

Guildhall Gainsborough
Lincolnshire DN21 2NA

Tel: 01427 676676 Fax: 01427 675170

This meeting will be webcast and published on the Council's website

AGENDA

Prayers will be conducted prior to the start of the meeting.
Members are welcome to attend.

Notice is hereby given that a meeting of the Council will be held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA, , on **Monday, 5th September, 2016 at 7.00 pm**, and your attendance at such meeting is hereby requested to transact the following business.

To: Members of West Lindsey District Council

1. APOLOGIES FOR ABSENCE
2. MINUTES OF THE PREVIOUS MEETING
To confirm as a correct record the Minutes of the previous meeting held on 4 July 2016
(PAGES 1 - 10)
3. MEMBERS' DECLARATIONS OF INTEREST
Members may make any declarations of interest at this point and may also make them at any point during the meeting.
4. COUNCIL MATTERS ARISING
(PAGES 11 - 12)
5. ANNOUNCEMENTS
 - i) Chairman of Council
 - ii) Leader of the Council
 - iii) Head of Paid Service
6. PUBLIC QUESTION TIME

Agendas, Reports and Minutes will be provided upon request in the following formats:

Large Clear Print: Braille: Audio: Native Language

7. QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 9

8. MOTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 10

You may be aware that in December, a Private Members Bill aimed at giving local councils powers to tackle irresponsible pavement parking was proposed in Westminster and I ask this Council to support legislation in this area.

Legislation would simplify the current situation on pavement parking across England and Wales by recreating the system that exists in London, which prevents people from parking on the pavement except in areas specially designated by the council.

Whilst the Bill didn't progress, the Government is currently looking into potential solutions to the problems of pavement parking. I am asking if you will help by writing to the Secretary of State for Transport, to express support for a nationwide law on pavement parking.

A pavement parking law would make a huge difference to pedestrian safety all over the country and in our area through a driver mentality shift, and the Government needs to know that it has the support of councils as well as road users.

I propose that the Leader and Chief Executive write to and lobby our MP and other key bodies such as Department of Communities and Local Government, Local Government Association, District Councils' Network and Select Committee based on these proposals.

I so move
Councillor Anne Welburn

9. ANNUAL TREASURY REPORT
(PAGES 13 - 28)

10. WELTON BY LINCOLN NEIGHBOURHOOD PLAN
(PAGES 29 - 32)

11. MINUTES OF COMMITTEE MEETINGS
To Receive the Minutes of Committee Meetings Published since the Council Meeting on 4 July 2016

M Gill
Chief Executive
The Guildhall
Gainsborough

Thursday, 25 August 2016

WEST LINDSEY DISTRICT COUNCIL

Minutes of the Meeting of Council held in the Council Chamber, The Guildhall, Gainsborough, on Monday 4 July 2016, at 7pm.

Present: Councillor Jessie Milne (Vice Chairman – in the Chair)

Councillor Gillian Bardsley	Councillor Stuart Kinch
Councillor Sheila Bibb	Councillor Angela Lawrence
Councillor Owen Bierley	Councillor Giles McNeill
Councillor Matthew Boles	Councillor John McNeill
Councillor Jackie Brockway	Councillor Pat Mewis
Councillor David Cotton	Councillor Judy Rainsforth
Councillor Stuart Curtis	Councillor Di Rodgers
Councillor Chris Darcel	Councillor Lesley Rollings
Councillor Michael Devine	Councillor Thomas Smith
Councillor Adam Duguid	Councillor Lewis Strange
Councillor Steve England	Councillor Jeff Summers
Councillor Ian Fleetwood	Councillor Anne Welburn
Councillor Paul Howitt - Cowan	Councillor Trevor Young

In Attendance:

Manjeet Gill	Chief Executive
Penny Sharp	Commercial Director
Ian Knowles	Director of Resources
Alan Robinson	Strategic Lead for Democratic and Business Support and Monitoring Officer
Dinah Lilley	Governance and Civic Officer

Also Present eight members of the public
Rev Sue Deacon

23 APOLOGIES FOR ABSENCE

Councillor Roger Patterson (Chairman)
Councillor David Bond
Councillor Alexander Bridgwood
Councillor Hugo Marfleet
Councillor Richard Oaks
Councillor Malcolm Parish
Councillor Reg Shore
Councillor Tom Regis
Councillor Angela White

24 PRESENTATION OF PETITION

A Petition, signed by over 2,000 people, had been received by the Council, stating: "We the undersigned object to West Lindsey District Council's proposal to charge for car parking in its 3 Market Rasen car parks. We call upon the Council to withdraw the proposal, investigate further the likely effect on businesses and other ways to create more car park spaces. We ask that the Council fully consults with local residents and businesses on any future proposals."

Mr Adrian Campbell, the Lead Petitioner had been unable to be present at the meeting, therefore the Chairman used her Chair's discretion to allow persons in the public gallery to speak on the petition.

Two members of the public addressed the Councillors stating that they felt that the introduction of parking charges would finish traders' businesses. Charges were being removed in other areas as this was felt more attractive to passing trade. If tourists saw parking restrictions they did not stop. Turnover for local traders had dropped over the last four years due to the recession and further losses could not be sustained. Up to 25 shops had been lost in the town. Marshall's Yard in Gainsborough was attractive to shoppers but could not be compared to Market Rasen and it was feared that small shops would shut down.

Councillor Smith as Ward Member for Market Rasen read out a statement submitted by the Lead Petitioner, which he would have made had he been present.

"Thank you for the opportunity to present and introduce the petition about Market Rasen Car Park charges.

Over 2633 people have signed this petition and the population of Market Rasen is only 3,300 so it shows an immense depth of feeling about this issue.

The second **and most important point** is that it is **NOT** a petition asking that the whole issue be abandoned, it is asking to look again into the effect on Market Rasen businesses, come up with revised proposals and fully consult before going ahead.

There are 2 reasons why the issue deserves further thought. One is that the Prosperous Communities Committee has not been given the full facts and the second is that the consultation process was flawed.

There are 2 key facts that the PCC were not made aware of. One is that at the same time as WLDC were considering this, the Scrutiny Committee at ELDC were considering abandoning a charging policy brought in 3 years earlier at 13 car parks because of the damage it had done to businesses there.

The second fact is that despite a WLDC policy to "maintain and enhance the town centre to create a viable and attractive range of shops and services" Market Rasen has actually declined dramatically.

Authoritative statistics from Venuescore that WLDC officers use to show how much Gainsborough has been improved show at the same time how far Market Rasen has declined but this was not reported to the PCC.

Regarding the consultation process there were numerous flaws:-
When it was first announced to the press, this was released and reported:-

WLDC prosperous communities committee chairman Coun Owen Bierley said: “The idea of introducing a car parking charge to Market Rasen is a way of trying to support local businesses.

“It is hoped it will increase the turnover of spaces for shoppers in the town, rather than commuters parking up all day as they commute to other destinations.” but in a letter to Sir Edward Leigh replying to a residents concerns WLDC said that the main driver was one of recovering costs. This gave out a mixed message for the consultation process.

That same press information stated that there would be a 12 week consultation period. When it was eventually announced it was cut down to 4 weeks.

Crucially, the consultation period coincided with an absence of any constituted body in Market Rasen to represent businesses. The Portas Pilot committee had just disbanded and the new Market Rasen Town Centre Partnership has not yet been set up.

