

CABINET – FRIDAY 19 NOVEMBER 2021**ORDER PAPER****ITEM DETAILS****APOLOGIES FOR ABSENCE**

Mrs L. Richardson CC.

1. MINUTES (Pages 3 - 12)**Proposed motion**

That the minutes of the meeting held on 26 October 2021 be taken as read, confirmed, and signed.

2. URGENT ITEMS

None.

3. DECLARATIONS OF INTEREST

Members of the Cabinet are asked to declare any interests in the business to be discussed.

**4. ANNUAL DELIVERY REPORT AND PERFORMANCE COMPENDIUM 2021
(Pages 13 - 186)**

The Scrutiny Commission considered a report at its meeting on 17 November and a draft minute extract is attached to this Order Paper, marked '4'.

Proposed motion

- (a) That the comments of the Scrutiny Commission be noted;
- (b) That the overall progress in delivering on the Council's Strategic Priorities and responding to the COVID-19 pandemic and issues arising, as set out in the draft Annual Delivery Report 2021, be noted and welcomed;
- (c) That the significant and ongoing impact of the COVID-19 pandemic on outcome delivery, services and communities across a range of areas be noted, together with the strong local response from the Council and partners to support vulnerable people, communities, business, the voluntary sector, staff and others throughout the pandemic;

- (d) That the Council's current low comparative funding, good performance position, and escalated service pressures and risks now facing the Authority set out in the Performance Compendium be noted;
- (e) That in light of the pressure on the Council's financial sustainability arising from continued service demand and cost pressures, that have been compounded by the COVID-19 crisis, the Council continues to press its case for a fairer funding settlement and other major savings and funding initiatives such as a new County Deal, noting that the delay in implementation has created significant uncertainties as to how the Council can now address the many service challenges and priorities it faces;
- (f) That the Chief Executive, following consultation with the Leader, be authorised to make any amendments to the draft Annual Delivery Report and Performance Compendium prior to its submission to the County Council on 1 December 2021 for approval.

5. TREE MANAGEMENT STRATEGY AND TREE CHARTER (Pages 187 - 228)

Proposed motion

- (a) That the latest iteration of the Tree Management and Planting Plan be noted;
- (b) That it be noted that the County Council has become a signatory to the Tree Charter for Leicestershire.

6. UPDATED POLICIES FOR LEICESTERSHIRE COUNTY COUNCIL'S MUSEUM SERVICE (Pages 229 - 268)

Proposed motion

- (a) That the Leicestershire County Council's Museum Collections Development Policy 2021-2025 be approved;
- (b) That the Leicestershire County Council's Museum Access Policy 2021-2025 be approved.

7. RECOMMENDED INVESTMENT INTO PARTNERS GROUP PRIVATE DEBT FUND AND JP MORGAN INFRASTRUCTURE INVESTMENT FUND (Pages 269 - 278)

- *The Scrutiny Commission considered a report at its meeting on 17 November and a draft minute extract is attached to this Order Paper, marked '7a'.*
- *Comments from Mr. Max Hunt CC, Leader of the Labour Group, are attached to this Order Paper, marked '7b'.*

Proposed motion

- (a) That the comments of the Scrutiny Commission be noted;

(b) That a total of £27.5m be allocated from the Corporate Asset Investment Fund for investment in:

(i) Partners Group Multi Asset Credit 6 (MAC 6) private debt - £20m,

(ii) the JP Morgan Infrastructure Investment Fund - £7.5m.

8. LEICESTER AND LEICESTERSHIRE AUTHORITIES - STATEMENT OF COMMON GROUND RELATING TO STRATEGIC WAREHOUSING AND LOGISTICS NEED (Pages 279 - 292)

Proposed motion

That the Cabinet agrees to the County Council becoming a signatory to the Leicester and Leicestershire Statement of Common Ground Relating to Strategic Warehousing and Logistics needs (September 2021).

9. PROPOSED MANDATORY SCHOOL KEEP CLEAR RESTRICTIONS MONDAY TO FRIDAY FROM 8AM TO 4PM, CASTLE DONINGTON (EASTWAY, HASTING STREET, MOUNT PLEASANT AND DOVECOTE) (Pages 293 - 312)

Comments from the local member, Mr. T. Pendleton CC, are attached to this Order Paper, marked '9'.

Proposed motion

That the proposed restrictions as shown on drawing no. TM4519/T1/1/71a, attached as Appendix A to the report, be approved for implementation.

10. ITEMS REFERRED FROM OVERVIEW AND SCRUTINY

None.

11. ANY OTHER ITEMS WHICH THE CHAIRMAN HAS DECIDED TO TAKE AS URGENT

None.

Officer to contact

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SCRUTINY COMMISSION – 17 NOVEMBER 2021

ANNUAL DELIVERY REPORT AND PERFORMANCE COMPENDIUM 2021

DRAFT MINUTE EXTRACT

The Commission considered a report of the Chief Executive which presented the draft Annual Delivery Report and Performance Compendium for 2021 and which set out some of the impact, significant work and reorientation required to support the Council's major response to the coronavirus pandemic and planning for recovery, which remained ongoing. A copy for the report marked 'Agenda Item 11' is field with these minutes.

