

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, 2nd July, 2018 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 held on 14 May 2018.
(PAGES 4 - 17)
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
Setting out current position of previously agreed actions as at 22 June 2018.
(PAGES 18 - 21)
5. ANNOUNCEMENTS
 - i) Chairman of Council
 - ii) Leader of the Council
 - iii) Head of Paid Service

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6. PUBLIC QUESTION TIME

7. QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 9

8. MOTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 10

In almost half of the Gainsborough South West Ward, waste is collected through an authorised weekly black bag system.

This council notes that this system results in poor environmental health issues and poor living conditions for many residents, it also recognises that it negatively impacts on the appearance of the town.

There is an urgent need for this council to consider the welfare of the residents, I therefore request this council:

1. Reviews its current operational delivery of waste services in the Gainsborough South West Ward and provide an in-depth options analysis for alternative collection methods.
2. Consults with local residents regarding solutions for local waste collection.

I so move.

Cllr Trevor Young

9. REPORTS FOR DETERMINATION

- a. Adoption of Great Limber Neighbourhood Plan

(PAGES 22 - 25)

- b. Adoption of Osgodby Neighbourhood Plan

(PAGES 26 - 30)

- c. Annual Treasury Management Report 2017-2018

(PAGES 31 - 53)

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Mark Sturgess
Head of Paid Service
The Guildhall
Gainsborough

Friday, 22 June 2018

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Agenda Item 2

West Lindsey District Council - 14 May 2018

WEST LINDSEY DISTRICT COUNCIL

Minutes of the Meeting of Council held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA on 14 May 2018 at 7.00 pm.

Present: Councillor Mrs Angela Lawrence (Chairman)
Councillor Mrs Pat Mewis (Vice-Chairman)

Councillor Mrs Gillian Bardsley	Councillor Mrs Sheila Bibb
Councillor Owen Bierley	Councillor Matthew Boles
Councillor David Bond	Councillor Mrs Jackie Brockway
Councillor David Cotton	Councillor Christopher Darcel
Councillor Michael Devine	Councillor Steve England
Councillor Ian Fleetwood	Councillor Paul Howitt-Cowan
Councillor Stuart Kinch	Councillor Mrs Jessie Milne
Councillor Giles McNeill	Councillor John McNeill
Councillor Richard Oaks	Councillor Mrs Maureen Palmer
Councillor Malcolm Parish	Councillor Roger Patterson
Councillor Mrs Judy Rainsforth	Councillor Mrs Lesley Rollings
Councillor Thomas Smith	Councillor Lewis Strange
Councillor Jeff Summers	Councillor Robert Waller
Councillor Mrs Anne Welburn	Councillor Trevor Young

In Attendance:

Mark Sturgess	Executive Director of Operations and Head of Paid Service
Ian Knowles	Executive Director of Resources and S151 Officer
Alan Robinson	Strategic Lead Governance and People/Monitoring Officer
James O'Shaughnessy	Corporate Policy Manager & Deputy Monitoring Officer
Katie Coughlan	Senior Democratic & Civic Officer
Ele Durrant	Democratic and Civic Officer
James Welbourn	Democratic and Civic Officer
Trudi Hayes	Democratic & Civic Officer

Also in Attendance: The Reverend David Swannack

Also Present: 13 members of the public

Apologies for Absence Councillor Bruce Allison
Councillor Hugo Marfleet
Councillor Tom Regis
Councillor Mrs Diana Rodgers
Councillor Reg Shore
Councillor Mrs Angela White

1 CHAIRMAN'S WELCOME

The Chairman of Council welcomed Members, Officers and Members of the Public to the final year of the four year term, the 46th Annual Meeting of West Lindsey District Council, and the start of the 2018/19 Civic Year.

2 MEMBERS' DECLARATIONS OF INTEREST

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

3 OUTGOING CHAIRMAN'S ANNOUNCEMENTS

Before commencing the civic proceedings for the evening, the outgoing Chairman, Councillor Angela Lawrence took the opportunity to share with Council some of the highlights from and successes achieved during her year in Office, and to notify Members of some exciting news in terms of Gainsborough's regeneration.

Councillor Lawrence stated it had been a delight and honour to have held the position of Chairman of West Lindsey District Council. It had had been a busy and successful year, with many highlights. Before sharing these with Members, Councillor Lawrence was delighted to announce that on 13 May the Council had successfully completed a complex procurement process to secure a development partner for West Lindsey District Council. There had been strong interest from five national developers in response to the Council's INVEST programme, launched in 2016. Through the competitive process the bidders had been narrowed down to two. The final evaluation had resulted in the selection of Muse Developments, a blue chip commercial developer with expertise in town centre regeneration and heritage. Muse were well respected by Government bodies and sat on the Board of English Cities Fund with Homes England. The Council were therefore well placed to continue to attract grants funds on top of the £8 million plus already secured. The first phase of works would concentrate on the development of Gainsborough town centre, around the former Guildhall and enhancement of Whittons Gardens. This would follow on from the completion of the hotel and Roseway quarter opening in September of this year.

Success and highlights from the year included the re-location and opening of the Lidl store in the town centre, as well as the Authority having secured the new Well Being Contract. She thanked all those Officers and Members involved for their hard work. West Lindsey had also hosted the Scampton Airshow and the International Scout Jamboree at the Lincolnshire Showground. Many more events were planned across the District as momentum built towards 2020 and the celebration of the 400th Anniversary of the Pilgrim Fathers.

During the year, at the Guildhall, the Chairman had had the pleasure of hosting a very successful Junior Council, and commented on the ability and confidence the young people involved had had in expressing their views and opinions, there were a number of likely budding politicians in the making. A Diamond Wedding Afternoon Tea had also been hosted and had been a most pleasurable and delightful day.

Travelling around the District the Chairman advised she continued to be amazed and heartened by all the work and effort residents put into their communities. It was the people that helped communities thrive and flourish, as exemplified at the recent and wonderful

Community Awards Evening. She expressed thanks to all the volunteers, clubs and organisations working tirelessly across the District.

In concluding Councillor Lawrence spoke of the positive comments and thanks she often received regarding the services the Council provided and its efforts to “strive for the gain of all”. She thanked all those Officers and Councillors who had helped and supported her throughout the year and wished the Chairman elect every success for the coming year.

4 TO ELECT A CHAIRMAN OF THE DISTRICT COUNCIL FOR 2018/19 CIVIC YEAR

It was proposed and seconded that Councillor Pat Mewis be appointed the Chairman of Council for the civic year 2018/19.

No further nominations were made.

RESOLVED that Councillor Pat Mewis be elected Chairman of the Council for the 2018/19 civic year.

The former Chairman of the Council then presented the Chain of Office to Councillor Lawrence and congratulated her on her appointment.

Councillor Mewis made and signed the statutory declaration of acceptance of office and took the Chair for the remainder of the meeting.

Councillor Mewis thanked the Council for her appointment and advised it was an honour to have been elected Chairman for the coming year. She looked forward to meeting many people from the District, from throughout Lincolnshire and beyond, and indicated she would do all she could to uphold the good name of West Lindsey in all the duties she carried out.

The Chairman moved a vote of thanks to the outgoing Chairman for her services to the Council and on a personal level for the support and guidance she had provided, and presented her with a Past Chairman’s Badge.

The Leader of the Council paid tribute to the outgoing Chairman and expressed his thanks to her, on behalf of all Members of the Council, for her work and leadership over the last year. He also congratulated the incoming Chairman on her appointment and wished her well for the future.

5 TO ELECT A VICE-CHAIRMAN OF THE DISTRICT COUNCIL FOR THE 2018/19 CIVIC YEAR

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

There were no further nominations.

RESOLVED that Councillor Steve England be appointed Vice-Chairman of the Council for the 2018/19 civic year.

The Chairman of the Council congratulated Councillor England on his appointment before presenting him with the Vice Chairman's Chain and Badge of Office.

Councillor England made and signed the statutory declaration of acceptance of office.

Councillor England addressed Council and spoke of the honour and privilege of having being elected. He looked forward to supporting the Chairman in every way possible during the coming year and would strive at all times to promote and uphold the good name of West Lindsey.