The distillation of 120 public responses reported in Paper C presented to the PCC has not fairly represented the response in numerous respects and would have been more fairly analysed by a 3rd party. The most critical omission was the treatment of the by now decision of ELDC Scrutiny Committee to abandon charges in 10 of the 13 car parks where charges had been brought in 3 years ago.

The officers' report to the PCC talks only about Louth and Brigg, large towns similar to Gainsborough whose experience is much more appropriate to future parking policy in Gainsborough.

What is not reported in Paper C is the effect of charges in Horncastle, Alford, Burgh le Marsh, Spilsby, Coninsby etc all communities similar to Market Rasen and now enjoying free parking again.

Paper C does acknowledge that - quote "The implementation of charging may have an initial impact on the level of visitors and footfall in the town" but does not attempt to put figures on how this will affect business.

How many shops will close? What will be the reduction in turnover felt by others? How many shopworkers will be made redundant?

If the information is strong enough to state that a £50,000 profit will be made in Market Rasen then it should be possible to work out a figure for the

collateral damage so councillors can make an informed decision on whether it should go ahead.

But that information is not there and it is not there either to estimate that the measure will return a profit.

Why?

The lead officer said this at the last PCC meeting

"we don't have a lot of data on car park usage in Market Rasen"

That was stated 19 minutes into the webcast of the committee meeting if you care to view it.

To repeat

"we don't have a lot of data on car park usage in Market Rasen"

This is an astonishing admission this far into the decision process and brings us to the heart of the petition, that more research needs to be done on the likely effect of the measures.

What I am advised is that WLDC would not have to pay for this research. There are sufficient funds left in the Portas Pilot account to pay for that research.

So, this is a humble appeal for you to reinstate the consultation process extending it to 12 weeks to allow this research to take place and contribute to a fairer and more equitable solution."

Councillor Smith then stated that he was duty bound to represent the views of the majority of residents, most of which did not want the introduction of parking charges. Councillor Smith had himself voted against that aspect of the Council's budget in March. The charges would be a short term fix for a long term solution and there would be irreparable damage done to Market Rasen.

Councillor Young echoed the views of the public speakers and the petitioner and stated that the final nail in the coffin would be the subsequent parking enforcement which was the subject of a question from himself later in the meeting. There were alternative ways of improving vehicle movement in car parks without imposing charges.

Lengthy debate ensued on the matter during which it was noted that if the consultation process was shown to have been flawed it would have to be done again, however the evidence of the quoted 12 week consultation would need to be produced. The statutory period required was 21 days and this had been extended to 28.

It was felt that Market Rasen had been suffering decline for some time, hence the Portas Pilot, and there had been complaints over time regarding the lack of available parking spaces due to them being filled by commuters taking them for full days.

It was not correct that the primary objective was cost recovery, however car parks had to be funded, not only the cost of ticket machines and equipment, but surface maintenance, which was currently in poor condition for walking upon giving potential for injury. It was commented that many of the signatories on the petition were residents within walking distance of the town centre.

A number of Councillors supported the content of the petition and felt that the imposition of charging in the car parks would harm Market Rasen and this was not the answer to current problems. It was generally felt that further research needed to be undertaken and more statistical evidence obtained.

The Chairman of the Challenge and Improvement Committee, which had carried out pre-scrutiny, stated that it was important to have equity across West Lindsey, and this meant the principle of charging, but not the actual cost. The ticket machines would provide the required usage data for analysis, which was proposed to include an element of free parking.

The Chief Executive assured Members that if the press release which quoted a 12 week consultation period was made available, it would be investigated and an apology issued if appropriate.

It was moved and seconded that the Market Rasen Car Parking report be considered by the Prosperous Communities Committee at its next meeting.

On being voted upon it was:

RESOLVED that the Market Rasen Car Parking report be considered by the Prosperous Communities Committee at its next meeting.

25 COUNCIL MINUTES (PAPERS A and B)

RESOLVED that the minutes of the Annual meeting of Council held on 9 May 2016 be confirmed and signed as a correct record.

RESOLVED that the minutes of the Extraordinary meeting of Council held on 25 May 2016 be confirmed and signed as a correct record.

26 MEMBERS' DECLARATIONS OF INTEREST

No declarations of interest were made.

27 MATTERS ARISING (PAPER C)

The Chairman noted that all items were shown as having been completed.

RESOLVED that the Matters Arising be noted.

28 ANNOUNCEMENTS

i) Chairman of the Council

In the absence of the Chairman the Vice Chairman informed Members of some events that she had attended in his stead, namely: Caistor in Bloom; a 100th birthday at Cherry Willingham; and a ceremony marking the anniversary of the Battle of the Somme, at which the soldiers' stories were very moving.

ii) Leader of the Council

The Leader informed Councillors of meetings he had attended regarding the future of John Coupland Hospital, where, whilst changes would be made but whose closure was not planned.

It was announced that the draft Central Lincolnshire Local Plan had now been submitted to the Planning Inspector. A positive response was hoped for.

Thanks were issued to all involved in the display at the recent Lincolnshire Show, which was felt to have been one of the best ever.

A meeting had taken place with Gainsborough traders to discuss improvements to the town centre.

The Leader then invited Councillor McNeill to present a question which had been submitted following the result of the Referendum.

“Does the Leader agree with me that we are rightly proud to live in a diverse and tolerant society? That racism, xenophobia and hate crimes have no place in our country? Would he join me in condemning racism, xenophobia and hate crimes unequivocally? Making it clear we will not allow hate to become acceptable?

Will the Leader work on a cross-party basis with councillors and with our officers to ensure that local bodies and programmes have the support and resources they need to fight and prevent racism and xenophobia?

Would the Leader reassure all people living in the West Lindsey district that they are valued members of our community?”

The Leader gave his assurance of agreement and hoped that Councillors Shore and Devine, the other Group Leaders, would join with him to undertake all possible opportunities to promote tolerance.

iii) Head of Paid Service

The Chief Executive noted that a Devolution workshop had been held prior to the Council meeting and reminded those Members who had not been able to attend that a further workshop was to be held on 13 July.

In noting the two minutes' silence held prior to commencement of the meeting, the Chief Executive spoke of the shared deep respect of all for Irmgard Parrot, past Chairman of the Council who had recently passed away.

The Chief Executive mentioned a Community Action event recently at the Trinity Arts Centre with an exhibition of work by people with mental health problems or disabilities, which was inspirational.

A meeting had been held in partnership with the Director responsible for the Air Show at Scampton at which assurance was sought that the show would remain at Scampton. The air show was commissioned for three years at RAF Scampton and the Chief Executive was working with the RAF Commander and Director regarding plans and the Council will have an active role as a partner.

29 PUBLIC QUESTION TIME

Group Captain P J Rodgers submitted the following question to the meeting:

"At an Extraordinary Meeting of the Council the Leader compared a Greater Lincolnshire with a Greater Manchester and Cornwall. Is the Council aware that Cornwall is a Unitary Authority with a Leader and Cabinet: and a move to Mayor and Cabinet would have little impact. However, Greater Manchester is made up of 10 metropolitan boroughs, which formed a combined authority in 2011, and moving to a regional authority with a Mayor could be conceived as a rational step. The economy of Greater Manchester is bigger than that of Wales. So could Greater Lincolnshire compare on an extra £15m a year?"

