Overview and Scrutiny Select Committee

Thursday 26 November 2020 at 7.30pm

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

Members of the Committee

Councillors J Furey (Chairman), T Gracey (Vice-Chairman), A Alderson, M Brierley, J Broadhead, S Dennett, R Edis, L Gillham and S Mackay.

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 Overview and Scrutiny Select 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 Government Business Centre, Runnymede Civic Centre, Station Road, Addlestone (Tel: Direct Line: 01932 425624). (Email: 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.

Continued……….

4) If you wish to hear the debate for the 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

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

a) Exempt Information

(No reports to be considered under this heading)

b) Confidential Information

(No reports to be considered under this heading)

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

2. **MINUTES**

To confirm the Minutes of the meeting of the Committee held on 1 October 2020 attached at Appendix ‘A’. As this meeting is being held remotely, the Chairman will ask Members of the Committee if they approve these Minutes which will then be signed when this is physically possible.

(To resolve)

Background papers

None

Runnymede Borough Council

APPENDIX 'A'

OVERVIEW AND SCRUTINY SELECT COMMITTEE

1 October 2020 at 7.45.p.m. via MS Teams

Members of the Committee present:	Councillors J Furey (Chairman), T Gracey (Vice-Chairman), A Alderson, J Broadhead, S Dennett, R Edis and L Gillham
Members of the Committee absent:	Councillors M Brierley and S Mackay

226 MINUTES

The Minutes of the meeting of the Committee held on 21 July 2020 were confirmed as a correct record. As the meeting was being held remotely using MS Teams, the Chairman would sign these minutes when this was physically possible.

227 TREASURY MANAGEMENT ANNUAL REPORT 2019/20

The Committee considered the Treasury Management Annual Report 2019/20 which summarised the Council's treasury management activity and performance for 2019/20. It was noted that this report had been considered by the Corporate Management Committee at its meeting on 30 July 2020. That Committee had recommended that Full Council noted the report and had noted that during the year the Council had operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy.

The Committee noted that it would normally consider the Treasury Management Annual Report at its July meeting. However, it had not been possible for the Committee to consider this report during the summer as it had held a series of meetings during July to consider the local response to the coronavirus pandemic. The Committee noted that the economic analysis provided within the report was now out of date because of the pace of events.

The Council's underlying need to borrow for capital expenditure was termed the Capital Financing Requirement (CFR) and represented the capital expenditure of prior years that had not been paid for and the current year's unfinanced capital expenditure. One of the Council's treasury activities was to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, Officers organised the Council's cash position to ensure that sufficient cash was available to meet the capital plans and cash flow requirements. During 2019/20, the Council had maintained an under-borrowed position. This meant that the capital borrowing need, the CFR, had not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow had been used as an interim measure.

The policy of avoiding new borrowing by running down spare cash balances had served the Council well over the last few years. However, with interest rates fluctuating wildly on a daily basis, and an uncertain future in regard to the fallout from Coronavirus and Brexit, officers had taken the opportunity at the end of 2019/20 to convert £15 million of internal borrowing into actual debt to avoid incurring higher borrowing costs in the future. This was done at a rate of 2.33%. Equivalent rates today were 2.48%. Doing this had effectively delayed the need to borrow for the Egham Gateway scheme in the current year, and it was hoped that reduced Public Works Loan Board (PWLB) rates for regeneration schemes would be introduced by the time additional money was required. It was noted that the Council could no longer borrow from the PWLB in order to acquire commercial assets. During 2019/20 the Council had borrowed £61m. This meant that the Council ended the year with borrowings of £632m, £102m of which related to the longstanding Housing Revenue Account (HRA) debt. No further borrowing had been undertaken in the current year.

Investment returns had remained low in 2019/20 and had then plummeted at the year end as the base rate was cut to 0.1%. The Council's actual interest rate performance during last year (i.e. 2019/20) was a healthy 0.91% which compared favourably with the Council's benchmark rates. However, with base rates so low, Finance officers were now predicting a sharp fall in the current year with the Council's returns for the first 6 months of 2020/21 averaging around 0.60%. This would plummet further during the second half of the year as forthcoming maturities were reinvested at much lower rates. One of the reasons for last year's good performance was the decision by officers to lend a majority of the Council's spare money for periods of 9-12 months with local authorities when the money market rates started to dip.

