

Guildhall Gainsborough
Lincolnshire DN21 2NA
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AGENDA

This meeting will be streamed live (at the below link) and the video archive published on our website

Corporate Policy and Resources Committee
Thursday, 23rd July, 2020 at 6.30 pm
Virtual - MS Teams

<https://west-lindsey.public-i.tv/core/portal/home>

Members: Councillor Giles McNeill (Chairman)
Councillor Mrs Anne Welburn (Vice-Chairman)

Councillor Owen Bierley
Councillor Matthew Boles
Councillor Stephen Bunney
Councillor David Cotton
Councillor Michael Devine
Councillor Ian Fleetwood
Councillor Paul Howitt-Cowan
Councillor John McNeill
Councillor Mrs Mandy Snee
Councillor Jeff Summers
Councillor Robert Waller
Councillor Trevor Young

1. **Register of Attendance**
2. **Public Participation Period**
Up to 15 minutes are allowed for public participation. Participants are restricted to 3 minutes each.
3. **Minutes of Previous Meeting/s**
To confirm as a correct record the Minutes of the previous meeting.
 - i) For Approval
Corporate Policy and Resources Committee meeting held on 18 (PAGES 3 - 12)

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

Large Clear Print: Braille: Audio: Native Language

June 2020.

ii) For Noting

Joint Staff Consultative Committee meeting on 2 July 2020 (PAGES 13 - 15)

4. **Declarations of Interest**

Members may make declarations of Interest at this point or may make them at any point in the meeting.

5. **Matters Arising Schedule**

(PAGE 16)

Setting out current position of previously agreed actions as at 15 July 2020.

6. **Public Reports for Approval:**

i) Officer Code of Conduct

(PAGES 17 - 40)

ii) Stress Management Policy

(PAGES 41 - 54)

iii) Customer Relationship Management System (CRM)

(PAGES 55 - 59)

iv) Annual Treasury Report 2019-20

(PAGES 60 - 75)

v) Budget and Treasury Monitoring Period 1 2020/21

(PAGES 76 - 105)

7. **Committee Work Plan**

(PAGES 106 - 108)

8. **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 paragraph 3 of Part 1 of Schedule 12A of the Act.

i) Safer Streets Fund - Capital Budget

(PAGES 109 - 168)

Ian Knowles
Head of Paid Service
The Guildhall
Gainsborough

Wednesday, 15 July 2020

Corporate Policy and Resources Committee- 18 June 2020
Subject to Call-in. Call-in will expire at 5pm on Friday 10th July 2020

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Corporate Policy and Resources Committee held in the Virtual Meeting - MS Teams <https://west-lindsey.public-i.tv/core/portal/home> on 18 June 2020 commencing at 6.30 pm.

Present: Councillor Giles McNeill (Chairman)
Councillor Mrs Anne Welburn (Vice-Chairman)

Councillor Owen Bierley
Councillor Matthew Boles
Councillor Stephen Bunney
Councillor David Cotton
Councillor Michael Devine
Councillor Ian Fleetwood
Councillor Paul Howitt-Cowan
Councillor John McNeill
Councillor Mrs Mandy Snee
Councillor Robert Waller
Councillor Trevor Young

In Attendance:
Ian Knowles Chief Executive
Alan Robinson Monitoring Officer
Tracey Bircumshaw Strategic Finance and Business Support Manager
Ellen King Senior Performance Officer
Sue Leversedge Business Support Team Leader
Katie Storr Senior Democratic & Civic Officer
James Welbourn Democratic and Civic Officer

Apologies: None

Membership: No substitutes were appointed

1 PUBLIC PARTICIPATION PERIOD

There was no-one registered to take part in the public participation item.

2 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 13 February 2020 were approved as a correct record.

3 DECLARATIONS OF INTEREST

There were no declarations of interests at this point in the meeting.

4 MATTERS ARISING SCHEDULE

The Democratic and Civic Officer introduced this item and informed Members that there had been responses provided by Officers to questions asked by Members at the February meeting.

With no further comments raised, the item was noted by the Committee.

5 PROGRESS AND DELIVERY REPORT - PERIOD 4 2019/20

Members considered the Progress and Delivery report for period 4 2019/2020, including the months January to March 2020. This would be the last time the report would come to Corporate Policy and Resources Committee in this format.

The Senior Performance Officer introduced the report and in doing so highlighted that the quarter had been largely unaffected by Covid-19. 78.4% of the performance measures set were being met or exceeded, however it was expected that Covid-19 would impact on some of these areas in the near future. Examples of areas that would be affected included the West Lindsey Leisure Centre, car parking and the Trinity Arts Centre

Members were also asked to note that there had been a second recommendation added to the paper related to 'service updates' and how the Covid-19 pandemic was affecting Council operations.

Robust debate ensued with some Members expressing concern that the satisfaction levels, stated within the report, in respect of the Gainsborough Leisure Centre, did not match their own personal experience; nor that of residents who were making repeated complaints to Local Councillors. Despite this continuing to be raised, some Members felt this situation was not resolved and not enough action was being taken. Further disappointment was expressed that in light of the enforced closure, the opportunity had not been taken to drain and clean the pool, and thoroughly deep clean the facilities.

