redundancy Scheme to enable the Council to seek volunteers for redundancy or redundancy and early retirement, to assist in creating efficiency savings.

As a consequence of the Council's unexpected and significant expenditure to deal with the effects of the Covid-19 pandemic, the Council faced a serious financial situation over approximately the next three years. In essence, the Council needed to save £2 million each year in order to resolve the Council's financial difficulties. As a result, the Council was currently looking at a series of measures to create efficiency savings, one of which was a proposed voluntary redundancy trawl.

In order to make substantial savings, it was proposed to seek volunteers before Christmas for staff who would request voluntary redundancy or, if employees were aged over 55 years, voluntary redundancy and early retirement, with a view to any staff whose applications were approved leaving the Council by the end of the current financial year (i.e. by the end of March 2021). The Committee noted the proposed scheme along with the accompanying forms. Under the proposed scheme, all requests would be considered by a Voluntary Severance Panel which would consist of the Chief Executive, the Assistant Chief Executive and the Corporate Head of Resources and Organisational Development. The Panel would be looking at factors such as service needs going forward, whether the service could be re-engineered to meet its objectives without that individual and affordability in considering whether to recommend requests for approval.

The Committee noted the effect of the Exit Pay Cap legislation on the proposed scheme. The Committee also noted that until the end of December 2020, there was a contradiction between the exit Pay Cap Regulations and the Local Government Pension Scheme and Compensation Regulations. This meant that no employee potentially affected by the Cap could leave the Council's employment before the end of December 2020.

The Committee noted an Equality Screening form which had been completed on the proposed scheme. At this point it was not known which staff would make a request and therefore the costs involved. However, it was estimated that approximately 20 redundancies would be needed to make sufficient efficiency savings. It was proposed to capitalise the redundancy costs. The Committee noted that, in each case, the payback period associated with making a voluntary redundancy would depend on the salary of the member of staff who was being made voluntarily redundant. However, it was envisaged that

the scheme would make genuine savings in the region of 18 months to 2 years after it had been implemented.

The report proposed that the Chief Executive be given delegated authority to approve up to 20 redundancies or redundancy and early retirement requests subject to affordability after the requests had been recommended for approval by the Voluntary Severance Panel. The Committee agreed that it would be appropriate to amend this proposal so that the Chairmen of the relevant Committees would be consulted on any requests recommended for approval by the Voluntary Severance Panel and following such consultation, if it was appropriate to offer voluntary redundancy, the decision in each case on granting voluntary redundancy and the associated financial package would be made by the Corporate Management Committee. The scheme forms would be changed to reflect this amended decision making process and in Form 2B the word "board" would be deleted and substituted with the word "Panel".

The Committee supported the scheme as amended as a first step to achieve staffing efficiency savings required as a result of Covid-19. The Council was endeavouring to avoid having to make compulsory redundancies wherever possible and the scheme would further that objective.

**RESOLVED that -**

- i) the voluntary redundancy scheme be approved with the amendment to the operation of the scheme as set out in resolution ii) below; and**
- ii) the Chairmen of the relevant Committees be consulted on any requests recommended for approval by the Voluntary Severance Panel and following such consultation, if it is appropriate to offer voluntary redundancy, the decision in each case on granting voluntary redundancy and the associated financial package be made by the Corporate Management Committee.**

CALENDAR OF MEETINGS 2021/2022

The Committee considered the proposed Calendar of meetings for the next Municipal Year which would run from May 2021-May 2022. The proposed Calendar and diary schedule of the Committee dates, as shown at Appendices 'D' and 'E' to the agenda, were recommended to Full Council for approval. The Calendar had been drawn up to avoid meetings other than Planning Committee taking place in school holidays wherever possible as a number of Members had school age children and preferred meetings to be scheduled outside school holidays. However, sometimes scheduling meetings in school holidays could not be avoided. The Chief Executive had delegated authority to make ad hoc minor changes to the Calendar of meetings in consultation with the respective Leaders of the political groups, and special meetings of Committees could be arranged where circumstances dictated. It was agreed that officers would look at the Calendar again and establish whether there were any meetings scheduled within school holidays and if there were, in consultation with Members, would see whether any rearrangements were possible.

The Calendar largely followed the usual well established pattern. However, Members noted that in May 2021, the Borough Election, County Election and Police Commissioner Election would all be held on the first Thursday in May as usual. Meetings of Member Working Parties were not included in the Calendar as these were informal meetings which were not open to the public and Surrey County Council Joint Committee meetings were not listed as the Council had not yet been advised of the dates of those meetings.

**RECOMMEND to Full Council on 22 October 2020 that-**

**the Calendar of meetings for May 2021 – May 2022, as attached at Appendices ‘D’ and ‘E’ to the agenda, be approved.**

### THE FINANCIAL MANAGEMENT CODE

The Committee noted the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management (FM) Code which was designed to identify a local authority’s risks to financial sustainability and introduce an overarching framework of assurance which built on existing financial management good practice. Local authorities had to apply the requirements of the Code with effect from April 1 2020 although CIPFA considered that 2020/21 would be a “shadow year” towards full implementation. The first full year of compliance would therefore be 2021/22 but early adoption was encouraged. Officers were currently working through the FM Code guidance and would be reporting back to the Standards and Audit Committee on where the Council currently met the criteria and what officers were doing to ensure that any gaps in compliance were addressed.

### QUARTER 2 2020/2021- PROJECT PORTFOLIO REPORTING

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A (4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee noted a report providing them with a progress update on the delivery of the Council’s Project Portfolio up until the end of the second quarter of 2020/21. The Committee noted project updates for the fifteen grade A and eight grade B projects ranging from the initiation to execution stages, the key project achievements over the second quarter of 2020/21 and the project execution delays highlighted and the corrective actions in place to address them.

The Committee also considered a Project Portfolio Dashboard which provided a summary of the projects. The Service and Digital Transformation Member Working Party had made no amendments to the Dashboard at its meeting on 7 October 2020. It was proposed to include the Dashboard as a part of future quarterly project reports and the Committee approved this proposal subject to the deletion of the word “comprehensive” from the description of “housing services”.

Since the last report to the Committee, the Surrey Towers refurbishment feasibility study project had been completed. The Tenancy Audit and Enforcement Anti-Social Behaviour noise app project had also been completed which allowed the Tenancy team to make a more accurate assessment of noise nuisance associated with Council housing. The end date timelines for the telephony solutions – SIP Trunks project and the replacement cash receipting system project could not be confirmed at present because of a delay in installation of the essential Information Technology infrastructure required to complete these projects. The action being taken to achieve this installation was noted. A Member reported that local residents were pleased to note that metal railings had been installed at Cabrera Avenue open space in Virginia Water and thanked Council officers and the Cabrera Trust for their work on this project.

### **RESOLVED that –**

**the Project Portfolio Dashboard be included in the standard report format for future Quarterly reports subject to the deletion of the word “comprehensive” from the description of “housing services” in the Dashboard.**



## PROPOSED REVIEW OF DIGITAL SERVICES

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A (4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee considered a review of the Council's Digital Services Staffing Structure to increase efficiency, improve service delivery, meet the needs of customers and enhance resilience.

The structure had been reviewed and the proposed new structure which was recommended for approval by the Committee subject to staff and Unison consultation would create two senior managers who would each be responsible for either the technical or transformational areas of the service. It would enhance resilience, governance and transparency and bring the Post Room and Electronic Data Management System line management into Digital Services. It would maintain effective and secure data management, improve security and infrastructure and integrate the Geographic Information Service and the technical support for the new website. Value for money for the new Content Relationship Management System (CRM) and the new Council website (also known as the CMS, i.e. Content Management System) would be maximised and job security and progression to maintain key staff would be provided.

There would be minor changes to existing posts and the transfer of staff from the Post Room. Two new posts would be introduced. One would protect the Council's investment in the CRM and CMS and the other would strengthen the Service Desk and support the new telephony systems. These changes would require investment and the approval of a supplementary revenue estimate in the sum reported. However, it was anticipated that this investment would be required for potentially 18 months and then be offset from future savings generated from efficiencies in the CRM and CMS as on-line transactions increased. Consideration had been given to reducing resources in the Service Desk in order to fund these Digital Services staffing structure changes, but this course of action was not recommended by officers as there were so many staff and Members working remotely in order to comply with Covid-19 restrictions. The Committee noted that the supplementary revenue estimate was an invest to save solution and that this temporary growth would be returned as transformation savings were made.

The number of posts in the proposed structure increased from 15.8 Full Time Equivalent (FTE) to 19.4 FTE. Three staff would be transferred from other areas of the Council which would provide new skills and perspective on customer engagement and channel shift. The Committee noted a timeline for the proposed implementation with a "go live" date of 1 January 2021 and a methodology for the transition from the current to the proposed structure. An Equality Impact Assessment would be produced and the comments of Unison on the proposals were noted.

Some Members of the Committee indicated that they would have wished to have received in the report more details of the financial benefits and savings that would accrue from the restructuring. All Members of the Committee supported the proposed changes which were required to strengthen the current Digital Services Team and make it more innovative. The restructure would provide resilience around key staff and systems which would more closely meet the needs of customers.

### **RESOLVED that -**

- i) the staffing structure of the Digital Services Team set out at Exempt Appendix '3' to the Agenda and the associated cost as an invest to save solution be approved, subject to staff and Unison consultation; and**

- ii) **a supplementary revenue estimate in the sum reported be approved for this purpose.**

#### CHERTSEY BUSINESS PARK – LETTINGS

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A (4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee considered a report on lettings at Chertsey Business Park. The Committee considered and approved agreed heads of terms for a letting of one of the units in Chertsey Business Park. It was noted that this was the first letting on the scheme.

The Committee also agreed that delegated authority be given to the Chief Executive and the Assistant Chief Executive to approve further lettings on the scheme, provided that the minimum criteria set out in paragraph 2.12 of the report were achieved. These officers would work with the Corporate Head of Assets and Regeneration in exercising this delegated authority and it was noted that officers would seek to improve on the minimum criteria wherever possible for future lettings.

#### **RESOLVED that -**

- i) **the agreed heads of terms for a letting of one of the units in Chertsey Business Park be approved as reported, this being the first proposed letting on this scheme; and**
- ii) **delegated authority be given to the Chief Executive and Assistant Chief Executive to approve further lettings on this scheme, provided that the minimum criteria set out in paragraph 2.12 of the report are achieved.**

#### TRAVELODGE, EGHAM – UPDATE FOLLOWING OUTCOME OF CVA

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A (4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee considered a report on the outcome of a Company Voluntary Arrangement (CVA) that Travelodge Hotels Ltd had chosen to implement. The Travelodge Hotel in Egham was a tenant of the Council that paid rent to the Council as landlord. As a result of the negative impact of Covid-19 on Travelodge's revenue income, Travelodge Hotels Ltd had obtained a CVA and the Committee noted the effect of the CVA on this particular tenancy.

The Committee considered the various options available to it as the landlord which arose from the CVA and which were set out in the report. Having considered those options, the Committee agreed that the lease should remain with Travelodge, that Option 1 as set out in the Second Part II addendum to the agenda be adopted and that any necessary legal agreement or agreements be entered into to bring this into effect.

#### **RESOLVED that -**

- i) **Option 1 as set out in the Second Part II addendum to the agenda be adopted and the Council enters into any necessary legal agreement or agreements with Travelodge Group to reflect this; and**

- ii) **the Corporate Head of Law and Governance be delegated the necessary authority to approve any legal agreements to reflect resolution i) above.**

(The meeting ended at 8.58 p.m.)

Chairman

Runnymede Borough CouncilCORPORATE MANAGEMENT COMMITTEE

## APPENDIX 'B'

28 October 2020 at 7.30 p.m. via MS Teams

Members of the Committee present: Councillors N Prescott (Chairman), I Chaudhri, D Cotty, L Gillham, M Heath, J Hulley, R King, S Lewis, M Maddox, D Whyte and M Willingale.

Members of the Committee absent: Councillor A Alderson

Councillors D Clarke, M Cressey, J Furey and J Olorenshaw also attended.

**NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP**

The Group mentioned below had notified the Chief Executive of their wish that the change listed below be made to the membership of the Committee. The change was for a fixed period ending on the day after the meeting and thereafter the Councillor removed would be reappointed.

<u>Group</u>	<u>Remove</u>	<u>Appoint instead</u>
Conservative	Cllr J Gracey	Cllr S Lewis

The Chief Executive had given effect to the change to Committee membership in accordance with section 16(2) of the Local Government and Housing Act 1989.

**APOLOGIES FOR ABSENCE**

Apologies were received from Councillor A Alderson.

**A320 NORTH OF WOKING HOUSING INFRASTRUCTURE FUND GRANT DETERMINATION AGREEMENT – FLOW DOWN AGREEMENT**

The press and public were excluded from the meeting during discussion of the following report under Section 100A(4) of the Local Government Act 1972 on the grounds that the report in question would be likely to involve disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A of the Act.

The Corporate Head of Planning, Policy and Economic Development advised that to deliver the necessary improvements to the A320, a joint Surrey County Council (SCC) and Runnymede Borough Council (RBC) Housing Infrastructure bid had been approved by the Ministry of Housing, Communities and Local Government (MHCLG).

SCC had recently confirmed acceptance of the funding award by agreeing to sign a Homes England Grant Determination Agreement, and intended to enter into a Flow Down Agreement with RBC primarily around elements associated with housing, but also a cost sharing agreement around potential cost overrun.