Another reason for the favourable actual interest rate performance which had been achieved in 2019/20 was the Council's investment in its two pooled funds. Investments in these funds were long term in nature and over long term horizons they offered investors with strong levels of interest in the form of dividends. However, the capital values of these assets could be subject to large fluctuations over relatively short time frames. March 2020, when the Coronavirus lockdown had started, was one such occasion as markets showed high levels of volatility with significant changes on a day to day basis. Officers expected this volatility to continue over the medium term as the consequences of Brexit and the Coronavirus became clearer over time. Equivalent values of the funds as at the end of August 2020 were £2.2m for the Property Fund with a yield of approximately 4 - 4.5% and £2.0m for the Income Fund with a yield of approximately 3.2%. The Committee noted a full list of investments totalling £79m held by the Council at 31 March 2020. The high year end balance was due to officers swapping internal borrowing of £15 million for actual debt.

Taking both borrowings and investment together, overall the Council had made a £3.7m betterment on its original net debt forecast for the year. This variance mainly stemmed from delays to property purchases and regeneration schemes which had led to increased cash balances and a reduced borrowing requirement. However, what this also meant was that there was less rental income being received which offsetted most of this betterment.

In 2019/20 the Council had operated within the boundaries set out in the Treasury Strategy and investment returns and borrowing rates had been better than anticipated with no additional risk to the Council. The Committee considered that the borrowing rates for the HRA appeared to be high when compared to the General Fund and it was explained that these were specially introduced low rates at the time the loans were taken out, which showed how far the market had since fallen. The Council had not lost any of the principal on its investments and always gave priority to security and liquidity over yield. The Committee congratulated Finance officers on excellent Treasury management performance for the year 2019/20 and asked that its appreciation of the efforts of the Finance Team during 2019/20 be conveyed to those staff.

The Committee also received a verbal update on the Council's current position in respect of Treasury Management in 2020/21. In April 2020, the Government had paid the Council £14m so that the Council could make grants to businesses that had been affected by the Covid-19 lockdown. After receiving representations from the Council, the Government had agreed to defer the Council's payments to the Government of Business Rates until later in 2020/21. As a result of these two items, the Council's cash flows had increased significantly at the start of 2020/21 and the Council's investments had reached £87m by the end of April. However, the Council's investments had reduced to £70m at the end of September 2020 due to the payment of the grants to businesses and reduced income from commercial properties and business rates caused by Covid-19. The value of the Council's investments would reduce further as the Council started making deferred payments to the Government over the next 6 months.

Not including the grants to businesses, there had been a drop of £3m in Council investments during the first 6 months of 2020/2021, which was in stark contrast to last year where the equivalent period saw the first six months of investments rise from £57m to £69m. The increase in money at the start of 2020/21 had been mainly invested short term in Money Market Funds as officers awaited the fallout from the Coronavirus. This investment practice had continued throughout the year.

The investment income target for 2020/21 was based on the Council achieving an average interest rate of 0.75%. As base rates were now at 0.10% and likely to remain there for the foreseeable future, that would no longer be achievable, as all investment rates up to 12 months were either negative or barely above zero. Taking this into account and the predicted reduced level of balances that the Council would have for the year, it was now expected that investment income for 2020/21 would be £87,000 which was down nearly £300,000 on that estimated at the start of the year.

The Committee noted the adverse effects of Coronavirus on the Council's investment income. It was noted that the Extraordinary Meeting of Full Council which had been held on Monday 28 September 2020 had received the latest update available on the effects of Covid-19 on the Council's financial position which included the current treasury position. It was also noted that the Government was proceeding currently on the basis that the country would be back to somewhere near a "business as usual" pattern by around April 2021.

RECOMMEND to Full Council that-

the Treasury Management 2019/20 Annual Report be noted.

(The meeting ended at 8.04.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. **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

<u>Treasury Management Consultants</u>

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.

<u>Economic Update</u>

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 6th 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 1st 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 6th 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 6th 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 31st 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 9th 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 11th 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 4th June, but that date was subsequently put back to 31st 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 on the next page:

Investment Sector	Outstanding at 1 April 2020	New Investments	Investments Recalled	Outstanding at 30 Sept 2020
	£000	£000	£000	£000
Specified Investments				
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
Unspecified Investments				
Pooled & Collective Investment Schemes	4,000	0	0	4,000
Funding Circle	461	6	2	465
	79,561	**108,916**	**118,442**	**70,035**

3.5 The monthly movement between these categories is set out in Appendix 'B' attached 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 'C'.

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.