The decision to suspend the current cinema project within the Market Place, Gainsborough was considered sensible given the current climate and the unknown financial position going forward, however Opposition Councillors questioned why the same approach was not being applied to the 5-7 Market Place Project. It was suggested that the project was poor value for money, even more so given the financial impact of COVID-19 and should too be suspended.

In response, dealing with latter, the Leader outlined the difference between the two projects,

one being dependent on an outside body and partner arrangement, whilst the second was in total ownership of the Council and was being part funded by Heritage Lottery funding, which came with conditions. The Chief Executive echoed these comments, the Council needed to deal with the property and any ideas for the site were welcome. There were opposing views as to the wider benefits of Townscape Heritage Initiatives, with an Opposition Member calling for the project to re-considered by Council.

Regarding the Leisure Centre, Members were reminded that the Council were currently supporting the costs of critical staff only at the Leisure Centre, with the remaining staff furloughed. Therefore, only essential maintenance had been undertaken during the closure. A deep clean would be undertaken before re-opening.

The Senior Performance Officer also urged Members to forward any resident complaints they received directly onto the Council. Satisfaction levels were based on the number of complaints, received, if these were not being made directly to the Council and forwarded on by Local Members, they were not being captured within the statistics. It was acknowledged that cleanliness had been raised on several occasions, and the Authority through previous meetings had committed to undertake its own satisfaction surveys and spot checks. Unfortunately this work had been suspended due to the current lockdown, but would be resumed once the Centre re-opened.

In response to questions around the number of Freedom of Information requests received, Officers confirmed the figure stated was correct, and concurred that the level was rising and could be resource intensive. Trends were monitored through an internal officer board, this monitoring drove service improvement, primarily by looking at the type of information requested, and trying to ensure this was readily available on the website.

In response to comments regarding the need to monitor the impact of the new leisure facility at Market Rasen, not only from a usage point of view but its impact on mental and physical well-being. The Chairman proposed an additional recommendation for the Overview and Scrutiny Committee, when discussing the Progress and Delivery report criteria, to consider a set of appropriate measures for the Leisure Centres in both Gainsborough and Market Rasen, ensuring the differences and similarities between the sites was taken into consideration. This was seconded.

The Senior Performance Officer also advised that wider targets around Health, Well Being and Sport were in place and were monitored through the Corporate Plan Measures, linked to the Corporate Plan objectives, as opposed to through Performance and Delivery. Such matters were also referenced in the State of the District report, which was due for publication in July.

Following much debate and on being put to the vote, it was

RESOLVED to: -

- (a) Agree that the performance of the Council's services through agreed performance measures had been assessed. Areas where improvement could be made had been highlighted during the course of debate, whilst having regard to the remedial measures set out in the report;

- (b) Note the updates provided for each of the Council's service areas which detailed how the Covid-19 pandemic was affecting Council operations, and the likely effect on performance over the next 12 months;
- (c) Request the Overview and Scrutiny Committee, when discussing Progress and Delivery report criteria, to consider appropriate measures for the Leisure Centres in Gainsborough and Market Rasen ensuring the differences and similarities between the sites was taken into consideration.

6 BUDGET AND TREASURY MONITORING FINAL OUTTURN 2019/20

Members considered a report setting out the final budget outturn position for revenue and capital in 2019/20. The report also requested approval for a transfer to General Fund working balances, a request for approval to enter into a grant agreement, and a capital budget amendment for 2020/2021.

The Business Support Team Leader introduced the report and firstly advised of a typographical error with recommendation K, advising Committee it should read as follows: -

“Due to Covid-19 financial impacts, a revised budget for the year 20/21 and a mid-year review of the medium term financial plan will be presented to the November meeting of this committee.”

This was the final outturn report for 2019/20, following the closure of accounts. In relation to revenue, the final position is a surplus of £1.385m, with approval requested for a movement to general fund balances of £817,000. This brought the general fund working balance to £4.234m at year-end.

The final outturn position was an increase of £5,000 from that reported at period 4 – and details of the movements from period 4 to the final position were included in the report at section 2.2.

The final movement to general fund, after carry forwards, was £815,000 and a transfer to valuation volatility reserve of £568,000, which increased the balance of that reserve to 8% of our investment portfolio purchase price.

With regard to capital expenditure the outturn position remained unchanged from the quarter 4 position at £18.029m, after carry forwards of £4.654m.

Members were also asked to approve entering into a grant agreement with the Police and Crime Commissioner for Lincolnshire for the delivery of CCTV upgrades funded by the Safer Streets Fund, detailed at section 3.1. A further report for budget approval would be submitted to committee for budget approval once grant funds have been secured.

Members were also asked to approve a maximum capital budget of £428,000 as grant funding towards the Riverside Walk/Bowling Green land scheme funded from S106, detailed at section 3.2.

Finally Section 7 of the report provided Members with an update on the Council's response

to Covid-19 and the potential financial pressures that this was likely to have on our resources. The financials contained within the report were based on estimates and assumptions made at the end of April 2020.

