

Guildhall Gainsborough
Lincolnshire DN21 2NA

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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, 3rd July, 2017 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 Annual Meeting of Council on 8 May 2017.
(PAGES 1 - 18)
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. MATTERS ARISING
(PAGES 19 - 20)
5. ANNOUNCEMENTS
 - i) Chairman of Council
 - ii) Leader of the Council
 - iii) Head of Paid Service

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

Large Clear Print: Braille: Audio: Native Language

6. PUBLIC QUESTION TIME

7. QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 9

8. MOTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 10

1. Fellow members chairmen, in other countries across the world you see from public and private buildings alike the national flag fly's in all weathers proudly, yet in this country it is hardly seen even here on our own office's there is no sign of it except on what have been referred to as designated days. This to me must be changed, we should proudly fly our nation's flag both in the chamber and outside atop this building. good men and women risk their lives so that it can be flown and we can conduct our business the least we can do as a mark of admiration and respect for those who defend us is fly our nation's flag everyday with pride. With that I so move that the council fly's the union flag every day of the year with a flag atop of the council building and one in the chamber.

Councillor Thomas Smith

2. There has been a significant increase in the drug scene in Gainsborough over the past 10 years and unless we start to tackle the problem it will become a catastrophic time bomb in future years.
Class A drugs such as 'crack cocaine' appear to be easily accessible to buy 'off the street'.
It is extremely concerning to learn that the more and more young vulnerable people in the town are becoming victims of the surge in the drug culture. We are informed that children as young as ten are being used as drug runners to supply hardened addicts.
There is a desperate need from residents living in the town for agencies to seriously start addressing the problem, and of course it requires far more than just police enforcement.
Therefore as ward members of the Gainsborough South West Ward we request that this council produces a report to the relevant policy committee regarding developing a strategic approach to dealing with drugs in West Lindsey, we 'so move'.

Cllr Trevor Young
Cllr Judy Rainsforth

9. REPORTS FOR DETERMINATION

10. APPOINTMENT OF COMMITTEES
(PAGES 21 - 24)

11. APPOINTMENT TO OUTSIDE BODY
(PAGES 25 - 30)

12. ANNUAL TREASURY MANAGEMENT 2016-17
(PAGES 31 - 50)

13. EXCLUSION OF PUBLIC AND PRESS
To resolve that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1 and 2 of Part 1 of Schedule 12A of the Act.

14. CONFIDENTIAL STAFFING MATTER

M Gill
Chief Executive
The Guildhall
Gainsborough

Friday, 23 June 2017

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WEST LINDSEY DISTRICT COUNCIL

Minutes of the Meeting of Council held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA on 8 May 2017 at 7.00 pm.

Present Councillor Roger Patterson (Chairman)
Councillor Mrs Jessie Milne (Vice-Chairman)

Councillor Mrs Gillian Bardsley	Councillor Mrs Sheila Bibb
Councillor Owen Bierley	Councillor Matthew Boles
Councillor David Bond	Councillor David Cotton
Councillor Christopher Darcel	Councillor Michael Devine
Councillor Steve England	Councillor Ian Fleetwood
Councillor Paul Howitt-Cowan	Councillor Stuart Kinch
Councillor Giles McNeill	Councillor John McNeill
Councillor Mrs Pat Mewis	Councillor Richard Oaks
Councillor Mrs Maureen Palmer	Councillor Malcolm Parish
Councillor Mrs Angela Lawrence	Councillor Mrs Judy Rainsforth
Councillor Mrs Diana Rodgers	Councillor Mrs Lesley Rollings
Councillor Reg Shore	Councillor Thomas Smith
Councillor Lewis Strange	Councillor Jeff Summers
Councillor Mrs Anne Welburn	Councillor Mrs Angela White
Councillor Trevor Young	

In Attendance:

Manjeet Gill	Chief Executive
Ian Knowles	Director of Resources and S151 Officer
Mark Sturgess	Chief Operating Officer
Alan Robinson	SL - Democratic and Business Support
Dinah Lilley	Governance and Civic Officer
Jana Randle	Governance and Civic Officer
Eve Fawcett-Moralee	Director Economic & Commercial Growth

Also Present: seven members of the public and council officers

Apologies for Absence Councillor Jackie Brockway
Councillor Stuart Curtis
Councillor Adam Duguid
Councillor Tom Regis

Councillor Angela White had given advance notice that she may be late.

1 CHAIRMAN'S WELCOME

The Chairman of Council welcomed Members, officers and members of the public to the 3rd of the four year cycle of meetings, the 45th Annual Meeting of West Lindsey District Council, and the start of the 2017/18 civic year.

2 MEMBERS' DECLARATIONS OF INTEREST

No declarations of interest were made at this point of the meeting.

3 TO ELECT A CHAIRMAN OF THE DISTRICT COUNCIL

It was proposed and seconded that Councillor Angela Lawrence be appointed the Chairman of Council for the civic year 2017/18.

It was also proposed and seconded that Councillor Jessie Milne be appointed the Chairman of Council for the civic year 2017/18.

Both nominations were voted upon.

RESOLVED that Councillor Angela Lawrence be elected Chairman of the Council for the 2017/18 civic year.

Councillor Lawrence made and signed the statutory declaration of acceptance of office and took the Chair. The former Chairman of the Council then presented the Chain of Office to Councillor Lawrence.

Councillor Lawrence thanked the Council for her appointment, moved a vote of thanks to the outgoing Chairman for his services to the Council and presented him with a Past Chairman's Badge.

A Member noted that protocol was not being followed as Councillor Milne had been Vice Chairman for the last year and it would be usual practice for her to then become Chairman.

4 TO ELECT A VICE-CHAIRMAN OF THE DISTRICT COUNCIL

It was proposed and seconded that Councillor Jessie Milne be appointed as the Vice-Chairman of the Council.

It was proposed and seconded that Councillor Pat Mewis be appointed as the Vice-Chairman of the Council.

Both nominations were voted upon.

RESOLVED that Councillor Mewis be appointed Vice-Chairman of the Council for the 2017/18 civic year.

Councillor Mewis made and signed the statutory declaration of acceptance of office. The Chairman of the Council then presented the Vice Chairman's Chain and Badge of Office to Councillor Mewis.

The Leader of the Council thanked Councillor Patterson for his year as Chairman,

and also Councillor Milne for her year as Vice Chairman, noting that she had undertaken the role of Chairman twice previously, and had also stepped in to help when Councillor Lawrence had been taken ill during her year of office. It was felt appropriate to nominate Councillor Lawrence as Chairman again as she had been unable to complete her year in office in 2015-16.

5 CHAIRMAN'S CHAPLAIN

The former Chairman of Council moved a vote of thanks to his Chaplain, Rev Sue Deacon for her services and support during the past year. Councillor Patterson then received the Chaplain's stole from Rev Deacon.

The Chairman of Council advised that her Chaplain for the year was to be Father Robert Thacker, but noted that he was unable to be present at the meeting.

The former Chairman then presented the Chairman with the Chaplain's stole. The stole would be presented in due course to the newly appointed Chairman's Chaplain.

RESOLVED that Father Robert Thacker be appointed as the Chairman's Chaplain.

6 COUNCIL MINUTES

RESOLVED that the minutes of the Council meeting held on 6 March 2017 be confirmed and signed as a correct record.

7 TO ELECT A LEADER OF THE COUNCIL

It was proposed and seconded that Councillor Ian Fleetwood be appointed as the Leader of the Council.

It was proposed and seconded that Councillor Jeff Summers be appointed as the Leader of the Council.

Both nominations were voted upon.

RESOLVED that Councillor Jeff Summers be elected Leader of the Council for the 2017/18 civic year.

8 TO ELECT A DEPUTY LEADER OF THE COUNCIL

RESOLVED that Councillor Owen Bierley be elected Deputy Leader of the Council for the 2017/18 civic year.

9 REVIEW OF GOVERNANCE ARRANGEMENTS

The report was introduced by the Chairman of the Governance and Audit Committee. The original request had arisen at Annual Council 2016 when the Governance and Audit Committee had been tasked to undertake investigation into alternative options of governance. After extensive research, which included a visit to an executive led neighbouring Council, it was recommended that no change be made to the existing Committee led arrangements. Thanks were expressed to Councillors Bond and White who had been part of the Task and Finish Group.

The Governance and Audit Committee at its meeting on 18 April 2017, had received a report and subsequently agreed the minute below.