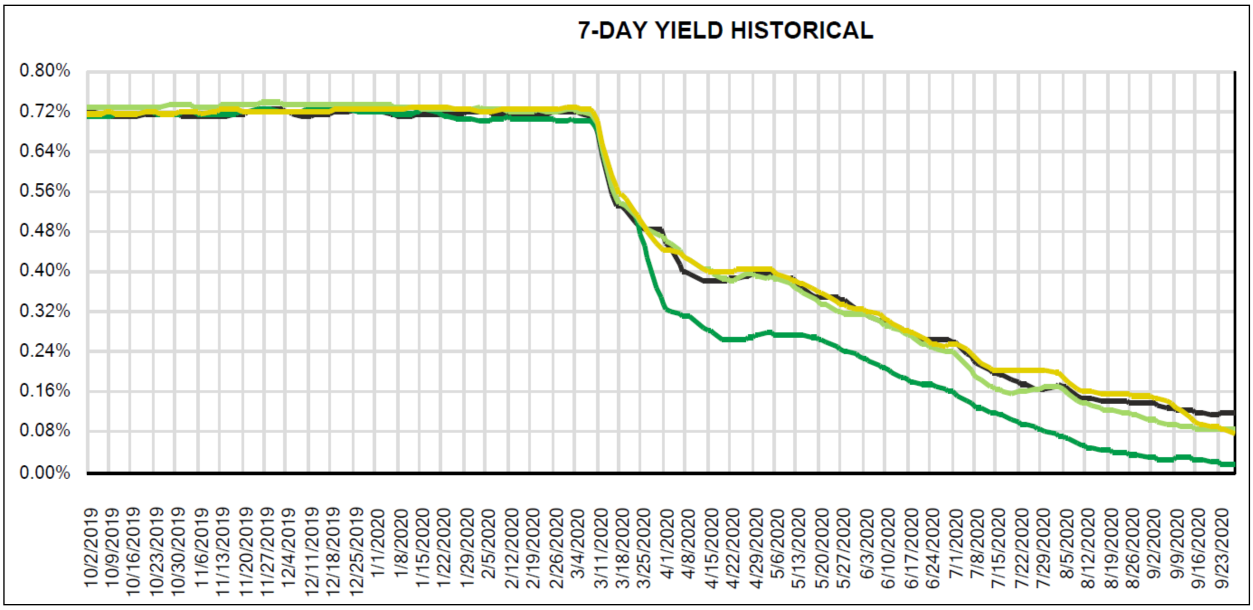
3.9 The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

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 'C', 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 31st 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
2020/21 average	**0.61**

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 'D' 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
Runnymede Average	**0.61**

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:

	Original Investment £	**Value 31 March 2020 £**	**Value 30 September 2020 £**	**Average Dividend Return in 2020/21 %**
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:

	General Fund £'000	HRA £'000	Total £'000
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)
Net Investment Income	**1,942**	**181**	**2,123**
Debt Interest	(14,466)	(3,426)	(17,892)
Management Expenses	(100)	-	(100)
Net Investment Income / (Debt interest)	**(12,624)**	**(3,245)**	**(15,869)**

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

	General Fund £'000	HRA £'000	Total £'000
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)
Net Investment Income	**1,745**	**45**	**1,790**
Debt Interest	(12,743)	(3,426)	(16,169)
Management Expenses	(100)	-	(100)
Net Investment Income / (Debt interest)	**(11,098)**	**(3,381)**	**(14,479)**

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	-
	632,292	**-**	**5,000**	**627,292**

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

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.

Proposed upper and lower limits on the maturity structure of fixed rate borrowing			
	Upper	**Lower**	**Actual**
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:

Principal sums invested for periods longer than 364 days		
	Target £'000	**Actual £'000**
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:

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

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

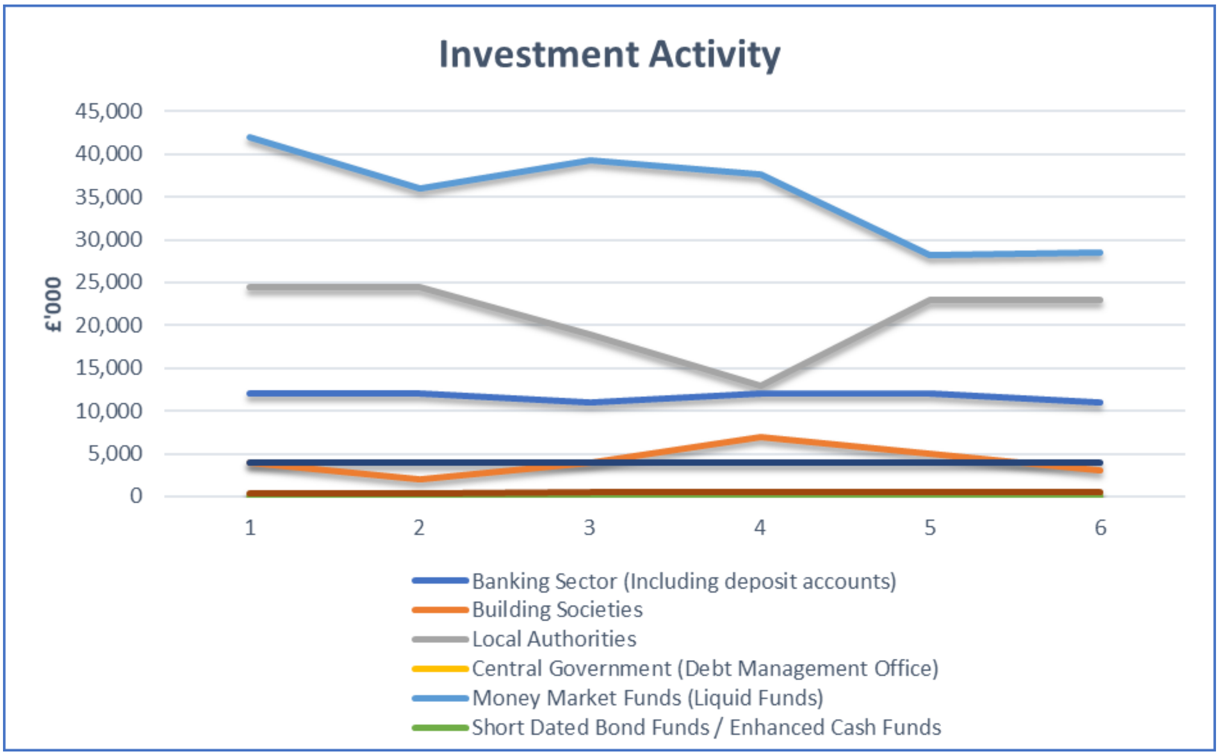
Authorities, the Council has managed to achieve above average returns for the first half of the year.

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)