The Leader of the Council responded that he was aware of the different governance systems and maintained that the changes made sense. Whilst he had not previously made direct comparisons with Cornwall and Manchester, he noted that Devolution had made a difference of £11 per capita in Manchester, whereas in West Lindsey that difference would be £13.63.

30 QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 9

Councillor Trevor Young submitted the following question to the meeting:

"Civil Parking Enforcement

In 2011, West Lindsey District Council approved a joint working arrangement with Lincolnshire County Council and other districts to adopt a countywide civil parking enforcement scheme.

The original proposal was supported by WLDC as the proposed scheme identified ways of improving the policing of both on and off street parking problems which had been identified within the town.

However over the past five years we seen the scheme develop from taking a reasonable approach to tackling parking problems to a 'more robust approach' which is driving customers and potential new businesses away within the town centre.

On a daily basis we now see a military style approach to dealing with traffic enforcement in the town. Gainsborough does not warrant three or four parking enforcement officers working aggressively to succeed on hitting their personal targets and performance measures.

We have seen a 'creeping effect' which is being extremely detrimental to viability of the town centre.

On reflection I think the council managed parking enforcement far better when it was 'in-house', and certainly in the future we need a far better working relationship with the management body of the current scheme and County Highways to ensure the town centre has a chance to succeed?

As Leader of The Council, I would ask if this issue could be discussed by the relevant committee.

The Leader of the Council responded

"When Civil Parking Enforcement was implemented it encompassed two elements, on street parking (operated by LCC) and the off street car parks operated by districts. West Lindsey is only responsible for "Off Street" parking in its own car parks.

I have asked officers about this matter and they inform me that WLDC have always maintained a middle ground approach to enforcement, seeking to ensure that the car parks are policed in a manner which will facilitates as far as possible, availability of spaces for shoppers and visitors without being too heavy handed.

With regard to the numbers of Civil Enforcement Officers deployed, WLDC only ever have one Civil Enforcement Officer on patrol unless our contractor is carrying out training or monitoring.

No targets are set for the issue of parking fines. The only performance indicators on the contract involve achieving the agreed number of hours deployment per month and timely provision of reports.

That said we do monitor performance and our records for off street parking shows that there has been a decline in enforcement action of around 10% during the year ending 2015/2016.

Contracts are regularly reviewed as always the officers will endeavour to get best value for money”

Councillor Young, given the opportunity of a supplementary question, quoted several instances of over aggressive enforcement which had upset residents and asked that the matter be re-considered by the relevant Committee.

The Chairman assured Councillor Young that the matter would be taken into consideration during the pending review.

During the debate on Market Rasen parking the Leader of the Council had noted that enforcement was only undertaken when a misdemeanour had occurred, and Councillor Brockway had stated that it was particularly stressful for officers attempting to undertake their responsibilities, often with abuse from the public and she would write to the manager in charge.

31 MOTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 10

None received

32 MEMBERSHIP OF THE RURAL TRANSPORT WORKING GROUP

At the Prosperous Communities Committee on 29 October 2015 it was resolved that a Member Working Group for Rural Transport be established to assist officers in working up projects and six Members were appointed to the group.

Appointments to the Rural Transport Member Working Group must be legally and constitutionally confirmed at Full Council. At Annual Council on 9 May 2016 Paper D set out appointments of Members to committees, boards and other bodies. The confirmation of appointments to the Rural Transport Member Working Group were not included at this meeting due to on-going work to develop rural transport projects.

Following the above meetings Officers have been working to develop further projects and liaise with other stakeholders including Lincolnshire County Council as the Transport Authority. It is now an appropriate time to hold the first Member Working Group meeting for Rural Transport, therefore membership required confirmation.

RESOLVED that the following Members be appointed to the Rural Transport Working Group.

Councillor Lesley Rollings
Councillor Di Rodgers
Councillor Jessie Milne
Councillor Steve England
Councillor Paul Howitt-Cowan
Councillor Lewis Strange

33 TO RECEIVE THE MINUTES OF COMMITTEE MEETINGS PUBLISHED SINCE THE COUNCIL MEETING ON 11 APRIL 2016.

RESOLVED that the minutes of Committee meetings published since the Council meeting on 11 April 2016 be received.

Note The Leader took a further opportunity to remind Members of the second Devolution workshop to be held on 13 July and requested that questions be submitted in advance in order for answers to be researched.

The meeting concluded at 8.05pm.

Chairman

Council Matters Arising Schedule

Purpose:

To consider progress on the matters arising from previous Council meetings.

Recommendation: That members note progress on the matters arising and request corrective action if necessary.

Matters arising Schedule

Black	
MR Parking	<p>Minute extract 4 July 2016 The Chief Executive assured Members that if the press release which quoted a 12 week consultation period was made available, it would be investigated and an apology issued if appropriate.</p> <p>No responses received</p> <p>05/09/16 Manjeet Gill</p>
CPE	<p>Minute extract 4 July 2016 Councillor Brockway had stated that it was particularly stressful for officers attempting to undertake their responsibilities, often with abuse from the public and she would write to the manager in charge.</p> <p>Communication taken place</p> <p>05/09/16 Cllr. J Brockway</p>

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Council

5 September 2016

Subject: Annual Report on the Treasury Management Service and Actual Prudential and Treasury Indicators 2015/16

Report by:	Financial Services Team Manager (Deputy S151) Tracey Bircumshaw
Contact Officer:	Tracey Bircumshaw Financial Services Team Manager (Deputy S151) 01427 676560 tracey.bircumshaw@west-lindsey.gov.uk
Purpose / Summary:	This annual treasury report is a requirement of the Council's reporting procedures. It covers the treasury activity during 2015/16 and the actual Prudential Indicators for 2015/16.

RECOMMENDATION(S):

That Members accept the Annual Treasury Management Report for 2015/16 and approve the actual 2015/16 Prudential and Treasury Indicators contained therein.

IMPLICATIONS

Legal: None arising as a result of this report.

Financial: FIN/47/17: None arising from this report.

Staffing: None arising as a result of this report.

Equality and Diversity including Human Rights: None arising as a result of this report.

Risk Assessment: This is a monitoring report only.

Climate Related Risks and Opportunities: This is a monitoring report only.

Title and Location of any Background Papers used in the preparation of this report:

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

☐

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

☐

No

x

Background

The Council is required by regulations issued under the Local Government Act 2003 to produce an Annual Treasury Management review of activities and the actual prudential and treasury indicators for 2015/16. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (The Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2015/16 the minimum reporting requirements were that the full Council should receive the following reports:

- an Annual Treasury Strategy in advance of the year - Council meeting held 3 March 2015
- a Mid-Year (minimum) Treasury Update Report – Council meeting held 27 October 2015
- an Annual Treasury Management Report following the year describing the activity compared to the strategy (this report).

In addition, the Corporate Policy and Resources Committee has received quarterly Treasury Management update reports on 30 July 2015, 27 October 2015, 11 February 2016 and 12 May 2016.

The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. The report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

The Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Governance and Audit Committee (Annual Investment Strategy) and Policy and Resources Committee (Capital Programme, Mid-Year and Annual Report) before they were reported to the full Council. Member training on treasury management issues was undertaken during the year in January 2016 in order to support Members' scrutiny role.