Before opening the matter for the debate the Leader placed on record his thanks to the Finance Team. They had been 7th Authority in the whole country to submit their statement of accounts and the first in Lincolnshire.

Debate ensued and in response to Members' questions, it was confirmed that the Leisure Contract Staffing costs listed in Appendix 3, were a West Lindsey risk and were borne out of the authority covering the cost of two employees, referred to earlier in the meeting. It was further confirmed that the actual cost was £60k, the 78K having being an original estimate.

Explanation was also offered in respect of Covid capital impacts, with Officers explaining that some Officer time was specifically charged against capital projects. These Officers had been re-deployed but this had resulted in a capital impact against the projects.

These figures had been provided to the Government to assist them in predicting what would be the likely shortfall across Local Government, despite £3.2 billion having been distributed nationally.

In response to suggestions that the Administration must be concerned about the future, whilst acknowledging these were unprecedented times and one the most difficult times the country had faced in living memory, the 6% target against commercial investments was still being achieved. The volatility return was well placed. The Leader considered the Council was one of the best placed financially in Lincolnshire, and previously taken decisions had ensured the Council was in a robust position. The Chief Executive concurred, advising, overall, the commercial portfolio was holding up. The Authority continued to lobby for costs having secured circa £1m to date. The reserves were in a strong position. Spend would be reduced over the next 6 months with a Full review of the Medium Term Financial Plan, planned for November 2020. The figures provided were currently the best estimates. Costs were reviewed monthly and returns made to Central Government. There was confidence that the Authority would be able to manage itself through the difficult times ahead.

Noting a mid year financial review was planned in November, indication was sought as to whether Councillors would have the opportunity to input into the wider recovery plan, prior to that November report. Members were advised that Council would be meeting on 29 June to discuss the very subject, furthermore the report would propose Members hold a workshop, at which a much franker and broader debate could be held about what the future may look like. At county level, the Chief Executive was regularly preparing reports on the countywide position with authorities working collectively in respect of recovery.

Confirmation was provided that by accepting recommendation (d) , Members were merely accepting to enter into a grant agreement. Approving any bid would be subject to a more detailed report, and as requested by Members would include details of any and all additional financial risks, such an arrangement may have to the Council.

At the request of a Member all recommendations with the exception of (d) were voted on together; a separate vote was taken for that recommendation.

Following which it was **RESOLVED** to:

- (a) Accept the out-turn position of £1,385k;
- (b) Note the contribution to the Valuation Volatility Reserve of £568k, as approved under urgent delegated authority by the Head of Paid Service in consultation with the Leader, the Deputy Leader and the Leader of the Opposition on 23 April 2020;
- (c) Approve the remaining £817k be transferred to the General Fund working balance;
- (d) Approve entering into a grant agreement with the office of the Police and Crime Commissioner for Lincolnshire for the delivery of CCTV upgrades funded by the Safer Streets Fund;
- (e) Approve a maximum capital budget of £428k as grant funding towards the Riverside Walk/Bowling Green Lane scheme funded from Section 106 monies;
- (f) Note:
 - (i) the Section 137 expenditure statement for 2019/20, showing contributions made to certain charitable funds and not for profit bodies providing a public service in the UK;
 - (ii) the Building Control Account for 2019/20, showing the deficit for the chargeable and non-chargeable work for the year;
- (g) accept the use of Earmarked Reserves approved by the Chief Finance Officer using delegated powers;
- (h) accept the final capital outturn position of £18,029k;
- (i) note the information in the report related to the Revenue Outturn Subjective Analysis;
- (j) note the content of the Regulation 62 of the Community Infrastructure Levy Regulations 2010 report for 2019/20;
- (k) due to Covid-19 financial impacts, a Revised Budget 2020/21 and a Mid-Year Review of the Medium Term Financial Plan be presented to the November meeting of this Committee.

7 BUDGET CONSULTATION 2020

Members considered a report outlining the 2020 budget consultation process. West Lindsey District Council (WLDC) were members of the Consultation Institute and in accordance with best practice it was ensured that all consultations were legal and that appropriate processes were in place to lower the risk of a judicial review.

Members questioned what would happen if they did not accept recommendation 1, particularly as the consultation had already opened despite the report advising this would not happen until July. Members expressed deep dissatisfaction that they had learnt of the consultation prior to being asked to comment on it, and did not consider this an appropriate way to engage elected Members.

The Finance and Business Support Manager apologised for the error in the timetable, which should have read June. The Chief Executive also expressed his personal apologies, accepting that he would have preferred Members had greater involvement and given greater consideration, however unfortunately on this occasion this had not been the case. With pressures across the team from elsewhere, it was an unfortunate situation and was not a common practice of the authority.

In light of the comments made throughout the debate, the Chairman of the Governance and Audit Committee undertook to look at how the Council undertook consultations going forward, in a bid to improve practise, where possible, and would discuss this at his next briefing.

In light of the comments made throughout the debate, it was suggested that the wording of recommendation 1 be amended to remove the word 'accept' and replace with 'ratify'. This was moved and seconded.

Following the vote, it was **RESOLVED** to:

- (a) Ratify the Budget Consultation process; and
- (b) Send a copy of the consultation video to all Members of the Committee.