The Committee was in widespread agreement to sign the document, and this was seen as a positive step in the delivery of housing in the borough and in progressing the Local Plan.

Separate briefings for Members in due course from SCC Highways and their contractors would be held to fully understand the proposals and the mitigation to minimise disruption to local residents whilst the work was ongoing.

The Committee agreed that in accordance with Standing Order 27.8 b) and with the consent of the Chairman of Overview and Scrutiny Select Committee, no request for call in of this decision be permitted as the interests of the Council and Borough would be prejudiced by delay in implementing the decision, namely that Homes England/MHCLG had requested that all agreements were signed by 12pm on 30 October 2020. Failure to do so was very likely to jeopardise the availability of funding from Government.

**RESOLVED that –**

**Agreement be confirmed to sign the Housing Infrastructure Fund Grant Determination Agreement - Flow Down Agreement so that Surrey County Council can sign the Homes England Grant Determination Agreement and thus accept the funding award of £41.8m for the A320 North of Woking HIF Forward Funding Scheme allocated by MHCLG.**

(The meeting ended at 7.49 p.m.)

Chairman

3. **APOLOGIES FOR ABSENCE**

4. **DECLARATIONS OF INTEREST**

If Members have an interest in an item, please record the interest on the form circulated with this Agenda and e-mail it to the Legal Representative or Democratic Services Officer by 5.00 p.m. on the day of the meeting. **Members are advised to contact the Council's Legal section prior to the meeting if they wish to seek advice on a potential interest.**

Members are reminded that a non-pecuniary interest includes their appointment by the Council as the Council's representative to an outside body and that this should be declared. Membership of an outside body in their private capacity as a director, trustee, committee member or in another position of influence thereon **should be regarded as a disclosable pecuniary interest, as should an appointment to an outside body by the Council as a trustee.**

Members who have previously declared interests which are recorded in the Minutes to be considered at this meeting need not repeat the declaration when obtaining remote access to the meeting. Members need take no further action unless the item in which they have an interest becomes the subject of debate, in which event the Member must withdraw from the meeting if the interest is a disclosable pecuniary interest or if the interest could reasonably be regarded as so significant as to prejudice the Member's judgement of the public interest.

5. **BUDGET MONITORING 2020 (ASSISTANT CHIEF EXECUTIVE – PETER MCKENZIE)**

To follow

6. **PAPERLESS TRANSMISSION OF AGENDAS AND SUPPORTING PAPERS (LAW AND GOVERNANCE – BERNARD FLECKNEY)**

**Synopsis of report:**

**To ask Members to agree a way forward on:**

- **Increased roll out of paperless transmission of agendas and supporting papers; and**
- **the working up of a business case for the mod.gov committee management system which offers a paperless meeting app and other governance features.**

**Recommendation(s):**

**To recommend to Full Council on 10 December 2020 that:**

- i) Members be encouraged to opt into receipt of electronic agendas and supporting papers from 1 January 2021, and from May 2021 all Members consider agreeing to receipt of all agendas and supporting papers in electronic form only;**
- ii) Officers be authorised to prepare a business case on Mod.Gov committee management system with a view to its introduction on 1 January 2022; and**
- iii) To ensure residual print requirements can be assessed and statutory requirements for agenda despatch are met during the interim period whilst work is undertaken on i) and ii) above, the contract with Blue Mushroom, Chertsey be extended until 31 December 2021 on the existing rates.**

## 1. **Context of report**

- 1.1 Since May 2015 all Councillors have been receiving agendas electronically for all Committee meetings regardless of their Committee memberships which has ensured all Members are fully informed and aware of all Council business. In tandem, hard copy distribution has also continued for those Councillors who have expressly requested receipt of a hard copy, although these Councillors normally only receive hard copy agendas for those Committees, they are members of in order to limit printing requirements. The need for hard copy print and the volumes required is therefore dictated by the will of Members. Currently, 12 of the 41 Councillors have consented under the local Government (Electronic Communications) (England) Order 2015 to receive agendas only by electronic transmission. Interestingly, since Committee and full Council meetings have been held remotely on MS teams from April this year following the outbreak of Covid, the demand for paper copies has increased slightly as some of the 12 Members who hitherto accepted electronic copies found it unwieldy to simultaneously be present on MS Teams and access the agenda papers on the same device. Members are invited to reflect that it has always been the ultimate aim of the Council to move to greater use of electronic resources, as reflected by the distribution in May 2019 of new Surface Pro IT devices to all Members.

## 2. **Report**

- 2.1 The Committee at its meeting in September last year agreed to allow for preparation and consideration of a business case for the introduction of Mod.Gov from January 2021 and a move to the paperless process from that date, and for the contract with the current supplier (Blue Mushroom in Chertsey) to be extended until 31 December this year. This extension was granted in view of the fact that the cost, timeliness and quality of the service provided by Blue Mushroom were all excellent and ensured the continuance of the high level of service and the meeting of statutory requirements.
- 2.2 Following this decision, the project had been included in the project portfolio for the financial year 2020/21, but this had subsequently been reviewed and reprioritised by the Corporate Management Committee as a result of the Council's financial position and impact of the coronavirus pandemic on the Council's resources and financial position. The Corporate Management Committee had agreed to defer the initiative and include it in the 2021/2022 financial year Business Plan, subject to an extension of the current print contract with Blue Mushroom for another year until December 2021. Informal discussions with Blue Mushroom indicate that they would be prepared to extend for another year on existing rates.
- 2.3 Since that decision and separate from the Mod.gov initiative, the Service and Digital Transformation Member Working Party and the Leader of the Council have recently asked for the Council to progress going paperless for agendas and supporting papers by proactively inviting Members to consider opting in under the law to receipt of papers electronically from January next year, but with a view to all 41 Members and Officers being required to receive agendas in this form from May 2021. This phased approach would be important to allow Group Leaders to canvass opinion within their respective Groups and Officers to assess take up from Members as this will dictate the residual requirement for hard copy printing, and also give Members time to adapt to this new way of operation.
- 2.4 In practice, hard copy agendas largely have a 10 day 'shelf life' (e.g. from dispatch to day of meeting) after which they are recycled. However, a Council copy is held for a minimum of 6 years as legally required. If Members wish to proceed with the paperless approach, it would require total 'buy in' from all 41 Councillors and for those who at present prefer a hard copy, downloading and printing at home would be an alternative. No hard copies would be available in the days running up to the meeting or on the night for either Members or Officers. A small number of hard copies might still be required for members of the public who may attend meetings,

for the press and for distribution to libraries and our Front of House, and for our current 3 subscribers. However, efforts would also be made to reduce the number of these public copies available to keep costs down.

- 2.5 In view of the likelihood of Committee meetings continuing on MS teams until May 2021 and work being undertaken on webcasting meetings, a substantial lead in period up until 31 December 2021 would be required to prepare and consider a business case, and if approved, to introduce Mod. Gov as it would impact across the whole organisation. In the interim, Members would be proactively encouraged to move to a paperless way of working. During this period and while this work was undertaken, it would be necessary to extend the contract with the current supplier of Democratic Services printing. This is particularly important as there are strict statutory deadlines for the publication of agendas which simply cannot be missed if meetings are to be held lawfully. The current MFDs in the Civic Offices would not be suitable for large volume print jobs covered by the contract. Furthermore, endeavouring to take such work in-house could in addition have an adverse effect on service delivery if it means that staff spend their time organising and possibly waiting for printing rather than getting on with the more important aspects of their work.
- 2.6 The public already have the ability to access electronic copies of Agendas on the Council's website. It is proposed that in addition to increased use of the screens in the Chamber to display the agenda, for example during a meeting, a number of other options be explored to ensure that any members of the public either with limited access to IT equipment or who wish to attend meetings in person are not adversely impacted by any such change. Should this option be taken, Officers will need to liaise with Digital Services colleagues to look into suitable solutions and thereafter to conduct an Equality Impact Assessment to ensure all foreseeable issues are overcome to maintain the ability of the public to attend and participate at public meetings.

### **3 Legal implications**

- 3.1 Under the law, no Member can be compelled to consent to receive agenda electronically and can withdraw any consent given for any reason. Nor can any person be prohibited for standing as a Councillor because of a refusal to receive agenda papers electronically.

### **4. Financial implications**

- 4.1 Costs/benefits of Mod.gov would need to be established as part of any future Business Case and this would have to be assessed against other corporate priorities and the Council's financial position.
- 4.2 No costs will be incurred as a result of the print extension as expenditure is only incurred when print jobs are done, as is the current arrangement and Blue Mushroom have agreed to hold their rates at current levels. Obviously, any reduction in hard copy print requirement by more Members agreeing to go paperless will reduce expenditure.
- 4.3 Any Members who still required a hard copy from May onwards would have to download agendas and supporting papers in their own homes, in which case printers, paper and ink cartridges would need to be paid for by Members from their Basic Members' Allowance.
- 4.4 Training and support will be required for existing and new Members and officers in the event that Mod.gov is introduced from December next year.



## 5 **Equality Implications**

5.1 The Council has a public sector equality duty under the Equality Act 2010. Section 149 of the Act provides that we must have due regard to the need to;

- a) eliminate discrimination, harassment, victimisation and other conduct prohibited by the Act
- b) to advance equality of opportunity
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share protected characteristics.

5.2 We have considered the proposed policy's potential impact on anyone with a protected characteristic and an Equality Impact Assessment Screening was undertaken and reviewed by the Council's Equalities Group, as attached at Appendix 'C'.

## 6 **Environmental/Sustainability/Biodiversity Implications**

6.1 In addition to supporting the Council's emerging Green Agenda by reducing paper consumption, the resultant saving on reduced printing could be redirected to front line service delivery.

## 7 **Conclusion**

7.1 Ultimately the decision regarding the increased roll out of paperless agendas is for Members and as any decision will affect all Members, the final decision will be taken by Full Council.

**(To recommend to Full Council on 10 December 2020)**

### **Background papers**

None

Equality impact assessment guidance should be considered when completing this form.

POLICY/FUNCTION/ACTIVITY	LEAD OFFICER
<i>Proposed increased roll out of paperless transmission of agendas and supporting papers</i>	Mario Leo/Linda Norman/Bernard Fleckney

**A. What is the aim of this policy, function or activity?** Why is it needed? What is it hoped to achieve and how will it be ensured it works as intended? Does it affect service users, employees or the wider community?

*Aim- Councillors and Officers to be encouraged to opt into receipt of electronic agendas and supporting papers from 1 January 2021 ,and from May 2021 all Members consider agreeing to receipt of all agendas and supporting papers in electronic form only.The number of hard copies available to the public would also be considered.*

*This initiative will support the Council’s Green Strategy by reducing paper consumption and save on printing costs.*

*It will affect Councillors, potential Councillors, Officers and to some extent members of the public.*

**B. Is this policy/function/activity relevant to equality?** Consider the following protected characteristics: race, disability, gender, gender reassignment, pregnancy/maternity, religion/belief, sexual orientation, marriage/civil partnership and age. Does the policy relate to an area in which there are known inequalities, or where different groups have different needs or experience? Remember, it may be relevant because there are opportunities to promote equality and greater access, not just potential for adverse impacts or unlawful discrimination.

*Any move to paperless agendas will impact on the characteristics of disability and age among both elected Councillors, potential Councillors, Officers and members of the public.*

*The current profile of elected Members shows that of the 41, only 12 have consented under the local Government (Electronic Communications )(England) Order 2015 to receive agendas only by electronic transmission, but it is not evidenced that this is conclusively due to any of the protected characteristics being engaged.*

*The current profile of elected Members shows 10 out of the 41 are women, and of these 3 have opted for going paperless. We do not collect data on the age profile of elected Members.*

*If there is no provision for paper copies this could adversely impact on people with the protected characteristic of age and/or disability if they are unable to access documents electronically. To mitigate this impact, and avoid legal challenge on the grounds of indirect discrimination, the Public already have the ability to access electronic copies of Agendas on the Council’s website. It is proposed that in addition to increased use of the screens in the*

*Chamber to display the agenda, for example during a meeting, a number of other options be explored to ensure that any members of the public either with limited access to IT equipment or who wish to attend meetings in person are not adversely impacted by any such change. Should this option be taken, Officers will need to liaise with Digital Services and Communications colleagues to look into suitable solutions to ensure all foreseeable issues are overcome to maintain the ability of the public to attend and participate at public meetings.*

*Some members of the public owing to their age and/or disability are unable to attend meetings in person. Therefore, to mitigate against this impact, a residual stock of paper copies of agendas and minutes should be produced, if only on demand, to reduce costs but ensure people are not disadvantaged.*

*However, a further point of mitigation is that using technology with accessibility features will offer those, particularly those who may be visually impaired, with greater choices in terms of how they 'read' or access information*

*A phased approach to electronic transmission of agendas as opposed to imposing it without due notice, is another point in mitigation and would be important to allow Group Leaders to canvass opinion within their respective Groups and Officers to assess take up from Members as this will dictate the residual requirement for hard copy printing, and also give Members time to adapt to this new way of operation.*

If the policy, function or activity is considered to be relevant to equality then a full equality impact assessment must be carried out and [C] below need not be completed.

**C. If it is not considered to be relevant to equality, what are the reasons for this conclusion?**

What evidence has been used to make this decision? A simple statement of 'no relevance' or 'no data' is not sufficient.