The Leader of the Council congratulated Councillor England, on behalf of all Members of the Council, on his appointment and wished him well for the future.

6 CHAIRMAN'S CHAPLAIN

The former Chairman of Council moved a vote of thanks to her Chaplain, Father Robert Thacker for his services and support during the past year, particularly at Flag Raising Events and Church Service. Thanks were also paid to Councillors Cotton and John McNeill for having conducted prayers in advance of Council Meetings.

The Chairman then received the Chaplain's stole from Councillor Angela Lawrence.

The Chairman of Council advised that her Chaplain for the year was to be the Reverend David Swannack. The Reverend Swannack was in attendance and Chairman formally presented him with the Chaplain's stole.

RESOLVED that the Reverend David Swannack be appointed as the Chairman's Chaplain.

7 TO ELECT A LEADER OF THE COUNCIL

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

There were no further nominations

RESOLVED that Councillor Jeff Summers be elected Leader of the Council for the 2018/19 civic year.

Councillors Summers addressed Council and expressed his thanks at having been appointed.

8 TO ELECT A DEPUTY LEADER OF THE COUNCIL

It was proposed and seconded that Councillor Owen Bierley be appointed as the Deputy Leader of the Council.

There were no further nominations.

RESOLVED that Councillor Owen Bierley be elected Deputy Leader of the

Council for the 2017/18 civic year.

Councillor Bierley addressed Council and expressed his thanks at having being appointed.

9 MINUTES OF PREVIOUS MEETING

a) Minutes of Meeting held on 9 April 2018.

With reference to Minute 89 –Questions Pursuant to Council Procedure Rule No.9, Councillor Darcel was of the view that the answer provided by the Leader had been in accurate in that he had the papers, referred to, with him when they had met.

RESOLVED that the Minutes of the Council Meeting held on 9 April 2018 be confirmed and signed as a correct record.

10 REVIEW OF THE ALLOCATION OF SEATS TO POLITICAL GROUPS ON COMMITTEES / SUB COMMITTEES

The Chairman presented the report which set out details of the political groups on the Council, the number of Members to be appointed to serve on each Committee and the allocation of seats on each of the Committees based on political groupings.

It was noted the position remained unchanged from last year, as there had been no overall change in political balance.

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.

11 APPOINTMENT OF COMMITTEES

The Chairman of the Council presented the report which set out the wishes expressed by the political groups in respect of the appointment of Members to serve on each of the Council's formal Committees for the 2018/19Civic Year.

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 Bruce Allison
Councillor David Bond
Councillor Paul Howitt-Cowan
Councillor Angela Lawrence
Councillor Jessie Milne
Councillor Roger Patterson
Councillor Lesley Rollings
Councillor Di Rodgers
Councillor Tom Smith
Councillor Lewis Strange
Councillor Anne Welburn
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 Ian Fleetwood
Councillor Stuart Kinch
Councillor John McNeill
Councillor Maureen Palmer
Councillor Tom Regis
Councillor Jeff Summers
Councillor Trevor Young

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 Michael Devine
Councillor Ian Fleetwood
Councillor Hugo Marfleet
Councillor Giles McNeill
Councillor Jessie Milne
Councillor Roger Patterson
Councillor Judy Rainsforth
Councillor Thomas Smith

Councillor Bob Waller

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 Malcolm Parish
Councillor Lesley Rollings
Councillor Trevor Young

12 APPOINTMENT OF SUB-COMMITTEES, OTHER GROUPS AND BODIES

The Chairman of the Council presented the report which sought to appoint Members to serve on numerous Sub-Committees, Working Groups and Outside Bodies.

The report also sought approval to suspend the rules relating to proportionality for the both the Standards Sub-Committee and the Appeals Board.

It was noted that only those Outside Bodies highlighted in yellow in the report were due for re-appointment however the full list had been presented for completeness.

The Leader advised that he wished to make an amendment to the Crematorium Working Group, namely replacing Councillor Bruce Allison with himself.

RESOLVED that: -

- (a) the amendment as proposed, moved and seconded be approved;
- (b) the Rules relating to proportionality be suspended for appointment to the Appeals Board;
- (c) the Rules relating to proportionality be suspended for appointment to the Standards Sub-Committee; and
- (d) 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 For The 2019 Show.

Councillor Pat Mewis
Councillor Owen Bierley
Councillor Roger Patterson
Councillor Lewis Strange
Councillor David Cotton
Councillor Angela White
Councillor Bob Waller

Editorial Advisory Board

Councillor Giles McNeill
Councillor Lesley Rollings
Councillor Mick Devine
Councillor Di Rodgers

Trinity Arts Centre.

Councillor Gillian Bardsley

Councillor Jessie Milne

West Lindsey Community Awards Panel.

Councillor Pat Mewis (Chair of Council)
Councillor Sheila Bibb
Councillor David Cotton
Councillor Giles McNeill
Councillor Judy Rainsforth

Central Lincolnshire Joint Strategic Planning Committee.

Councillor Jeff Summers
Councillor David Cotton
Councillor Ian Fleetwood
Councillor Owen Bierley (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 Jessie Milne
Councillor Judy Rainsforth
Councillor Anne Welburn
Councillor John McNeill (reserve)

Commercial Plan Steering Group

Councillor Owen Bierley
Councillor Stuart Kinch
Councillor Jeff Summers
Councillor Sheila Bibb
Councillor Matthew Boles
Councillor Tom Regis (Reserve)

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)

Crematorium Working Group

Councillor Gillian Bardsley
Councillor Mick Devine
Councillor Judy Rainsforth
Councillor Jeff Summers
Councillor Paul Howitt-Cowan
Councillor David Cotton
Councillor Jessie Milne
Councillor Stuart Kinch

Outside Body Representatives

Trustees of Charles Cooper Trust	Cllr Jessie Milne to 2022 (and 4 year appointments thereafter)	Cllr Paul Howitt-Cowan to 2022 (and 4 year appointments thereafter)
Trustees of Francis Barker Trust	Cllr Jessie Milne (to 2022) (and 4 year appointments thereafter)	
Trustees of Gainsborough Education Charity	Cllr Jessie Milne (to 2022) (and 4 year appointments thereafter)	
Trustees of W G Rose Memorial	Cllr Jessie Milne (to 2022) (and 4 year appointments thereafter)	

Note All Other Appointments to Outside Body Representation remain unchanged and as set out in the report.

13 APPOINTMENT OF AN INDEPENDENT MEMBER FOR THE REMUNERATION PANEL

The Chairman of the Governance and Audit Committee presented the report and in doing so outlined the recruitment process which had been undertaken in respect of the position.

RESOLVED that

- (a) That the person named below be re-appointed to serve on the Remuneration Panel from 14 May 2018 for a period of 3 years until Annual Council 2021;

Mr Peter Clay

- (b) the remaining post be carried as vacant until May 2019.

Note: Councillor David Cotton declared a personal interest in the above item of business, as he had known the successful candidate for a number of years. Councillor Cotton did not vote on the above decision.

14 CONSTITUTION ANNUAL REVIEW

The Chairman of the Governance and Audit Committee presented the report which had been considered by his Committee at their meeting on 17 April 2018.

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 and this was set out at Section 1.2 of the report.

Arising from the feedback received a number of additions/ amendments were proposed to come into immediate effect, following Annual Council. These were as set out in the table in Section. 2. Those highlighted green supported the Council's commercial agenda whilst those highlighted red were deemed to be greater than "house-keeping" in nature.

Building on the successful introduction of a new Code of Conduct in May 2017, particular focus had also be given this year to ensuring the Operation of Conventions included within Section III of the Constitution was reflective of how Members and Officers engage across the Council.

Two workshops, open to Senior Officers and All Members of the Council were held in January 2018, and allowed attendees to take a focussed look at this Section of the Constitution.

A summary of proposed amendments arising from the comments made at the workshops were set out at Appendix 1. The arising amended document, for adoption, was attached at Appendix 1(a).

It was noted that the most frequently raised point by Attendees at the work shop was that the contents of the Protocol were not widely known of and therefore work had been undertaken to raise its profile and it was proposed this awareness raising continued through SLT.