8 REVIEW PARKING PERMIT OPTIONS

Members considered a report on the re-introduction of car parking and permit charges.

It had been decided, under delegated authority on 16 March to suspend parking charges for a period of three months, due to the lockdown by the Government. The report detailed different options for bringing parking and permit charges back, and the Officer recommendation was to bring these charges back from 1 July 2020.

The Strategic Finance and Business Support Manager informed Members that it was likely that the take-up of 5 and 6 days passes would decrease in the future due to the changing nature of working patterns; in particular, Officers at West Lindsey District Council were increasingly working from home during the lockdown period.

Lengthy and robust debate ensued with several Members indicating the original decision taken back in March had been very much appreciated. There were calls for the current suspension of charges to remain in place and whilst Members appreciated and acknowledged the additional costs, it was considered the continued suspension demonstrated a continued intention to support local communities, and business in their

recovery.

Members considered there was data to support that free parking was working. The recovery was very much still in its early stages and supporting local businesses where possible was paramount.

In response to questions, Officers confirmed that it would take in the region of 2-3 months to establish alternative arrangements for permits, once these had been determined and this was due to the legal notices required when making changes to parking charges.

An alternative to the printed recommendations was moved and seconded namely: -

“To reconsider the report in September 2020 with a view to considering whether it would be appropriate to reintroduce parking charges on October 1 2010.”

Several Members spoke in support of the alternative recommendation, whilst others, whilst they wished to support continued free car parking, were conscious of the mounting costs to the Council. Some felt these costs were relatively small given the overall cost.

Following further debate an addition to the written recommendations was moved and seconded, namely: -

- (1) Recommendation 1 as written be supported,**
- (2) Recommendation 2 as written, be curtailed so it finished with the words from 1 July 2020; and a further recommendation be added;**
- (3) To allow Officers to investigate further more flexible options to support workers in our community, and report back to the Corporate Policy and Resources Committee. These options to be determined by the Chief Executive in consultation with the Chairman of the Corporate Policy and Resources Committee.**

On being put to the vote, this first alternative recommendation **was not** carried and the committee continued to debate.

Reference was made to the difference between the free parking periods within Gainsborough and Market Rasen, and in the event that charges were to be re-introduce from 1 July, it was suggested the free parking period should be re-aligned across the two towns granting both a free period of parking for 2hrs. Officers advised of the legal mandatory lead in times for making any such changes. The Monitoring Officer also expressed caution that no such decision of that nature could be made at this evening's meeting as Members did not have all the information available to them.

Following much debate the following further recommendation was proposed and seconded:

“To delegate to the Chief Executive, in consultation with the Chairman of the Corporate Policy and Resources Committee, a review of the introduction of 2

hours free parking in Gainsborough from 1 October 2020. This was with a view to bringing a report to the 17 September 2020 meeting of the Corporate Policy and Resources Committee.”

On being put to the vote this additional recommendation **was not** carried.

There was general consensus however that the Parking Strategy as a whole would need to be reviewed to account for the “new normal” patterns. Whilst it was regrettable that charges could not remain suspended indefinitely due to the other financial pressures the Council faced. There was also view that it was fairer that those who used the car parks paid for them as opposed to all council tax payers.

In response to questions, Officers confirmed that 62.2% of users were taking advantage of the free parking hour.

With all other proposals falling, the Committee considered the amended set of recommendations proposed at the outset of the meeting namely:

- (1) To approve the re-introduction of car park charges from 1 July 2020;
- (2) To approve the re-introduction of permit charges from 1 July 2020;
- (3) To allow Officers to investigate further more flexible options to support workers in our community, and report back to the Corporate Policy and Resources Committee. These options were to be determined by the Chief Executive in consultation with the Chairman of the Corporate Policy and Resources Committee.

Following a vote, the recommendations listed above were **APPROVED**

On that basis it was **RESOLVED** that: -

- (a) the re-introduction of car park charges from 1 July 2020 be approved;
- (b) the re-introduction of permit charges from 1 July 2020 be approved;
- (c) Officers investigate further more flexible options to support workers in our community, and report back to the Corporate Policy and Resources Committee. These options to be determined by the Chief Executive in consultation with the Chairman of the Corporate Policy and Resources Committee.

9 COMMITTEE WORK PLAN

The Committee workplan was noted. Officers undertook to update any items which were still allocated to Officers who had left the Authority.

10 EXCLUSION OF PUBLIC AND PRESS

RESOLVED 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 3 of Part 1 of Schedule 12A of the Act.

Note: There was a short adjournment, prior to the next item of business, with the Committee reconvening at 20.49.

A roll call was undertaken to ensure all Members had returned to the meeting.

11 SURESTAFF UPDATE

Members considered a report on the current position of, a Council-owned local recruitment agency.

Members had previously made a decision to close this company, however since making that decision there had been a number of changes. These were outlined to Members. Officers advised the decision was not being changed, rather delayed, for the reasons outlined.

Hearing the changing situation, Members requested a further report on the position of the company be submitted to the Committee in March.