*The electronic transmission of agendas is relevant to Equalities but it is considered that the points in mitigation together with it not being conclusive that significant numbers of people would be adversely affected because of a protected characteristic are sufficient that a full impact assessment is not needed. However, efforts will be made to canvass the opinion of local residents through the Runnymede Access Liaison Group and other relevant bodies.*

This screening assessment must be referred to the Equality Group for challenge before sign-off.

Date completed: 28.10.2020

Sign-off by Senior Manager: Mario Leo

7. **REFERENCE FROM HOUSING COMMITTEE – HOUSING TECHNICAL SERVICES  
STRUCTURE REVIEW (HOUSING – SIMON ALLEN)**

At its meeting on 11 November 2020, the Housing Committee will be considering a report on a Housing Technical Services Structure Review which is attached at Appendix 'D'. The Housing Committee is recommended to request this Committee to approve increased staffing resources within the Council's establishment. The decision of the Housing Committee will be reported to this Committee.

**REPORT TO HOUSING COMMITTEE – 11 NOVEMBER 2020****HOUSING TECHNICAL SERVICES STRUCTURE REVIEW (HOUSING, SIMON ALLEN)****Synopsis of report:**

**This report provides Members with the options for delivering a comprehensive capital works programme over 5 years commencing in 2021.**

**Recommendations:****This Committee:**

- i) accept the Officers' recommendation to adopt Option B as the preferred operating model, and**
- ii) request that Officers build the increased budgetary provision of £675,600 as detailed in Table 2 into the Housing Revenue Account estimates for 2021/22, that are currently being prepared for consideration and approval by this Committee in January 2021, and**
- iii) request that Corporate Management Committee approve the increased staffing resources within the Council's establishment as detailed in Table 2, and note that the costs of these additional posts will be funded from the Housing Revenue Account.**

**1. Context of Report**

1.1 The Housing Technical Services structure was last reviewed in 2018 but the Council has been unable to recruit to the new technical posts for Planned Maintenance despite several attempts. In addition, there has been no major planned programme for over ten years. The stock condition survey results show a significant backlog in Decent Homes compliance and the Council needs to procure and deliver an extensive programme over the next five years to resolve this.

**1.2 Table 1- Existing**

Existing Officer Posts	Existing Salaries	
Senior Contracts Manager	44,700	Vacant
Planned Surveyor	36,800	
Total Incl of 28% On Costs £		104,320

1.3 The Council do not meet the Government's Decent Home Standard which was evidenced in the Regulatory notice received in October 2019. As part of the Council's commitment and ongoing communication with the Regulator for Social Housing, the Council must evidence that plans are in place to address these backlogs within a timely manner with all delivery risks mitigated as far as is reasonably practical.

1.4 A breakdown of the programme costs for the initial five years is in Appendix '1' attached. In order to identify the most effective means of delivering up to £10m of works each year within the first five years, Officers appointed an external specialist consultant, Faithorn Farrell Timms to undertake an options appraisal after analysing the investment programme, existing resources and current operating perimeters.

1.5 Once the initial five-year investment programme has been completed, which will account for the backlog works, ongoing Decent Homes compliance and other active asset investments. At this stage, it will be expedient for the Council to review the resources and delivery mechanism, within its five-year cyclical review of the HRA Business Plan and Asset Management Strategy.

1.6 This report outlines two options for delivery in line with Members' preferences as indicated at Housing Committee in July 2020, within the options outlined, estimated costs are provided for Member consideration.

## 2. Report

2.1 This section of the report sets out the two options identified and outlines the key considerations, advantages and associated risks with both options.

### 2.2 **Option (A) - An In-House Client team managing a full programme of investment**

Under this model the Council would procure and manage the entire programme with limited consultancy support. The consultancy support contract will be tendered to attain best value, but an indicative cost has been used within this report to allow for comparison.

2.3 This option would require a significant increase in internal staffing to manage and support the requirements of a programme of investment planned works, which due to under investment is disproportionate to the size of the stock and establishment required to manage this under normal operating circumstances.

2.4 The resources in the existing structure dedicated to planned investment works is significantly under resourced and would need to be enhanced to manage the required increase in workload. Currently, the establishment is only two full time equivalent (FTE) Officers. Within the Consultant's options appraisal, based upon their knowledge of the market and the size of the investment programme, it has been determined that as a minimum the posts in Table 2 would be needed to deliver this programme of works. It is noted that these posts have not been internally benchmarked by the Council's HR Team and as such could reduce in costs, however as noted in this report it has not been possible to recruit to existing posts and currently there is a dependency on costly agency staff, which carries unacceptable financial and consistency risks.

### 2.5 Table 2

Positions Recommended within the FFT Report	Salary Costs £
Team Manager (FTE 0.8)	80,000
Experience Building Surveyor	55,000
Experience Building Surveyor	55,000
M&E Engineer	55,000
Clerk of Works	40,000
Quantity Surveyor	52,000
Principal Designer	55,000
Technical Administrator	28,000
Total New salaries plus on costs of 28%	538,000
Existing Salary Costs £	-104,000
Total Staffing costs of new structure £	434,000
Consultancy Ave cost PA £	30,000
Total Delivery Cost PA £	464,000
Increased Staff and Consultancy costs over 5 years £	<b>2,322,000</b>

2.6 In addition to delivering the Investment Programme, having this in-house resource would allow for proactive stock management and ad-hoc projects.

2.7 An in-house service would require an Officer with capability to perform the role of Principal Designer within the CDM regulations 2015, the current team do not have Officers with experience of planned work programmes to provide this level of support and there is an inherent risk in dependence on one individual for this element.

- 2.8 Based upon the staffing detailed above and taking account of the generic market calculations of 28% to cover on costs, the additional resourcing (consultancy support and new roles) would equate to an increase in costs of circa £434,000 per year based upon existing salaries minus the new increased role costs. In addition, there will be a requirement for limited consultancy support in specification writing and technical assistance for contract procurement over the initial period of two years at a cost of around £150k. Within the table above, it has been aggregated over a five-year period for consistent accounting. The cost to deliver the Investment Plan would be £2.3m using this proposed option.
- 2.9 In addition to the annual salary and on costs associated with this structure, there would be an initial upfront cost of recruitment. Should the Council recruit using traditional routes, this will be a lengthy process with limited potential based on previous experience of being able to source suitable candidates. The use of a specialist recruitment agency will attract standard market rates of around 23%, which equate to circa £100,000 in the first year. Employing individuals on permanent contracts will result in an establishment after the initial backlog is cleared that is surplus to requirements and will be costly to reduce.
- 2.10 Recruitment within these defined technical areas has proven difficult for a number of reasons, most notable would be the locality of the Council to London, in which salaries are inflated, a lack of qualified candidates with social housing asset knowledge and better paid roles in Housing Associations with equal job security and greater flexibility around retention. This can be evidenced in the recent attempted recruitment to two key positions offered at competitive salaries which were unsuccessful again.
- 2.11 The consultancy support function will be critical in relation to the procurement of contracts to achieve the required delivery. Without this element, the project by project approach will be time intensive and ineffective for a sustained programme and maintaining spends per year.
- 2.12 With an internal delivery model, there is little flexibility for development and planning in relation to future partnership working in the drive to achieve effective delivery and value for money.
- 2.13.1 Key advantages
- RBC retain all management and oversight internally
  - Savings could be realised in terms of overall costs
  - Direct delivery
  - Develop inhouse knowledge and experience
  - Less cost to delivery over initial 5-year period
- 2.13.2 Key Risks
- All operational risk sits with the Council
  - All financial risk remains with the Council in an uncertain market
  - Significant additional salary and on costs including pension, CPD, annual leave and sickness.
  - Extensive one-off recruitment costs and potential retainment issues.
  - Annual increases in costs relating to pay rises, cost of living increases and any future recruitment costs.
  - Significant increase in ongoing management capacity, coverage for sickness/annual leave and training of internal staffing
  - Potential risk of redundancy costs once Decent Home Standard delivered

- Potential long lead-in times and incremental approach of recruiting high quality staff and establishing a new team, including considerations around probationary periods and potential re-recruitments. Due to the large backlog of works, such lead-in times may not be feasible for the Council
- Lack of flexibility in model
- Recruitment period added to the timescales associated with the implementation of the preferred contractor, as this will be subject to an OJEU procurement. Due to the back log of works the risk is greater with this option.
- Retainment of key staff for a sustained period, leading to failed contracts and decline in customer satisfaction levels.

2.14 **Option (B) – Outsourced Managed Service with smaller inhouse Client Function**

This model retains the current RBC in-house team and supplemented by two additional posts and a refinement of existing posts. Support will be procured across two distinct areas in delivering the Investment Plan.

2.15 The first would be to procure a Managed Service Provider (MSP). This Consultancy would support the Council in managing all the elements of the delivery of the Investment Plan, such as preparing works programmes, fine-tuning exact specifications, project managing the programme and post contract management. This would also include elements such as Quantity Surveying and Principal Designer support.

2.16 Within the current market it would be anticipated that the associated costs of this form of consultancy support would be circa 6-7% of the overall scheme. With an estimated annual spend of £10million, this would equate to around £540-650k per annum.

2.17 A key benefit of this type of arrangement to the Council would be that the Managed Service Provider would have a clear partnership with Council colleagues, allowing for significant training and skills transfer to take place over the initial years of the contract, enabling an up-skilled in-house team moving forwards, therefore reducing the reliance on the Managed Service Provider as years progress.

2.18 The in-house team will provide a robust client role for the Managed Service Provider.

2.19 This enhanced in-house team will need to be engaged as soon as possible and prior to the appointment of the MSP to progress the procurement of specifications and contracts so that there is no delay in commencing the Investment programme whilst procuring an MSP.

2.20 Consultancy support will be required in relation to the engagement of an MSP to manage the complexities that would need to be considered within this type of arrangement.

2.20.1 **Key Advantages**

- The Council need to increase their internal staffing team by a smaller number, therefore reducing on-going associated costs and risks.
- Operational risk transferred to Managed Service Provider
- Increased flexibility in model, allowing to increase/decrease support as required
- Long-term upskilling of internal staff
- Smaller establishment enables potential for a partnership or Joint Venture in future for these services.
- CPD and Social Value offerings can be included in the contract
- Investment Programme more likely to be delivered on time and within budget as this model mitigates the major risks.
- Delivery of Investment Programme with less financial and reputational risk to the HRA
- Less reliance on individual key staff and retention.



- Costs of delivery contained within a 5-year contract so not subject to market increases

## 2.20.2 Key Risks

- Initial reliance on contracting with a Managed Service Provider
- Upfront cost of procuring the Managed Service Provider
- Ongoing costs of Managed Service Provider
- Timescales associated with the implementation of the preferred consultant and contractor, as both will be subject to OJEU procurements. Although a risk this must be assessed in conjunction with the backlog of works and consequences of failed delivery due to inability to recruit the larger client team required for Option A

## 2.21 Team Structure Option B (Table 2)

	Position Title	Salary £
Existing Role	Head of Technical Services FTE 0.5	36,600
Existing Role	Senior Contracts Manager	44,700
Existing Role	Planned Surveyor	36,800
New Role	Planned Surveyor	36,800
New Role	Asset Intelligence Officer – Replacement of previous post of Housing Contracts Manager (22.5hpw)	22,300
	Total Staffing Costs Incl 28% on costs £	226,800
	Total Existing Staffing Costs £	--151,200
	Total additional staffing Cost £	75,600
	Avg Consultancy Costs £	600,000
	Total increased costs £	675,600
	Total increased cost over 5 years £	<b>3,378,000</b>

*\*Senior Contracts Manager role currently being Benchmarked with a view to increase base salary\**

2.22 Based upon Option B the total operational costs over the same five year Planned Investment Programme period would be circa £3.4 Million versus Option A at £2.3 Million, therefore a net difference per year of circa £212,000 and £1.1 Million over the investment period. Additionally, further net gains are delivered from year six onwards once Compliancy and the Council's assets have been brought to a decent standard. The operational costs would at this point be rationalised to meet the demands.

2.23 The Council are currently exploring a joint TECAL option for its ground maintenance services. Within this venture, the Council could include environmental planned investments works, such as fence and pathway replacements which will additionally reduce its risks in allocating all works to one Managed Service Provider. Once the initial five-year investment has been delivered, further opportunities within this model could be explored for future and on-going planned investment programmed works.

## **Recommendation**

2.24 Based on the requirements of the delivery of the Council's Investment Plan, the current market, and the feedback from key RBC Officers, it is believed that Option B offers the least risk and a more advantageous and flexible delivery model.

2.25 This delivery route requires limited increase to the permanent establishment and therefore less long-term financial commitment and for a fully defined support service to be provided to the Council, which can be reduced at certain key points and increased in the same manner depending on workflow and programmed works plans.

2.26 The associated costs in setting up a significant expansion of the in-house team are lower than to procure an MSP to undertake the management of the works, However, serious

consideration should be given to the identified difficulties in resourcing Option A and the potential for continued failure to meet the Decent Home Standard and to remedy the deficiencies identified by the Regulator of Social Housing in their notice.

- 2.27 The recent failure to recruit to two key management positions confirms the ongoing and continued operational struggle to recruit skilled technical Officers.
- 2.28 In addition, Option B allows for a flexibility of approach, enabling support and costs to be decreased, if required.
- 2.29 This option is also aligned to partnership working and exploring further opportunities for shared services without the inherent risks of large inhouse delivery teams.
- 2.30 The one point that does need to be considered further is the timescales associated with the implementation of the preferred option, because there are time related risks associated with each of the options as detailed further in this report.
- 2.31 Timescales for either option will need to be correctly mapped out as both have subsequent long lead times. As an example, the consultants were asked to map out Option B, if started in November 2020 and using a restricted procurement process it would take around eight months before appointment. To procure the remaining investment contracts via an open procurement route would see contract commencement in Aug 2021 if started in Nov 2020. It is therefore imperative that the Council move forward with speed and agility to bring the Investment Program forward.