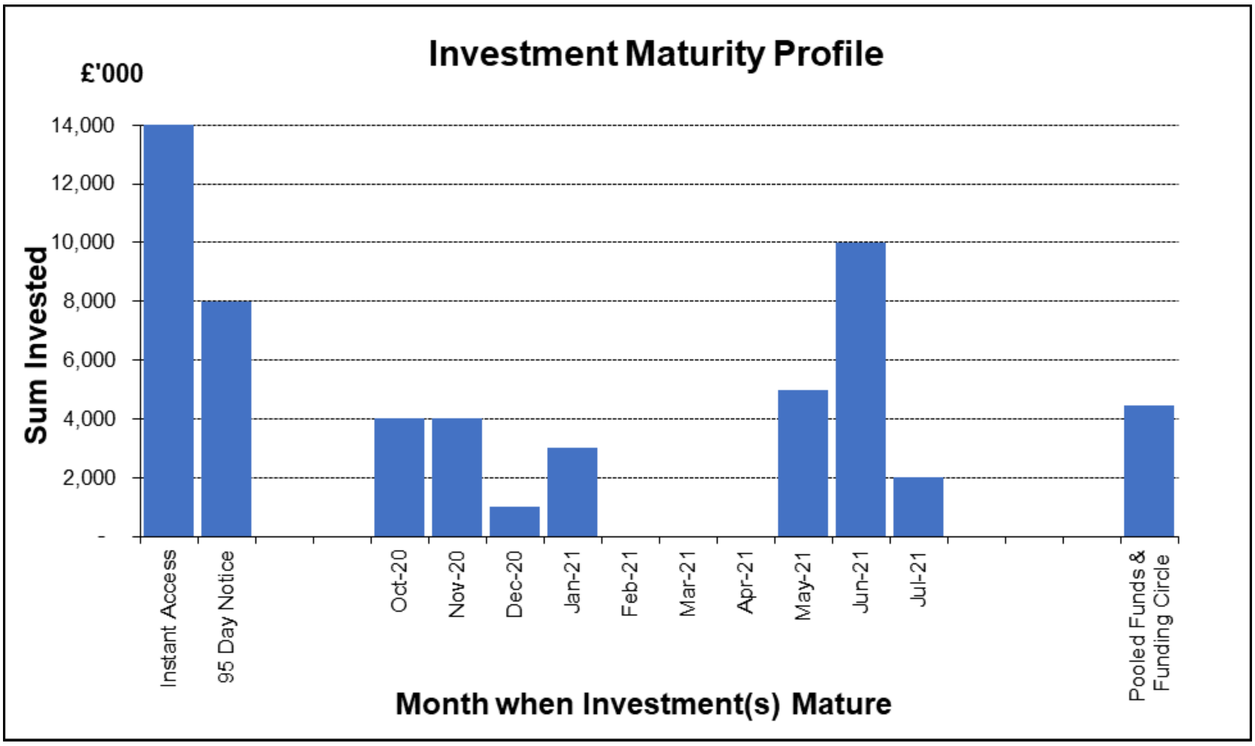
Background Papers

None stated

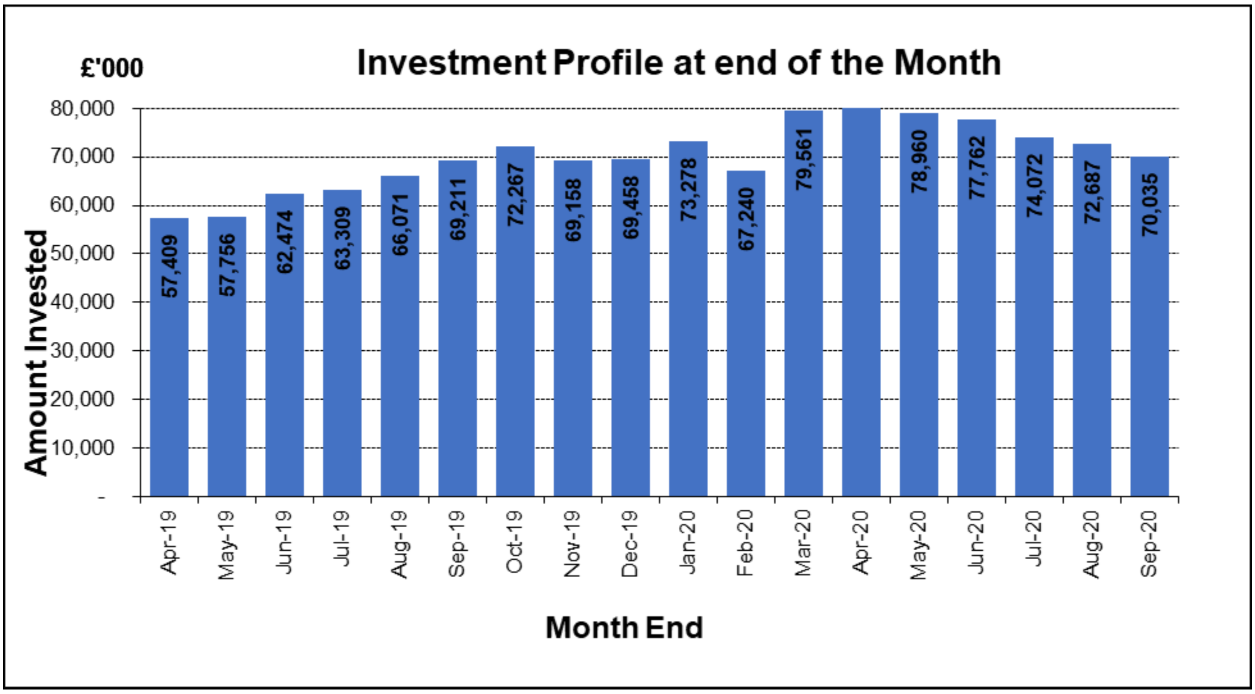

Investment Activity
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
£'000
1
2
3
4
5
6
Banking Sector (Including deposit accounts)
Building Societies
Local Authorities
Central Government (Debt Management Office)
Money Market Funds (Liquid Funds)
Short Dated Bond Funds / Enhanced Cash Funds

APPENDIX 'C'

Investments as at 30 September 2020					
	£'000		ORIGINAL TERM	MATURITY	%
Banks					
Access Accounts					
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
Term Deposits					
DBS Bank	1,000		3 mth	29 Dec 2020	0.100
Certificates of Deposit					
Nat West Bank	2,000		1 yr	02 Jul 2021	0.380
Total Banks	**11,000**	**16%**			
Building Societies					
Leeds BS	1,000		3 mth	07 Oct 2020	0.170
Nationwide BS	2,000		6 mth	06 Jan 2021	0.200
Total Building Society	**3,000**	**4%**	(50% Limit)		
Local Authorities					
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
Total Local Authorities	**23,000**	**33%**			
Money Market Funds					
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
Total Money Market Funds	**28,570**	**41%**			
Pooled Funds & Collective Investment Schemes					
CCLA Property Fund	2,000		**** 3 mth settlement ****		Variable
CCLA Diversified Income Fund	2,000		**** 3 mth settlement ****		Variable
Total Pooled Funds	**4,000**	**6%**			
Funding Circle					
Lending to small and medium sized companies	465		**** up to 5 years ****		Variable
Total Other Investments	**465**	**1%**	(with the ability to sell loans)		
Total Investments	**70,035**				