Following work between the Governance and Audit and Prosperous Communities Committees a proposed role description for Member Champions had been developed. This was recommended for inclusion within the appendices of the Constitution.

The Governance and Audit Committee were delegated to make any changes to the Financial and Contract Procedure Rules between Annual Councils. A set of revised rules were attached at Appendices 3 a and 3b. Appendix 3 detailed the table of amendments which have been made to each document along with the rationale for each and Members attention was particularly drawn to those amendments which had been made to reflect the Council's commercial agenda, highlighted in green.

These set of revised rules were presented to and approved by the Governance and Audit Committee at its Meeting on 17 April and these were presented to Council for Members attention.

The Chairman of the Governance and Audit Committee recommended the report's content to Full Council and moved the paper.

Councillor Young advised that the meeting the Constitution did not currently permit questions and motions at the Annual Council Meeting. He was of the view that this had been the case historically and requested that this position be re-instated.

The request was seconded but before being put to the vote the Chairman of the Governance and Audit Committee advised that he considered such an amendment would be deemed housekeeping in nature and therefore he undertook to review this and amend as appropriate.

Councillor Young indicated he was happy with the approach suggested.

RESOLVED that

- (a) the outcome of the annual review be noted;
- (b) the amendments detailed at Section 2 of the report be approved for immediate adoption and implementation;
- (c) the revised Member Officer Protocol (formally known as the Operation of Conventions) (Part III – Codes and Protocols) – attached at Appendix 1a be approved for immediate adoption and implementation, and the Monitoring Officer be requested to promote its content at meetings of the Service Leadership Team (SLT);
- (d) the Member Champion Role Description – attached at Appendix 2 be approved for inclusion within the Appendices of the Constitution;
- (e) the amendments made to the Financial and Contract Procedure Rules – attached at Appendix 3a and 3b, as approved by the Governance and Audit Committee at its meeting on 17 April 2018 be noted;
- (f) the amendments detailed at Appendix 4, 4a, and 4b of the report, already

approved by Council/Committee, throughout the year be noted; and

(g) the further planned work detailed at Section 4 of the report be noted.

15 CHALLENGE AND IMPROVEMENT COMMITTEE ANNUAL REPORT

The Chairman of the Challenge and Improvement Committee presented the report and in doing so highlighted several of the Committee's success stories over the past Civic Year, including the conclusion of the study into youth unemployment, the continued work of the Health Commission and the establishment of the Public Realm Working Group. The latter of the Groups was looking for areas of potential improvement for the management of the public realm across the District and it promised to be a wide-reaching and focussed project.

The ongoing work of the Progress and Delivery Working Group had led to the development of a new performance management framework, which would be considered by committee in June. The Committee has also given significant attention to the Housing Strategy and Homelessness Service through pre-scrutiny and involvement as a consultee. This was in part triggered through a drop in performance which was indicated through the progress and delivery measures.

The Chairman advised the topics of green waste strategy and the new complaints handling process had already been identified as areas for scrutiny next year, and the programme of external visitors would continue apace, with updates planned already from Lincolnshire Police.

The Chairman placed on record his thanks to all Committee Members, for their dedication and diligence, and to Officers for their continued hard work and support.

The Leader of the Council thanked the Challenge and Improvement Committee for their work.

The Chairman of the Governance and Audit Committee indicated he welcomed working further with the Committee to strengthen its role.

RESOLVED that the Annual Report be received and noted.

The meeting concluded at 7.50 pm.

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

Status	Title	Action Required	Comments	Due Date	Allocated To
Black					
	petition decision notice	extract from mins of mtg 9/4/18 Mr Enever, as Lead Petitioner, was advised that he would be sent written notice of the decision and also a copy of this would be displayed on the Authority's website.		20/04/17	Katie Coughlan
	appointment of cttees/sub cttees/ wkg grps OBs	Following re-appointment of cttees and associated grps, all web pages and lists to be updated. Relevant OBs to be notified	completed	18/05/18	Katie Coughlan
	annual review of the constitution	following approval of the amendments revised document to circulated and published	All approved amendments made. Constitution provided to all Members and Key Officers and is available on MOD Gov and website.	04/06/18	Katie Coughlan

Green					
	Code of Conduct	<p>Minute extract 08/05</p> <p>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</p> <p>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</p>	<p>b) Now completed.</p> <p>c) Ongoing - 3 consultations events will be held throughout November across the District. Consultation events have concluded and all parish councils have now been corresponded with. All parishes have been requested to adopt the new West Lindsey Code or Nalc Code by AGM May 18.</p> <p>As at 22 June notifications had been received from 57 parish councils, relevant reminders have been issued.</p>	31/07/18	Alan Robinson
	MTFP -Mid year review	Extract from mins 5/3/18 a Mid-Year Review of the Medium Term Financial Plan be presented to Members during 2018/19.	please can you ensure this is programmed into the forward plan	02/07/18	Tracey Bircumshaw

	<p>motion submitted by Leader</p>	<p>extract from mins of mtg 9/4/18 Chairman</p> <p>1. I propose that with the full support of this Council I write to Lincolnshire County Council and require them to agree a scheme of works, funding strategy, implementation plan and timetable to address the current highway safety issues at this junction as a matter urgency.</p> <p>2. I propose that this Council works with our partners on the Central Lincolnshire Strategic Group to address the issues at this junction in the context of delivering the growth and the 5 year housing land supply across the area.</p>	<p>please work with the leader .</p> <p>update requested from EFM 13.6.18</p> <p>UPDATE: EFM had meeting with vice chair of LCC Transport Portfolio holder with WLDC leader to agree a funding strategy once a technical solution is finalised circa end of June. In addition Central Lincolnshire Local plan strategic group is reviewing delivery arrangements with a view to creating a Gainsborough Growth Board</p>	<p>31/07/18</p>	<p>Eve Fawcett-Moralee</p>
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	<p>Constitution Review - Future consideration</p>	<p>Extract from mins of mtg 14/5/18</p> <p>Councillor Young advised the meeting that the Constitution did not currently permit questions and motions at the Annual Council Meeting. He was of the view that this had been the case historically and requested that this position be re-instated.</p> <p>The request was seconded but before being put to the vote the Chairman of the Governance and Audit Committee advised that he considered such an amendment would be deemed housekeeping in nature and therefore he undertook to review this and amend as appropriate.</p>	<p>to be considered as part of the annual review</p>	<p>01/12/18</p>	<p>Alan Robinson</p>
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Agenda Item 9a



Council

Date: 2 July 2018

Subject: Adoption of the Great Limber Neighbourhood Plan

Report by:	Executive Director of Economic and Commercial Growth: Eve Fawcett-Moralee
Contact Officer:	Nev Brown Senior Neighbourhood Planning Policy Officer nev.brown@west-lindsey.gov.uk
Purpose / Summary:	To fully 'make' (adopt) the Great Limber Neighbourhood Plan.

RECOMMENDATION(S): To make the Great Limber 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/62/19

Additional financial contributions are available from the Ministry for Housing, Communities and Local Government (MHCLG) to support Neighbourhood Planning. £20k grant was received in June 2018 for the successful examination of Great Limber's neighbourhood plan.

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/all-neighbourhood-plans-in-west-lindsey/great-limber-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

☒

No

☐

Neighbourhood Planning

1. Summary

1.1 Following a positive referendum result held on the 24 May 2018, West Lindsey District Council is publicising its decision to 'make' the Great Limber Neighbourhood Development Plan as part of the West Lindsey Development Plan in accordance with Regulation 19 of the Neighbourhood Planning (General) Regulations 2012.

2. Background

2.1 Great Limber Parish Council, as the qualifying body successfully applied for the village to be designated as a Neighbourhood Area, under the Neighbourhood Planning (General) Regulations (2012), which came into force in March 2016. Following the submission of the Great Limber Neighbourhood Development Plan to the Council, the plan was launched on 10 December 2017 and comments were invited from the public and stakeholders.

3. Decision & Reasoning

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

3.2 The Examiner's Report concluded that the plan met the basic conditions, and that subject to the modifications proposed in the report, the plan should proceed to a referendum. It was agreed under West Lindsey District Council's delegated powers that the plan should proceed to referendum and, in the outcome of a successful referendum result, it should be 'made' (adopted) by Full Council.