86 GOVERNANCE ARRANGEMENTS T&F GROUP OUTCOMES

Members gave consideration to a report which set out recommendations from the Governance Arrangements Task and Finish Group, which had been established to undertake further detailed evaluation work into the implications of a possible move to the Leader Cabinet model, hybrid or more effective Committee System, following a resolution passed by Annual Council in 2016.

The report set out the work the Task and Finish Group had undertaken in order to be able to form their recommendations and the outcome of the high level consultation they had undertaken.

Task and Finish Group Members who were present, shared with the Committee, experiences they had had whilst undertaking their investigations.

In responding to questions, Officers confirmed that the consultation responses received had been cross party.

RESOLVED that:

- (a) the work undertaken by the Task and Finish Group be noted and accepted;
- (b) in light of the Group's findings, it be **RECOMMENDED** to Council that no further work into a potential change of Governance Arrangements be undertaken for the reason's outlined in the report; and
- (c) Officers be requested to include provision for those suggestions made at Section 5.3 of the report within the annual review of the Constitution report for further consideration by Full Council in May 2017.

RESOLVED that:

- (a) the work undertaken by the Task and Finish Group be noted and accepted; and
- (b) the recommendation from the Governance and Audit Committee, namely that that no further work into a potential change of Governance Arrangements be undertaken for the reasons outlined in the report, be accepted.

Note Councillor Matthew Boles arrived at 7.27pm

10 CONSTITUTION ANNUAL REVIEW

The report was introduced by the Chairman of the Governance and Audit Committee, which had considered the report at its meeting on 18 April 2017.

The Council was required by law to prepare and keep up to date a Constitution which explains how the Council operated, how decisions were made and the procedures which were to be followed to ensure that these were efficient, transparent and accountable to local people. Article 14 of the Constitution stipulated how such a review should be conducted.

As a comprehensive review of the Constitution was undertaken in 2011 and in light of a number of mid-year changes having being made, a number of amendments were being proposed as detailed at Section 2 and the appendices of the report.

Several minor changes had been made throughout Parts III, IV and V, those revised chapters with changes tracked were circulated with the report.

The Leader of the Labour Group expressed concerns that Committee discussion could be bypassed, by allowing reports to be submitted directly to Council, particularly as the previous report had emphasised that the speed of decision making at the Council was efficient. The Chief Executive agreed that there were other considerations also, that Group Leaders as well as Committee Chairman should be involved, and proposed that that recommendation be removed and be subject to further discussion.

It was moved and seconded that the recommendations be amended with reference to paragraph 2.8.3 of the report, referring to Part IV, page 26, paragraph 11 of the Constitution, and that this proposed change be referred back to the Governance and Audit Committee for further consideration prior to submission to full Council for agreement, if required.

RESOLVED that the amendment as above be agreed.

The remainder of the recommendations were moved, seconded and voted upon en

bloc.

RESOLVED that:

- a) the outcome of the annual review be noted;
- b) the Constitution amendments detailed in paragraphs 2.6 to 2.13, (with the exception of paragraph 2.8.3) and at Appendices 1 and 3 of the report, and the revised Constitution chapters as appended (Appendices 4-6) be approved for immediate implementation;
- c) the amendments detailed at Appendix 2 of the report, as already approved by Council/Committee, be noted;
- d) the Challenge and Improvement Committee new section on Oversight Commissioning and the Operating Methodology as set out in paragraph 2.10 and Appendix 7 be approved for inclusion;
- e) the review of Planning Protocols as recommended to Council by the Governance and Audit Committee as set out in paragraph 2.11 and Appendix 8, be approved; and
- f) given the Council's increased Commercial activity the Constitution to contain a separate section to deal specifically with the Council's Trading Companies, this to be compiled and developed for presentation within the Annual Review in 2018.

11 CODE OF CONDUCT

The report was introduced by the Chairman of the Governance and Audit Committee.

The Council introduced its current Code of Conduct and Operating Procedures in July 2012 in response to the requirements of the Localism Act 2011, which saw the abolition of the Standards Board regime and all the rules under it. A review of the Code had not been undertaken since its introduction in 2012 and having now worked within its requirements for over four years it was appropriate to do so.

A sound and robust ethical framework was a key component of effective governance arrangements and this could be demonstrated by the adoption of robust, open and transparent arrangements for dealing with allegations of misconduct.

Officers and Members had, through a series of both informal and formal meetings with Members of the Governance and Audit Committee and Standards Sub-Committee, since autumn 2016, developed a new Code of Conduct, which it was hoped Members will agree was more fit for purpose.

The proposed new revised Code, which had arisen from the work was attached to the report.

Sections 1 and 2 of the report set out the background, context and rationale for change including supporting data analysis. The revisions being proposed and rationale for inclusion were detailed at Section 3 of the report. Some of the key changes were: -

- It is recommended that general obligations **relating to respect, bullying, intimidation and the disclosing of confidential information** be incorporated into our Code of Conduct.
- The Localism Act did give authorities permission to include further local provision relating to interests and again the proposed revised Code now includes local provision interests and does place a requirement on Members to leave the room if they have either a disclosable pecuniary interest (as set out in Statute and included as Appendix B in the new proposed Code) or a local provision prejudicial interest. This change is detailed further in Section 3 of the report.

Officers and Members had also reviewed the operating procedures, which supported the Code, and amended procedures were attached to the report.

The Lincolnshire Independent Member expressed concerns regarding the confidentiality requirements set out on page 94 of the pack. What protection was there for Members who become aware of improper conduct? The Chairman of Governance and Audit assured the Member that there were alternative approaches to all potential issues, such as seeking advice of the Chief Executive or Monitoring Officer, the use of the Whistleblowing Policy, or by contacting either internal or external audit.

RESOLVED that:-

- a) the new Code of Conduct and associated Operating Procedures be approved for immediate adoption;
- b) within a period of 28 days of the Code being adopted, all Members agree to sign an undertaking to abide by the new Code of Conduct; and
- c) the Monitoring Officer, during 2017/18, undertake consultation with all Parish Councils, in relation to the new Code of Conduct, with a view to those Parishes also adopting its content by Autumn 2017.

12 REVIEW OF THE ALLOCATION OF SEATS TO POLITICAL GROUPS C COMMITTEES/SUB-COMMITTEES

Councillor Shore gave notice that, further to the information set out in the report, he was no longer the Leader of the Liberal Democrat Group (the main opposition group), and that this position was now to be taken by Councillor Trevor Young.

RESOLVED that:

- a) the details of political groups, as set out in Appendix A of the report, be noted;
- b) the number of Members to be appointed to serve on each committee and sub-committee be noted; and
- c) the allocation to different political groups of seats on committees/sub-committees, as set out in Appendix B of the

report be noted.

13 APPOINTMENT OF COMMITTEES

RESOLVED that, in accordance with the provisions of section 16 of the Local Government and Housing Act 1989 and the wishes expressed by political groups, members be appointed to serve on the Council's committees for the 2017/18 civic year as follows:

Challenge and Improvement Committee (12 members)

Councillor David Bond
Councillor Ian Fleetwood
Councillor Paul Howitt-Cowan
Councillor Jessie Milne
Councillor Malcolm Parish
Councillor Roger Patterson
Councillor Di Rodgers
Councillor Tom Smith
Councillor Lewis Strange
Councillor Anne Welburn
Councillor Trevor Young
Councillor Angela White

Chief Officer Employment Committee (9 Members)

Councillor Jackie Brockway
Councillor David Cotton
Councillor Michael Devine
Councillor Stuart Kinch
Councillor Angela Lawrence
Councillor Giles McNeill
Councillor Judy Rainsforth
Councillor Jeff Summers
Councillor Anne Welburn

Corporate Policy and Resources Committee (12 Members)

Councillor Sheila Bibb
Councillor Owen Bierley
Councillor Matthew Boles
Councillor David Cotton
Councillor Michael Devine
Councillor Steve England
Councillor Adam Duguid
Councillor Stuart Kinch
Councillor John McNeill
Councillor Tom Regis
Councillor Lesley Rollings
Councillor Jeff Summers

Governance and Audit Committee (6 Members)

Councillor Sheila Bibb
Councillor David Bond
Councillor Jackie Brockway
Councillor Giles McNeill
Councillor John McNeill
Councillor Angela White

Licensing Committee (12 Members)

Councillor Gill Bardsley
Councillor Owen Bierley
Councillor David Cotton
Councillor Paul Howitt-Cowan
Councillor Angela Lawrence
Councillor Pat Mewis
Councillor Jessie Milne
Councillor Richard Oaks
Councillor Maureen Palmer
Councillor Judy Rainsforth
Councillor Mrs Di Rodgers
Councillor Lewis Strange

Regulatory Committee (12 Members)