Executive Summary

During 2015/16, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and treasury indicators	2014/15 Actual £'000	2015/16 Original £'000	2015/16 Revised £'000	2015/16 Actual £'000
Capital expenditure	1,711	9,689	4,144	962
Capital Financing Requirement:	1,631	6,260	1,429	1,403
Gross Borrowing (Finance Leases)	570	608	364	346
Gross Investments				
• Longer than 1 year	2,000	2,000	2,000	2,000
• Under 1 year	16,600	16,887	22,600	18,200
Total	18,600	18,887	24,600	20,200
Net borrowing/ (investments)	(18,030)	(18,279)	(24,236)	(19,954)

Other prudential and treasury indicators are to be found in the main body of this report. The S151 Officer also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit (the Authorised Limit) was not breached.

The financial year 2015/16 continued with a challenging investment environment of previous years, namely low investment returns.

1. Introduction and Background

1.1 This report summarises the following:

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

2. The Council's Capital Expenditure and Financing 2015/16

- 2.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:
- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
 - If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.
- 2.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

General Fund	2014/15 Actual £'000	2015/16 Original £'000	2015/16 Revised Estimate £'000	2015/16 Actual £'000
Capital expenditure	1,711	9,689	4,144	962
Resourced by:				
Capital receipts	244	1,249	900	560
Capital grants / Contributions	362	743	680	356
Revenue	932	2,797	2,460	46
Leases	69	0	0	0
S106	104	0	104	0
Unfinanced capital expenditure	0	4,900	0	0

3. The Council's Overall Borrowing Need

- 3.1 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2015/16 unfinanced capital expenditure (see table 2.2), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.
- 3.2 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets), or utilising temporary cash resources within the Council.

- 3.3 **Reducing the CFR** – The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of borrowing need. This differs from the treasury management arrangements, which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
- 3.4 The total CFR can also be reduced by:
- the application of additional capital financing resources (such as unapplied capital receipts); or
 - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).
- 3.5 The Council's 2015/16 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Report for 2015/16 on 3 March 2015.
- 3.6 The Council's CFR for the year is shown below, and represents a key prudential indicator. It is made up of £1.065m resulting from changes in capital financing regulations, this effectively represents capital expenditure funded from cash under previous capital financing regulations) and will remain within the CFR for the foreseeable future. As this is a technical accounting adjustment, there is no requirement to repay this amount through the MRP regulations. In addition it includes leasing schemes held on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as the borrowing facility is included in the contract.

Capital Financing Requirement	31 March 2015 Actual £'000	31 March 2016 Budget £'000	31 March 2016 Revised £'000	31 March 2016 Actual £'000
Opening balance	1,745	1,631	1,636	1,631
Adj for previous year financing	0	0	0	0
Add adjustment for the inclusion of on-balance sheet leasing arrangements	69	0	0	4
Less Finance Lease repayments/MRP	(183)	(207)	(207)	(228)
Closing balance	1,631	1,424	1,429	1,407

- 3.7 Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.
- 3.8 **Gross borrowing and the CFR** – in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2015/16) plus the estimates of any additional capital financing requirement for the current year (2016/17) and the next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2015/16. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator with the gross borrowing position reflecting outstanding finance leases on vehicles and equipment.

	31 March 2015 Actual £'000	31 March 2016 Original £'000	31 March 2016 Revised £'000	31 March 2016 Actual £'000
Gross borrowing position	570	6080	364	346
CFR	1,631	6,260	1,429	1,407

- 3.9 **The Authorised Limit** – the authorised limit is the “affordable borrowing limit” required by section 3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2015/16 the Council has maintained gross borrowing within its authorised limit.
- 3.10 **The Operational Boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.
- 3.11 **Actual financing costs as a proportion of net revenue stream** – this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2015/16 £'000
Authorised Limit	12,500
Maximum gross borrowing position	346
Operational Boundary	608
Average gross borrowing position	0
Financing costs as a proportion of net revenue stream	1.27%

4. Treasury Position as at 31 March 2016

4.1.1 The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2015/16 the Council's treasury position (excluding finance leases) was as follows:

Actual borrowing position	31 March 2015		31 March 2016	
	Principal £'000	Average Rate	Principal £'000	Average Rate
Fixed Interest Rate Debt	0	0%	0	0%
Variable Interest Rate Debt	0	0%	0	0%
Total Debt	0	0%	0	0%
Capital Financing Requirement £'000	1,631		1,403	
Finance lease liabilities £'000	570		346	
Over/(under) borrowing £'000	(1,517)		(1,065)	
Bank and Money Market deposits	31 March 2015		31 March 2015	
	Principal £'000	Average Rate	Principal £'000	Average Rate
Fixed Interest money market and bank deposits	10,500	0.92%	13,500	0.94%
Variable Interest money market and bank deposits	8,100	1.49%	6,700	2.10%
Total Investments/Cash Equivalents	18,600	2.41%	20,200	3.04%
Net borrowing position	(18,030)		(19,854)	

The maturity of the investment portfolio was as follows:

	31 March 2015 Actual £'000	2015/16 Original limits £'000	31 March 2016 Actual £'000
Investments/Cash Equivalents			
Longer than 1 year	2,000	2,000	2,000
Under 1 year	16,600	14,887	18,200
Total	18,600	16,887	20,200

Note: Excludes bank current account balance.

5. The Strategy for 2015/16

5.1 The expectation for interest rates within the treasury management strategy for 2015/16 anticipated low but rising Bank Rate, (starting in quarter 1 of 2016), and gradual rises in medium and longer term fixed borrowing rates during 2016/17. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

The actual movement in gilt yields meant that the general trend in PWLB rates during 2015/16 was an increase in rates during the first quarter followed by marked bouts of sharp volatility since July 2015 but with an overall dominant trend for rates to fall to historically low levels by the end of the year.

6. The Economy and Interest Rates

6.1 Market expectations for the first increase in Bank Rate moved considerably during 2015/16, starting at quarter 3 2015 but soon moving back to quarter 1 2016. However, by the end of the year, market expectations had moved back radically to quarter 2 2018 due to many fears including concerns that China's economic growth could be heading towards a hard landing; the potential destabilisation of some emerging market countries particularly exposed to the Chinese economic slowdown; and the continuation of the collapse in oil prices during 2015 together with continuing Eurozone growth uncertainties.

These concerns have caused sharp market volatility in equity prices during the year with corresponding impacts on bond prices and bond yields due to safe haven flows. Bank Rate, therefore, remained unchanged at 0.5% for the seventh successive year. Economic growth (GDP) in the UK surged strongly during both 2013/14 and 2014/15 to make the UK the top performing advanced economy in 2014. However, 2015 has been

disappointing with growth falling steadily from an annual rate of 2.9% in quarter 1 2015 to 2.1% in quarter 4.

The Funding for Lending Scheme, announced in July 2012, resulted in a flood of cheap credit being made available to banks which then resulted in money market investment rates falling materially. These rates continued at very low levels during 2015/16.