3.3 A referendum was held on 24 May 2018 where 82% of those who voted were in favour of the plan. Paragraph 38A (4)(a) of the Planning and Compulsory Purchase Act 2004 as amended by Section 3 of The Neighbourhood Planning Act 2017 (Commencement No. 1) Regulations 2017 requires that the Council must make the neighbourhood plan if more than half of those voting have voted in favour of the plan.

3.4 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).

3.5 The referendum held on 24 May 2018 met the requirements of the Localism Act 2011; it was held in the Parish of Great Limber and posed the question:

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

3.6 The count took place on the 25 May 2018 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.

3.7 The results of the referendum were:

Question:		
Do you want West Lindsey District Council to use the Neighbourhood Plan for Great Limber to help it decide planning applications in the neighbourhood area?		
	Votes recorded	Percentage
Number of votes cast in favour of 'yes'	37	82%
Number of votes cast in favour of 'no'	8	18%

3.8 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).

3.9 In accordance with the Neighbourhood Planning Act 2017 (Commencement No. 1) Regulations 2017 and the Council's procedure the Great Limber Neighbourhood Development Plan is 'made' and planning applications in the area must be considered against the Great Limber Neighbourhood Development Plan, as well as existing planning policy, such as the Central Lincolnshire Local Plan (2012) and the National Planning Policy Framework and Guidance.

Agenda Item 9b



Council

Date: 2 July 2018

Subject: Adoption of the Osgodby Neighbourhood Plan

Report by:	Executive Director of Economic and Commercial Growth: Eve Fawcett-Moralee
Contact Officer:	Nev Brown Senior Neighbourhood Planning Policy Officer nev.brown@west-lindsey.gov.uk
Purpose / Summary:	To fully 'make' (adopt) the Osgodby Neighbourhood Plan.

RECOMMENDATION(S): To make the Osgodby 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/61/19

Additional financial contributions are available from the Ministry for Housing, Communities and Local Government (MHCLG) to support Neighbourhood Planning. £20k grant was received in June 2018 for the successful examination of Osgodby's neighbourhood plan.

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/all-neighbourhood-plans-in-west-lindsey/osgodby-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

1.1 Following a positive referendum result held on the 24 May 2018, West Lindsey District Council is publicising its decision to 'make' the Osgodby Neighbourhood Development Plan as part of the West Lindsey Development Plan in accordance with Regulation 19 of the Neighbourhood Planning (General) Regulations 2012.

2. Background

2.1 Osgodby Parish Council, as the qualifying body successfully applied for the village to be designated as a Neighbourhood Area, under the Neighbourhood Planning (General) Regulations (2012), which came into force in June 2016. Following the submission of the Osgodby Neighbourhood Development Plan to the Council, the plan was launched on 7 November 2017 and comments were invited from the public and stakeholders.

3. Decision & Reasoning

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

3.2 The Examiner's Report concluded that the plan met the basic conditions, and that subject to the modifications proposed in the report, the plan should proceed to a referendum. It was agreed under West Lindsey District Council's delegated powers that the plan should proceed to referendum and, in the outcome of a successful referendum result, it should be 'made' (adopted) by Full Council.

3.3 A referendum was held on 24 May 2018 where 75% of those who voted were in favour of the plan. Paragraph 38A (4)(a) of the Planning and Compulsory Purchase Act 2004 as amended by Section 3 of The Neighbourhood Planning Act 2017 (Commencement No. 1) Regulations 2017 requires that the Council must make the neighbourhood plan if more than half of those voting have voted in favour of the plan.

3.4 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).

3.5 The referendum held on 24 May 2018 met the requirements of the Localism Act 2011; it was held in the Parish of Osgodby and posed the question:

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

3.6 The count took place on the 25 May 2018 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.

3.7 The results of the referendum were:

Question:		
Do you want West Lindsey District Council to use the Neighbourhood Plan for Osgodby to help it decide planning applications in the neighbourhood area?		
	Votes recorded (1 vote rejected)	Percentage
Number of votes cast in favour of 'yes'	90	75%
Number of votes cast in favour of 'no'	29	24%

3.8 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).

3.9 In accordance with the Neighbourhood Planning Act 2017 (Commencement No. 1) Regulations 2017 and the Council's procedure the Osgodby Neighbourhood Development Plan is 'made' and planning applications in the area must be considered against the Osgodby Neighbourhood Development Plan, as well as existing planning policy, such as the Central Lincolnshire Local Plan (2012) and the National Planning Policy Framework and Guidance.



Council

2 July 2018

Subject: Annual Report on the Treasury Management Service and Actual Prudential and Treasury Indicators 2017/18

Report by:

Strategic Finance and Business Support Manager (Deputy S151)
Tracey Bircumshaw

Contact Officer:

Tracey Bircumshaw
Strategic Finance and Business Support Manager (Deputy S151)
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Purpose / Summary:

This annual treasury report is a requirement of the Council's reporting procedures. It covers the treasury activity during 2017/18 and the actual Prudential Indicators for 2017/18.

RECOMMENDATION(S):

That Members approve the Annual Treasury Management Report for 2017/18 and actual Prudential and Treasury Indicators

IMPLICATIONS

Legal: None arising as a result of this report.

Financial: FIN/55/18/TJB 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

☒

Annual Treasury Management Report 2017/18

Purpose

This 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 2017/18. 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 2017/18 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council - March 2017)
- a mid-year, (minimum), treasury update report (Corporate Policy and Resources Committee - November 2017)
- an annual review following the end of 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.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This 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.

This 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 for the annual Treasury strategy and the Mid-Year and Annual Review by the Corporate Policy and Resources Committee before they were reported to the full Council. Member training on treasury management issues was undertaken during the year in January 2018 in order to support members' scrutiny role.

Executive Summary

During 2017/18, 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	2016/17 Actual £000	2017/18 Original Budget £000	2017/18 Actual £000
Capital expenditure	2,584	20,130	6,534
Capital Financing Requirement:	1,219	18,632	4,714
Gross borrowing (External)	0	14,527	0
Finance Lease	128	122	32
Investments			
• Longer than 1 year	2,000	2,000	3,000
• Under 1 year	16,600	7,533	12,200
• Total	18,600	9,533	15,200
Net borrowing	(18,472)	5,116	(15,168)

The capital programme saw a significant re-profiling of the 2017/18 budgets to future years for schemes which are being delivered over the medium term.

Other prudential and treasury indicators are to be found in the main body of this report.

The Executive Director of Resources also confirms that prudential borrowing was only undertaken for a capital purpose, however no external borrowing has been undertaken, as the Council utilises available cash balances at this time, and the statutory borrowing limit, (the Authorised Limit), was not breached.

The financial year 2017/18 continued the challenging investment environment of previous years, namely low investment returns.

Introduction and Background

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 how 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.

1. The Council's Capital Expenditure and Financing 2017/18

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.

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	2016/17 Actual £000's	2017/18 Revised Budget £000's	2017/18 Actual £000's
Capital expenditure	2,584	12,719	6,534
Financed in year by:			
Capital Receipts	405	905	344
Capital grants/Contributions	660	1,786	634
Revenue	1,484	2,095	1,786
Leases	0	0	0
S106	0	158	160
Prudential Borrowing	35	7,775	3,610

2. The Council's Overall Borrowing Need

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 2017/18 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

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.

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 the 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.

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).

The Council's 2017/18 MRP Policy, (as required by MHCLG Guidance), was approved as part of the Treasury Management Strategy Report for 2017/18 in March 2017.

The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

CFR General Fund	31 March 2017 Actual £000's	31 March 2018 Revised Budget £000's	31 March 2018 Actual £000's

CFR General Fund	31 March 2017 Actual £000's	31 March 2018 Revised Budget £000's	31 March 2018 Actual £000's
Opening balance	1,407	1,219	1,219
Add adjustment for the inclusion of on-balance sheet leasing arrangements and Prudential Borrowing	35	7,775	3,610
Less MRP/Finance Lease Repayments	(223)	(221)	(114)
Closing balance	1,219	8,773	4,715

Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

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 (2016/17) plus the estimates of any additional capital financing requirement for the current (2017/18) and 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 2017/18. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2017 Actual £000's	31 March 2018 Budget £000's	31 March 2018 Actual £000's
Prudential borrowing position	£350	£7,775	£3,610
CFR	£1,219	£8,773m	£4,715

The authorised limit - the authorised limit is the “affordable borrowing limit” required by s3 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 2017/18 the Council has maintained gross borrowing within its authorised limit.