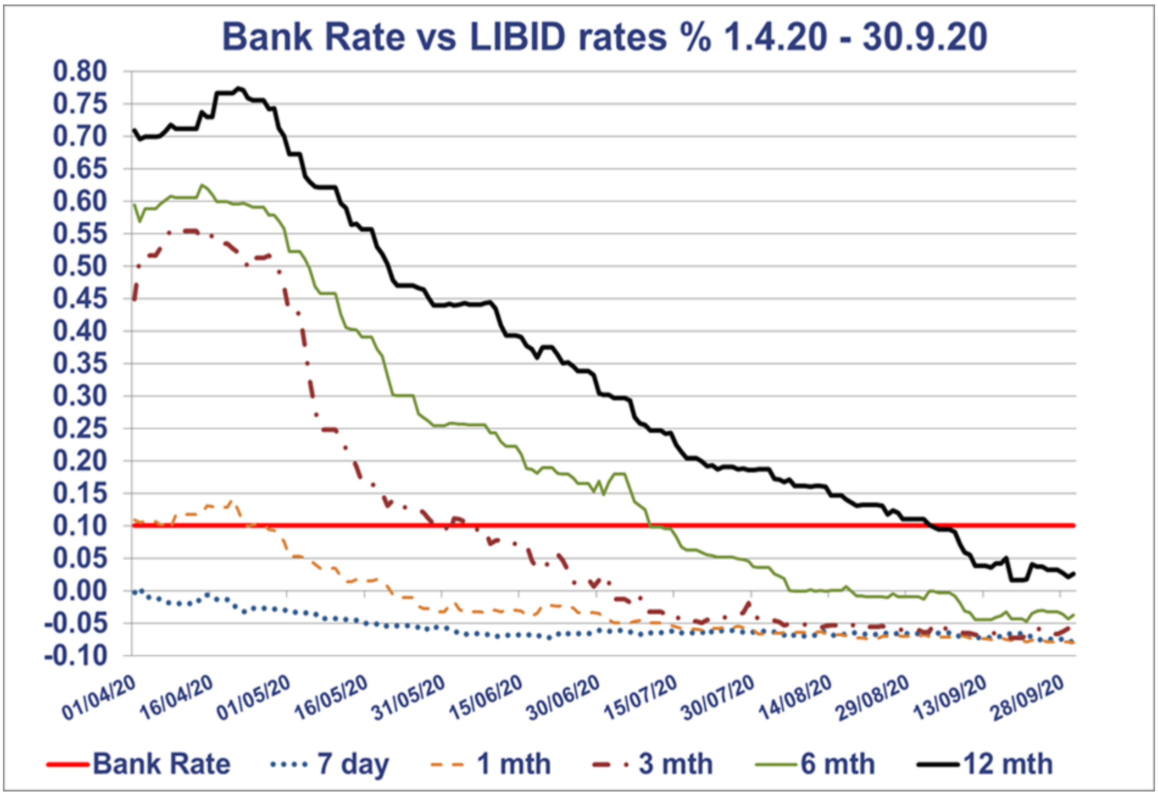


Investment Maturity Profile
£'000
Sum Invested
14,000
12,000
10,000
8,000
6,000
4,000
2,000
-
Instant Access
95 Day Notice
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Apr-21
May-21
Jun-21
Jul-21
Pooled Funds & Funding Circle
Month when Investment(s) Mature



Investment Profile at end of the Month
£'000
Amount Invested
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
-
57,409
57,756
62,474
63,309
66,071
69,211
72,267
69,158
69,458
73,278
67,240
79,561
78,960
77,762
74,072
72,687
70,035
Apr-19
May-19
Jun-19
Jul-19
Aug-19
Sep-19
Oct-19
Nov-19
Dec-19
Jan-20
Feb-20
Mar-20
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Month End

APPENDIX 'D'