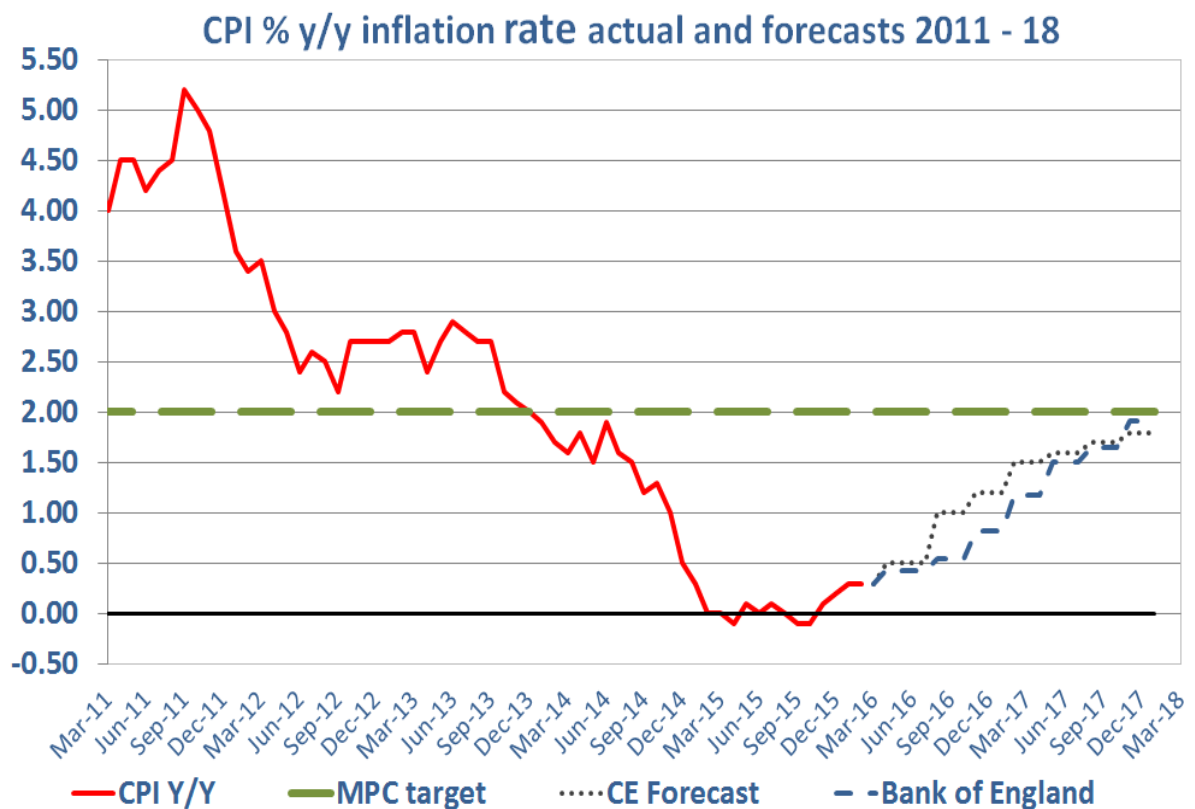
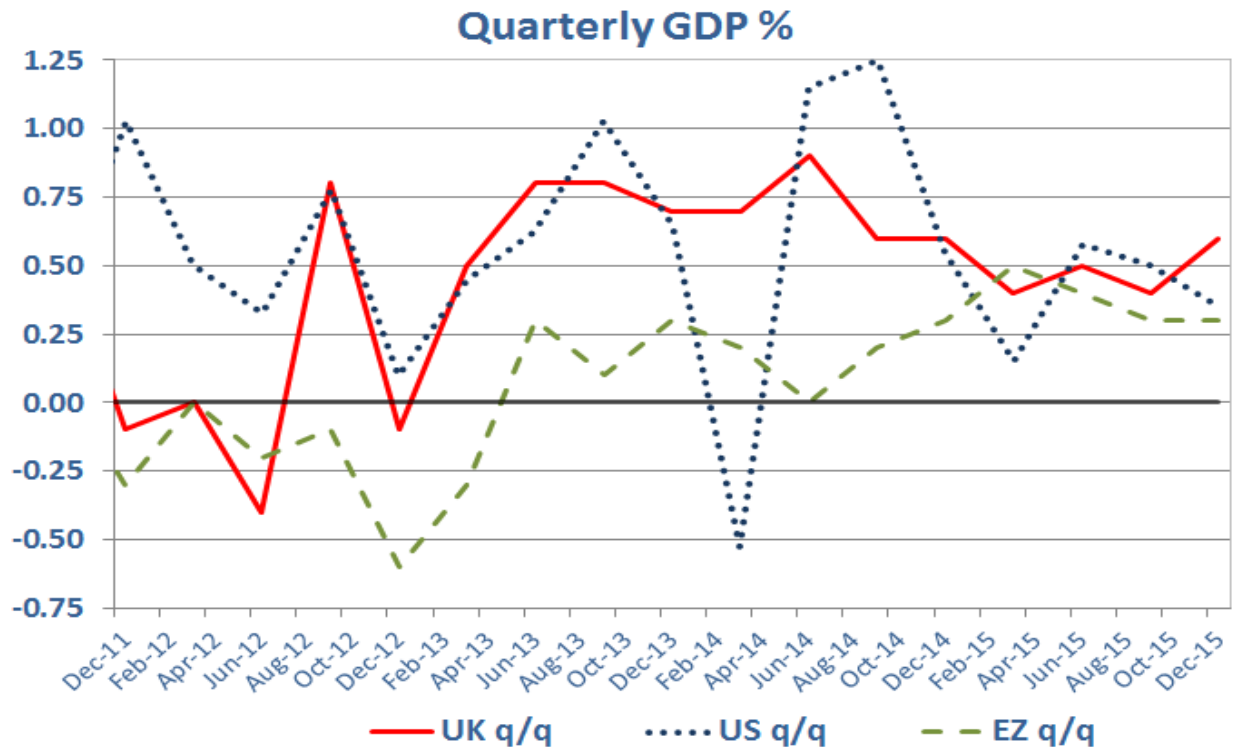
The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields. However, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central rates have been pushed back. In addition, a notable trend in the year was that several central banks introduced negative interest rates as a measure to stimulate the creation of credit and hence economic growth.

The ECB had announced in January 2015 that it would undertake a full blown quantitative easing programme of purchases of Eurozone government and other bonds starting in March at €60bn per month. This put downward pressure on Eurozone bond yields. There was a further increase in this programme of QE in December 2015. The anti-austerity government in Greece, elected in January 2015 eventually agreed to implement an acceptable programme of cuts to meet EU demands after causing major fears of a breakup of the Eurozone. Nevertheless, there are continuing concerns that a Greek exit has only been delayed.

As for America, the economy has continued to grow healthily on the back of resilient consumer demand. The first increase in the central rate occurred in December 2015 since when there has been a return to caution as to the speed of further increases due to concerns around the risks to world growth.

On the international scene, concerns have increased about the slowing of the Chinese economy and also its potential vulnerability to both the bursting of a property bubble and major exposure of its banking system to bad debts. The Japanese economy has also suffered disappointing growth in this financial year despite a huge programme of quantitative easing, while two of the major emerging market economies, Russia and Brazil, are in recession. The situations in Ukraine, and in the Middle East with ISIS, have also contributed to volatility.