Arising from discussion and questions asked, the following points were made:

- (i) A member highlighted the stark contrast in funding received by local authorities and that those located in London/to the South west were generally far better funded than some other areas particularly in the midlands and to the north. It was recognised that the calculation of local government funding had become increasingly complex over the years and it was suggested that a simplified explanation of this would be useful. The Chief Executive confirmed that the Director of Corporate Resources would be able to provide such an explanation.
- (ii) A member commented that the Council had performed well despite its low funded position and had done so year on year for some time. It was suggested that this painted a picture that did not perhaps support the Council's Fair Funding campaign. The Chief Executive emphasised that looking at just the currently available performance data in isolation did not provide the whole picture and highlighted that the report included details of the pressures, risks and demands faced by the Council going forward. The Council had done well despite its low funded position, but it was recognised that this was very unlikely to continue with the demand and funding pressures now emerging and the level of cuts still required.
- (iii) It was suggested that the Covid-19 pandemic had potentially been a tipping point for Leicestershire and it was clear that the County Council could not continue to meet all the demands put on it by Government, other stakeholders and service users, as well as make the savings required to achieve a balanced budget. Members recognised that the Council was becoming increasingly stretched and this would inevitably start to impact

service delivery. Members acknowledged that the County Council had established strong financial foundations over a number of years and had so far been able to respond to pressures, but that it could not continue to meet all the new future demands identified around adult social care and the environment agenda, for example, on the funding currently allocated.

- (iv) A Member emphasised that recent reports had suggested that the County Council would be unlikely to benefit from the levelling up agenda despite being one of the lowest funded county councils in the country. The identified and growing funding gap in the Council's Medium Term Financial Strategy would likely therefore have to be addressed locally which would inevitably affect both service delivery and council tax rates, unless the Fair Funding campaign was successful.
- (v) Some members expressed frustration at the length of the main report, particularly as this was a public facing document, and suggested that it risked obscuring those key issues both members and the public should concentrate on. It was noted that the Council was obliged to report and include certain performance information to meet its regulatory requirements and that this had increased this year due to new Covid guidance being introduced. However, the Chief Executive recognised that the scale of the information provided was significant and undertook to consider how best to present this in future.
- (vi) The Commission was concerned about the extent to which the report covered wider national issues and pressures rather than focusing on Leicestershire pressures and the County Council's direct areas of responsibility and identified outputs. Whilst informative in providing an overall local and national picture, it was suggested that the lack of focus on County Council activities made effective scrutiny of the Authority's overall performance difficult.
- (vii) The Commission indicated that in future years, it would like for the report, at least for the benefit of scrutiny, to be linked to the direct work of the County Council in order that it could see more clearly where the Council had made an impact and where performance might be below expectation. This would enable the Commission to better identify those areas that may benefit from closer scrutiny in the future.
- (viii) A member suggested that the inclusion of some comparison figures would be helpful to provide some context of what the Council had done in the last year to deliver, for example, sustainable transport options (e.g. to what extent had it had extended or introduced new cycleways and footpaths). It was further suggested that this would better demonstrate some of the negative consequences of the financial pressures faced by the Council e.g. showing how dry waste recycling rates had reduced due to less favourable contract arrangements having to be agreed by the Council in line with Government policy.

- (ix) A member suggested that the use of percentages within the report could be misleading and requested that instead, the actual figures might provide for a better understanding of the data by members and the public.

RESOLVED:

That the comments now made by the Scrutiny Commission be presented to the Cabinet at its meeting 19th November 2021.

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7a



SCRUTINY COMMISSION – 17 NOVEMBER 2021

RECOMMENDED INVESTMENT INTO PARTNERS GROUP PRIVATE DEBT FUND AND JP MORGAN INFRASTRUCTURE FUND

DRAFT MINUTE EXTRACT

The Commission considered a report of the Director of Corporate Resources which would be presented to the Cabinet at its meeting on 19th November 2021 regarding proposed investment by the Council's Corporate Asset Investment Fund (CAIF) into Partners Group multi asset credit 6 (MAC 6) private debt, and JP Morgan Infrastructure Investment Fund (IIF). A copy of the report marked 'Agenda Item 12', is filed with these minutes.