Councillor Gill Bardsley
Councillor Owen Bierley
Councillor David Cotton
Councillor Paul Howitt-Cowan
Councillor Angela Lawrence
Councillor Pat Mewis
Councillor Jessie Milne
Councillor Richard Oaks
Councillor Maureen Palmer
Councillor Judy Rainsforth
Councillor Mrs Di Rodgers
Councillor Lewis Strange

Planning Committee (12 members)

Councillor Owen Bierley
Councillor Matthew Boles
Councillor David Cotton
Councillor Stuart Curtis
Councillor Michael Devine
Councillor Ian Fleetwood
Councillor Hugo Marfleet
Councillor Giles McNeill

Councillor Jessie Milne
Councillor Roger Patterson
Councillor Judy Rainsforth
Councillor Thomas Smith

Prosperous Communities Committee (12 Members)

Councillor Gillian Bardsley
Councillor Sheila Bibb
Councillor Owen Bierley
Councillor Chris Darcel
Councillor Michael Devine
Councillor Steve England
Councillor Paul Howitt-Cowan
Councillor John McNeill
Councillor Pat Mewis
Councillor Maureen Palmer
Councillor Lesley Rollings
Councillor Trevor Young

14 APPOINTMENT OF SUB-COMMITTEES AND OTHER GROUPS AND BODIES

A number of revisions were proposed to various appointments, to what was set out in the report.

- Councillor Sheila Bibb to replace Councillor Lesley Rollings on the District Health and Wellbeing Network
- Councillor Angela White to replace Councillor Lesley Rollings on the Editorial Advisory Board.
- Councillor Owen Bierley to be the second name (as Deputy Leader) on the District Council's Network
- Councillor Owen Bierley to be the second name (as Deputy Leader) on the District Council's Network, to replace Councillor Anne Welburn
- Councillor Jessie Milne to replace Councillor Lewis Strange on the Robin Hood Doncaster Sheffield Airport Consultative Committee
- Councillor Jeff Summers to replace Councillor Adam Duguid on the Scunthorpe and Gainsborough Water Level Management Board
- Councillor Jeff Summers to be sole representative on PATROL
- Councillor Giles McNeill to fill the vacancy on the Witham Third Drainage Board

RESOLVED that the amendments as proposed were moved, seconded and approved.

RESOLVED that:

- a) the Rules relating to proportionality be suspended for appointment to the Appeals Board;
- b) the Rules relating to proportionality be suspended for appointment to the Standards Sub-Committee; and

- c) the following appointments be confirmed

Joint Staff Consultative Committee

Councillor Jackie Brockway
Councillor Jessie Milne
Councillor David Cotton
Councillor Matthew Boles
Councillor Malcolm Parish (reserve)
Councillor Pat Mewis (reserve)
Councillor Paul Howitt-Cowan (reserve)
Councillor Reg Shore (reserve)

Appeals Board

Councillor Stuart Kinch
Councillor Ian Fleetwood
Councillor Malcolm Parish
Councillor Paul Howitt-Cowan
Councillor Reg Shore
Councillor Angela White

Standards Sub Committee

Councillor Gillian Bardsley
Councillor Roger Patterson
Councillor Pat Mewis
Councillor Anne Welburn
Councillor David Cotton
Councillor Reg Shore

Lincolnshire Show Task and Finish Group

Councillor Pat Mewis
Councillor Owen Bierley
Councillor Jessie Milne
Councillor Roger Patterson
Councillor Lewis Strange
Councillor David Cotton
Councillor Angela White

Editorial Advisory Board

Councillor Giles McNeill
Councillor Angela White
Councillor Mick Devine
Councillor Di Rodgers

Trinity Arts Centre

Councillor Gillian Bardsley
Councillor Jessie Milne

West Lindsey Community Awards Panel.

Councillor Angela Lawrence
Councillor Sheila Bibb
Councillor David Cotton
Councillor Giles McNeill
Councillor Judy Rainsforth

Central Lincolnshire Joint Strategic Planning Committee.

Councillor Jeff Summers
Councillor Stuart Curtis
Councillor David Cotton
Councillor Ian Fleetwood

Democracy Working Group

Councillor Roger Patterson
Councillor Anne Welburn
Councillor Giles McNeill
Councillor Gill Bardsley (reserve)

Leisure, Culture, Events & Tourism Group

Councillor Gillian Bardsley
Councillor Sheila Bibb
Councillor Paul Howitt-Cowan
Councillor Pat Mewis
Councillor Richard Oaks
Councillor Angela White

Community Grants Panel

Councillor Owen Bierley
Councillor Stuart Curtis
Councillor Jessie Milne
Councillor Judy Rainsforth
Councillor John McNeill (reserve)

Commercial Plan Steering Group

Councillor Owen Bierley
Councillor Stuart Kinch
Councillor Jeff Summers
Councillor Sheila Bibb
Councillor Matthew Boles

Gainsborough Growth Fund – Funding Consultative Panel

Councillor Lesley Rollings
Councillor Tom Regis
Councillor Stuart Kinch
Councillor Gillian Bardsley (reserve)
Councillor Sheila Bibb (reserve)
Councillor David Bond (reserve)

Outside Body representatives

Acis Housing Group Local Management Board	Cllr Sheila Bibb (Gainsborough) Cllr Jessie Milne (Rural) Cllr Gill Bardsley (Gainsborough reserve) Cllr Stuart Kinch (Rural reserve)
Age UK Lindsey - East and West Lindsey Divisional Committee	Cllr Owen Bierley
Ancholme Internal Drainage Board	Cllr Jeff Summers
British Trust for Conservation Volunteers	Cllr Gillian Bardsley Cllr Sheila Bibb
District Councils' Network	Cllr Jeff Summers Cllr Owen Bierley
District Health and Wellbeing Network	Cllr Lesley Rollings
East Midlands Council	Cllr Jeff Summers Cllr Owen Bierley
Gainsborough Adventure Playground Association	Cllr Matthew Boles
Gainsborough Community Hotel	Cllr Sheila Bibb
Gainsborough Old Hall Partnership	Cllr Gillian Bardsley
Gainsborough Town Centre Partnership	Cllr Gillian Bardsley
Groundwork Creswell, Ashfield and Mansfield	Cllr Matthew Boles Cllr Ian Fleetwood (reserve)
Health Scrutiny Committee for	Cllr Howitt-Cowan

Lincolnshire	Cllr Angela White
Healthwatch Provider Network Meeting (West Lincs)	Cllr David Bond
Heritage Trust of Lincolnshire	Cllr Howitt-Cowan
Humberside International Airport Consultative Committee	Cllr Owen Bierley
LGA General Assembly	Cllr Jeff Summers
Lincoln and District Citizens Bureau Finance Sub-Committee	Cllr Angela White
Lincoln Area Dial-a-Ride Management Committee	Cllr Giles McNeill
Lincolnshire Branch of the Campaign for the Protection of Rural England	Cllr Owen Bierley
Lincolnshire Forum for Agriculture and Horticulture	Cllr Hugo Marfleet
Lincolnshire Police and Crime Panel	Cllr Anne Welburn
Lincolnshire Sports Partnership	Cllr Lesley Rollings
Lincolnshire Waste Partnership	Cllr David Cotton
Lincolnshire Wolds Countryside Management Project	Cllr Angela Lawrence Cllr Tom Regis
Local Crime Prevention Panel	Cllr Judy Rainsforth
PATROL (CPE)	Cllr Jeff Summers
Pensions Committee	Cllr Jeff Summers
Robin Hood Doncaster Sheffield Airport Consultative Committee	Cllr Jessie Milne
Scunthorpe & Gainsborough Water Level Management Board	Cllr Pat Mewis Cllr Jeff Summers
SPARSE	Cllr Owen Bierley
Sure Start Gainsborough Partnership Board	Cllr Gill Bardsley
Trustees of Charles Cooper Trust	Cllr Jessie Milne to 2018 (and 4 year appointments thereafter) Cllr Judy Rainsforth (to 2019) Cllr Sheila Bibb (to 2019) Cllr Paul Howitt-Cowan (to 2018)
Trustees of Dixons Almshouses	Cllr Angela Lawrence (to 2019)
Trustees of Francis Barker Trust	Cllr Jessie Milne (to 2018)

	Cllr Judy Rainsforth (to 2021)
Trustees of Gainsborough Education Charity	Cllr Jessie Milne (to 2018) Cllr Judy Rainsforth (to 2021)
Trustees of W G Rose Memorial	Cllr Jessie Milne (to 2018) Cllr Judy Rainsforth (to 2021)
Upper Witham Internal Drainage Board	Cllr Steve England
West Lincolnshire Community Safety Partnership Strategic Group	Cllr Sheila Bibb
West Lincolnshire Domestic Abuse Service	Cllr Pat Mewis
West Lindsey Citizens' Advice Bureau Executive Committee	Cllr Angela White
Witham Third Internal Drainage Board	Cllr Steve England Terry Williams Cllr I Fleetwood Cllr Giles McNeill
Wolds Community Transport Association Limited	Cllr Lewis Strange

15 APPOINTMENT OF INDEPENDENT MEMBER FOR THE GOVERNANCE AND AUDIT COMMITTEE

At the Annual Meeting of the Council in May 2010 it was agreed to appoint an Independent Member from outside of the Authority to serve on the Governance and Audit Committee, this had subsequently been extended to include three independent members.