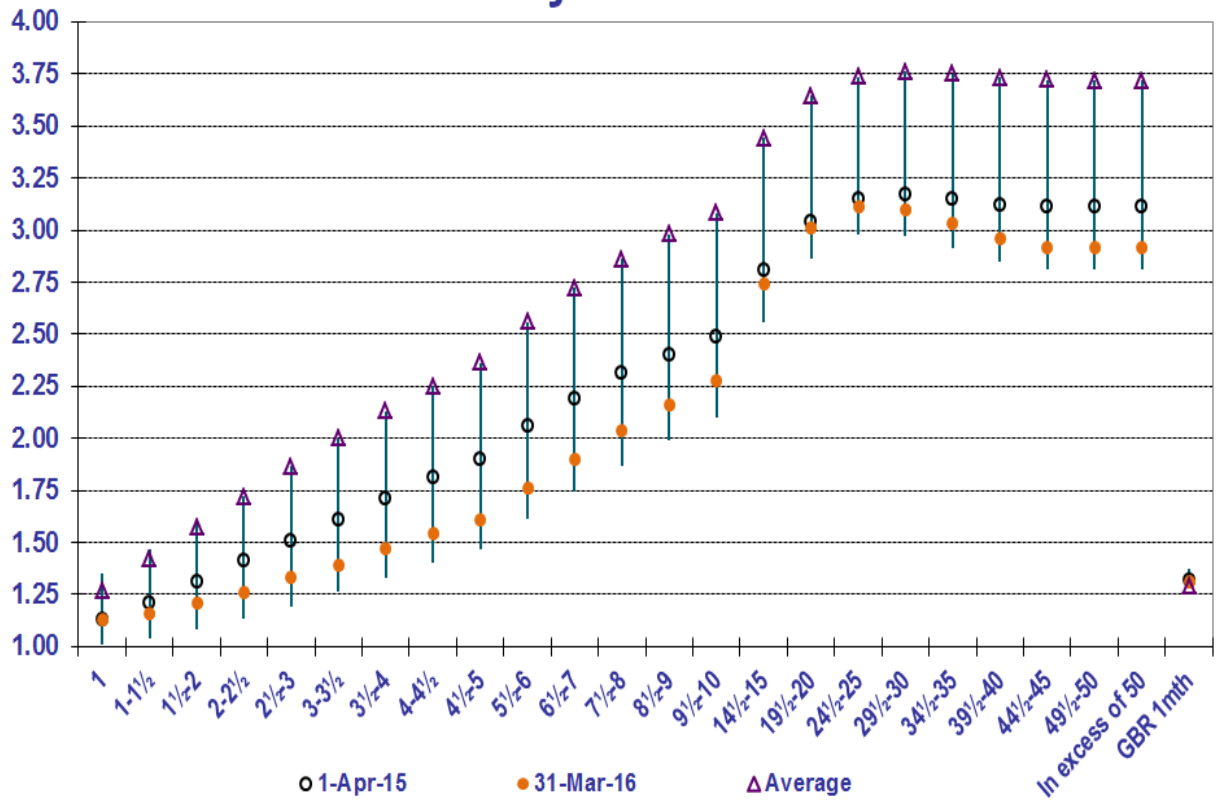
The UK elected a majority Conservative Government in May 2015, removing one potential concern but introducing another due to the promise of a referendum on the UK remaining part of the EU. The government maintained its tight fiscal policy stance but the more recent downturn in expectations for economic growth has made it more difficult to return the public sector net borrowing to a balanced annual position within the period of this parliament.



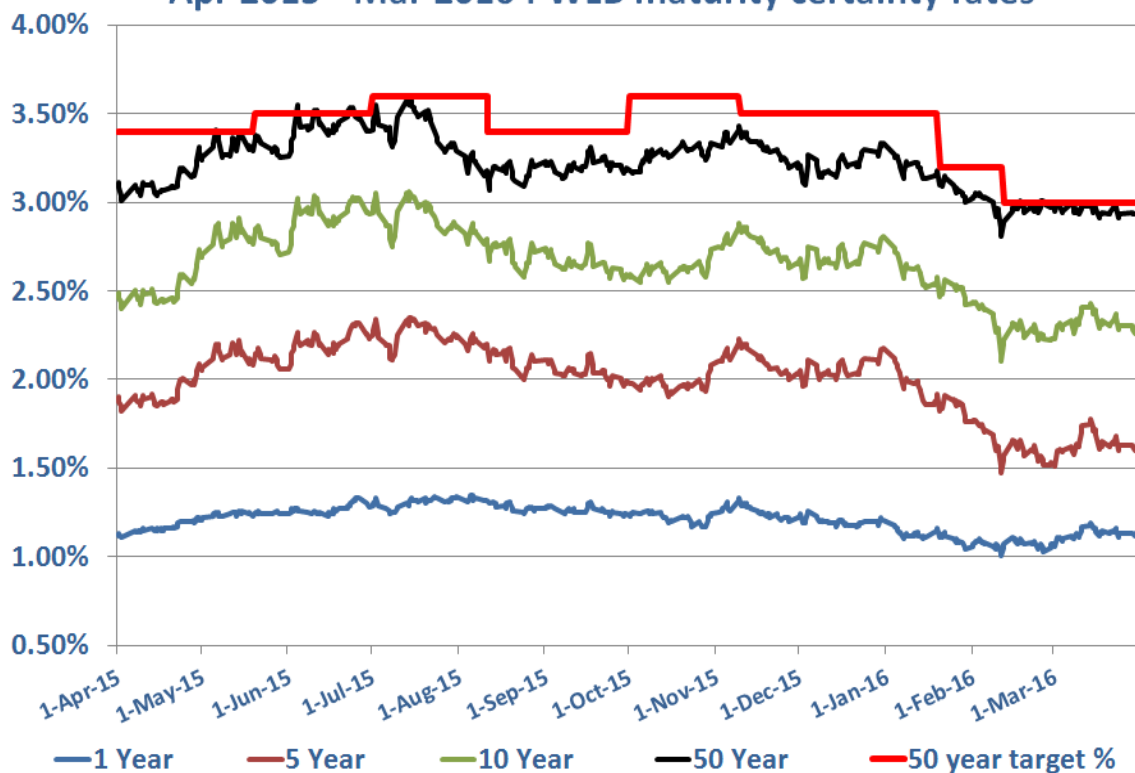
7. Borrowing Rates in 2015/16

7.1 **PWLB certainty maturity borrowing rates** – the graph and table for PWLB rates below show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.