### **3. Policy framework implications**

- 3.1 In reviewing the delivery of an asset management investment programme, the Authority will need to ensure that it has an up to date Asset Management Strategy (Current Policy was dated 2011) and that this is appropriate to the objectives of the organisation. This provides a framework for setting asset management objectives and will include a commitment to satisfying mandatory and legal requirements.
- 3.2 Local authorities are expected to adopt a responsive and dynamic approach to the management of their dwelling stock.

### **4 Resource implications**

- 4.1 Due to the value and range of works required within the Council's Investment Plan, there are several potential procurement routes and strategies for consideration, all of which will require OJEU compliant procurements due to the values.
- 4.2 The lack of specialist Housing Maintenance staff to cover the wide range of specialisms involved in managing our stock has been discussed numerous times at the Committee meetings in recent years and the proposals detailed, especially in respect of option B will provide the Housing Maintenance team with access to a wide range of housing skills.
- 4.3 It is also hoped that this additional external consultancy will assist the in-house team in the procurement for each of the new work streams identified in the Investment Plan.
- 4.4 As referenced in the historic HQN report, some workstreams were already planned for procurement via the Council's in-house team within 2020. These include Kitchens, Bathrooms and Boilers.
- 4.5 The need for an increase in the resources of the Housing Maintenance team was partially recognised in the 30 year HRA Financial model considered by this Committee in recent months, and upon Committee agreeing a model, the changes will be incorporated

into the 2021/22 budgets and the HRA Business Plan, both of which will be updated and presented to the January meeting of this Committee.

- 4.6 Should the recommendation within this Report be approved by Members, there are associated resource implications to implement that approach. In delivering the investment programme, anecdotally, often long-standing disrepair issues arise leading to an increase of claims brought against the Council which in addition to requiring financial settlements, where appropriate, also require a sizeable amount of Officer time (both technical, tenancy management and legal Officers). Additionally, both options require additional legal support to support Officers with any additional associated litigation issues (i.e. disrepair claims, seeking court orders to gain access to properties, etc..) and the relevant procurement exercise both pre and post award. This will require additional legal resource to support Housing as these works are not captured within the current support accounted for within the current staff structure and the 2021/22 budget.

## 5. Legal implications

- 5.1 Procurement and employment issues are dealt with in the body of the report.

## 6 Timescales

- 6.1 When considering the workstreams that the Council will need to procure in order to achieve the required delivery of works in line with the Investment Plan, Faithorn Farrell Timms consider the following to be the preferred procurement strategy:
- 6.2 Utilise Procurement Frameworks to access suitable Contractors for all works related to Kitchens, Bathrooms, Windows, Doors and Roofing. A suitable Framework will be identified at the outset. This will allow the Council and the Managed Service Provider to undertake mini competitions on an annual basis to ensure best value is being achieved against the specific programme of works. This will also allow mini competitions to be run for specific blocks or schemes of works.
- 6.3 The outline timeline for undertaking these procurements, based on Committee approval on 12 November 2020 and utilising a Restricted Procurement is set out below:
- November 2020 Committee decision to proceed
  - Mid Nov 2020 Appoint Consultant to undertake procurements
  - Late Dec 2020 Section 20 Notice of Intention
  - Late Dec 2020 Publish Contract Notice
  - First week Jan 2021 SQ stage returned
  - Mid Jan 2021 Evaluate SQ stage
  - Late Jan 2021 Issue Tender
  - Late Feb 2021 Tender return date
  - Mid-March 2021 Evaluate Tenders
  - End March 2021 Approval to Proceed
  - End April 2021 Section 20 Notice of Proposal
  - Early May 2021 Contracts Awarded

## 7 Conclusions

- 7.1 The full stock condition survey carried out in 2019 and 2020 has evidenced that a significant number of HRA owned properties do not meet the Decent Home Standard. In the Notice served on the Council in October 2019 the Regulator of Social Housing expressed concern that this data was not available. The analysis of the survey has since indicated a programme of planned works including £50m in backlog repairs over the next 5 to 7 years which has been shared with the Regulator. In order to satisfy the

Regulator's concerns Runnymede must evidence that arrangements are in place which will ensure that this backlog is remedied as soon as practically possible.

- 7.2 The Council does not have a resourced inhouse Planned Maintenance Team to deliver such a programme and over the past four years have been unable to recruit to several specialist posts within this team due to the buoyant market. There is a temporary uplift in the client resources required for planned maintenance delivery which will not be required after the initial phase.
- 7.3 Members are asked to approve option B, to deliver the Five-year Investment Plan through use of a specialist consultancy with a residual inhouse client role to mitigate the risks inherent in delivering a programme of this scale in house. Whilst it is evident that the costs are higher to adopt this model, for the Council to maintain a programme of this size and length it is vital that over the course of the planned works programmes, a consistent approach is maintain throughout to ensure risks are mitigated and customer satisfaction is maintained at an acceptable level.

**(To resolve)**

**Background papers**

None

## APPENDIX '1'

### High level Cost Plan (Backlog plus first 5 years)

Element	Backlog	Year 1	Year 2	Year 3	Year 4	Year 5
INT KITCHEN	£2,750,700.00	£1,060,000.00	£74,200.00	£42,400.00	£84,800.00	£583,000.00
INT HEATING TYPE	£157,500.00			£3,500.00	£10,500.00	£266,000.00
INT BOILER	£3,489,000.00	£603,000.00	£576,000.00	£441,000.00	£195,000.00	£495,000.00
INT CONTROLS	£420,750.00	£391,600.00	£254,650.00	£112,750.00	£80,300.00	£145,200.00
INT WATER HEATING TYPE	£721,920.00	£112,541.00	£86,509.00	£22,526.00	£18,506.00	£4,008.00
INT VENTILATION	£308,700.00	£97,200.00	£3,701,400.00	£27,000.00	£22,200.00	£549,600.00
INT INTERNAL DOORS	£4,350,300.00	£1,062,300.00		£11,700.00		
INT BATHROOM	£2,233,891.00	£1,120,792.00	£31,500.00		£7,000.00	£234,797.00
INT SECOND WC	£389,600.00	£97,600.00			£800.00	£26,400.00
INT WIRING	£510,400.00	£299,200.00	£9,600.00		£110,400.00	£43,200.00
EXT MAIN ROOF	£6,083,011.00	£2,229,560.00		£110,250.00	£33,675.00	£59,775.00
EXT SEC ROOF	£192,308.00	£40,868.00		£312.00	£480.00	£260.00
EXT CHIMNEY	£1,665,600.00	£75,600.00	£1,200.00		£4,800.00	£1,200.00
EXT FASCIAS	£1,265,538.00	£454,434.00				
EXT SOFFITS	£1,184,322.00	£383,238.00				£600.00
EXT GUTTERS	£1,610,736.00	£463,567.00			£2,861.00	
EXT DOWNPIPES	£245,850.00	£168,160.00	£9,800.00	£1,080.00	£38,920.00	£960.00
EXT SVP	£402,820.00	£48,120.00				£720.00
EXT BALCONY FLOOR	£90,400.00	£3,000.00	£73,200.00		£2,400.00	£800.00
EXT BALCONY WALLS	£81,000.00		£14,400.00		£85,500.00	£3,600.00
EXT WALL PRIMARY FINISH	£2,232,384.00	£73,300.00	£561,700.00	£292,250.00	£1,175,050.00	£4,800.00
EXT WALL SECONDARY FINISH	£807,605.00	£17,700.00				
EXT PRIMARY WINDOWS	£210,150.00	£901,800.00				£61,650.00
EXT SEC WINDOWS	£119,250.00	£1,800.00		£9,450.00	£27,450.00	
EXT DORMER WINDOWS	£102,150.00	£900.00				
EXT DOORS TYPE 1	£1,607,280.00	£22,940.00		£13,320.00	£11,840.00	£8,740.00
EXT DOORS TYPE 2	£778,060.00	£10,360.00	£21,460.00	£5,180.00		£740.00
EXT DOORS CANOPY	£924,194.00	£29,799.00			£7,920.00	
EXT ENTRY PHONE	£28,500.00				£3,000.00	£1,500.00
EXT PATHS	£2,733,913.00	£117,346.00	£7,360.00		£4,580.00	£4,473.00
EXT FENCES 1	£821,876.00	£258,725.00		£1,685.00	£300.00	£10,565.00
EXT FENCES 2	£2,669,700.00	£957,725.00			£4,000.00	£900.00
EXT DRYING AREAS	£172,080.00		£2,560.00			
EXT GATES	£441,420.00	£72,600.00	£400.00	£200.00	£200.00	
EXT BOUNDARY WALL	£480,544.00	£187,560.00		£17,160.00	£4,920.00	£43,284.00
EXT STORE ROOF	£585,703.00	£48,880.00		£4,175.00	£880.00	£6,760.00
EXT STORE WALLS	£1,972,883.00	£8,160.00				
EXT PARKING	£1,622,010.00	£103,480.00	£21,960.00			£4,300.00
EXT STORE DOORS	£482,200.00	£42,050.00				
COM FLAT DOORS	£349,500.00	£21,000.00				£750.00
COM FIRE DOORS	£107,250.00					
COM WALL FINISH	£516,396.00					
COM CEILING FINISH	£315,546.00					
COM PASSENGER LIFT		£180,000.00				
<b>Grand Total</b>	<b>£50,521,413.00</b>	<b>£12,433,093.00</b>	<b>£5,524,909.00</b>	<b>£1,142,236.00</b>	<b>£1,991,366.00</b>	<b>£2,693,341.00</b>
Total Properties (no cycle repetition)	3081	2716	1578	704	1082	1142

## 8. FEES AND CHARGES (FINANCIAL SERVICES – PETER HUBBARD)

### **Synopsis of report:**

**To recommend the proposed fees and charges under this Committee's remit for the next financial year.**

### **Recommendation:**

**the proposed fees and charges as set out in Appendix 'E' attached be approved to be effective from the dates within the Appendix or as soon as practical thereafter.**

#### **1. Context of report**

1.1 The current fees and charges were agreed last year at the Committee meeting in November 2019.

#### **2. Report**

2.1 The Council Constitution provides delegated authority to Officers to alter fees, charges and prices without reference to Committee in order to respond to market conditions, new needs, changes in tax rates, and so on. Nonetheless, the annual review of charges remains an important part of the overall budget setting process and the policy framework for service provision in general.

2.2 As part of the budget setting process, Service Managers are requested to review their charges each year. Members have previously agreed that officers put forward recommended increases based on:

- Current market conditions
- Local competition
- The likely yield of any fee increase
- On-going savings targets and revenue reduction programmes

2.3 Members have accepted that in some service areas it may not be possible to significantly increase fees, and in others it may be necessary to decrease them to stimulate demand. However, an average of 2% for discretionary locally set charges should be aimed for as the financial plans of the Council assume at least an inflationary increase.

2.4 This report reviews current levels of fees and charges, with a view to helping to balance next year's budget and is a key strand of the Council's Medium Term Financial Strategy of net revenue reductions.

2.5 The fees and charges proposed by service managers for next year are set out at Appendix 'E' attached along with the dates that they will take effect. The Appendix includes a Yield column showing the next year's budget for each charges/group of charges, so that Members can estimate the financial implications of any price rises.

#### **3. Resource implications**

3.1 Individual fees and charges:-

3.2 Corporate properties

The fees for garage rents are set by this Committee. The fees for garage rents are proposed to be increased by 50 pence per week plus VAT where appropriate.

- 3.3 Local land charges  
The aim is to recover the full cost of operating the Land Charges service by breaking even over each three-year period. The introduction of VAT on Land Charges fees began in April 2017. This had the effect of reducing our net income, so at the same time we increased fees by approximately 10% to balance the 2017/18 account. Fees also increased by a further 9% from April 2019 in order to balance the 2019/20 account. The 2020/21 account will not break even because of the reduced income due to Covid. However, the 2021/22 account is expected to break even without an increase in fees and charges.
- 3.4 Council tax and Business rates  
The Council Tax and Business Rates court costs are partially statutory fees, and the Council must apply to the Courts for any increase. The cost of officer time is recovered by the fees. In 2021, as the UK moves out of the Covid pandemic the fee level can be discussed with magistrates.
- 3.5 Freedom of Information/Environmental Information Request  
The fee for staff time (where chargeable) has been set at £25 per hour.
4. **Legal implications**
- 4.1 Where the status of a charge is marked as 'statutory' the Council is required under the law to levy a fee. Where the status is given as 'discretionary' the Council may amend the fee charged or choose to make no charge for the service.
5. **Equality implications**
- 5.1 Where any major changes to the structure of any charging regime are proposed, an Equality Impact Assessment will have been completed by the relevant Budget Manager.