Appointments have been made as required since that time. As terms of Office have this year expired for two of those members it was subsequently necessary therefore to re-advertise the posts to appoint independent members on the Governance and Audit Committee from 2017 onwards.

The Council website was used to advertise the post and the existing two members submitted applications. No other people applied. No interview process was deemed necessary as both candidates had experience and had proved eminently suitable, so it was agreed by the Chairman of Governance and Audit, and the Monitoring Officer that they both be re-appointed.

As the remaining third member's term of office was due to expire in May 2019, it is proposed that these two appointments be up until Annual Council May 2020 and May 2021, in order to maintain stability of experienced membership.

Note Councillor David Cotton declared a personal interest in the appointment as he had known Peter Walton well for many years, so would abstain from voting.

RESOLVED that the persons named below be appointed to serve as Independent Members on the Governance and Audit Committee.

- **Mr Peter Walton** until Annual Council 2020
- **Mrs Alison Adams** until Annual Council 2021

16 SAXILBY NEIGHBOURHOOD PLAN

Councillor Steve England introduced the report to Council, commending the work of the Neighbourhood Planning Group, and noting that there had been 92% support for the Plan at the recent referendum.

Councillor England introduced Parish Councillors Liz Hillman and Paul Roberts, to present the Plan to the Chairman.

Mrs Hillman thanked all those people who had worked hard on the production of the Neighbourhood Plan and also expressed gratitude for the support received from West Lindsey District Council.

The Leader of the Council congratulated Saxilby Neighbourhood Planning Group on an excellent Plan, noting that the formation and adoption of Neighbourhood Plans prevents inappropriate development in communities. The Deputy Leader of the Opposition, as a member of the Planning Committee and also the CLJSPU commended the plan.

RESOLVED that the Saxilby with Ingleby Neighbourhood Plan be made in accordance with the Neighbourhood Planning Regulations 2012.

17 CHALLENGE AND IMPROVEMENT COMMITTEE ANNUAL REPORT

The Chairman of the Challenge and Improvement Committee referred to particular items of work undertaken by the Committee in the preceding year.

Section 7 of the report refers to the work the Committee undertook with regard to youth unemployment. The Committee will be presenting their findings to Prosperous Communities Committee early in the year.

The Health Commission was established with the Prosperous Communities Committee, work continued and would conclude during the coming civic year.

Progress and delivery continued to be scrutinised.

The effective relationships with Lincolnshire Police had been built on, and they continued to regularly attend meetings.

Sections 11 and 12 of the report highlighted to Council the areas the Committee intended to focus on over the coming months.

The Chairman then thanked all fellow members who served on the Committee for the work they undertook during 2016/17, and also wished to place on record thanks to the previous Chairman of the Committee, Councillor Alan Caine, who recently passed away, for his hard work and dedication.

RESOLVED that the report be noted.

18 FEEDBACK FROM REPRESENTATIVES ON OUTSIDE BODIES

RESOLVED that the report be noted.

Note Councillor White arrived at 8.05pm

The meeting concluded at 8.07 pm.

Chairman

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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

Status	Title	Action Required	Comments	Due Date	Allocated To
Black					
	Public Participation	Leaflets and guidance for public and Member participation at Planning Committee to be updated and published.	Complete	28/06/17	Oliver Fytche-Taylor
	Constitution	Amendments agreed at Annual Council to be finalised and revised document re-formatted, issued and published.	Complete	03/07/17	Dinah Lilley
Green					
	Code of Conduct	Minute extract 08/05 b) within a period of 28 days of the Code being adopted, all Members agree to sign an undertaking to abide by the new Code of Conduct; and c) the Monitoring Officer, during 2017/18, undertake consultation with all Parish Councils, in relation to the new Code of Conduct, with a view to those Parishes also adopting its content by Autumn 2017	b) Majority complete, remainder being followed up. c) Ongoing	03/07/17	Alan Robinson
	G&A Audit of Planning	Minute extract 6 March 2017 It was then RESOLVED that the content of the motion be included within the scope of the Governance and Audit Committee's audit of the Planning Service		01/09/17	Cllr. G McNeill

Challenge and Improvement

Membership and appointment of Vice Chairman to be verified.

**Vice Chairman appointed.
Membership on agenda for meeting. Change also required for Policy & Resources Committee.**

03/07/17 Katie Coughlan



Council

3 July 2017

Subject: Appointment to Committees

Report by:

Monitoring Officer

Contact Officer:

Alan Robinson
Strategic Lead for Democratic and Business
Support
01427 676509
alan.robinson@west-lindsey.gov.uk

Purpose / Summary:

This report sets out the wishes expressed by political groups in respect of appointment of Members to serve on the Committees of the Council.

Membership having been agreed at Annual Council on 8 May 2017, amendments were subsequently required to the Challenge and Improvement Committee and the Corporate Policy and Resources Committee.

RECOMMENDATION(S):

- 1) In accordance with the provisions of section 16 of the Local Government and Housing Act 1989 and the wishes expressed by political groups, Members be appointed to serve on the Council's committees for the 2017/18 civic year.**

IMPLICATIONS

Legal: In accordance with the provisions of section 16 of the Local Government and Housing Act 1989 and the wishes expressed by political groups

Financial: None directly arising as a result of this report.

Staffing: None directly arising as a result of this report.

Equality and Diversity including Human Rights : None

Risk Assessment : N/A

Climate Related Risks and Opportunities : N/A

Background Papers :

The following background papers were used in the preparation of this report.

Title :	Location of Background Papers:
Notices received from the Group Leaders on the allocation of Committee/ Sub-Committee places	

Call in and Urgency:

Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?

Yes

☐

No

X

Key Decision:

Yes

☐

No

X

1. Introduction

- 1.1 In accordance with the provision of section 16 of the Local Government and Housing Act 1989, it is the duty of the Council to make appointments to Committees in accordance with the wishes expressed by political groups following the determination under section 15 (the allocation of seats to political groups).
- 1.2 At the Annual Council meeting on 8 May a report was submitted which appointed members to each of the Council Committees according to agreed political proportionality.
- 1.3 It later transpired that Councillor Trevor Young had been agreed as the Leader of the Liberal Democrat group, which meant that as leader of the opposition, the Constitution decrees that he is not eligible to sit on that Committee.

The Constitution Part V Page 23 Para 2.1 states

2.1 All Councillors with the exception of the Chairman, Leader of the Council, Deputy Leader of the Council, Leader of the Opposition and a policy committee Chairman or Vice-Chairman may be members of the Challenge and Improvement Committee. However, no member may be involved in scrutinising a decision in which he/she has been directly involved.

- 1.4 The Liberal Democrat Group have now agreed that Councillor Young will sit on the Corporate Policy and Resources Committee and Councillor Lesley Rollings will take the remaining seat on the Challenge and Improvement Committee.
- 1.5 It is therefore necessary to reappoint Members to those Committees.

2. Appointment of Committee

2.1 Challenge and Improvement Committee (12 members)

Councillor David Bond
Councillor Ian Fleetwood
Councillor Paul Howitt-Cowan
Councillor Jessie Milne
Councillor Malcolm Parish
Councillor Roger Patterson
Councillor Di Rodgers
Councillor Tom Smith
Councillor Lewis Strange
Councillor Anne Welburn
Councillor Angela White
Councillor Lesley Rollings

2.2 Corporate Policy and Resources Committee (12 Members)

Councillor Sheila Bibb
Councillor Owen Bierley
Councillor Matthew Boles
Councillor David Cotton
Councillor Michael Devine
Councillor Steve England
Councillor Stuart Kinch
Councillor John McNeill
Councillor Tom Regis
Councillor Jeff Summers
Councillor Trevor Young
Vacancy



Council

3 July 2017

Appointments to Outside Body

Report by:

Monitoring Officer

Contact Officer:

Alan Robinson
Strategic Lead for Democratic and Business Support
and Monitoring Officer
01427 676509
alan.robinson@west-lindsey.gov.uk

Purpose / Summary:

To request Council to agree to the addition of a further Outside Body to the existing list, and to confirm appointments to that body.