PWLB certainty rate variations in 2015-16



Apr 2015 - Mar 2016 PWLB maturity certainty rates

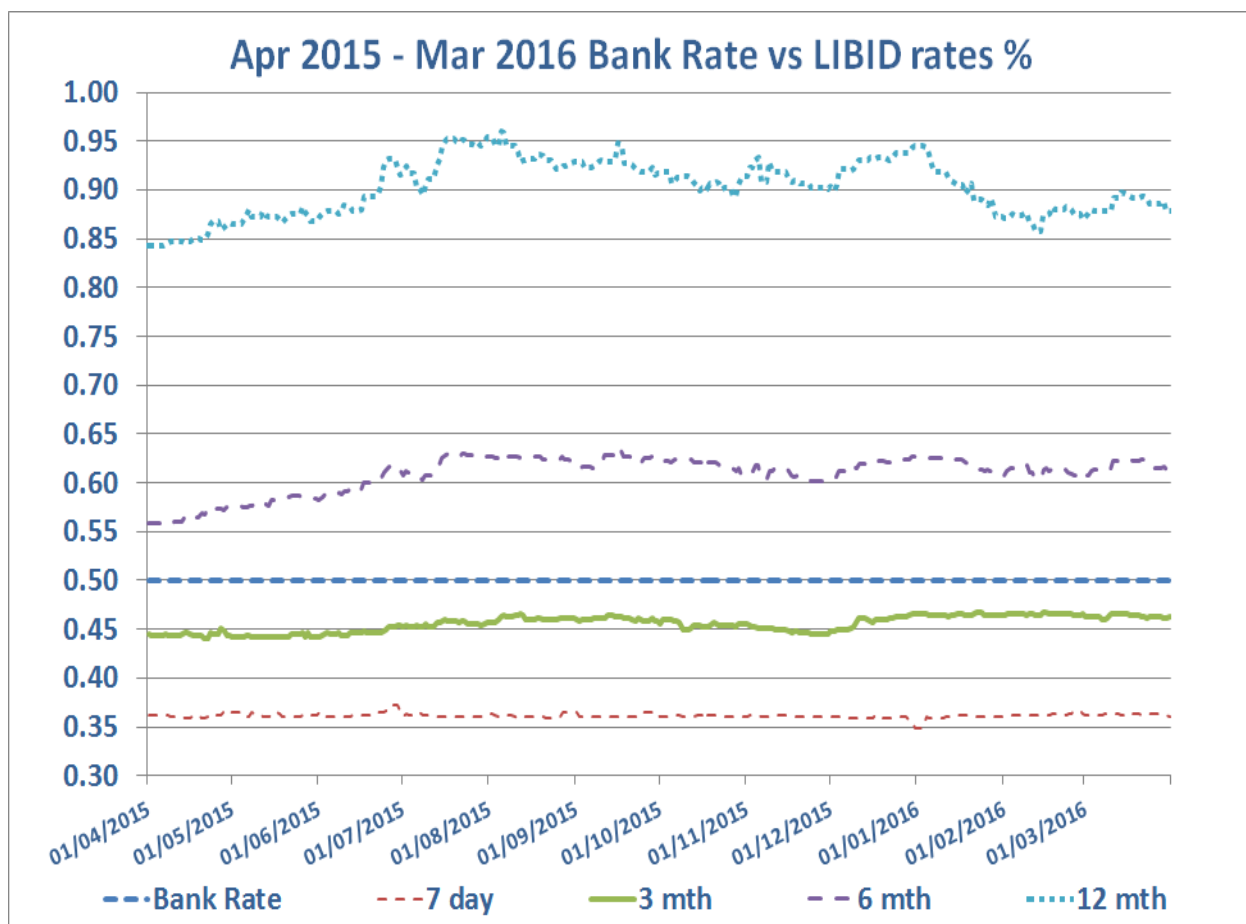


	1	1-1.5	2.5-3	3.5-4	4.5-5	9.5-10	24.5-25	49.5-50	1 month variable
1/4/15	1.130%	1.210%	1.510%	1.710%	1.900%	2.490%	3.150%	3.110%	1.320%
31/3/16	1.130%	1.160%	1.330%	1.470%	1.610%	2.280%	3.110%	2.920%	1.310%
High	1.350%	1.470%	1.860%	2.120%	2.350%	3.060%	3.660%	3.580%	1.370%
Low	1.010%	1.040%	1.190%	1.330%	1.470%	2.100%	2.980%	2.810%	1.310%
Average	1.212%	1.302%	1.608%	1.814%	2.004%	2.653%	3.348%	3.216%	1.336%
Spread	0.340%	0.430%	0.670%	0.790%	0.880%	0.960%	0.680%	0.770%	0.060%
High date	05/08/2015	06/08/2015	02/07/2015	15/07/2015	14/07/2015	14/07/2015	02/07/2015	14/07/2015	30/10/2015
Low date	11/02/2016	11/02/2016	11/02/2016	11/02/2016	11/02/2016	11/02/2016	11/02/2016	11/02/2016	21/03/2016

	1 Year	5 Year	10 Year	25 Year	50 Year
1/4/15	1.13%	1.90%	2.49%	3.15%	3.11%
31/3/16	1.13%	1.61%	2.28%	3.11%	2.92%
Low	1.01%	1.47%	2.10%	2.98%	2.81%
Date	11/02/2016	11/02/2016	11/02/2016	11/02/2016	11/02/2016
High	1.35%	2.35%	3.06%	3.66%	3.58%
Date	05/08/2015	14/07/2015	14/07/2015	02/07/2015	14/07/2015
Average	1.21%	2.00%	2.65%	3.35%	3.22%

8. Investment Rates in 2015/16

- 8.1 Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for seven years. Market expectations as to the timing of the start of monetary tightening started the year at quarter 1 2016 but then moved back to around quarter 2 2018 by the end of the year. Deposit rates remained depressed during the whole of the year, primarily due to the effects of the Funding for Lending Scheme and due to the continuing weak expectations as to when Bank Rate would start rising.



9. Investment Outturn for 2015/16

- 9.1 **Investment Policy** – the Council’s investment policy is governed by CLG guidance, which has been implemented in the annual investment strategy approved by Council on 3 March 2015. 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 and equity prices).

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

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

Balance Sheet Resources	31 March 2015 £'000	31 March 2016 £'000
Balances	4,160	3,715
Earmarked reserves	10,658	13,847
Provisions	379	1,012
Usable capital receipts	2,407	2,984
Total	17,604	21,558

- 9.3 **Investments held by the Council** – the Council held £20.2m of investments as at 31st March 2016 (£24.8m Qtr. 3, £24.6m Qtr.2 and £23.7m Qtr. 1) and the investment portfolio yield for the period was 1.19% (1.08% Qtr. 3, 1.09% Qtr. 2 and 1.14% Qtr. 1), the improvement reflects the investment in the Local Authority Property Fund.

The annualised weighted average rate of interest for Q4 was 1.13% and the comparable performance indicator is the average 7-day LIBID rate, which was 0.36%. This compares with a budget assumption of £0.2m investment balances earning an average rate of 1.00%.

10. Performance Measurement

- 10.1 One of the key requirements in the Code is the formal introduction of performance measurements relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide. The Council's performance indicators were set out in the Annual Treasury Management Strategy.
- 10.2 The following performance indicator is measured
- **Investments – Internal returns above the 7 day LIBID rate**
- 10.3 Security and liquidity benchmarks are being developed and were introduced for 2015/16. See below:

Security Benchmarking (Supplementary Per Capital Watch 4 August 2009)

Today's Date 31/03/2016 PUT THIS TO TODAY'S DATE

	Prudential Indicators & Liquidity Limits	Credit Risk Maximum
Liquidity	£2,000,000	
1 year		0.00%
2 years		0.00%
3 years		0.00%
4 years		0.03%
5 years	£2,000,000	0.06%