On that basis it was **RESOLVED** to: -

- (a) note the delay in closing the company in order that it can play a role in the District's recovery; and
- (b) submit a further report on the position of the company in March 2021

The meeting concluded at 8.56 pm.

Chairman

WEST LINDSEY DISTRICT COUNCIL

MINUTES of a Meeting of the Joint Staff Consultative Committee held via MS Teams on Thursday, 2 July 2020 commencing at 4.00 pm.

Members: Councillor David Cotton (Chairman)
Councillor Matthew Boles
Councillor Mrs Jackie Brockway
Councillor Mrs Jessie Milne

Representatives of Union members: James Deacon

Representatives of Non-union staff: Rachel Parkin (Vice-Chairman)
Amy Potts

In attendance: Emma Redwood, People and Organisational Development Manager
Ele Snow, Democratic and Civic Officer

Apologies: Alan Robinson, Director of Corporate Services

1 REGISTER OF ATTENDANCE

The Democratic and Civic Officer undertook the roll call of Committee Members and Members and Staff Representatives confirmed their attendance. She noted apologies had been received from Alan Robinson, Lead Officer.

2 MEMBERS' DECLARATION OF INTEREST

There were no declarations of interest at this point in the meeting.

3 MINUTES

RESOLVED that the minutes of the meeting of the Joint Staff Consultative Committee held on Thursday, 16 January 2020 be approved as an accurate record.

4 MATTERS ARISING SCHEDULE

There were no outstanding matters arising.

5 OFFICER CODE OF CONDUCT

The People and Organisational Development Manager introduced the review of the Officer Code of Conduct. She explained that the majority of changes had been housekeeping, however Section 22 regarding confidentiality had been rewritten by the Data Protection Officer to bring it in line with most recent legislation changes.

A Member of the Committee enquired about whether staff could hold volunteering roles, as the Code of Conduct stated they could not hold other employment paid or otherwise. The People and Organisational Development Manager explained that officers were required to have the prior approval of their line manager before taking up additional roles, including volunteering work. This was to avoid any potential conflict of interest which may arise.

RESOLVED that

- a) Members, Unions and Staff Representatives support and recommend the reviewed Officer Code of Conduct to the Corporate Policy & Resources Committee for adoption; and
- b) Delegated authority be granted to the Chief Executive to make minor housekeeping amendments to the policy in future, in consultation with the Chairman of the CP&R Committee and the Chairman of JSCC.

6 STRESS MANAGEMENT POLICY

The Committee was asked to consider a report regarding amendments made to the Stress Management Policy. Members heard from the People and Organisational Development Manager that again, most of the changes were simple housekeeping amendments, for example changing references from 'Occupational Health' to 'Employee Assist Programme'.

The Chairman enquired about the impact of the global pandemic and lockdown on how the council was dealing with stress related difficulties for staff. Members of the Committee heard that the Management Team had been meeting daily during lockdown and the Chief Executive had then been sending daily update emails to all staff. The People and Organisational Development Manager explained that there had been a focus on health and wellbeing and officers had been encouraged to seek assistance if needed. The Chief Executive had also shared different wellbeing tools and resources in acknowledgement of the difficult times. She added that there had been a survey sent to staff, specifically regarding their experiences of working from home through the lockdown, how supported they felt and whether there was any more to be done.

A Member of the Committee wished to express her thanks to the council

officers for their hard work and professionalism through such difficult times. She expressed her appreciation for their continued efforts, even with families and home life to juggle.

RESOLVED that

- a) Members, Unions and Staff Representatives support and recommend the reviewed Stress Management Policy to the Corporate Policy & Resources Committee for adoption; and
- b) Delegated authority be granted to the Chief Executive to make minor housekeeping amendments to the policy in future, in consultation with the Chairman of the CP&R Committee and the Chairman of JSCC.

7 WORK PLAN

The People and Organisational Development Manager explained that there would be a couple of additional reports for the September meeting; one being the annual end of year absence report and the other being the results of the covid-19 staff survey, should Members wish to see that information. This was confirmed by Members.

The workplan was therefore noted with the expectation of additional reports.

8 TO NOTE THE DATE OF THE NEXT MEETING

The date of the next meeting, Thursday 3 September 2020, was noted. The Chairman added that it remained to be seen whether it would be an 'in person' meeting by that point.

The meeting closed at 4.20 pm.

Chairman

Corporate Policy & Resources Committee Matters Arising Schedule

Purpose:

To consider progress on the matters arising from previous Corporate Policy & Resources Committee meetings.