RECOMMENDATION(S):

- a) That the Flood and Water Management Scrutiny Committee be added to the Council's list of Outside Bodies;
- b) That Councillor Ian Fleetwood be appointed as the Council's representative and Councillor Jeff Summers be the reserve representative on the Flood and Water Management Scrutiny Committee.

IMPLICATIONS

Legal: None associated with this report

Financial : None associated with this report

Staffing : None associated with this report.

Equality and Diversity including Human Rights : N/A

Risk Assessment : N/A

Climate Related Risks and Opportunities : None

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

None

Call in and Urgency:

Is the decision one to which Rule 14 of the Scrutiny Procedure Rules apply?

Yes

☐

No

X

Key Decision:

Yes

☐

No

X

1 Background

- 1.1 A request has been received from the Flood and Water Management Scrutiny Committee to be added to the Council's list of Outside Bodies;
- 1.2 Councillor Fleetwood is already an active participant on the committee and it was felt desirable to formalise the arrangement.
- 1.3 A reserve Member on the Committee is also required.
- 1.4 The information form is appended to this report.
- 1.5 Should the appointments be confirmed, the Councillors will be required to submit an annual feedback report to Council, as is required for all Outside Bodies, to set out the work of the organisations.

2. Recommendations

- a) That the Flood and Water Management Scrutiny Committee be added to the Council's list of Outside Bodies; and
- b) That Councillor Ian Fleetwood be appointed as the Council's representative and Councillor Jeff Summers be the reserve representative on the Flood and Water Management Scrutiny Committee.

NAME OF OUTSIDE BODY	Flood and Water Management Scrutiny Committee
TYPE OF OUTSIDE BODY	Lincolnshire County Council Scrutiny Committee
CONTACT NAME AND ADDRESS	Mr Daniel Steel, Scrutiny Officer Mrs Katrina Cope, Senior Democratic Services Officer Democratic Services, Room 6, County Offices, Newland, Lincoln, LN1 1YL
Email address	Daniel.Steel@lincolnshire.gov.uk Katrina.Cope@lincolnshire.gov.uk
NUMBER OF REPRESENTATIVES REQUIRED	1x Committee Member 1x Replacement Member
VENUE / FREQUENCY / DURATION / TIME OF MEETINGS	Meetings held 4 times per year. The meetings are usually half day meetings, commencing at 10.00 am and finishing at approximately 12.30pm. Future Meeting Dates 2017: 17 July 2017; and 23 October 2017. Future Meeting Dates 2018: 26 February 2018; 29 May 2018; 17 September 2018; and 26 November 2018.
REQUIREMENTS / OR QUALIFICATIONS	The Committee Member and Replacement Member must be a non-executive Councillor.
BACKGROUND	The Flood and Water Management Scrutiny Committee will comprise of nine County Councillors (From the Environment, Economy and Transport Scrutiny Committee), and seven co-opted non-executive district councillors, one to be nominated by each of Lincolnshire's seven district councils. The seven co-opted district councillors will have full voting rights on the Committee and replacement members will be permitted, as set out in the scheme adopted by the County Council in accordance with paragraphs 11 – 13 of Schedule A1 of the Local Government Act 2000 (See below) Both County Council and District Council representatives have full voting rights.
REPLACEMENTS ALLOWED	Each district council may at any time nominate a replacement member to service in place of the nominated member.

<p>OTHER INFORMATION</p>	<p><u>Terms of Reference</u></p> <p>The Flood and Water Management Committee will be authorised to consider the following:-</p> <ul style="list-style-type: none"> • The development and delivery of the Local Flood Risk Management Strategy; including the delivery of the Lincolnshire Common Works Programme; • The effectiveness of the Lincolnshire Flood Risk and Drainage Management Partnership and related partnership developments; • Lincolnshire County Council's delivery of its local leadership role in relation to flood and water management; • The work of all flood risk management authorities operating within Lincolnshire; • The local implementation of the Environment Agency-led National Strategy for Flood Risk and Coastal Erosion; • Action plans relating to all relevant plans and strategies, such as (but not exclusively) Shoreline Management Plans and Catchment Flood Management Plans (main rivers); • All major strategic initiatives relating to water management; • The Greater Lincolnshire Local Enterprise Partnership's Water Management Board, including the development and implementation of its Water Management Plan; and • Any other matter with particular relevance to flood risk and water management within Lincolnshire or likely to affect Lincolnshire. <p>Scheme for the Co-option of Voting Members on the County Council's Flood and Water management Scrutiny Committee</p> <p>1. Definitions</p> <p>This scheme is made in accordance with paragraphs 11-13 of Schedule A1 of the Local Government Act 2000.</p> <p>The Council is Lincolnshire County Council.</p> <p>The Flood and Water Management Scrutiny Committee is an overview and scrutiny committee appointed pursuant to Section 9FH of the Local Government Act 2000.</p> <p>A Co-opted Member is a member of the Flood and Water Management Scrutiny Committee, who has been duly nominated and appointed by a district council in Lincolnshire in accordance with this scheme.</p> <p>2. Nomination and Appointment</p> <p>The County Council will allow each district council in Lincolnshire to nominate a non-executive councillor, to serve as a member of the Council's Flood and Water Management Scrutiny Committee. Each district council may at any time nominate a replacement member to serve in place of the nominated member.</p>
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	<p>3. Voting</p> <p>The county councillors and the seven co-opted district councillors on the Council's Flood and Water Management Scrutiny Committee will have full voting rights at meetings of the Flood and Water Management Scrutiny Committee.</p> <p>4. Code of Conduct</p> <p>Co-opted members, as district councillors, will be subject to the Member Code of Conduct.</p> <p>5. Allowances</p> <p>Co-opted members, as district councillors, will be entitled to allowances and expenses in accordance with the scheme adopted by the district council of which they are a member.</p>
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Council

3 July 2017

Subject: Annual Report on the Treasury Management Service and Actual Prudential and Treasury Indicators 2016/17

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 2016/17 and the actual Prudential Indicators for 2016/17.

RECOMMENDATION(S):

That Members approve the Annual Treasury Management Report for 2016/17 and including the actual 2016/17 Prudential and Treasury Indicators contained therein.

IMPLICATIONS

Legal: None arising as a result of this report.

Financial: FIN/TJB/33: 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 2016/17. 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 2016/17 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 2016
- a Mid-Year (minimum) Treasury Update Report – Council meeting held 10 November 2016
- 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 28 July 2016, 10 November 2016, 9 February 2017 and 4 May 2017.

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 on 9 January 2017 in order to support Members' scrutiny role.

Executive Summary

During 2016/17, 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	2015/16 Actual £'000	2016/17 Original £'000	2016/17 Revised £'000	2016/17 Actual £'000
Capital expenditure	962	15,109	10,928	2,584
Capital Financing Requirement:				
	1,403	11,476	7,181	1,219
Gross Borrowing	0	0	0	0
Finance Leases	346	221	221	128
Gross Investments				
• Longer than 1 year	2,000	2,000	2,000	2,000
• Under 1 year	18,200	14,882	21,155	16,600
Total	20,200	16,882	23,155	18,600
Net borrowing/ (investments)	(19,854)	(16,661)	(22,934)	(18,472)

Other prudential and treasury indicators are to be found in the main body of this report. The S151 Officer also confirms that no borrowing was undertaken and the statutory borrowing limit (the Authorised Limit) was not breached.

The financial year 2016/17 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 2016/17

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	2015/16 Actual £'000	2016/17 Original £'000	2016/17 Revised Estimate £'000	2016/17 Actual £'000
Capital expenditure	962	15,109	10,928	2,584
Resourced by:				
Capital receipts	560	806	1,104	405
Capital grants / Contributions	356	898	1,045	660
Revenue	46	3,115	2,784	1,484
Leases	0	0	0	0
S106	0	0	0	0
Prudential Borrowing	0	10,290	5,995	35

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 2016/17 prudential borrowing (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 2016/17 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Report for 2016/17 on 3 March 2016.
- 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 unfunded capital expenditure ie 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.
- 3.7 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 2016 Actual £'000	31 March 2017 Budget £'000	31 March 2017 Revised £'000	31 March 2017 Actual £'000
Opening balance	1,631	1,407	1,407	1,407
Adj for previous year financing	0	0	0	0
Add adjustment for the inclusion of on-balance sheet leasing arrangements	4	10,290	5,995	35
Less Finance Lease repayments/MRP	(228)	(221)	(221)	(218)
Closing balance	1,407	11,476	7,181	1,224

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 maximum 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 allows the Council some flexibility to borrow in advance of its immediate capital needs in 2016/17. 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 2016 Actual £'000	31 March 2017 Original £'000	31 March 2017 Revised £'000	31 March 2017 Actual £'000
Gross borrowing position	346	10,290	5,995	35
CFR	1,407	11,476	7,181	1,224

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

2016/17 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.