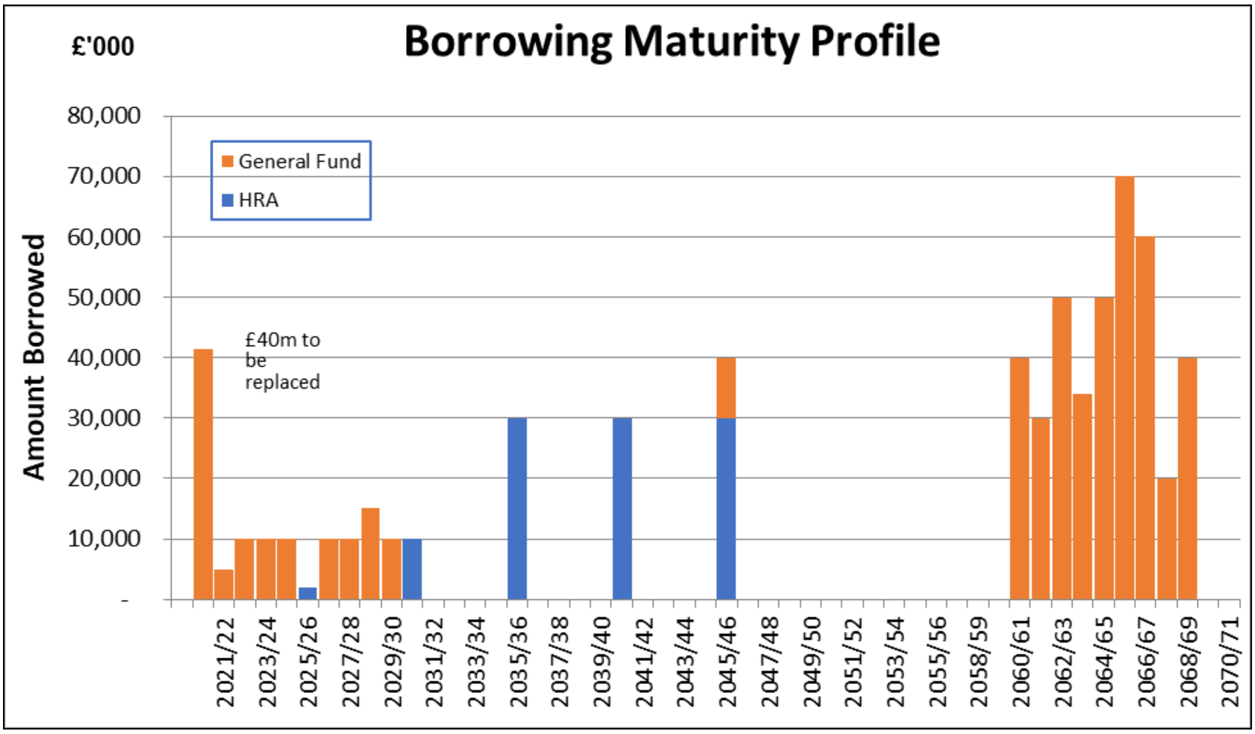

Bank Rate vs LIBID rates % 1.4.20 - 30.9.20
0.80
0.75
0.70
0.65
0.60
0.55
0.50
0.45
0.40
0.35
0.30
0.25
0.20
0.15
0.10
0.05
0.00
-0.05
-0.10
01/04/20
16/04/20
01/05/20
16/05/20
31/05/20
15/06/20
30/06/20
15/07/20
30/07/20
14/08/20
29/08/20
13/09/20
28/09/20
Bank Rate
7 day
1 mth
3 mth
6 mth
12 mth

Borrowings as at 30 September 2020

	Principal Sum £'000	Original Term (Years)	Annual Interest £	MATURITY	%
Housing Revenue Account					
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%
	101,956		**3,425,944**	**Average Rate:**	**3.36%**
General Fund					
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%
	525,336		**12,149,264**	**Average Rate:**	**2.31%**
Total Borrowings	**627,292**		**15,575,208**	**Annual Interest**	

Advance Loan Deal (Refinancing existing loan)	**£'000**	(Years)		**MATURITY**	**%**
Phonenix Life Limited	40,000	40	Annuity Basis	02 May 2061	2.88%

	£'000	
Authorised Borrowing Limit 2020/21	880,998	(approved 11 Feb 2020 - Full Council)
Borrowing to date	(627,292)	
Authorised Borrowing remaining	**253,706**	


£'000
Borrowing Maturity Profile
Amount Borrowed
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
-
General Fund
HRA
£40m to be replaced
2021/22
2023/24
2025/26
2027/28
2029/30
2031/32
2033/34
2035/36
2037/38
2039/40
2041/42
2043/44
2045/46
2047/48
2049/50
2051/52
2053/54
2055/56
2058/59
2060/61
2062/63
2064/65
2066/67
2068/69
2070/71

6. **REVIEW OF THE PLANNING SERVICE – UPDATE (LAW AND GOVERNANCE – PIERO IONTA)**

Synopsis of report:

To update the Committee on action being taken following the scrutiny review of the Council's Planning Service.

Recommendation:

For information.