**(To resolve)**

**Background papers**

None

<b>Fees and charges</b>
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<b>Corporate and Business Services</b>
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	Charge Status	From April 2019 £	From April 2020 £	From April 2021 £	% Increase	Yield £	VAT treatment
<b>Register of Electors</b>							
Sale of Register of Electors - published full registers - charges set by legislation							
Data format	Statutory	20.00	20.00	20.00	0.00%	}	Outside Scope
plus for every 1,000 entries or part thereof	Statutory	1.50	1.50	1.50	0.00%		Outside Scope
Printed paper format	Statutory	10.00	10.00	10.00	0.00%		Outside Scope
plus for every 1,000 entries or part thereof	Statutory	5.00	5.00	5.00	0.00%		Outside Scope
Sale of Overseas register of Electors - published full registers - charges set by legislation							
Data format	Statutory	20.00	20.00	20.00	0.00%	}	Outside Scope
plus for every 100 entries or part thereof	Statutory	1.50	1.50	1.50	0.00%		Outside Scope
Printed paper format	Statutory	10.00	10.00	10.00	0.00%		Outside Scope
plus for every 100 entries or part thereof	Statutory	5.00	5.00	5.00	0.00%		Outside Scope
Sale of Register of Electors - marked registers - charges set by legislation							
Data format	Statutory	10.00	10.00	10.00	0.00%	} 2,000	Outside Scope
plus for every 1,000 entries or part thereof	Statutory	1.00	1.00	1.00	0.00%		Outside Scope
Printed paper format	Statutory	10.00	10.00	10.00	0.00%		Outside Scope
plus for every 1,000 entries or part thereof	Statutory	2.00	2.00	2.00	0.00%		Outside Scope
Sale of Register of Electors - published edited registers - charges set by legislation							
Data format	Statutory	20.00	20.00	20.00	0.00%	}	Outside Scope
plus for every 1,000 entries or part thereof	Statutory	1.50	1.50	1.50	0.00%		Outside Scope
Printed paper format	Statutory	10.00	10.00	10.00	0.00%		Outside Scope
plus for every 1,000 entries or part thereof	Statutory	5.00	5.00	5.00	0.00%		Outside Scope



## Fees and charges

### Corporate and Business Services

	Charge Status	From April 2019 £	From April 2020 £	From April 2021 £	% Increase	Yield £	VAT treatment
<b><u>Local land charges search fees</u></b>							
Personal search - charge set by the Lord Chancellor	Statutory	Nil	Nil	Nil	-	] nil	Outside Scope
Each extra taxable assessment - charge set by the Lord Chancellor	Statutory	Nil	Nil	Nil	-		Outside Scope
LLC 1 Search form:-							
Commercial	Discretionary	45.00	45.00	45.00	0.00%	] 235,000	Outside Scope
Residential	Discretionary	45.00	45.00	45.00	0.00%		Outside Scope
Each extra taxable assessment	Discretionary	10.00	10.00	10.00	0.00%		Outside Scope
Search any one part of the register	Discretionary	11.00	11.00	11.00	0.00%		Outside Scope
CON 29 enquiry form:-							
Commercial	Discretionary	240.00	240.00	240.00	0.00%	] 235,000	Standard
Residential	Discretionary	190.00	190.00	190.00	0.00%		Standard
Each extra taxable assessment	Discretionary	30.00	30.00	30.00	0.00%		Standard
Optional part II enquiry	Discretionary	21.00	21.00	21.00	0.00%		Standard
Additional enquiry	Discretionary	42.00	42.00	42.00	0.00%		Standard
General:-							
Copy Search	Discretionary	11.00	11.00	11.00	0.00%	] 300	Standard
Copy of legal agreement (including plans)	Discretionary	33.00	34.00	35.00	2.94%		Standard
<b><u>Council Tax</u></b>							
Court costs	Statutory	94.50	94.50	94.50	0.00%	165,000	Exempt
<b><u>Business Rates</u></b>							
Court costs	Statutory	135.50	135.50	135.50	0.00%	12,000	Outside Scope
<b><u>Other charges</u></b>							
Freedom of information/Environmental Information regulations - staff time per hour	Discretionary	25.00	25.00	25.00	0.00%	] 100	Standard
Data Protection Subject Access Request - per request - charges set by legislation	Statutory	no charge from May 2018					Outside Scope
Provision of photocopies of documents under the Local Government (Access to Information Act 1986) (per page)	Discretionary	0.30	0.30	0.30	0.00%	] 100	Standard
Provision of photocopies generally							
Printing/copying A4 documents ( per page )	Discretionary	0.30	0.30	0.30	0.00%		Standard
Printing/copying A3 documents ( per page )	Discretionary	0.40	0.40	0.40	0.00%		Standard

## Fees and charges

### Corporate and Business Services

	Charge Status	From April 2019 £	From April 2020 £	From April 2021 £	% Increase	Yield £	VAT treatment
<b><u>Corporate Properties</u></b>							
Garage rentals (per week)							
If included with house	Discretionary	12.50	13.00	13.50	4.00%	} 720,000	Outside Scope
Private rental	Discretionary	15.00	15.60	16.20	4.00%		Standard
Sale of property enquiries - refundable if sale proceeds	Discretionary	1,000.00	1,000.00	1,000.00	0.00%	nil	Standard
<b><u>Civic Centre accommodation charges</u></b>							
Council Chamber							
Community use per hour	Discretionary	40.00	40.00	40.00	0.00%	} nil	Standard
Semi commercial use per hour	Discretionary	80.00	80.00	80.00	0.00%		Standard
Commercial use per hour	Discretionary	120.00	120.00	120.00	0.00%		Standard
Committee Room							
Community use per hour	Discretionary	20.00	20.00	20.00	0.00%	} nil	Standard
Semi commercial use per hour	Discretionary	40.00	40.00	40.00	0.00%		Standard
Commercial use per hour	Discretionary	60.00	60.00	60.00	0.00%		Standard
Foyer/Meeting Rooms/Members Room							
Community use per hour	Discretionary	10.00	10.00	10.00	0.00%	} nil	Standard
Semi commercial use per hour	Discretionary	20.00	20.00	20.00	0.00%		Standard
Commercial use per hour	Discretionary	30.00	30.00	30.00	0.00%		Standard
Out of hours reception cover	per hour	35.00	35.00	35.00	0.00%	nil	Standard
<b><u>Sale of agendas and civic publications</u></b>							
Sale of copy agendas per annum							
Residents groups etc. - All Committees	Discretionary	126.00	126.00	126.00	0.00%	} 300	Outside Scope
Residents groups etc. - individual main Committee only (except Planning)	Discretionary	35.00	35.00	35.00	0.00%		Outside Scope
Residents groups etc. - Planning Committee only	Discretionary	105.00	105.00	105.00	0.00%		Outside Scope
Commercial organisations - All Committees	Discretionary	499.00	499.00	499.00	0.00%		Outside Scope
Commercial organisations - Individual Main Committee only (except Planning)	Discretionary	110.00	110.00	110.00	0.00%		Outside Scope
Commercial organisations - Planning Committee only	Discretionary	324.00	324.00	324.00	0.00%		Outside Scope
Sale of copy agendas - Individual copies	Discretionary	3.50	3.50	3.50	0.00%	300	Outside Scope
Sale of copy minute book							
Residents groups etc. - per annum	Discretionary	52.50	52.50	52.50	0.00%	} nil	Outside Scope
Residents groups etc. - per individual copy	Discretionary	9.45	9.45	9.45	0.00%		Outside Scope
Commercial organisations - per annum	Discretionary	180.00	180.00	180.00	0.00%		Outside Scope
Commercial organisations - per individual copy	Discretionary	46.00	46.00	46.00	0.00%		Outside Scope

9. **TREASURY MANAGEMENT MID-YEAR REPORT 2020/21  
(FINANCIAL SERVICES – PRINCESS CHRISTIAN-IWUAGWU)**

**Synopsis of report:**

**The report sets out the treasury activity for the first six months of the 2020/21 financial year.**

**Recommendation:**

**For information.**

**1 Context of report**

- 1.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses.
- 1.3 The Chartered Institute of Public Finance Accountants (CIPFA) define treasury management as:
- “The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*
- 1.4 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These are:
- Prudential and Treasury Indicators and Treasury Management Strategy (TMS)
  - A mid year Treasury Management Report (this report)
  - An annual Treasury Management Report
- 1.5 The Council has delegated responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Corporate Management Committee, and for the execution and administration of treasury management decisions to the Assistant Chief Executive, who will act in accordance with the Council's Treasury Policy Statement and Treasury Management Practices (TMP).
- 1.6 These reports are required to be adequately scrutinised. This role is undertaken by the Overview and Scrutiny Select Committee.
- 1.7 The Council has adopted both the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes – 2017 Edition (the TM Code) and the Prudential Code and this report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the relevant CIPFA Codes and Ministry for Housing, Communities and Local Government (MHCLG) Guidance.

- 1.8 The Council recognises that effective financial planning, option appraisal, risk management and governance processes are essential in achieving a prudent approach to capital expenditure, investment and debt. Therefore, all investment decisions (treasury and non-treasury) are taken in light of the Council's Corporate Plan, Medium Term Financial Strategy, Capital Strategy (including the Property Investment Strategy) and Treasury Management Strategy.
- 1.9 The Council's Treasury Management Strategy, Annual Investment Strategy and Prudential indicators for 2020/21 were considered by the Corporate Management Committee at its meeting held on 23 January 2020, and the Overview and Scrutiny Select Committee at its meeting on 6 February 2020 before final approval by full Council on 11 February 2020.
- 1.10 In light of the uncertainty surrounding the coronavirus pandemic the Council's investment strategy was amended on 27 March 2020 via Standing Order 42 (Urgent Action) 961 which was reported to the Corporate Management Committee meeting on 27 May 2020.

## **2. Economy and Outlook for Interest Rates**

### Treasury Management Consultants

- 2.1 The Council recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. Following a tendering exercise carried out during the summer of 2016, Link Asset Services (Link) were awarded a new contract from 1 October 2016. This contract is for the period of five years. Although Link provide advice to the Council, responsibility for final decision making remains with the Council and its officers at all times.

### Economic Update

- 2.2 The Council's treasury advisor, Link Asset Services, has provided the economic update in the following paragraphs.
- 2.3 The Bank of England's Monetary Policy Committee (MPC) kept Bank Rate unchanged on 6<sup>th</sup> August and kept the level of quantitative easing at £745bn. It also squashed any idea of using negative interest rates, at least in the next six months or so. It suggested that while negative rates can work in some circumstances, it would be "less effective as a tool to stimulate the economy" at this time when banks are worried about future loan losses. It also has "other instruments available", including QE and the use of forward guidance. The MPC expected the £300bn of quantitative easing purchases announced between its March and June meetings to continue until the "turn of the year". This implies that the pace of purchases will slow further to about £4bn a week, down from £14bn a week at the height of the crisis and £7bn more recently.
- 2.4 The MPC acknowledged that the "medium-term projections were a less informative guide than usual" and the minutes had multiple references to downside risks, which were judged to persist both in the short and medium term. Rather than a national lockdown, as in March, any spikes in virus infections are now likely to be dealt with by localised measures and this should limit the amount of economic damage caused. In addition, Brexit uncertainties ahead of the year-end deadline are likely to be a drag on recovery. The wind down of the initial generous furlough scheme through to the end of October is another development that could cause the Bank to review the need for more support for the economy later in the year. Admittedly, the Chancellor announced in late September a second six month package from 1<sup>st</sup> November of Government support for jobs whereby it will pay up to 22% of the costs of retaining an employee working a minimum of one third of their normal hours. There was further help for the self-employed, freelancers and the hospitality industry. However, this is a much less generous scheme than the furlough package and will inevitably mean there will be further job losses from the 11% of the workforce still on furlough in mid-September.

- 2.5 Overall, the pace of recovery is not expected to be in the form of a rapid V shape, but a more elongated and prolonged one after a sharp recovery in June through to August which left the economy 11.7% smaller than in February. The last three months of 2020 are now likely to show no growth as consumers will probably remain cautious in spending and uncertainty over the outcome of the UK/EU trade negotiations concluding at the end of the year will also be a headwind. If the Bank felt it did need to provide further support to recovery, then it is likely that the tool of choice would be more QE.
- 2.6 There will be some painful longer-term adjustments as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever. There is also likely to be a reversal of globalisation as this crisis has shown up how vulnerable long-distance supply chains are. On the other hand, digital services is one area that has already seen huge growth.
- 2.7 One key addition to the Bank's forward guidance was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate.
- 2.8 The Financial Policy Committee (FPC) report on 6<sup>th</sup> August revised down their expected credit losses for the banking sector to "somewhat less than £80bn". It stated that in its assessment "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.
- 2.9 In the United States, the incoming sets of data during the first week of August were almost universally stronger than expected. With the number of new daily coronavirus infections beginning to abate, recovery from its contraction this year of 10.2% should continue over the coming months and employment growth should also pick up again. However, growth will be dampened by continuing outbreaks of the virus in some states leading to fresh localised restrictions. At its end of August meeting, the Fed tweaked its inflation target from 2% to maintaining an average of 2% over an unspecified time period i.e. following periods when inflation has been running persistently below 2%, appropriate monetary policy will likely aim to achieve inflation moderately above 2% for some time. This change is aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary "trap" like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade so financial markets took note that higher levels of inflation are likely to be in the pipeline; long term bond yields duly rose after the meeting. The Fed also called on Congress to end its political disagreement over providing more support for the unemployed as there is a limit to what monetary policy can do compared to more directed central government fiscal policy. The FOMC's updated economic and rate projections in mid-September showed that officials expect to leave the Fed funds rate at near-zero until at least end-2023 and probably for another year or two beyond that. There is now some expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in tension over the last year between the US and China is likely to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal
- 2.10 In the Eurozone the economy was recovering well towards the end of Quarter 2 after a sharp drop in GDP, (e.g. France 18.9%, Italy 17.6%). However, the second wave of the virus affecting some countries could cause a significant slowdown in the pace of recovery, especially in countries more dependent on tourism. The fiscal support package, eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support and quickly enough to make an appreciable difference in weaker countries. The ECB has been struggling to get inflation up to its 2% target and it is therefore

expected that it will have to provide more monetary policy support through more quantitative easing purchases of bonds in the absence of sufficient fiscal support

### Outlook for Interest Rates

2.11 The Council's treasury advisor, Link Asset Services, has provided the following forecast:

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

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

2.13 From the local authority borrowing perspective, HM Treasury imposed two changes of margins over gilt yields for PWLB rates in 2019-20 without any prior warning. The first took place on 9<sup>th</sup> October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then at least partially reversed for some forms of borrowing on 11<sup>th</sup> March 2020, but not for mainstream General Fund capital schemes. It also announced that there would be a consultation with local authorities on possibly further amending these margins; this was to end on 4<sup>th</sup> June, but that date was subsequently put back to 31<sup>st</sup> July. It is clear HM Treasury will no longer allow local authorities to borrow money from the PWLB to purchase commercial property.