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

Meeting	Policy and Resources Committee
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Status	Title	Action Required	Comments	Due Date	Allocated To
Black	circulation of budget consultation video	extract from mins of mtg 18 June Send a copy of the consultation video to all Members of the Committee.	video was circulated as part of the newsletter on 19 June	20/06/20	Katie Storr
Green	new measures for leisure centres	extract from mins of meeting 18 June 2020 Request the Overview and Scrutiny Committee, when discussing Progress and Delivery report criteria, to consider appropriate measures for the Leisure Centres in Gainsborough and Market Rasen ensuring the differences and similarities between the sites was taken into consideration.	please can you ensure this is fed into any review of measures work group Ellen emailed all CPR Members on 6 July.	31/12/20	Ellen King
Green	flexible parking options	Extract from mins of mtg 18/6/2020 Officers investigate further more flexible options to support workers in our community, and report back to the Corporate Policy and Resources Committee. These options to be determined by the Chief Executive in consultation with the Chairman of the Corporate Policy and Resources Committee.	This report needs preparing and adding to the forward plan please	31/08/20	Tracey Bircumshaw
Green	surestaff update	extract from mins of meeting 18/6/2020 submit a further report on the position of the company in March 2021	this report needs preparing and adding to the report system please	31/12/20	Alan Robinson



CP&R Committee

Thursday, 23 July 2020

Subject: Officer Code of Conduct Review

Report by:

Monitoring Officer

Contact Officer:

Emma Redwood
People and Organisational Development
Manager

emma.redwood@west-lindsey.gov.uk

Purpose / Summary:

To review the council's Officer Code of Conduct and agree recommended changes.

RECOMMENDATION(S):

That Corporate Policy and Resources committee approve the reviewed Officer Code of Conduct and this is adopted for all employees of the council.

Delegated authority be granted to the Chief Executive to make minor housekeeping amendments to the policy in future, in consultation with the chairman of CP&R committee and chairman of JSCC.

IMPLICATIONS

Legal: there is no legal duty to have a specific Code of Conduct for Officers, however it is good practice to have one in place.

(N.B.) Where there are legal implications the report MUST be seen by the MO

Financial : There are no direct financial implications arising from the Code of Conduct

Staffing : All staff should familiarise themselves with the code and work within the principals of the code.

Equality and Diversity including Human Rights :

West Lindsey District Council has a commitment to equal opportunities. It seeks to ensure that no potential or current employee receives less favourable treatment than another on the grounds of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Data Protection Implications : None, there is a statement in section 22 which has been provided by the Data Protection Officer

Climate Related Risks and Opportunities: None

Section 17 Crime and Disorder Considerations:

Health Implications:

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

None.

Risk Assessment :

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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

1. Introduction

The council currently has an Officer Code of Conduct in place, this was formally reviewed in October 2014.

There have been no specific legislative changes impacting the review of the Code, however it was part of the annual plan to review.

2. Purpose

The council has produced this document for awareness purposes to avoid getting any one into difficulties which include the possibility of being prosecuted or disciplined.

The purpose of the Code of Conduct is to provide guidance on standards of behaviour to be understood and carried out by all employees at all levels.

3. Scope

This code applies to all employees of West Lindsey District Council including permanent, temporary, part-time, casual and agency staff.

4. Changes

All changes recommended in the Code have been shown as tracked changes for ease. The majority of the changes are for housekeeping purposes, however section 22 has been deleted and re-written by the Council's Data Protection Officer to ensure compliance with GDPR.

5. Engagement

The Code of Conduct has been shared with a number of officers, and they have recommended changes which have been incorporated into the reviewed document. Specifically the Monitoring Officer, the Data Protection Officer and a number of other staff members and staff representatives.

The reviewed document was presented to Joint Staff Consultative Committee on 2nd July 2020 and was fully supported by members, union and staff representatives.

Officer Code of Conduct

[Change logo](#)

JSCC Approved – ~~13 October 2014~~

P&R Approved – ~~6 November 2014~~



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1. Introduction

The council believes that its activities demand the highest standards of confidence of the public and that this confidence will derive from the way in which the council and its employees conduct themselves in undertaking its business.

All public sector bodies are required to observe high standards of probity in managing their affairs, and the Committee on Standards in Public Life has identified seven key principles that should be followed.

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

The principles underpin this code and we expect you to read and understand the definitions in Appendix A.

The code is additional to appropriate statutes, sections of the national Agreement on Pay and Conditions of Service, the council's Standing Orders and Financial Regulations and any departmental rules of conduct (that may be issued from time to time by [Directors](#) [Senior Managers](#)).

2. Purpose

The council has produced this document for awareness purposes to avoid getting any one into difficulties which include the possibility of being prosecuted or disciplined.

The purpose of the Code of Conduct is to provide guidance on standards of behaviour to be understood and carried out by all employees at all levels.

3. Scope

This code applies to all employees of West Lindsey District Council including permanent, temporary, part-time, casual and agency staff.

A breach of the code may lead to disciplinary action.

4. Links To Other Policies

The Code of Conduct sets out the requirements of the council and aims to assist employees in performing their duties to the best of their ability and makes reference to policies of the council.

Employees are required to familiarise themselves with the contents of the Code and the documents referred to therein. It cannot cover every eventuality and if in any doubt or if any additional guidance is required, employees should consult their manager or the People & Organisational Development Team .

All up to date policies and protocols indicated in *italics* after each section, can be found on the council's intranet site – Minerva.

You must ensure that you abide by the council's management procedures known as Approved Codes of Practice these will be held on the council's intranet site – Minerva and you are expected to operate within the framework set out in these procedures. Failure to do so could result in disciplinary action.