	2016/17 £'000
Authorised Limit	22,931
Maximum gross borrowing position	35,684
Operational Boundary	10,411
Average gross borrowing position	0
Financing costs as a proportion of net revenue stream (Leasing)	1.27%

4. Treasury Position as at 31 March 2017

- 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 2016/17 the Council's treasury position (excluding finance leases) was as follows:

Actual borrowing position	31 March 2016		31 March 2017	
	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	1,403		1,224	
Finance lease liabilities £'000	346		128	
Over/(under) borrowing £'000	(1,065)		(1,096)	

Bank and Money Market deposits	31 March 2016		31 March 2017	
	Principal £'000	Average Rate	Principal £'000	Average Rate
Fixed Interest money market and bank deposits	13,500	0.94%	14,000	0.85%
Variable Interest money market and bank deposits	4,700	2.10%	2,600	0.74%
Total Investments/Cash Equivalents	18,200	3.04%	16,600	1.59%
Property Fund Investment	2,000	5.75%	2,000	5.43%
Less Finance lease Liabilities	(346)		(128)	
Net borrowing/(Investing) position	(19,854)		(18,472)	

The maturity of the investment portfolio was as follows:

	31 March 2016 Actual £'000	2016/17 Forecast £'000	31 March 2017 Actual £'000
Investments/Cash Equivalents			
Longer than 1 year	2,000	2,000	2,000
Under 1 year	18,200	14,882	16,600
Total	20,200	16,882	18,600

Note: Excludes bank current account balance.

5. The Strategy for 2016/17

5.1 The expectation for interest rates within the treasury management strategy for 2016/17 anticipated low but rising Bank Rate, (starting in quarter 1 of 2017), 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.

During 2016/17 there was major volatility in PWLB rates with rates falling during quarters 1 and 2 to reach historically very low levels in July and August, before rising significantly during quarter 3, and then partially easing back towards the end of the year.

No borrowing was undertaken during the year.

6. Investment Out turn for 2016/17

- 6.1 **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 2016. 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.

- 6.2 **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 2016 £'000	31 March 2017 £'000
Balances	3,715	4,839
Earmarked reserves	13,847	13,334
Provisions	1,012	928
Usable capital receipts	2,984	2,895
Total	21,558	21,996

- 6.3 **Investments held by the Council** – the Council maintained an average balance of £23.2m of investments as at 31st March 2017. The investment portfolio earned an average rate of return of 1.16%, the improvement reflects the investment in the Local Authority Property Fund.

- 6.4 From a budget perspective £267k of investment interest was generated against a budget of £196k investment balances earning an average rate of 1.16%, (excluding the Local Authority Property Fund £158k of investment interest was generated earning an average rate of 0.76%).

No external borrowing was undertaken during this quarter. However £35k of internal borrowing was undertaken to finance the Capital Programme.

7. Performance Measurement

- 7.1 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.

7.2 The following performance indicator is measured

- **Investments – Internal returns above the 7 day London Interbank Bid rate (LIBID)**

Whilst interest rates remained low the team generated an overall rate of 1.16% which is comparable to average 0.20% LIBID.

7.3 The actual income generated from investments totalled £267k against a budget of £196k.

7.4 Security and liquidity benchmarks are being developed and were introduced for 2015/16. These are attached at Appendix A:

7.5.1 The economy and the effect on interest rates are contained at Appendix B:

Security Benchmarking (Supplementary Per Capital Watch 4 August 2009)												APPENDIX A	
Today's Date		31/03/2017		PUT THIS TO TODAY'S DATE									
		Prudential Indicators & Liquidity Limits		Credit Risk Maximum									
Liquidity		£2,000,000		0.00%									
1 year				0.00%									
2 years				0.00%									
3 years				0.00%									
4 years				0.03%									
5 years		£2,000,000		0.06%									

The Economy and Interest Rates

The two major landmark events that had a significant influence on financial markets in the 2016-17 financial year were the UK EU referendum on 23 June and the election of President Trump in the USA on 9 November. The first event had an immediate impact in terms of market expectations of when the first increase in Bank Rate would happen, pushing it back from quarter 3 2018 to quarter 4 2019. At its 4 August meeting, the Monetary Policy Committee (MPC) cut Bank Rate from 0.5% to 0.25% and the Bank of England's Inflation Report produced forecasts warning of a major shock to economic activity in the UK, which would cause economic growth to fall almost to zero in the second half of 2016. The MPC also warned that it would be considering cutting Bank Rate again towards the end of 2016 in order to support growth. In addition, it restarted quantitative easing with purchases of £60bn of gilts and £10bn of corporate bonds, and also introduced the Term Funding Scheme whereby potentially £100bn of cheap financing was made available to banks.

In the second half of 2016, the UK economy confounded the Bank's pessimistic forecasts of August. After a disappointing quarter 1 of only +0.2% GDP growth, the three subsequent quarters of 2016 came in at +0.6%, +0.5% and +0.7% to produce an annual growth for 2016 overall, compared to 2015, of no less than 1.8%, which was very nearly the fastest rate of growth of any of the G7 countries. Needless to say, this meant that the MPC did not cut Bank Rate again after August but, since then, inflation has risen rapidly due to the effects of the sharp devaluation of sterling after the referendum. By the end of March 2017, sterling was 17% down against the dollar but had not fallen as far against the euro. In February 2017, the latest CPI inflation figure had risen to 2.3%, above the MPC's inflation target of 2%. However, the MPC's view was that it would look through near term supply side driven inflation, (i.e. not raise Bank Rate), caused by sterling's devaluation, despite forecasting that inflation would reach nearly 3% during 2017 and 2018. This outlook, however, is dependent on domestically generated inflation, (i.e. wage inflation), continuing to remain subdued despite the fact that unemployment is at historically very low levels and is on a downward trend. Market expectations for the first increase in Bank Rate moved forward to quarter 3 2018 by the end of March 2017 in response to increasing concerns around inflation.

USA. Quarterly growth in the US has been very volatile during 2016 but a strong performance since mid-2016, and strongly rising inflation, prompted the Fed into raising rates in December 2016 and March 2017. The US is the first major western country to start on a progressive upswing in rates. Overall growth in 2016 was 1.6%.

EU. The EU is furthest away from an upswing in rates; the European Central Bank (ECB) has cut rates into negative territory, provided huge tranches of cheap financing and been doing major quantitative easing purchases of debt during 2016-17 in order to boost growth from consistently weak levels, and to get inflation up from near zero towards its target of 2%. These purchases