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 are acceptable subject to the authorised limit not being breached.

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.

	2017/18 £000's
Authorised limit	£31,680
Maximum gross borrowing position	£46,011
Operational boundary	£9,000
Average gross external borrowing position	£0
Financing costs as a proportion of net revenue stream	0.06%

- Treasury Position as at 31 March 2018

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 end of 2017/18 the Council's treasury, (excluding borrowing by finance leases), position was as follows:

TABLE 1	31 March 2017 Principal £000's	Rate/ Return	Average Life yrs	31 March 2018 Principal £000's	Rate/ Return	Average Life yrs
Total debt	£0	0%			0%	
CFR	1,224			4,715		
Finance Lease Liabilities	128			32		
Over / (-)under borrowing	-1,096			-4,683		

Investments:

- in house	18,600	1.59%		15,200	1.21%	
Total investments	18,600			15,200	1.21%	

	31 March 2017 Actual	2017/18 Original Limits	31 March 2018 Actual
Ratio of Financing Costs to Net revenue Stream	1.27%	5.99%	0.06%
Increase/Reduction (-) in Council Tax (band change per annum)	-£1.44	-£10.62	£1.96

The maturity structure of the investment portfolio was as follows:

	2016/17 Actual £000's	2017/18 Budget £000's	31 March 2018 Actual £000's
Investments			
Less than 1 year	16,635	9,533	12,207
More than 5 years	2,183	3,000	3,272
Total	18,818	12,933	15,479

Investment and borrowing rates

- Investment returns remained low during 2017/18 but were on a gently rising trend in the second half of the year.
- The policy of avoiding new borrowing by running down spare cash balances has served well over the year. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure.
- A cost of carry remained during the year on any new long-term borrowing as it would have caused a temporary increase in cash balances which would have incurred a revenue cost – the difference between borrowing costs and investment returns.

Borrowing strategy

The Council maintained an under-borrowed position. This meant that the capital borrowing need (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as a temporary measure. This strategy was prudent as investment returns were low and counterparty risk was still an issue that needed to be considered.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Executive Director of Resources therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks.

- As it was not felt that there would be a significant risk of a sharp rise in long and short term rates, long term borrowings have been postponed however the situation is appraised as we incur more capital expenditure.

The exposure to fixed and variable rates was as follows:

	31 March 2017 Actual	2017/18 Original Limits	31 March 2018 Actual
Fixed rate (principal or interest) based on net debt	100%	100%	100%
Variable rate (principal or interest) based on net debt	75%	75%	75%

3. The Strategy for 2017/18

The expectation for interest rates within the treasury management strategy for 2017/18 anticipated that Bank Rate would not start rising from 0.25% until quarter 2 2019 and then only increase once more before 31.3.2020. There would also be gradual rises in medium and longer term fixed borrowing rates during 2017/18 and the two subsequent financial years. 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 2017/18, longer term PWLB rates were volatile but with little overall direction, whereas shorter term PWLB rates were on a rising trend during the second half of the year.

4. The Economy and Interest Rates

UK. The outcome of the EU referendum in June 2016 resulted in a gloomy outlook and economic forecasts from the Bank of England based around an expectation of a major slowdown in UK GDP growth, particularly during the second half of 2016, which was expected to push back the first increase in Bank Rate for at least three years. Consequently, the Bank responded in August 2016 by cutting Bank Rate by 0.25% to 0.25% and making available over £100bn of cheap financing to the banking sector up to February 2018. Both measures were intended to stimulate growth in the economy. This gloom was overdone as the UK economy turned in a G7 leading growth rate of **1.8% in 2016**, (actually joint equal with Germany), and followed it up with another **1.8% in 2017**, (although this was a comparatively weak result compared to the US and EZ).

During the calendar year of 2017, there was a major shift in expectations in financial markets in terms of how soon Bank Rate would start on a rising trend. After the UK

economy surprised on the upside with strong growth in the second half of 2016, growth in 2017 was disappointingly weak in the first half of the year; quarter 1 came in at +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y), which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this was the sharp increase in inflation caused by the devaluation of sterling after the EU referendum, feeding increases into the cost of imports into the economy. This caused a reduction in consumer disposable income and spending power as inflation exceeded average wage increases. Consequently, the services sector of the economy, accounting for around 75% of GDP, saw weak growth as consumers responded by cutting back on their expenditure. However, growth did pick up in quarter 3 to 0.5% before dipping slightly to 0.4% in quarter 4.

Consequently, market expectations during the autumn rose significantly that the MPC would be heading in the direction of imminently raising Bank Rate. The **MPC meeting of 14 September** provided a shock to the markets with a sharp increase in tone in the minutes where the MPC considerably hardened their wording in terms of needing to raise Bank Rate very soon. The **2 November MPC quarterly Inflation Report meeting** duly delivered on this warning by withdrawing the 0.25% emergency rate cut which had been implemented in August 2016. Market debate then moved on as to whether this would be a one and done move for maybe a year or more by the MPC, or the first of a series of increases in Bank Rate over the next 2-3 years. The MPC minutes from that meeting were viewed as being dovish, i.e. there was now little pressure to raise rates by much over that time period. In particular, the GDP growth forecasts were pessimistically weak while there was little evidence of building pressure on wage increases despite remarkably low unemployment. The MPC forecast that CPI would peak at about 3.1% and chose to look through that breaching of its 2% target as this was a one off result of the devaluation of sterling caused by the result of the EU referendum. The inflation forecast showed that the MPC expected inflation to come down to near the 2% target over the two to three year time horizon. So this all seemed to add up to cooling expectations of much further action to raise Bank Rate over the next two years.

However, GDP growth in the second half of 2017 came in stronger than expected, while in the New Year there was evidence that wage increases had started to rise. The **8 February MPC meeting** minutes therefore revealed another sharp hardening in MPC warnings focusing on a reduction in spare capacity in the economy, weak increases in productivity, higher GDP growth forecasts and a shift of their time horizon to focus on the 18 – 24 month period for seeing inflation come down to 2%. (CPI inflation ended the year at 2.7% but was forecast to still be just over 2% within two years.) This resulted in a marked increase in expectations that there would be another Bank Rate increase in May 2018 and a bringing forward of the timing of subsequent increases in Bank Rate. This shift in market expectations resulted in **investment rates** from 3 – 12 months increasing sharply during the spring quarter.

PWLB borrowing rates increased correspondingly to the above developments with the shorter term rates increasing more sharply than longer term rates. In addition, UK gilts have moved in a relatively narrow band this year, (within 25 bps

for much of the year), compared to **US treasuries**. During the second half of the year, there was a noticeable trend in treasury yields being on a rising trend with the Fed raising rates by 0.25% in June, December and March, making six increases in all from the floor. The effect of these three increases was greater in shorter terms around 5 year, rather than longer term yields.

As for **equity markets**, the FTSE 100 hit a new peak near to 7,800 in early January before there was a sharp selloff in a number of stages during the spring, replicating similar developments in US equity markets.

The major UK landmark event of the year was the inconclusive result of the **general election** on 8 June. However, this had relatively little impact on financial markets. However, **sterling** did suffer a sharp devaluation against most other currencies, although it has recovered about half of that fall since then. Brexit negotiations have been a focus of much attention and concern during the year but so far, there has been little significant hold up to making progress.

The **manufacturing sector** has been the bright spot in the economy, seeing stronger growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, the manufacturing sector only accounts for around 11% of GDP so expansion in this sector has a much more muted effect on the average total GDP growth figure for the UK economy as a whole.