5. The Council's Constitution

The council has certain powers and duties that are set out in a formal document, the Constitution. The council must act under the Constitution and the law; otherwise it will be acting *ultra vires*, that is, beyond the scope or in excess of its legal power or authority. While you may not use the Constitution in your day-to-day work it is a useful reference for all matters relating to the composition of the council, rules about members and committee meetings, financial and procurement procedures and other issues of relevance to officers.

6. Key Points

There are 3 key points to remember in all that you do, ensure your conduct:

- is never influenced by personal gain;
- could not give anyone reason to question your motives;
- is always in line with the council's policies and procedures.

7. Relations with Members of the Council, Public and Other Officers

The council frequently works in partnership with other organisations, both in the public and private sector. It is therefore vital that all officers conduct themselves in an exemplary manner in all aspects of their work, in particular:

- Mutual respect between officers and members is essential to good local government, and working relationships should always be kept on a professional basis;
- You should avoid close personal familiarity with individual members as this could prove embarrassing to other officers and members;
- You should deal with the public, members and other officers sympathetically, efficiently, with courtesy and respect and without bias.

8. Working for the Council

You should ensure that you remain professionally competent to do your job; that your knowledge remains up to date in accordance with your professional standards; and that you comply with the professional and personal conduct requirements of your professional body or bodies.

If you are required to be a member of a professional body for your role within the council, [as set out in the job description and person specification](#), your annual subscription will be reimbursed.

You have a duty to work within the law and in accordance with our policies and procedures and to behave in a way that reflects well on the council. At no time should you knowingly put at risk public confidence or the interests of the council by your behaviour.

You must not in your official or private capacity conduct yourself in such a manner that could reasonably be regarded as bringing the council into disrepute.

We recognise that managers have extra responsibilities. If you manage staff, you are particularly expected to:

- conduct yourself with exemplary professionalism and probity and lead by example;
- create an inclusive work environment that values diversity;
- make staff aware of this code's requirements as well as any other local or corporate standards, policies and procedures;
- accept responsibility for your own work and the proper performance of the people you manage;
- be familiar with the health and safety and other related policies and be clear about your responsibilities in applying them; and
- take appropriate action on breaches of this code.

It is important that you have a professional and effective working relationship with your manager. Your manager will tell you what is expected of you; respond to any concerns you may have about your work; assess your performance; and give you feedback, with advice on how you can improve.

You should be polite and behave courteously and reasonably in all dealings with your manager. Your manager should be polite, reasonable and fair to you at all times and support you in performing your job.

You must carry out reasonable instructions that your manager gives you to the best of your ability. You must not be negligent in your duties as this may seriously affect the council's reputation or its interests. If there is anything about your job that you are unclear about, speak to your manager.

Your manager will set and agree work objectives with you; and, where appropriate, agree training to assist your career development. You should discuss your training needs with your manager, some training opportunities will depend on business priorities and budget.

Your working hours, location and pattern of work must be agreed with your manager.

Any changes to these must be agreed in advance with your manager.

If you cannot attend work because of sickness, you should always follow our sickness reporting procedure as set out in the Managing Attendance Guidance for Employees and Managers.

You must always dress appropriately for your job and the work you do. If you are issued with a uniform you must wear it and take good care of it, if you are issued with health and safety equipment you must use/wear it.

9. Anti Fraud and Anti Corruption

The council is committed to the highest standards of openness, probity, honesty and integrity and operates a zero tolerance approach to fraud, money laundering, corruption and bribery.

All employees are required to comply with any anti-bribery and anti-corruption legislation. Bribery of any kind is strictly prohibited. Under no circumstance should any provision be made, money set aside or accounts created for the purposes of facilitating the payment or receipt of a bribe.

You should report any concerns, associated with fraud, corruption, bribery or theft to your manager or a Director or through the council's Whistleblowing policy.

A breach of any of the provisions of the Anti-Fraud, Corruption and Money Laundering Policy will constitute a disciplinary offence and will be dealt with in accordance with the council's Disciplinary procedure.

Anti-Fraud, Corruption and Money Laundering Policy

10. Gifts And Hospitality

Many council employees have dealings with people outside the council, particularly members of the public, suppliers, contractors and other private organisations. Employees should treat with extreme caution any offer of a gift, favour or hospitality that is made to them personally. The person or organisation making the offer may be doing or seeking to do business with the council, or may be applying to the council for planning permission or some other kind of decision.

It is essential that employees adhere to the overriding principle that they do not compromise their position as public service workers by accepting gifts and/or hospitality and allowing themselves to reach the position where they might be, or might be thought by others, to have been influenced in making an important decision as a consequence. Such gifts may be viewed as bribes and must not be accepted, to do so may compromise the employee and the council and may lead to disciplinary action.

It is also important that the council is seen to conduct its activities with integrity, and does not leave itself or its employees open to allegations of corruption and to bad publicity.

You must not ask for gifts or hospitality and you must not encourage any gift, reward or hospitality from anyone you come into contact with through your official duties. This includes, but is not limited to drinks, meals, tickets to the theatre or sporting events, overnight accommodation, travel or holidays.