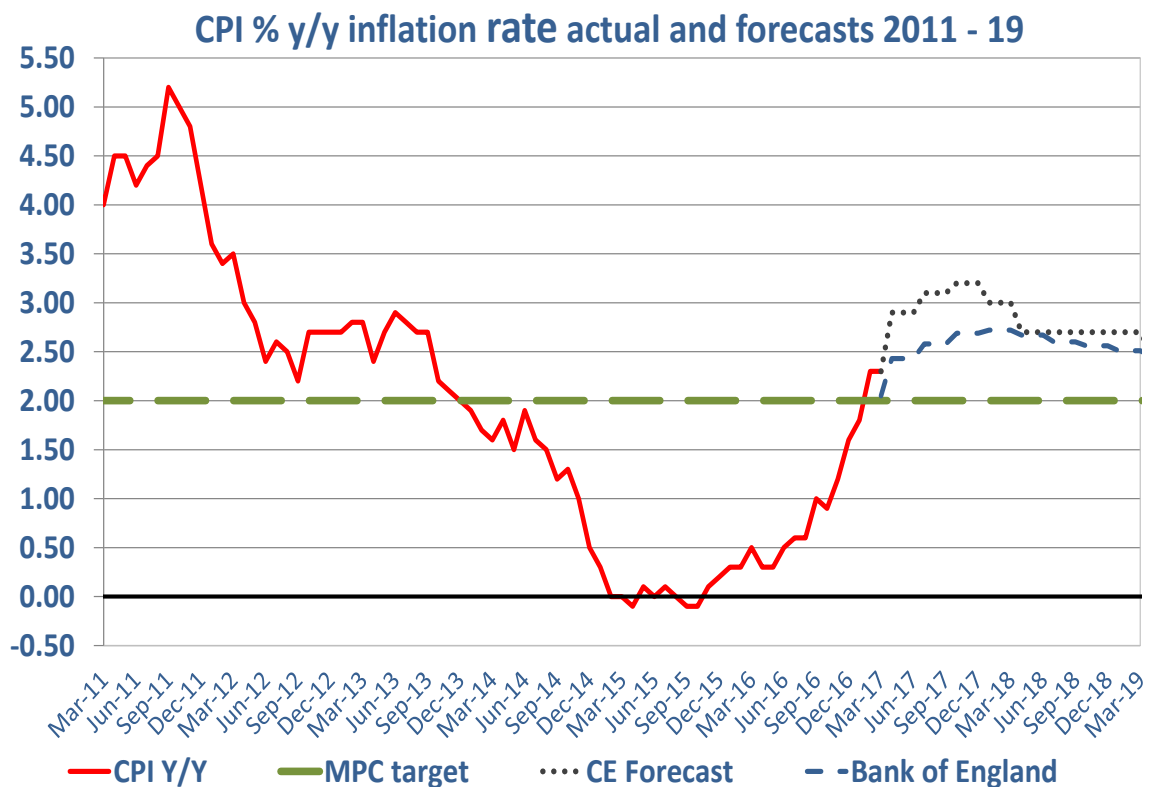
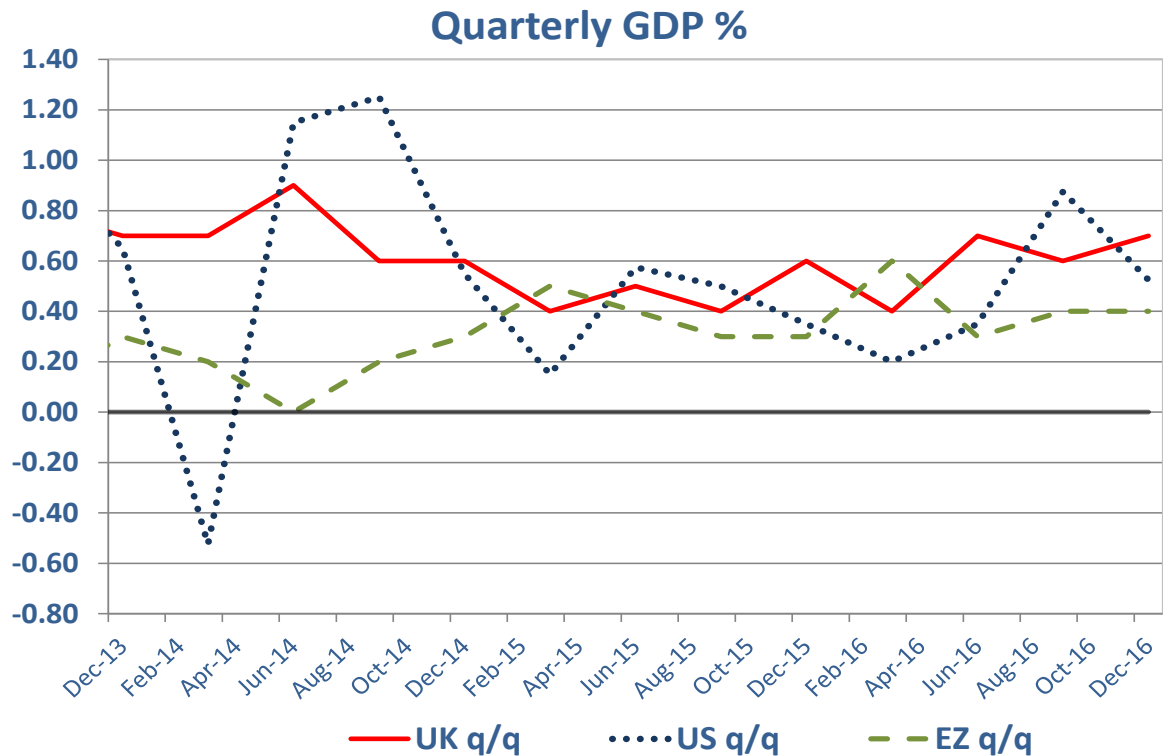
have resulted in depressed bond yields in the EU, but, towards the end of 2016, yields rose, probably due at least in part to rising political concerns around the positive prospects for populist parties and impending general elections in 2017 in the Netherlands, France and Germany. The action taken by the ECB has resulted in economic growth improving significantly in the eurozone to an overall figure of 1.7% for 2016, with Germany achieving a rate of 1.9% as the fastest growing G7 country.

On the other hand, President Trump's election and promise of fiscal stimulus, which are likely to increase growth and inflationary pressures in the US, have resulted in Treasury yields rising sharply since his election. Gilt yields in the UK have been caught between these two influences and the result is that the gap in yield between US treasuries and UK gilts has widened sharply during 2016/17 due to market perceptions that the UK is still likely to be two years behind the US in starting on an upswing in rates despite a track record of four years of strong growth.

Japan struggled to stimulate consistent significant growth with GDP averaging only 1.0% in 2016 with current indications pointing to a similar figure for 2017. It is also struggling to get inflation up to its target of 2%, only achieving an average of -0.1% in 2016, despite huge monetary and fiscal stimulus, though this is currently expected to increase to around 1% in 2017. It is also making little progress on fundamental reform of the economy.

China and emerging market counties. At the start of 2016, there were considerable fears that China's economic growth could be heading towards a hard landing, which could then destabilise some emerging market countries particularly exposed to a Chinese economic slowdown and / or to the effects of a major reduction in revenue from low oil prices. These fears have largely subsided and oil prices have partially recovered so, overall, world growth prospects have improved during the year.

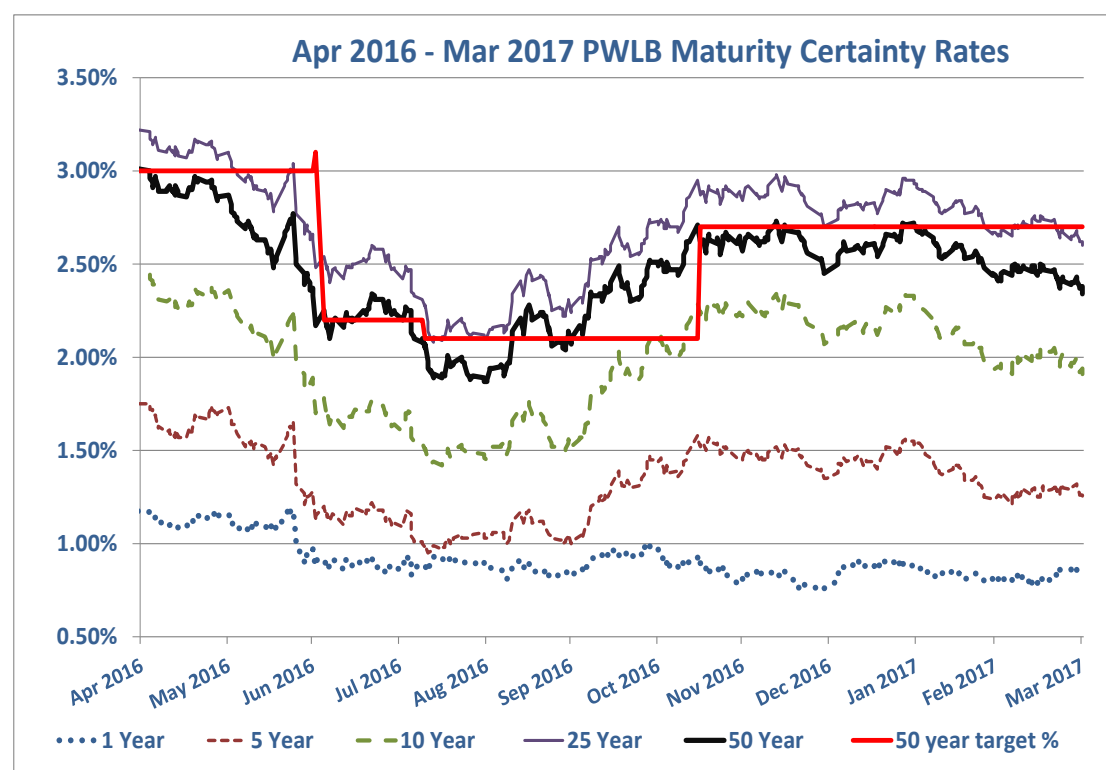
Equity markets. The result of the referendum, and the consequent devaluation of sterling, boosted the shares of many FTSE 100 companies which had major earnings which were not denominated in sterling. The overall trend since then has been steeply upwards and received further momentum after Donald Trump was elected President as he had promised a major fiscal stimulus to boost the US economy and growth rate.