During discussion, the following matters were raised:

- (i) It was highlighted that the proposed investment in the IIF managed by JP Morgan would be a step away from the traditional types of investment made by the Council through the CAIF (i.e. the purchase of land and property). It was noted that the IIF was generally focused on companies that provided essential services, such as energy, water and transportation, such companies being primarily located in the US.
- (ii) A member highlighted that this would essentially be an investment in non-tangible funds similar to those made by the Leicestershire Pension Fund and questioned whether assurance had been sought to ensure such investments would align with the Council's environment and social policies. The Director confirmed that a key part of the Council's own due diligence (separate from that of the Leicestershire Pension Fund) included consideration of whether JP Morgan would be a responsible investor both from a human and environmental perspective, particularly given that it would manage these investments over a long period of 20-30 years.
- (iii) Members welcomed the fact that the IIF had just turned carbon neutral and noted that this had been a key factor when considering the merits of the potential investment. Members noted that a quarter of the IFF portfolio was invested in renewable energy and included companies which were proactively implementing climate change adaptation, harnessing new opportunities in clean energy and involved in wind, solar and natural gas generation projects.
- (iv) The proposed investments were considered sensible, providing the necessary diversification recommended by the Hyman Review and a reasonable return. A Member suggested, however, that the biggest risk would be the exchange risk as the investments would be reliant on the strength and value of

the US dollar (for the JP Morgan IIF) and the Euro and sterling (for the Partners MAC 6 private debt investment). It was questioned whether there would be any forward hedging to protect against this. It was suggested that the purchase of low cost forward options should perhaps be considered.

The Director acknowledged that whilst there was some risk, forward hedging was not being considered at the current time given that the investments would be held for such a long term. The Director confirmed that whilst there would likely be fluctuations in the market, overall, the risk was considered manageable. The Director, however, undertook to consider this further and seek advice on the cost and benefit of the suggested approach from the Council's independent advisors.

RESOLVED:

That the comments now made be reported to the Cabinet at its meeting on 19th November 2021.

Submission to Cabinet
19th November 2021



From Max Hunt CC

Item 7: RECOMMENDED INVESTMENT INTO PARTNERS GROUP PRIVATE DEBT FUND AND JP MORGAN INFRASTRUCTURE INVESTMENT FUND REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

1. These two recommendations mark another step away from the original policy of the Corporate Asset Investment Fund to invest in local businesses and communities and towards portfolio of externally managed global investment funds.
2. In that respect it becomes closer to Treasury Management and may follow the CIPFA Code of Practice for treasury management.
3. The Hymans Robertson Report begins to suggest that the Council's current CAIF investments in the local community, (eg Leaders Farm South, Solar farms, Lutterworth, Airfield Farm, Apollo Business Park, LUSEP etc) might not have been such a wise investment. This is to neglect the primary aim was to deliver a tangible good to the community and local economy.
4. The public reasonably expect their Council Tax to be spent on services and capital to develop those services, including schools and provision for elderly and children. This increased involvement in the money markets might not conform to those expectations and ought to be more explicit (eg with the Corporate Strategy and consultations on the MTFs etc) so they are fully understood by our taxpayers.
5. Since it is extending its investments beyond the physical and local the CAIF Board (and those to whom it is responsible) should have its own Responsible Investment policy which ties all investment into our environmental and social policies.
6. We are told the funds recommended by the report have their own Responsible Investment and Environment and Social policies, these ought to be fully referenced in recommendations. In particular, we can't take Net Carbon aspirations for granted without knowing what part of 'net' is offset. Equally the 'residential investments' recommended by Hymans Robertson could conflict with our ethos if they go to the private rented sector in order to profit from vulnerable tenants and leaseholders.
7. We need to know more about risks and the authority's appetite in that regard. If we are tying up Leicestershire's capital in illiquid funds that may prevent future local

investment. Alternative the Government's settlements to LAs may begin to 'price in' income from CAIF and similar schemes to our disadvantage.

8. The Labour Group understands the need to create an income stream from capital investments when funds for essential services have become so seriously constrained by the Conservative Government. However, we want to see Leicestershire pounds invested primarily in the local economy, as we believed CAIF to be formerly committed to do this.



Local Member response to proposed Mandatory Keep Clear
Parking restrictions at Castle Donington College.

Cabinet,

I write in response to the above request to ask you to judge whether you will sustain my objection (as outlined in Paragraph 23 of the report) to a small part of the over-all scheme, and look at an alternative treatment to the road markings outside of Nos.13 – 17 Mount Pleasant.

These residents in particular will be disadvantaged by the Colleges unilateral decision to close their traditional on-site vehicle pick up and drop off facility at start and end of school and place all this pressure on to the public highway which we at County Council are now being asked to cope with.

County proposals to deal with this I undertook when Lead Member and the proposals in the paper before you are that scheme which I wholeheartedly support except as outlined in Paragraph 23 of your report.

At present the college gates are open and I feel that as the College only requires to limit possible Pupil/Vehicle accidents its present policy of closing access from 8.25 to 8.45 and 2.50 to 3.10pm does this. Arguably therefore our policy of prohibiting ALL PARKING from 8am to 4pm is rather heavy handed and unduly restrictive throughout the rest of the day particularly to the residents of 13-17 Mount Pleasant.

As a compromise may I request that Cabinet consider removing the blunt 'all or nothing' stance and replace the Zig-Zags outside Nos.13 – 17 with yellow lines and a NO PARKING restriction between 8am to 9am and 2.30 to 4.30? I believe this restriction IS enforceable?

This suggestion will help the College and equally not be over restrictive to the residents of Mt Pleasant.

Respectfully,

Trevor Pendleton CC
Castle Donington and Kegworth Ward.

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