2.14 As the interest forecast table for PWLB certainty rates, (gilts plus 180bps), above shows, there is likely to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession 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.

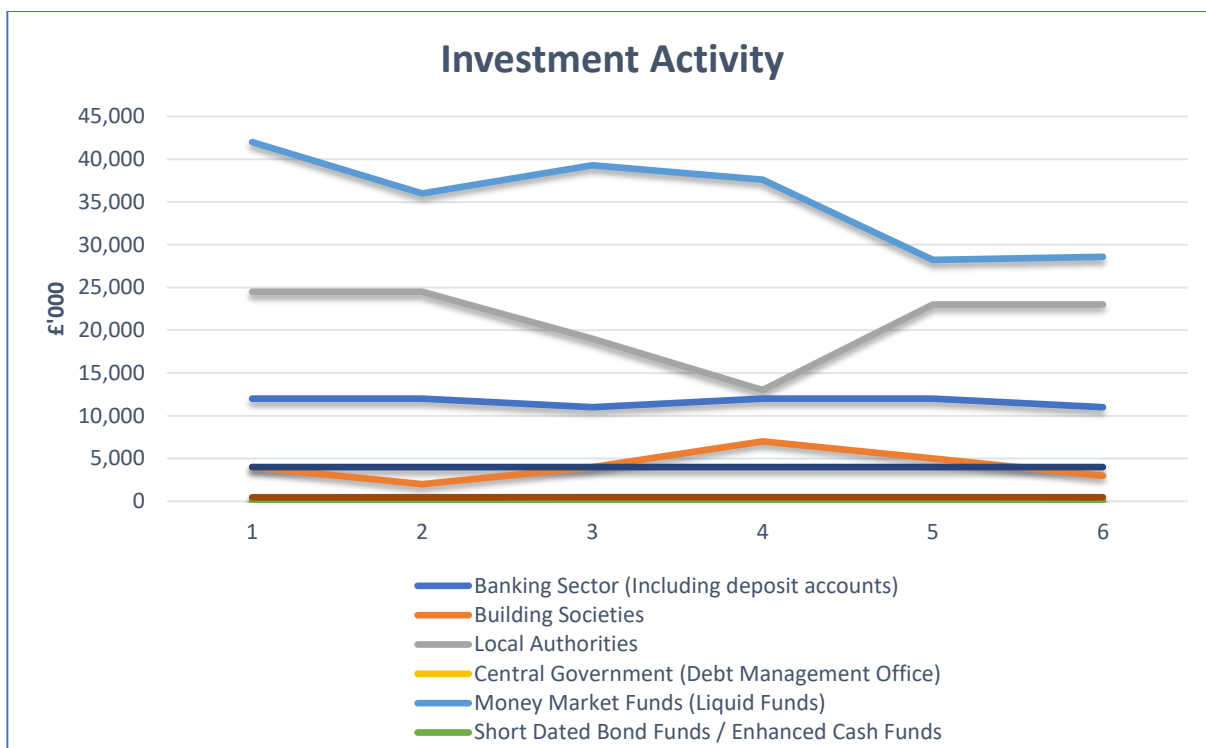
2.15 The overall balance of risks to economic growth in the UK is probably relatively even but is subject to major uncertainty due to the virus. There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has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

## Annual Investment Strategy

- 3.1 The Treasury Management Strategy Statement (TMSS) for 2020/21, which includes the Annual Investment Strategy sets out the Council's investment priorities as being:
- Security of capital;
  - Liquidity; and
  - Yield.
- 3.2 The Council's investment policy is governed by MHCLG investment guidance and is reflected in the Annual Investment Strategy approved by the Council each year. 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.).
- 3.3 The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with highly credit rated financial institutions.
- 3.4 The Council held £70m of investments as at 30 September 2020 (£79.5m at 31 March 2020) and the investment activity during the first six months of the year, which has been principally driven by the availability of counterparties that meet the criteria set out in the Annual Investment Strategy, can be seen from the table below:

Investment Sector	Outstanding at 1 April 2020	New Investments	Investments Recalled	Outstanding at 30 Sept 2020
	£000	£000	£000	£000
<b>Specified Investments</b>				
Banking sector	15,500	5,000	9,500	11,000
Building societies	5,000	5,000	7,000	3,000
Local Authorities	24,000	24,500	25,500	23,000
Central Government	0	0	0	0
Money Market Funds	30,600	74,410	76,440	28,570
<b>Unspecified Investments</b>				
Pooled & Collective				
Investment Schemes	4,000	0	0	4,000
Funding Circle	461	6	2	465
	<b>79,561</b>	<b>108,916</b>	<b>118,442</b>	<b>70,035</b>

- 3.5 The monthly movement between these categories is set out in the chart on the next page and reflects the available counterparties and investment rates at that time.

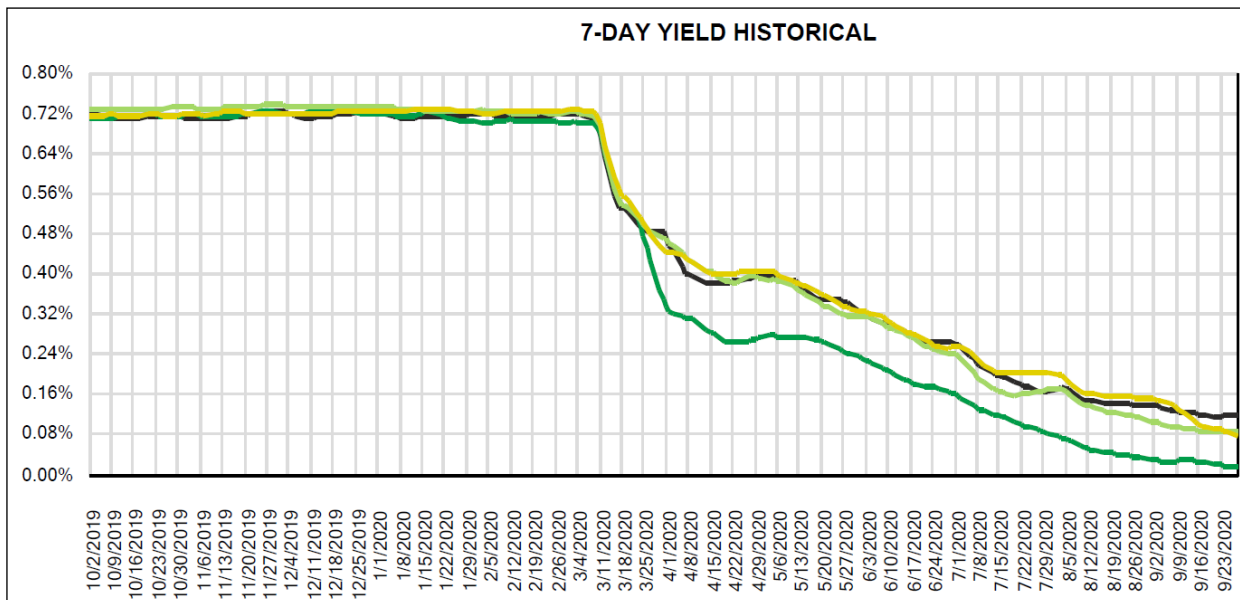


- 3.6 A full list of investments held at the 30 September is set out at Appendix 'F'.
- 3.7 The Council's cash balances comprise revenue and capital resources and cash flow monies (creditors etc). This includes a slow build up in balances of MRP as it is set aside to repay borrowing in the future when it becomes due.
- 3.8 Traditionally the amount of income the Council has to invest increases during the year before dropping back down in February and March. This is predominantly due to Council Tax and Business Rates being collected over ten monthly instalments but paid over to preceptors over a 12 month cycle. This year however has also been heavily affected by variations in Government funding mechanisms due to the coronavirus pandemic, including a £14m receipt for forward lending onto businesses in the borough. The current level of investments shown in the above table will tail off considerably over the last six months of the year as deferred payments of business rates to the Government are repaid.
- 3.9 The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

#### Investment income and debt interest

- 3.10 Aside from the parameters set in the Annual Investment Strategy, the main factors that determine the amount of investment income gained by the Council are the level of interest rates, cash flow and the level of reserves and balances. The impact of capital cash flows – receipts from sales, and timing of capital projects – also has a significant impact on cash flows.
- 3.11 The original estimate for investment income for 2020/21 was based on the Council achieving an **average** interest rate of 0.75%. This took into account a base rate of 0.75% throughout the year. As shown in Appendix 'F', it is no longer possible to earn the level of interest rates commonly seen in previous decades as all investment rates up to 12 months are either negative or barely above zero now that Bank Rate is at 0.10%. Given this risk environment and the fact that increases in Bank Rate are unlikely to occur before the end of the current forecast horizon of 31<sup>st</sup> March 2023, investment returns are expected to remain low.
- 3.12 This drop in rates can best be seen from the returns on the Council's Money Market Funds over the last year as can be seen from the following chart which has been taken from the Council's ICD Money Market Fund Portal:





3.13 The following table shows the average investment interest rates generated during this period (excluding loans to Council Companies):

	Average Interest Rate (%)
April	0.72
May	0.70
June	0.64
July	0.53
August	0.53
September	0.53
<b>2020/21 average</b>	<b>0.61</b>

3.14 The average rate of interest generated is in line with the Council's benchmark rates which follows a similar downward pattern as shown in Appendix 'G' attached.

3.15 Averages for the Council's benchmark rates were:

Index	Annualised Return %
7 day LIBID average	-0.06
Average Bank Base rate	-0.02
3 month LIBID average	0.11
6 month LIBID average	0.21
12 month LIBID average	0.35
<b>Runnymede Average</b>	<b>0.61</b>

**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.

3.16 One of the reasons for this good performance was the decision by officers to place a majority of its spare money for periods of 9-12 months with local authorities during the year when the money market rates started to dip. Lending to local authorities is one of the safest forms of investment and authority to authority lending generally saw an upturn during the year as rates

offered by local authorities out stripped the general market. Another good decision was to place funds onto Notice accounts.

3.17 Another reason this favourable rate was achieved was due to the Council's investment in its two Pooled Funds. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Investments in these funds are long term in nature and over long term horizons they provide investors with strong levels of interest (in the form of dividends) relative to other forms of investment. However past performance has also shown that the capital values of these assets can be subject to large fluctuations (both up and down) over relatively short time frames. March 2020 was one such occasion as markets showed high levels of volatility with significant changes (of greater than 1%) on a day to day basis. Officers expect this volatility to continue over the medium term as the consequences of Brexit and the Coronavirus play out.

3.18 The movement of the Council's two CCLA pooled funds during the year has been as follows:

	<b>Original Investment £</b>	<b>Value 31 March 2020 £</b>	<b>Value 30 September 2020 £</b>	<b>Average Dividend Return in 2020/21 %</b>
CCLA Property Fund	2,000,000	2,322,121	2,225,464	2.80
CCLA Diversified Income Fund	2,000,000	1,833,032	1,959,083	3.42

The differences between the Original Sums invested and the Values at 31 March each year are held on the Council's Balance Sheet in the Pooled Investments Adjustment Account.