EU. Economic growth in the EU, (the UK's biggest trading partner), was lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of quantitative easing to stimulate growth. However, growth eventually picked up in 2016 and subsequently gathered further momentum to produce an overall GDP figure for 2017 of 2.3%. Nevertheless, despite providing this massive monetary stimulus, the ECB is still struggling to get inflation up to its 2% target and in March, inflation was still only 1.4%. It is, therefore, unlikely to start an upswing in rates until possibly towards the end of 2019.

USA. Growth in the American economy was volatile in 2015 and 2016. 2017 followed that path again with quarter 1 at 1.2%, quarter 2 3.1%, quarter 3 3.2% and quarter 4 2.9%. The annual rate of GDP growth for 2017 was 2.3%, up from 1.6% in 2016. Unemployment in the US also fell to the lowest level for 17 years, reaching 4.1% in October to February, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has been the first major western central bank to start on an upswing in rates with six increases since the first one in December 2015 to lift the central rate to 1.50 – 1.75% in March 2018. There could be a further two or three increases in 2018 as the Fed faces a challenging situation with GDP growth trending upwards at a time when the recent Trump fiscal stimulus is likely to increase growth further, consequently increasing inflationary pressures in an economy which is already operating at near full capacity. In October 2017, the Fed also became the first major western central bank to make a start on unwinding quantitative easing by phasing in a gradual reduction in reinvesting maturing debt.

Chinese economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus and medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

Japan. GDP growth has been improving to reach an annual figure of 2.1% in quarter 4 of 2017. However, it is still struggling to get inflation up to its target rate of 2% despite huge monetary and fiscal stimulus, although inflation has risen in 2018 to reach 1.5% in February. It is also making little progress on fundamental reform of the economy.

Graphs showing growth and inflation are contained at appendix 1.

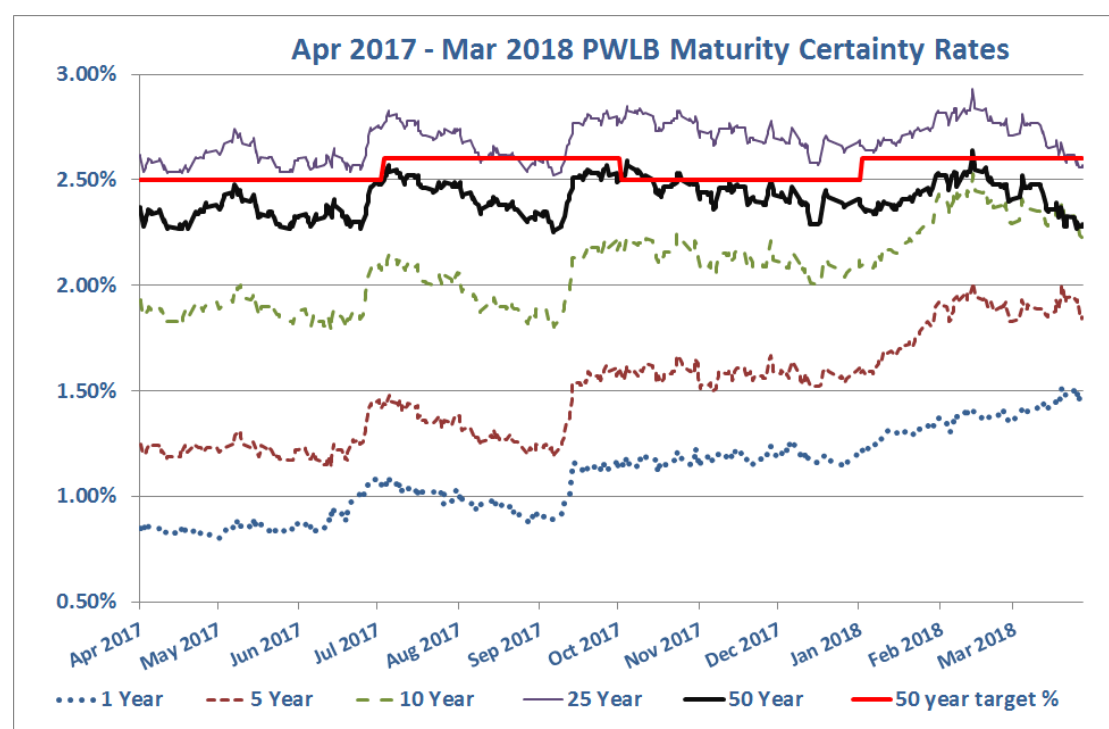
5. Borrowing Rates in 2017/18

PWLB certainty maturity borrowing rates

As depicted in the graph and tables below and in appendix 2, PWLB 25 and 50 year rates have been volatile during the year with little consistent trend. However, shorter rates were on a rising trend during the second half of the year and reached peaks in February / March.

During the year, the 50 year PWLB target (certainty) rate for new long term borrowing was 2.50% in quarters 1 and 3 and 2.60% in quarters 2 and 4.

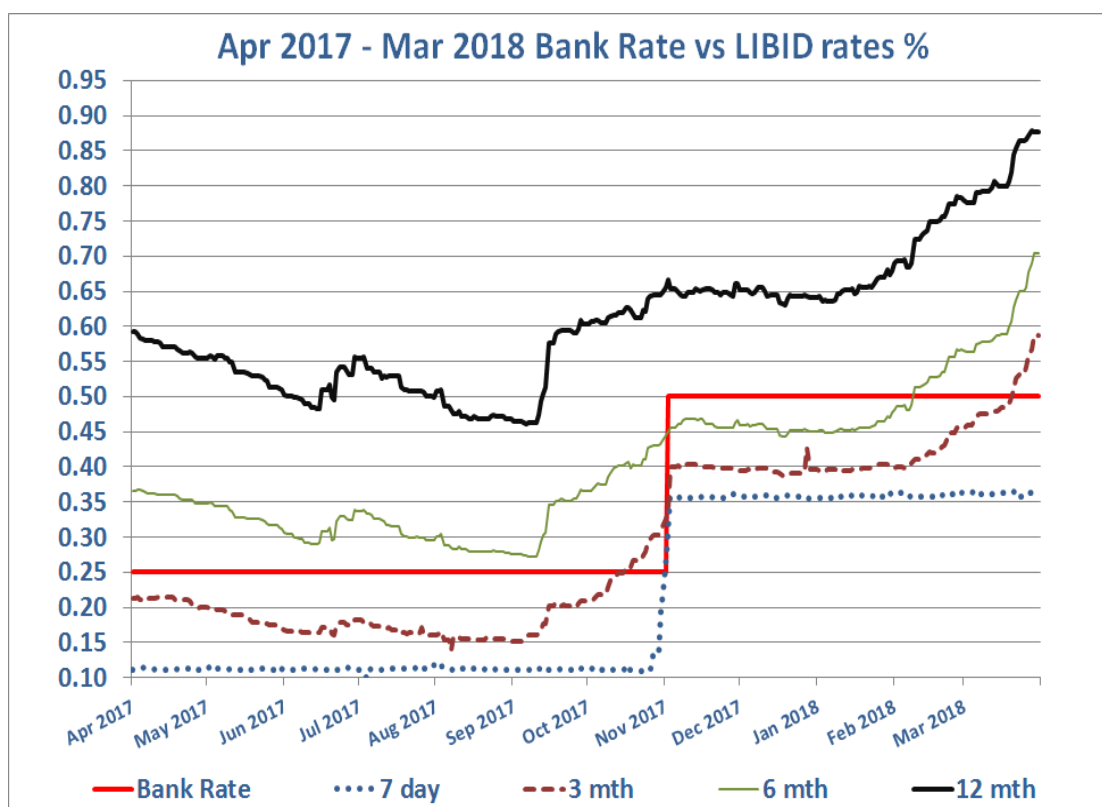
The graphs and tables for PWLB rates show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



6. Investment Rates in 2017/18

Investment rates for 3 months and longer have been on a rising trend during the second half of the year in the expectation of Bank Rate increasing from its floor of 0.25%, and reached a peak at the end of March.

Bank Rate was duly raised from 0.25% to 0.50% on 2.11.17 and remained at that level for the rest of the year. However, further increases are expected over the next few years. Deposit rates continued into the start of 2017/18 at previous depressed levels due, in part, to a large tranche of cheap financing being made available under the Term Funding Scheme to the banking sector by the Bank of England; this facility ended on 28.2.18.