Borrowing Rates in 2016/17

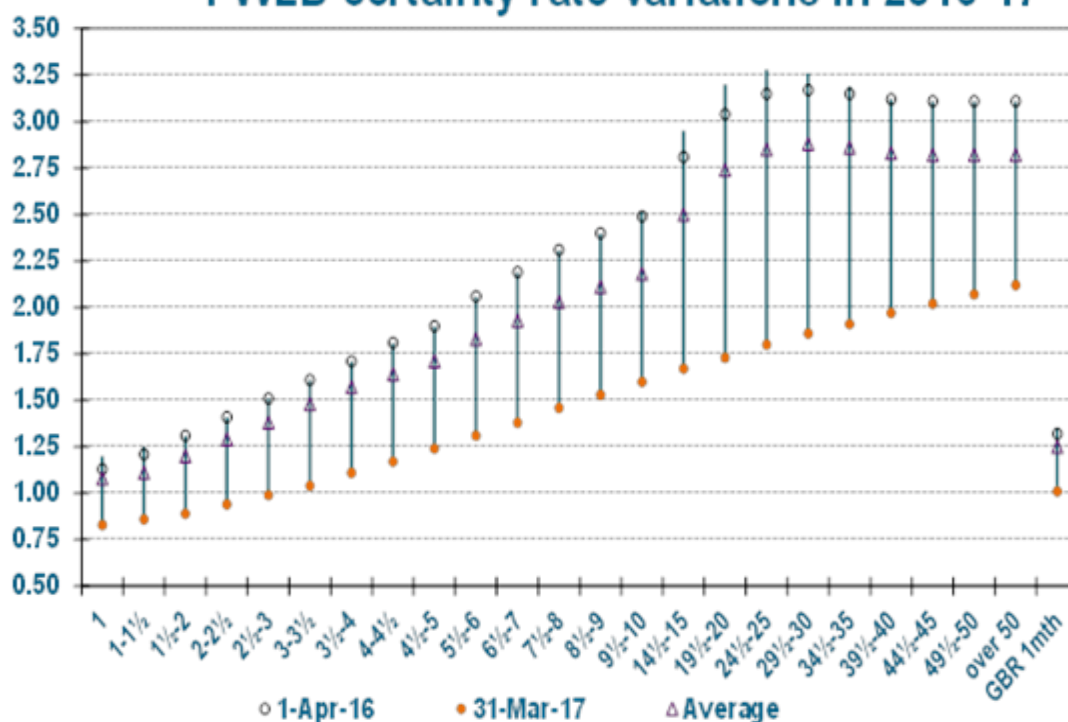
PWLB certainty maturity borrowing rates – During 2016-17, PWLB rates fell from April to June and then gaining fresh downward impetus after the referendum and Bank Rate cut, before staging a partial recovery through to

December and then falling slightly through to the end of March. The graphs 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.



	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
1/4/16	1.130%	1.160%	1.330%	1.470%	1.620%	2.310%	3.140%	2.950%	1.310%
31/3/17	0.830%	0.860%	0.990%	1.110%	1.240%	1.600%	1.800%	2.070%	1.010%
High	1.200%	1.250%	1.460%	1.630%	1.800%	2.510%	3.280%	3.080%	1.350%
Low	0.760%	0.800%	0.840%	0.880%	0.950%	1.420%	2.080%	1.870%	1.040%
Average	0.928%	0.961%	1.104%	1.226%	1.361%	2.007%	2.724%	2.494%	1.150%
Spread	0.440%	0.450%	0.620%	0.750%	0.850%	1.090%	1.200%	1.210%	0.310%
High date	27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016	20/05/2016
Low date	20/12/2016	15/03/2017	10/08/2016	10/08/2016	10/08/2016	10/08/2016	12/08/2016	30/08/2016	30/11/2016

PWLB certainty rate variations in 2016-17



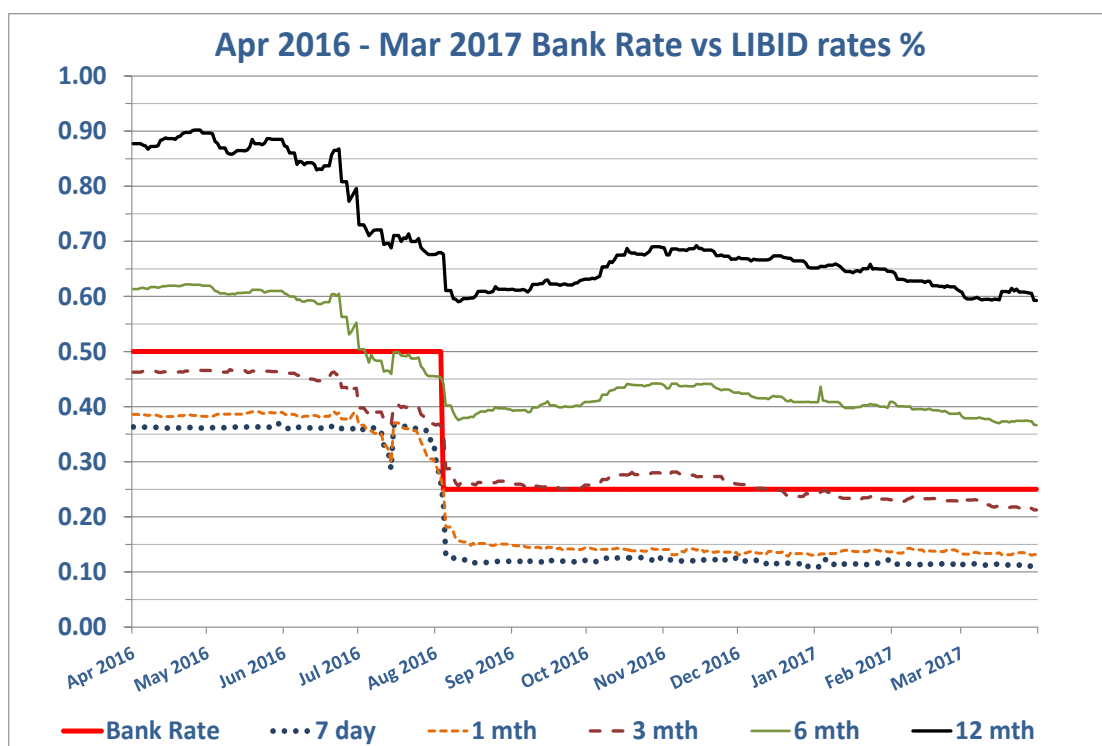
	1 Year	5 Year	10 Year	25 Year	50 Year
1/4/16	1.13%	1.62%	2.31%	3.14%	2.95%
31/3/17	0.83%	1.24%	1.60%	1.80%	2.07%
Low	0.76%	0.95%	1.42%	2.08%	1.87%
Date	20/12/2016	10/08/2016	10/08/2016	12/08/2016	30/08/2016
High	1.20%	1.80%	2.51%	3.28%	3.08%
Date	27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016
Average	0.93%	1.36%	2.01%	2.72%	2.49%

Money market investment rates 2016/17

	7 day	1 month	3 month	6 month	1 year
1/4/16	0.363	0.386	0.463	0.614	0.877
31/3/17	0.111	0.132	0.212	0.366	0.593
High	0.369	0.391	0.467	0.622	0.902
Low	0.107	0.129	0.212	0.366	0.590
Average	0.200	0.220	0.315	0.462	0.702
Spread	0.262	0.262	0.255	0.256	0.312
High date	27/5/16	21/6/16	10/5/16	22/4/16	26/4/16
Low date	28/12/16	21/12/16	30/3/17	31/3/17	10/8/16

Investment Rates in 2016/17

After the EU referendum, Bank Rate was cut from 0.5% to 0.25% on 4 August and remained at that level for the rest of the year. Market expectations as to the timing of the start of monetary tightening started the year at quarter 3 2018, but then moved back to around the end of 2019 in early August before finishing the year back at quarter 3 2018. Deposit rates continued into the start of 2016/17 at previous depressed levels but then fell during the first two quarters and fell even further after the 4 August MPC meeting resulted in a large tranche of cheap financing being made available to the banking sector by the Bank of England. Rates made a weak recovery towards the end of 2016 but then fell to fresh lows in March 2017.



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