3.19 The estimate for investment income and debt interest for the current year at the start of the year was as follows:

	<b>General Fund £'000</b>	<b>HRA £'000</b>	<b>Total £'000</b>
Gross external investment income	183	181	364
Interest on loans to RBC companies	1,571	0	1,571
Dividend income	190	-	190
Interest paid on deposits and other balances	(2)	-	(2)
<b>Net Investment Income</b>	<b>1,942</b>	<b>181</b>	<b>2,123</b>
Debt Interest	(14,466)	(3,426)	(17,892)
Management Expenses	(100)	-	(100)
<b>Net Investment Income / (Debt interest)</b>	<b>(12,624)</b>	<b>(3,245)</b>	<b>(15,869)</b>

3.20 Based on current predictions the revised figures for 2020/21 are assumed to be as follows:

	<b>General Fund £'000</b>	<b>HRA £'000</b>	<b>Total £'000</b>
Gross external investment income	171	45	216
Interest on loans to RBC companies	1,489	-	1,489
Dividend income	87	-	87
Interest paid on deposits and other balances	(2)	-	(2)
<b>Net Investment Income</b>	<b>1,745</b>	<b>45</b>	<b>1,790</b>
Debt Interest	(12,743)	(3,426)	(16,169)
Management Expenses	(100)	-	(100)
<b>Net Investment Income / (Debt interest)</b>	<b>(11,098)</b>	<b>(3,381)</b>	<b>(14,479)</b>

#### 4 Debt Management Strategy

4.1 Due to slippage in the Capital Programme there has been no need to borrow so far this year as can be seen from the following table:

Investment Sector	Outstanding at 1 April 2020	New Borrowing	Borrowing Repaid	Outstanding at 30 Sept 2020
	£000	£000	£000	£000
HRA - PWLB	101,956	-	-	101,956
General Fund – PWLB	525,336	-	-	525,336
General Fund – Non PWLB	5,000	-	5,000	-
	<b>632,292</b>	<b>-</b>	<b>5,000</b>	<b>627,292</b>

4.2 A full list of borrowings held at the 30 September is set out at Appendix 'H'.

4.3 Due to the increase in PWLB margins over gilt yields in October 2019, and the subsequent consultation on these margins by HM Treasury - which ended on 31st July 2020 – officers have refrained from undertaking new long-term PWLB borrowing for the present and the Council has met its requirements for additional borrowing through internal borrowing until such time as new PWLB margins are finally determined. In addition, the effect of coronavirus on the capital programme objectives are being assessed. Therefore, our borrowing strategy will be reviewed and then revised in order to achieve optimum value and risk exposure in the long-term.

#### 5. Treasury Management Indicators

5.1 The CIPFA Code on Treasury Management requires the Council to approve a set of treasury management indicators by which the Council can measure its exposure to risk. The Council's treasury indicators were approved by Council on 11 February 2020.

5.2 During the financial year to date, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices. The following paragraphs show the position as at 30 September against each of the indicators.

##### Interest rate exposures

5.3 This indicator is set to control the Council's net exposure (taking borrowings and investments together) to interest rate risk. The upper limits proposed on fixed and variable rate interest rate exposures, expressed as the principal sums outstanding are:

Upper limits proposed on fixed and variable rate interest rate exposures expressed as the principal sums outstanding in respect of borrowing		
	Target £'000	Actual £'000
Upper limit on fixed interest rate exposures	801,152	627,292
Upper limit on variable interest rate exposures	0	(70,035)

5.4 Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate. If it is not clear whether an instrument should be treated as fixed or variable rate, then it is treated as variable rate.

5.5 The variable rate upper limit of zero means that the Council is minimising its exposure to uncertain future interest rates on its debt. As all the Council's investments mature within the

year they are classed as variable the Council has no variable rate borrowings to offset these against, hence the negative figure in the table above.

#### Maturity structure of borrowing

- 5.6 This indicator is set to control the Council's exposure to refinancing risk. The upper limits on the maturity structure of fixed rate borrowing are set at their maximum because it is important to maintain this flexibility to allow the optimum debt structure to be put in place for any future redevelopment schemes.

<b>Proposed upper and lower limits on the maturity structure of fixed rate borrowing</b>			
	<b>Upper</b>	<b>Lower</b>	<b>Actual</b>
Under 12 months	25%	0%	6%
12 months and within 24 months	25%	0%	1%
24 months and within five years	25%	0%	6%
Five years and within 10 years	50%	0%	5%
10 years and above	100%	0%	82%

- 5.7 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

#### Principal sums invested for periods longer than 364 days

- 5.8 The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The proposed limits on the total principal sum invested to final maturities beyond the period end are:

<b>Principal sums invested for periods longer than 364 days</b>		
	<b>Target £'000</b>	<b>Actual £'000</b>
Limit on principal invested beyond one year	1,000	0

#### Borrowing limits

- 5.9 The Council's borrowing limits were set at the start of the financial year and are as follows:

<b>Borrowing Limits</b>	
	<b>Target £'000</b>
Approved Authorised Limit	880,998
Approved Operational Boundary	840,898
<b>Actual borrowing as at 30 September</b>	<b>627,292</b>

- 5.10 The Authorised Limit is a limit on the maximum amount the authority expects to borrow at any one point in time. The limit includes short-term borrowing. The Operational Boundary is the term used to describe the most likely scenario of cash flow movements and equates to the maximum level of external debt projected by the authority's estimates. The Authorised Limit differs in that it provides over and above the operational boundary for unusual cash movements (hence, one is a limit, the other a boundary).

## **6. Other Treasury Related Items**

- 6.1 In order to streamline some of its back office processes and to assist in closing the Council's accounts to meet the tighter government closedown requirements, officers purchased Logotech, a new computerised treasury management system. The new system has the capability of recording all the Council's treasury deals and contains a cashflow module that

will replace the manual processes and spreadsheets currently being used. Due to the coronavirus lockdown, Officers are still dual running the new system with existing manual records. However, having everything centrally recorded on one electronic system has already proved beneficial over the last few months.

- 6.2 As well as providing an auditable record of debts and investments, the Logotech system has a cashflow management tool with full forecasting capabilities. The cashflow module automatically populates all repayments of principal and interest for investments and loans and can create "deal tickets" which will replace the existing manual records which are currently being phased out. An automatic interface also imports MMF interest rates on a daily basis, making interest reporting more timely and accurate. The system also helps to reinforce the segregation of duties within the Council by monitoring who undertakes the various actions within the system.
- 6.3 Once officers are fully satisfied that full reliance can be placed on the system, the Council's Treasury Management Practices (TMP) and Schedules (TMS) for 2021/22 will be updated accordingly.

## **7. Legal Implications**

- 7.1 The powers for a local authority to borrow and invest are governed by the Local Government Act 2003 and associated Regulations. A local authority may borrow or invest for any purpose relevant to its functions, under any enactment, or for the purpose of the prudent management of its financial affairs. The Regulations also specify that authorities should have regard to the CIPFA Treasury Management Code when carrying out their treasury management functions.
- 7.2 Section 15 of the Local Government Act 2003 provides the power for the Government to issue guidance about investments to which authorities are to have regard. This report takes account of the current and proposed guidance issued by the Government.
- 7.3 The Government has issued Regulations to require investment in share capital to be treated as capital expenditure. The Government state that this acts as a disincentive to local authorities to make such investments, as they would consume the authority's capital resources. However, the Government has excluded investments in money market funds, multilateral development banks and real estate investment trusts (REITs) from this definition, as it has no wish to deter authorities from considering these investments.

## **8. Conclusion**

- 8.1 With the continued uncertainty over the coronavirus pandemic, Brexit and global market uncertainty generally, investment rates have been slowly declining throughout the year. Despite this, by tapping into medium term investments with Local Authorities, the Council has managed to achieve above average returns for the first half of the year.
- 8.2 During the period the Council has operated within the treasury and prudential indicators set out in the Council's Treasury management Strategy and in compliance with its Treasury Management Practices.

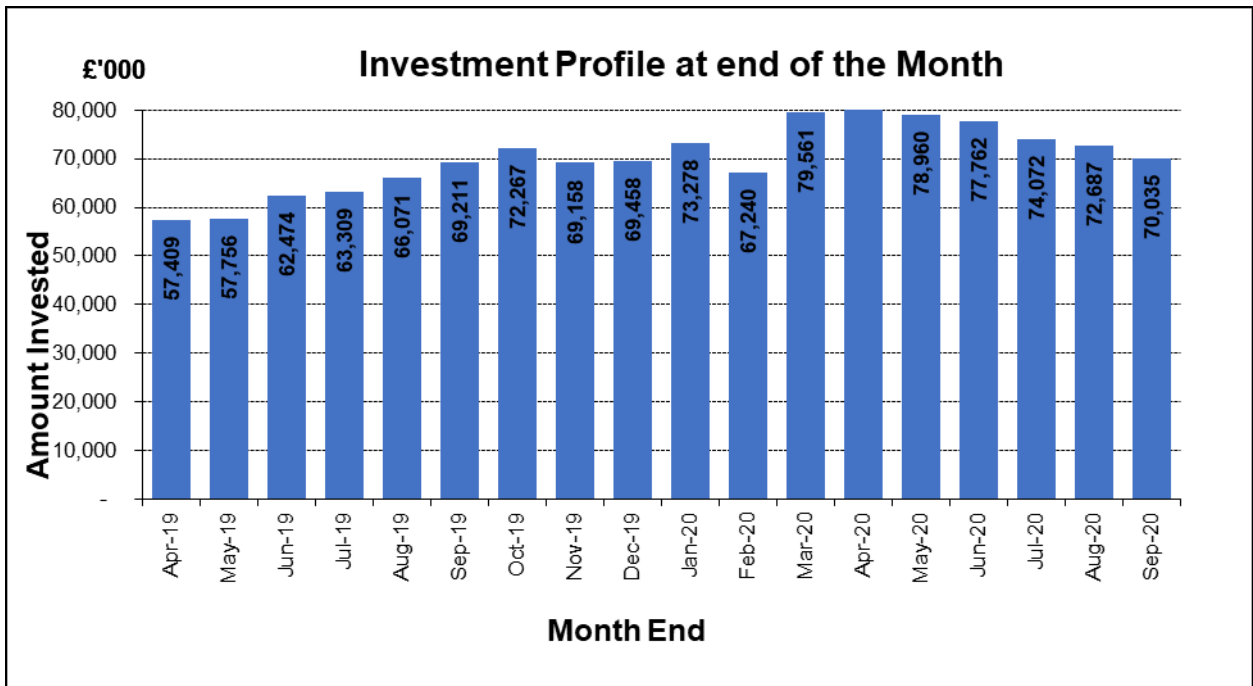
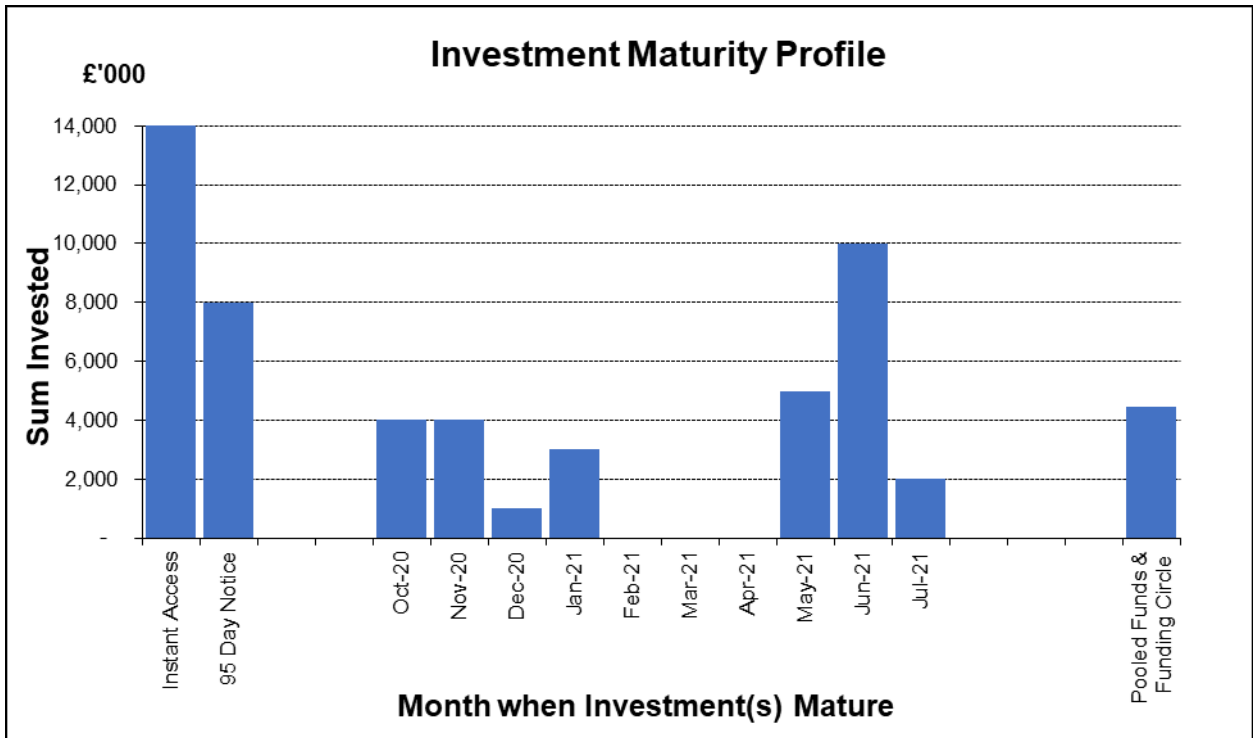
### **(For information)**