7. Investment Outturn for 2017/18

Investment Policy – the Council’s investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council in March 2017. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties. However, there was one breach where the approved maximum amount invested (£2m) was exceeded by £0.5m. Funds were not considered at risk and have been returned including interest earned.

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 2017 £000's	31 March 2018 £000's
Balances	4,838	3,914
Earmarked reserves	13,334	12,635
Provisions	928	935
Usable capital receipts	2,896	3,016
Total	21,996	20,500

Investments held by the Council - the Council maintained an average balance of £21.288m of internally managed funds. The internally managed funds earned an average rate of return of 1.215%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.21%. This compares with a budget assumption of £21m investment balances earning an average rate of 1%.

8. Other Issues

1. Revised CIPFA Codes

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code.

A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the Authority at a much higher level than can be attained by treasury investments. One recommendation was that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the Authority have been apportioned between treasury and non-treasury investments.

Based on the latest guidance and new Codes, officers reported to members in March 2018, as part of the Medium Term Financial Plan which contained within the Capital Investment Strategy the strategy for Non-Treasury Investments, i.e. investments in Commercial Properties, in addition reference was made in the Treasury Management Strategy and MRP Policy for 2018/19 onwards

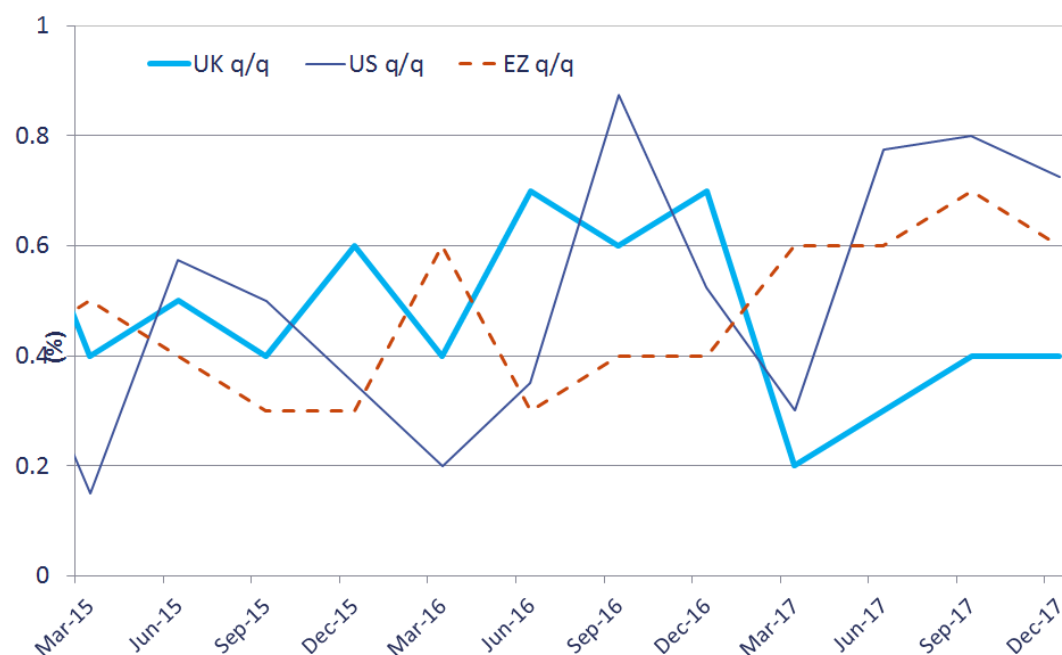
2. Markets in Financial Instruments Directive II (MiFID II)

The EU set the date of 3 January 2018 for the introduction of regulations under MIFID II. These regulations govern the relationship that financial institutions

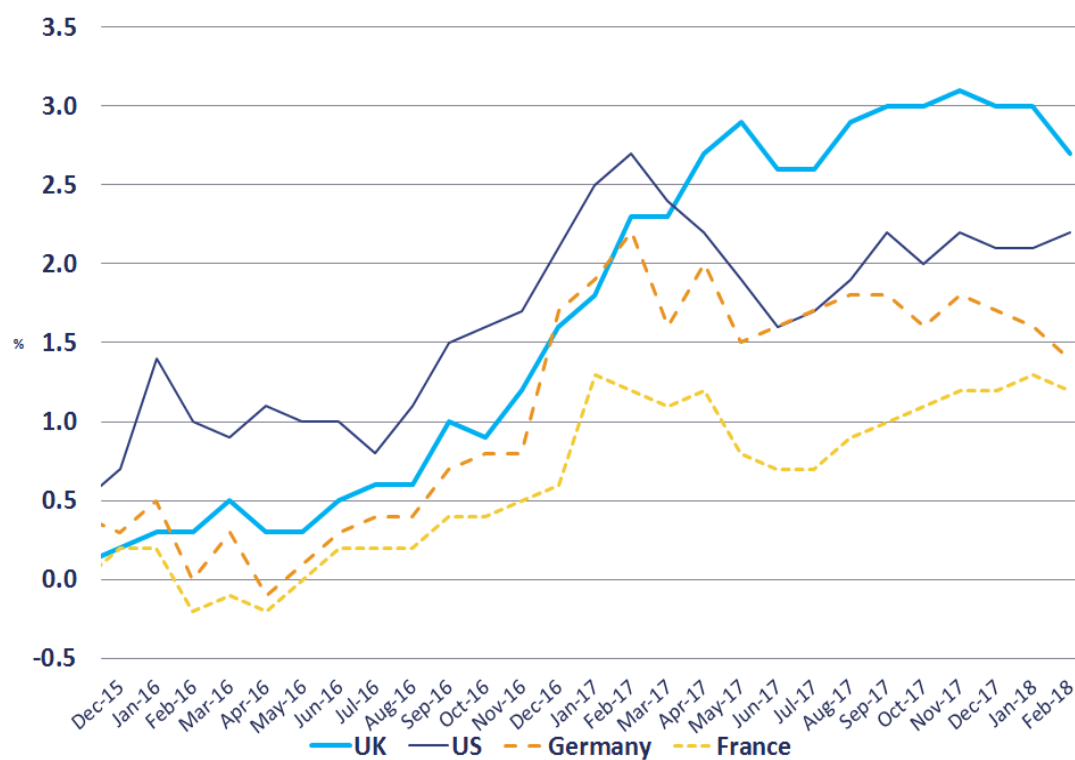
conducting lending and borrowing transactions will have with local authorities from that date. This has had little effect on this Authority apart from having to fill in forms sent by each institution dealing with this Authority and for each type of investment instrument we use, apart from for cash deposits with banks and building societies.