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Date (not needed for the analysis)	Counterparty	Principal	Maturity Date	(not needed for the credit analysis)	Country	Sector Limits	Current Long Term rating (Fitch or equivalent)	Long Term Rating for Table	Remainin g Life in Years	Life Per table Equivalent	Historic Risk of default	Weighting L = B*K*I/J	
	A	B	C	D	E	F	G	H	I	J	K		
	Investment Position												
	Deutsche Bank - Sterling				UK	MMF	AAA	AAA	0.00	1	0.000%	£0	
	Lloyds Bank	£1,000,000	19-Aug-16	0.750%	UK	Banks - UK	A+	A	0.39	1	0.089%	£344	
	Royal Bank of Scotland(95 day notice)				UK	Banks - UK	BBB+	BBB	0.00	1	0.212%	£0	
	Santander - 180 day notice account	£1,000,000	26-Sep-16	1.150%	UK	Banks - UK	A	A	0.49	1	0.089%	£436	
	LGIM				UK	MMF	AAA	AAA	0.00	1	0.000%	£0	
	Nationwide	£2,000,000	21-Nov-16	0.840%	UK	Building Societies - Term	A	A	0.64	1	0.089%	£1,145	
	Lloyds Bank	£500,000	12-Sep-16	1.000%	UK	Banks - UK	A+	A	0.45	1	0.089%	£201	
	Lloyds Bank	£1,000,000	08-Feb-17	1.050%	UK	Banks - UK	A+	A	0.86	1	0.089%	£765	
	Lloyds Bank - Deposit Account				UK	Banks - UK	A+	A	0.00	1	0.089%	£0	
	Standard Life (Ignis) - Liquidity Fund				UK	MMF	AAA	AAA	0.00	1	0.000%	£0	
	Insight - Liquidity Fund	£700,000	01-Apr-16		UK	MMF	AAA	AAA	0.00	1	0.000%	£0	
	CCLA - LAPF	£2,000,000			UK	Property		CCC	0.00	1			
	Santander - 365 day notice account	£2,000,000	30-Mar-17	1.300%	UK	Banks - UK	A	A	1.00	1	0.089%	£1,774	
	Santander - 120 day notice account	£2,000,000	28-Jul-16	1.050%	UK	Banks - UK	A	A	0.33	1	0.089%	£580	
	Goldman Sachs	£2,000,000	15-Apr-16	0.725%	UK	Banks - UK	A	A	0.04	1	0.089%	£73	
	Insight - Liquidity Plus Fund	£4,000,000	06-Apr-16		UK	MMF	AAA	AAA	0.02	1	0.000%	£0	
	Ignis - Short Duration Fund				UK	MMF	AAA	AAA	0.00	1	0.000%	£0	
	Lloyds Bank	£1,000,000	03-May-16	0.750%	UK	Banks - UK	A+	A	0.09	1	0.089%	£80	
	Nationwide	£1,000,000	03-May-16	0.660%	UK	Building Societies - Term	A	A	0.09	1	0.089%	£80	
	Total	£20,200,000					LIQUIDITY - Weighted Average Life		0.31	RISK Factor:		0.027%	£5,479
							WLCDC						
							Added by RG	Benchmarks	0.25				0.03%
									Risk Weighting per year				
									Total weighting per £m				0.027%
									Weighting for investment maturing < 1 year				0.027%
									Weighting for investments maturing 1 to 2 years				0.000%
									Weighting for investments maturing 2 to 3 years				0.000%
									Weighting for investments maturing 3 to 4 years				0.000%
									Weighting for investments maturing 4 to 5 years				0.000%



COUNCIL

Date: 05 September 2016

Subject: Welton Neighbourhood Plan Adoption

Report by:

Director of Regeneration and Planning

Contact Officer:

Luke Brown
Neighbourhood Plan Officer
Luke.brown@west-lindsey.gov.uk

Purpose / Summary:

To fully 'make' (adopt) the Welton by Lincoln Neighbourhood Plan.

RECOMMENDATION(S): To make the Welton by Lincoln Neighbourhood Plan in accordance with the Neighbourhood Planning Regulations 2012.

IMPLICATIONS

Legal: This work is a duty under the Localism Act 2011 and the Neighbourhood Planning Regulations 2012.

Financial : FIN/67/17

Additional financial contributions are available from DCLG to support Neighbourhood Planning

Staffing: Internal resources in place to deal with Neighbourhood Planning

Equality and Diversity including Human Rights: The Plan has been examined under the Neighbourhood Planning Regulations for any issues relating to equality and diversity.

Risk Assessment : n/a

Climate Related Risks and Opportunities : n/a

Title and Location of any Background Papers used in the preparation of this report:

<https://www.west-lindsey.gov.uk/my-services/planning-and-building/neighbourhood-planning/neighbourhood-plans-being-prepared-in-west-lindsey/welton-neighbourhood-plan/>

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

☐

No

X

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

X

No

☐

Neighbourhood Planning

1. Summary

Following a positive referendum result on the 29th July 2016, West Lindsey District Council is publicising its decision to 'make' the Welton by Lincoln Neighbourhood Development Plan part of the West Lindsey Development Plan in accordance with Regulation 19 of the Neighbourhood Planning (General) Regulations 2012.

2. Background

Welton by Lincoln Parish Council, as the qualifying body successfully applied for the town to be designated as a Neighbourhood Area, under the Neighbourhood Planning (General) Regulations (2012), which came into force on 27 June 2013. Following the submission of the Welton Neighbourhood Plan to the Council, the plan was publicised and comments were invited from the public and stakeholders. The consultation period closed in May 2015.

3. Decision & Reasoning

West Lindsey District Council appointed an independent Examiner; Mr Nigel McGurk, to review whether the plan met the basic conditions required by legislation and whether the plan should proceed to referendum.

The Examiner's Report concluded that the plan meets the Basic Conditions, and that subject to the modifications proposed in the report and which are set out in the Welton by Lincoln Neighbourhood Plan Decision Statement May 2016, the plan should proceed to a Referendum. It was agreed at the Council meeting of West Lindsey District Council on the 7th June 2016 that the plan should proceed to referendum and, in the outcome of a successful referendum result, it should be 'made' (adopted).

A referendum was held on 28th July 2016, 87.77% of those who voted were in favour of the plan. Paragraph 38A (4)(a) of the Planning and Compulsory Purchase Act 2004 as amended requires that the Council must make the Neighbourhood Plan if more than half of those voting have voted in favour of the plan.

West Lindsey District Council is not subject to this duty if the making of the plan would breach, or would otherwise be incompatible with, any EU obligation or any of the Convention rights (within the meaning of the Human Rights Act 1998).

The referendum held on 28th July 2016 met the requirements of the Localism Act 2011; it was held in the Parish of Welton and posed the question:

'Do you want West Lindsey District Council to use the Neighbourhood Plan for Welton to help it decide planning applications in the neighbourhood area'.

The count took place on the 28th July 2016 and greater than 50% of those who voted were in favour of the plan being used to help decide planning applications in the plan area.

The results of the referendum were:

Question:		
Do you want West Lindsey District Council to use the Neighbourhood Plan for Welton to help it decide planning applications in the neighbourhood area?		
	Votes recorded	Percentage
Number of votes cast in favour of 'yes'	690	84.77%
Number of votes cast in favour of 'no'	124	15.23%

West Lindsey District Council has assessed that the plan including its preparation does not breach, and would not otherwise be incompatible, with, any EU obligation or any of the Convention rights (within the meaning of the Human Rights Act 1998).

In accordance with the Regulations and the Council's procedure the Welton by Lincoln Neighbourhood Development Plan is 'made' and planning applications in the area must be considered against the Welton by Lincoln Neighbourhood Development Plan, as well as existing planning policy, such as the West Lindsey Local Plan (2006) and its successors and the National Planning Policy Framework and Guidance

4. Recommendation:

That elected members formally agree to 'make' (adopt) the Welton by Lincoln Neighbourhood Plan in accordance with the Neighbourhood Planning Regulations 2012.