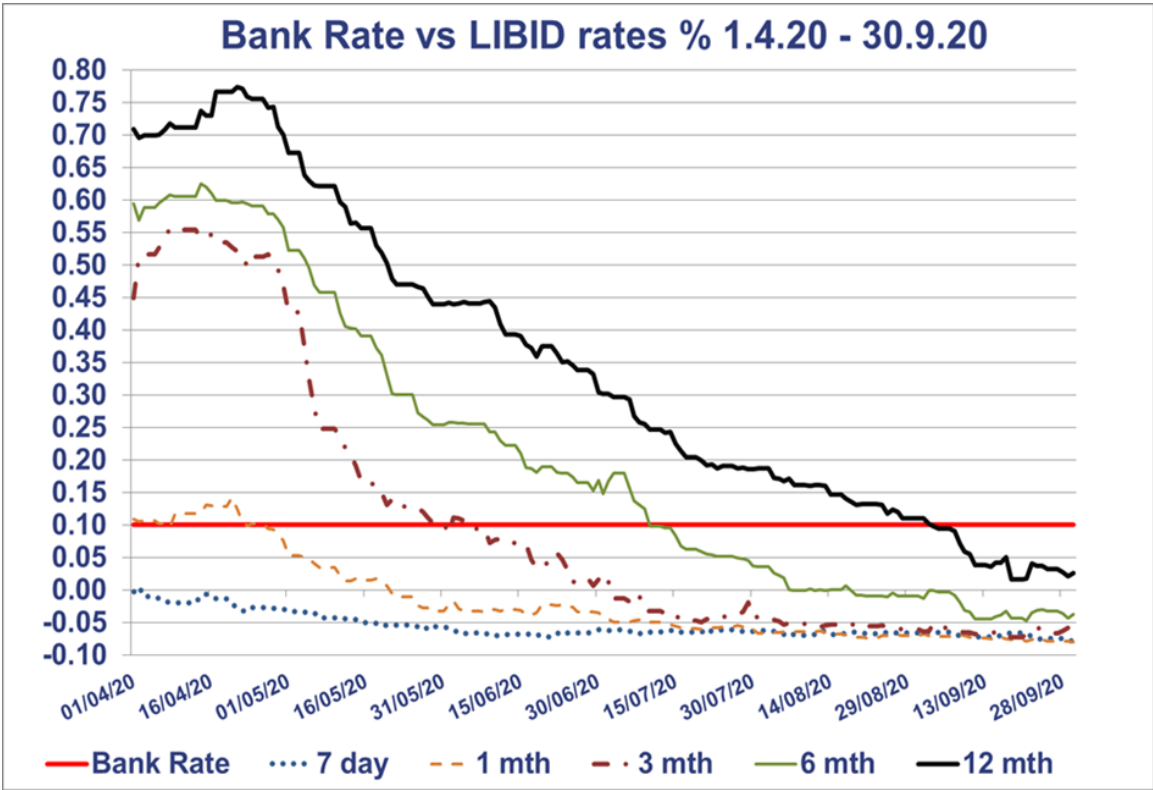
#### **Background Papers**

None stated

## APPENDIX 'F'

Investments as at 30 September 2020					
	£'000		ORIGINAL TERM	MATURITY	%
<b>Banks</b>					
<u>Access Accounts</u>					
Santander Business Reserve Account	4,000		**** 95 Day Notice A/C ****		0.450
Lloyds Bank PLC	4,000		**** 95 Day Notice A/C ****		0.300
<u>Term Deposits</u>					
DBS Bank	1,000		3 mth	29 Dec 2020	0.100
<u>Certificates of Deposit</u>					
Nat West Bank	2,000		1 yr	02 Jul 2021	0.380
<b>Total Banks</b>	<b>11,000</b>	<b>16%</b>			
<b>Building Societies</b>					
Leeds BS	1,000		3 mth	07 Oct 2020	0.170
Nationwide BS	2,000		6 mth	06 Jan 2021	0.200
<b>Total Building Society</b>	<b>3,000</b>	<b>4%</b>	(50% Limit)		
<b>Local Authorities</b>					
Coventry City Council	3,000		1 yr	09 Oct 2020	1.000
Liverpool City Council	5,000		10 mth	03 Jun 2021	0.480
Plymouth City Council	5,000		9 mth	28 Jun 2021	0.200
Slough Borough Council	5,000		9mth	28 May 2021	0.300
Thurrock Council	2,000		6 mth	13 Nov 2020	0.700
Thurrock Council	2,000		6 mth	13 Nov 2020	0.700
Thurrock Council	1,000		6 mth	18 Jan 2021	0.300
<b>Total Local Authorities</b>	<b>23,000</b>	<b>33%</b>			
<b>Money Market Funds</b>					
Aberdeen Liquidity Sterling Fund	10,000		***** On Call *****		Variable
Aviva Investors Sterling Liquidity Fund - Class 3	10,000		***** On Call *****		Variable
CCLA - Public Sector Deposit Fund	2,000		***** On Call *****		Variable
Deutsche Global Liquidity Managed GBP - Class B	-		***** On Call *****		Variable
Goldman Sachs Sterling Liquid Reserves Institutional	-		***** On Call *****		Variable
Insight Liquidity Fund PLC	6,570		***** On Call *****		Variable
<b>Total Money Market Funds</b>	<b>28,570</b>	<b>41%</b>			
<b>Pooled Funds &amp; Collective Investment Schemes</b>					
CCLA Property Fund	2,000		**** 3 mth settlement ****		Variable
CCLA Diversified Income Fund	2,000		**** 3 mth settlement ****		Variable
<b>Total Pooled Funds</b>	<b>4,000</b>	<b>6%</b>			
<b>Funding Circle</b>					
Lending to small and medium sized companies	465		**** up to 5 years ****		Variable
<b>Total Other Investments</b>	<b>465</b>	<b>1%</b>	(with the ability to sell loans)		
<b>Total Investments</b>	<b>70,035</b>				

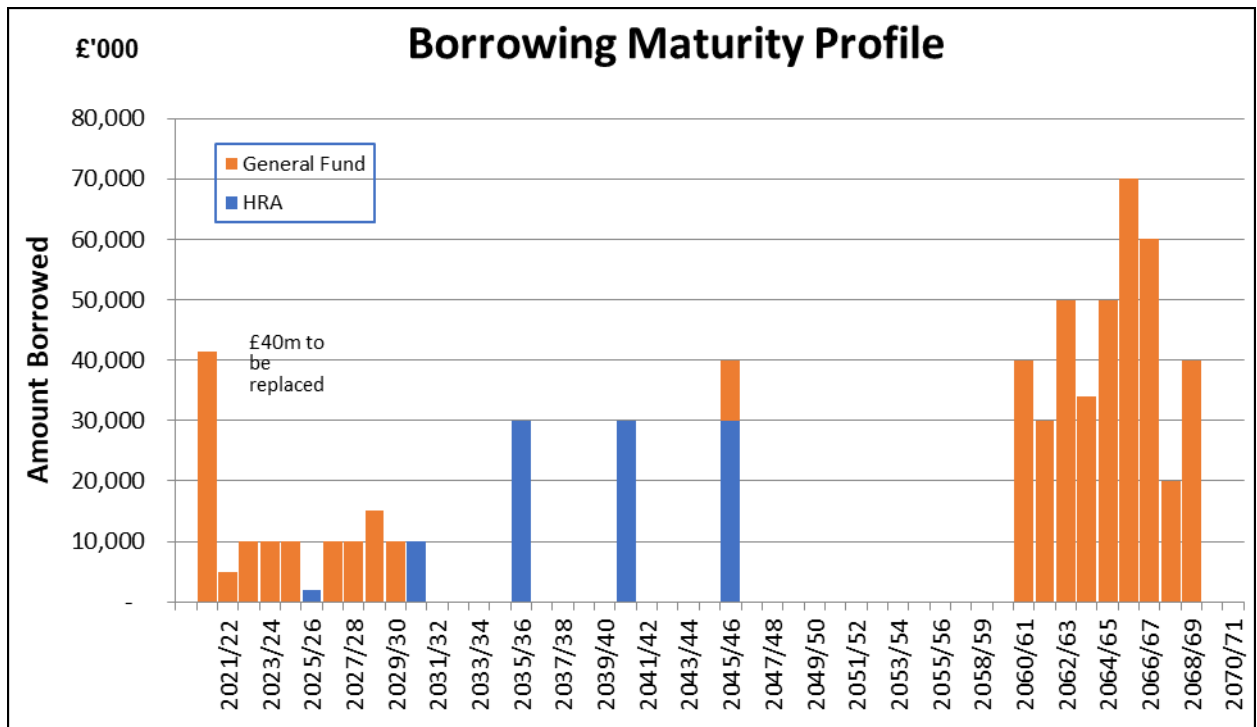






## APPENDIX 'H'

<b>Borrowings as at 30 September 2020</b>					
	Principal Sum £'000	Original Term (Years)	Annual Interest £	MATURITY	%
<b>Housing Revenue Account</b>					
PWLB - 500502 (part)	1,956	10	46,944	28 Mar 2022	2.40%
PWLB - 500495	10,000	15	301,000	28 Mar 2027	3.01%
PWLB - 500498	10,000	20	332,000	29 Mar 2032	3.32%
PWLB - 500500	10,000	20	332,000	29 Mar 2032	3.32%
PWLB - 500501	10,000	20	332,000	29 Mar 2032	3.32%
PWLB - 500493	10,000	25	344,000	27 Mar 2037	3.44%
PWLB - 500496	10,000	25	344,000	27 Mar 2037	3.44%
PWLB - 500503	10,000	25	344,000	27 Mar 2037	3.44%
PWLB - 500494	10,000	30	350,000	28 Mar 2042	3.50%
PWLB - 500497	10,000	30	350,000	28 Mar 2042	3.50%
PWLB - 500499	10,000	30	350,000	28 Mar 2042	3.50%
	<b>101,956</b>		<b>3,425,944</b>	<b>Average Rate:</b>	<b>3.36%</b>
<b>General Fund</b>					
PWLB - 507406	40,000	3	672,000	02 May 2021	1.68%
PWLB - 500502 (part) - Appropriated from HRA	1,336	10	32,064	28 Mar 2022	2.40%
London Borough of Barking & Dagenham	5,000	3	90,000	20 Dec 2022	1.80%
PWLB - 507919	10,000	5	195,000	17 Oct 2023	1.95%
PWLB - 507920	10,000	6	205,000	17 Oct 2024	2.05%
PWLB - 504312	10,000	10	256,000	17 Aug 2025	2.56%
PWLB - 506855	10,000	10	219,000	23 Jan 2028	2.19%
PWLB - 505012	4,000	12	86,400	08 Jun 2028	2.16%
PWLB - 507919	6,000	9	150,000	22 Dec 2028	2.50%
PWLB - 504520	15,000	15	414,000	04 Dec 2030	2.76%
PWLB - 176998	10,000	11	226,000	30 Mar 2031	2.26%
PWLB - 505233	10,000	30	244,000	12 Jul 2046	2.44%
PWLB - 505335	20,000	45	376,000	01 Sep 2061	1.88%
PWLB - 508328	10,000	43	247,000	31 Dec 2061	2.47%
PWLB - 508377	10,000	43	249,000	18 Jan 2062	2.49%
PWLB - 505968	15,000	45	351,000	04 Apr 2062	2.34%
PWLB - 505969	15,000	45	351,000	04 Apr 2062	2.34%
PWLB - 505972	20,000	46	470,000	05 Apr 2063	2.35%
PWLB - 505433	10,000	47	207,000	29 Sep 2063	2.07%
PWLB - 508192	10,000	45	243,000	12 Dec 2063	2.43%
PWLB - 508226	10,000	45	239,000	13 Dec 2063	2.39%
PWLB - 505434	14,000	48	289,800	29 Sep 2064	2.07%
PWLB - 505668	20,000	48	514,000	20 Jan 2065	2.57%
PWLB - 507420	40,000	47	980,000	29 May 2065	2.45%
PWLB - 507145	10,000	48	228,000	27 Mar 2066	2.28%
PWLB - 507416	40,000	48	984,000	25 May 2066	2.46%
PWLB - 505611	20,000	50	524,000	16 Dec 2066	2.62%
PWLB - 506991	10,000	50	240,000	05 Mar 2067	2.40%
PWLB - 507425	20,000	49	480,000	30 May 2067	2.40%
PWLB - 506125	10,000	50	230,000	12 Jun 2067	2.30%
PWLB - 506887	15,000	50	367,500	08 Feb 2068	2.45%
PWLB - 506888	15,000	50	367,500	08 Feb 2068	2.45%
PWLB - 507407	20,000	50	490,000	23 May 2068	2.45%
PWLB - 177081	40,000	50	932,000	30 Mar 2070	2.33%
	<b>525,336</b>		<b>12,149,264</b>	<b>Average Rate:</b>	<b>2.31%</b>
<b>Total Borrowings</b>	<b>627,292</b>		<b>15,575,208</b>	<b>Annual Interest</b>	
<b>Advance Loan Deal (Refinancing existing loan)</b>					
Phonenix Life Limited	£'000	(Years)	Annuity Basis	MATURITY	%
	40,000	40		02 May 2061	2.88%
<b>Authorised Borrowing Limit 2020/21</b>					
	£'000				
Authorised Borrowing Limit 2020/21	880,998	(approved 11 Feb 2020 - Full Council)			
Borrowing to date	(627,292)				
<b>Authorised Borrowing remaining</b>	<b>253,706</b>				



10. **EXCLUSION OF PRESS AND PUBLIC**

**OFFICERS' RECOMMENDATION that –**

**the press and public be excluded from the meeting during discussion of the following reports under Section 100A(4) of the Local Government Act 1972 on the grounds that the reports in question would be likely to involve disclosure of exempt information of the description specified in paragraphs 1 and 3 of Part 1 of Schedule 12A of the Act.**

**(To resolve)**

**PART II**

**Matters involving Exempt or Confidential information in respect of which reports have not been made available for public inspection**

<b><u>Exempt Information</u></b>	<b><u>Paras</u></b>
11. PROPOSED LETTING OF COMMERCIAL UNIT – ADDLESTONE ONE DEVELOPMENT	3
12. COMMUNICATIONS – PROPOSED STAFF REORGANISATION (TO FOLLOW)	1 and 3
13. COMMERCIAL SERVICES – PROPOSED STAFF RESTRUCTURING (TO FOLLOW)	1 and 3

**Confidential Information**

(No reports to be considered under this heading)