Appendix 1: Graphs

UK, US and EZ GDP growth

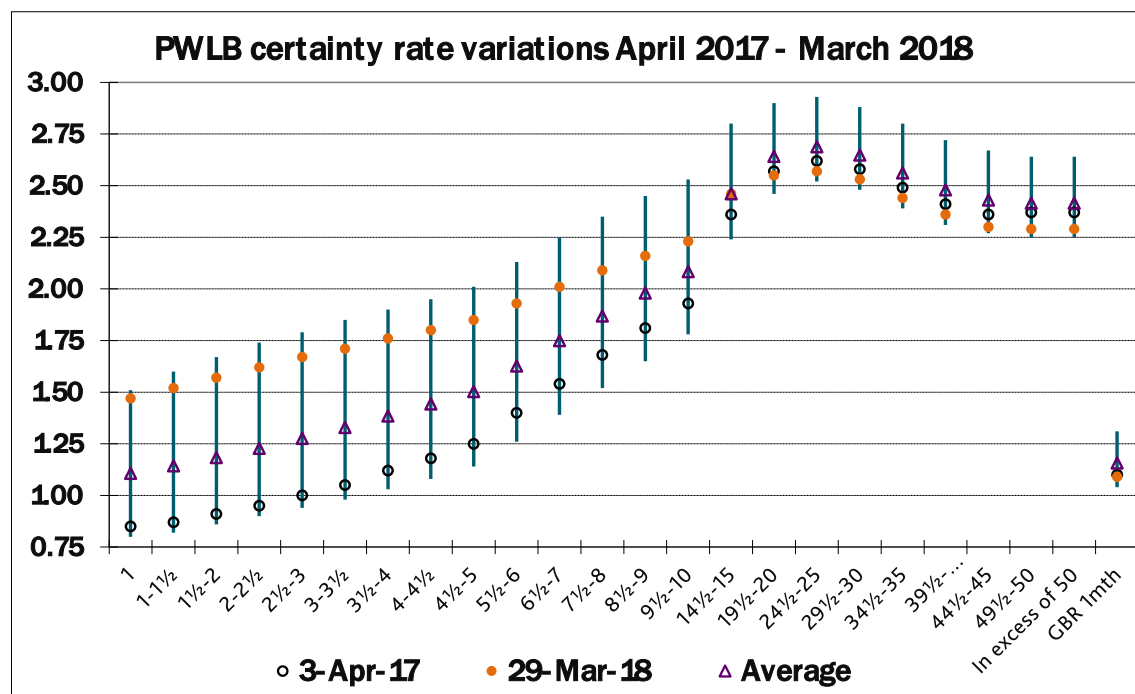


Inflation UK, US, Germany and France



Appendix 2: Borrowing and investment rates

Please find below supplementary graphs and tables which clients may wish to use. The PWLB rates are based on the maturity debt certainty rate.



	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
3/4/17	0.850%	0.870%	1.000%	1.120%	1.250%	1.930%	2.620%	2.370%	1.100%
29/3/18	1.470%	1.520%	1.670%	1.760%	1.850%	2.230%	2.570%	2.290%	1.090%
High	1.510%	1.600%	1.790%	1.900%	2.010%	2.530%	2.930%	2.640%	1.310%
Low	0.800%	0.820%	0.940%	1.030%	1.140%	1.780%	2.520%	2.250%	1.040%
Average	1.107%	1.143%	1.276%	1.384%	1.503%	2.083%	2.688%	2.415%	1.157%
Spread	0.710%	0.780%	0.850%	0.870%	0.870%	0.750%	0.410%	0.390%	0.270%
High date	21/03/2018	21/03/2018	21/03/2018	21/03/2018	15/02/2018	15/02/2018	15/02/2018	15/02/2018	21/03/2018
Low date	03/05/2017	03/05/2017	30/05/2017	15/06/2017	15/06/2017	15/06/2017	08/09/2017	08/09/2017	04/04/2017

	1 Year	5 Year	10 Year	25 Year	50 Year
1/4/17	0.85%	1.25%	1.93%	2.62%	2.37%
31/3/18	1.47%	1.85%	2.23%	2.57%	2.29%
Low	0.80%	1.14%	1.78%	2.52%	2.25%
Date	03/05/2017	15/06/2017	15/06/2017	08/09/2017	08/09/2017
High	1.51%	2.01%	2.53%	2.93%	2.64%
Date	21/03/2018	15/02/2018	15/02/2018	15/02/2018	15/02/2018
Average	1.11%	1.50%	2.08%	2.69%	2.41%

Money market investment rates 2017/18

	7 day	1 month	3 month	6 month	1 year
1/4/17	0.111	0.132	0.212	0.366	0.593
31/3/18	0.364	0.386	0.587	0.704	0.878
High	0.366	0.390	0.587	0.704	0.879
Low	0.099	0.122	0.140	0.273	0.461
Average	0.215	0.233	0.286	0.401	0.606
Spread	0.267	0.268	0.447	0.432	0.418
High date	27/2/18	22/3/18	29/3/18	29/3/18	28/3/18
Low date	4/7/17	10/8/17	7/8/17	7/9/17	6/9/17

APPENDIX 3 - ABBREVIATIONS USED IN THIS REPORT

This is an optional area which clients may wish to include in their report if they feel that members would appreciate having this list of abbreviations and definitions.

ALMO: an Arm's Length Management Organisation is a not-for-profit company that provides housing services on behalf of a local authority. Usually an ALMO is set up by the authority to manage and improve all or part of its housing stock.

LAS: Link Asset Services, Treasury solutions – the council's treasury management advisers.

CE: Capital Economics - is the economics consultancy that provides Link Asset Services, Treasury solutions, with independent economic forecasts, briefings and research.

CFR: capital financing requirement - the council's annual underlying borrowing need to finance capital expenditure and a measure of the council's total outstanding indebtedness.

CIPFA: Chartered Institute of Public Finance and Accountancy – the professional accounting body that oversees and sets standards in local authority finance and treasury management.

CPI: consumer price inflation – the official measure of inflation adopted as a common standard by countries in the EU. It is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

ECB: European Central Bank - the central bank for the Eurozone

EU: European Union

EZ: Eurozone -those countries in the EU which use the euro as their currency

Fed The Federal Reserve, often referred to simply as "the Fed," is the central bank of the United States. It was created by the Congress to provide the nation with a stable monetary and financial system.

FOMC: the Federal Open Market Committee – this is the branch of the Federal Reserve Board which determines monetary policy in the USA by setting interest rates and determining quantitative easing policy. It is composed of 12 members--the seven members of the Board of Governors and five of the 12 Reserve Bank presidents.

GDP: gross domestic product – a measure of the growth and total size of the economy.

G7: the group of seven countries that form an informal bloc of industrialised democracies--the United States, Canada, France, Germany, Italy, Japan, and the

United Kingdom--that meets annually to discuss issues such as global economic governance, international security, and energy policy.

Gilts: gilts are bonds issued by the UK Government to borrow money on the financial markets. Interest paid by the Government on gilts is called a yield and is at a rate that is fixed for the duration until maturity of the gilt, (unless a gilt is index linked to inflation); yields therefore change inversely to the price of gilts i.e. a rise in the price of a gilt will mean that its yield will fall.

HRA: housing revenue account.

IMF: International Monetary Fund - the lender of last resort for national governments which get into financial difficulties.

LIBID: the London Interbank Bid Rate is a bid rate; the rate bid by banks on deposits i.e., the rate at which a bank is willing to borrow from other banks. It is the "other end" of the LIBOR (an offered, hence "ask" rate, the rate at which a bank will lend).

MHCLG: the Ministry of Housing, Communities and Local Government -the Government department that directs local authorities in England.

MPC: the Monetary Policy Committee is a committee of the Bank of England, which meets for one and a half days, eight times a year, to determine monetary policy by setting the official interest rate in the United Kingdom, (the Bank of England Base Rate, commonly called Bank Rate), and by making decisions on quantitative easing.

MRP: minimum revenue provision -a statutory annual minimum revenue charge to reduce the total outstanding CFR, (the total indebtedness of a local authority).

PFI: Private Finance Initiative – capital expenditure financed by the private sector i.e. not by direct borrowing by a local authority.

PWLB: Public Works Loan Board – this is the part of H.M. Treasury which provides loans to local authorities to finance capital expenditure.

QE: quantitative easing – is an unconventional form of monetary policy where a central bank creates new money electronically to buy financial assets, like government bonds, (but may also include corporate bonds). This process aims to stimulate economic growth through increased private sector spending in the economy and also aims to return inflation to target. These purchases increase the supply of liquidity to the economy; this policy is employed when lowering interest rates has failed to stimulate economic growth to an acceptable level and to lift inflation to target. Once QE has achieved its objectives of stimulating growth and inflation, QE will be reversed by selling the bonds the central bank had previously purchased, or by not replacing debt that it held which matures. The aim of this reversal is to ensure that inflation does not exceed its target once the economy recovers from a sustained period of depressed growth and inflation. Economic

growth, and increases in inflation, may threaten to gather too much momentum if action is not taken to 'cool' the economy.

RPI: the Retail Price Index is a measure of inflation that measures the change in the cost of a representative sample of retail goods and services. It was the UK standard for measurement of inflation until the UK changed to using the EU standard measure of inflation – CPI. The main difference between RPI and CPI is in the way that housing costs are treated. RPI is often higher than CPI for that reason.

TMSS: the annual treasury management strategy statement report that all local authorities are required to submit for approval by the full council before the start of each financial year.

VRP: a voluntary revenue provision to repay debt, in the annual budget, which is additional to the annual MRP charge, (see above definition).