1. **Report**

1.1 At its meeting on 6 February 2020, this Committee recommended to the Planning Committee that

i) it note that the recommendations from the Member Advisory Panel set up by this Committee to undertake tasks to progress the scrutiny review of the Council's Planning Service have been adopted by this Committee and the Committee recommended that the Planning Committee also accept and adopt them;

ii) the comments made by Overview and Scrutiny Select Committee Members on particular Panel recommendations be considered; and

iii) the Planning Committee submits a report which provides an update on progress in implementing the action agreed by the Planning Committee arising from the Panel recommendations to the 1 October 2020 meeting of the Overview and Scrutiny Select Committee.

1.2 The Member Advisory Panel ('Panel') made its recommendations after considering comments from the Planning Service on recommendations from the Planning Advisory Service (PAS) and on recommendations drafted following written and verbal representations made by local residents at a Panel meeting held on 12 March 2019. For each recommendation, the Panel had provided an indicative deadline for completion of the action or Deadline for Compliance.

1.3 A PAS Panel spent three days at the Council's offices undertaking a Peer Challenge Review of the Council's Planning Service and in February 2019 the Council received PAS' report which was positive about the Planning Service and its officers.

1.4 This Committee's recommendations were due to be presented to the Planning Committee back on 25 March 2020. That meeting was cancelled due to the national lockdown that came into place on 23 March 2020. Both the Deadlines for Compliance and the recommendation to report back to this Committee at its meeting on 1 October 2020 were set prior to the COIVD pandemic and due to the need to support the Council's response efforts, work toward these deadlines was paused. Further to discussion between the Chairmen of both the Planning Committee and the Overview and Scrutiny Select Committee, a report on this Committee's recommendations was considered by the Planning Committee at its meeting on 4 November 2020.

1.5 At its meeting on 4 November 2020, the Planning Committee noted the recommendations from the Panel and the comments made by Overview and Scrutiny Select Committee Members on particular Panel recommendations. The Planning Committee also noted the guidance of Officers within the Development Management and Policy and Economic Development Teams as to how best to progress the recommendations. This guidance is set out below.

1.6 **Recommendations of Corporate Head of Development Management and Building Control (CHDMBC) & Corporate Head of Planning Policy and Economic Development (CHPPED) for progression adopted by the Planning Committee at its meeting on 4 November 2020:**

1.6.1 The PAS report was received some time ago and contains a number of useful recommendations. Due to the work of officers and the passage of time a number of recommendations have been in place for some time and some are currently progressing. Others may need adapting in light of Coronavirus, or are affected by loss of budgetary growth.

1.6.2 Examples of matters that are well under way include development of robust service plans. Particular projects well under way include: delivery of the Local Plan and more recently a revision of the Statement of Community Involvement (SCI) which was approved recently by the Planning Committee for consultation and which is currently out to consultation. Briefing sessions for all Councillors on the new Local Plan have also been held. The Planning Policy team have recently recruited a new Senior Planner who will provide a dedicated resource in the team to review and improve communication on planning policy development. This officer will be responsible for developing a communications strategy and re-establishing the Community Planning Panel (CPP), as well as finalising the SCI. This officer will also look at options for developing Neighbourhood Planning Fora. Further discussion with Members regarding training needs will be carried out.

1.6.3 Examples of the work Development Management have been progressing include work in relation to the implementation of the Community Infrastructure Levy (CIL) including procurement of Exacom. Work has progressed on collaborative working for the delivery of major sites such as Longcross Garden Village including a steering group with Member involvement. Staff have been recruited to key positions to help with service delivery and customer experience.

1.7 In light of the officer advice provided, the Planning Committee agreed to a recommendation that the Corporate Heads (CHDMBC & CHPPED) would return to the Planning Committee at a future date (to be confirmed) with a report detailing how each of the recommendations have been implemented so far, progress on other recommendations which are not completed (including a revised potential timeline for delivery) or detailing ones that potentially cannot be progressed fully in the recommended form. A further update to this Committee will be provided as soon as the Planning Committee consider this matter further; it is anticipated that this will be at some point next year.

(For information)

Background papers

Agenda report to the Planning Committee meeting of 4 November 2020.
Excerpt from the draft minute of the Planning Committee meeting of 4 November 2020.
PAS report dated 8 February 2019.
Note of meeting with local residents that took place on 12 March 2019.

7. **EXCLUSION OF PRESS AND PUBLIC**

OFFICERS' RECOMMENDATION that –

the press and public be excluded from the meeting during discussion of the following report (s) under Section 100A(4) of the Local Government Act 1972 on the grounds that the report (s) in question would be likely to involve disclosure of exempt information of the description specified in appropriate paragraphs 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

a) Exempt Information

(No reports to be considered under this heading)

b) Confidential Information

(No reports to be considered under this heading).