You must not accept cash or monetary gifts of any kind, whether in the form of cash, cheques, vouchers or coupons. There are times when receiving reasonable hospitality is acceptable. For example, you may be given light refreshments, tea, coffee, sandwiches when visiting clients or during external meetings while you are working. You do not need to record these in the hospitality register. However, you do need to consider whether the hospitality is reasonable for the occasion or the job you are doing and whether it is similar to the scale of hospitality we would offer clients visiting us under similar circumstances.

You may accept an invitation to a dinner or function of a non-commercial body (society, institute or similar) where you are representing the council or attending a conference or course where it is clear that the hospitality is corporate rather than personal. Such hospitality should be agreed in advance with your manager and recorded in the gifts and hospitality register.

As a general rule, taking part in activities paid for by firms, contractors or suppliers outside office hours or while on leave will be considered inappropriate.

The Gifts and Hospitality Register is ~~held in the Democratic Services Team~~ [Minerva](#). All offers of gifts or hospitality must be recorded, whether or not they are accepted, this ensures that the system is transparent and acts as protection for the employee concerned. However, there is no need to record receipt of promotional material of token value such as desk diaries, calendars or pens.

You must tell your manager if:

- anyone tries to bribe you; or
- you reasonably believe someone has tried to bribe another employee; or
- there is any evidence of corruption or improper behaviour by others.

If your manager is involved, you should report it to a ~~Director~~ [Senior Manager](#).

You must not offer gifts or hospitality to others on behalf of the council.

Any breaches of the requirements relating to gifts and hospitality will result in disciplinary action being taken against the employee(s) involved.

11. Relations with Contractors or Suppliers

It is the responsibility of all officers to ensure that, when administering council contracts, every contract made by or on behalf of the council complies with all relevant European Union and United Kingdom legislation and as provided for in the council's contract procedure rules or other applicable procedures. Any officer who is authorised to carry out any of the council's contract functions must undertake all necessary training effectively to discharge this responsibility. Officers shall not commit the council to incur expenditure for

the supply of goods, services, work or capital projects unless they are authorised under the scheme of delegation and financial provision has been authorised.

You must award contracts or orders on merit, following the procurement evaluation proforma, to achieve best value for the council including the following considerations:

- you must tell your line manager and register in the Register of Interests any relationship you have with a contractor or supplier with whom you are also involved at work.
- if friends or family are involved as potential suppliers, you should not be involved in the process at all and you must not favour current or past officers or their partners, close relatives or associates when awarding contracts or orders to businesses for which they work.
- if the council decides to outsource the supply of any goods or services and you or you and your colleagues are considering a management buy-out you should discuss this with your line manager immediately and register it in accordance with the declaration of interests guide. You must not then take part in any relevant contract awarding process.

Constitution - Contract procedure Rules

The Register of Private Interests is ~~held in the Democratic Services Team on Minerva.~~

You must not, under any circumstances, accept any item, or property left to you in a will of a client of the council. Any offer of a bequest made to you by a client should be politely refused and you should inform your Manager of the incident at the earliest opportunity.

12. Safeguarding

West Lindsey District Council accepts the social, moral and legal responsibility to implement procedures to provide a duty of care for children, young people, adults at risk and anyone at risk of or experiencing domestic abuse, to safeguard their wellbeing and protect them from abuse when they are engaged in services organised or provided by the council.

The council is required to have policies and procedures in place which outline its response to safeguarding.

Safeguarding is everyone's responsibility, although your work may not directly impact on or relate to children, young people or adults at risk, you have a duty to understand, recognise and respond to safeguarding situations and concerns and you are bound by the council's policy and procedures.

If any employee finds that for whatever reason they do not believe that they can comply with this policy and its associated procedures they must notify the lead safeguarding officer immediately.

~~Safeguarding Policy Children and Young People, Adults at Risk and Managing Domestic Abuse: Policy and Procedure~~

13. Other employment

You are required to devote your full-time attention and abilities to your duties during your working hours and to act in the best interests of the council at all times. Accordingly, full-time employees must not hold any other appointment (paid or unpaid) without the prior approval of their Manager. Part-time employees must disclose any other paid employment which is current or proposed. In either case such employment must not conflict with, or have detrimental effect on, the Service or the council's business.

Permission for employees to operate, own or otherwise participate in the running of an equivalent establishment will not be given. It is expected in such circumstances that an officer will resign his/her appointment if he/she intends to proceed with the enterprise. Failure to do so will lead to appropriate action being taken.

14. Involvement in Other Organisations

Many of the council's objectives are delivered by developing partnership arrangements with other public and private sector organisations or community groups. You may also be asked to take part in voluntary activity or offered a role in a voluntary organisation. In these situations the following applies:

- a. It is important that you clarify the role expected of you and whether you are acting in your own right or as the voice of the council;
- b. If acting for the council, you should clarify what authority is vested in you by the council and other partner organisations by checking with your Manager as to the extent of your participation or authorisation. Liability can arise from formal membership of external organisations, and you should seek further advice from your Manager if you have reason to believe that any liability may arise;
- c. If you are acting on behalf of the council, then you are subject to the Code.

15. Health and Safety at Work

You must ensure that you take the greatest possible care for your own safety and that of your colleagues and of members of the public. This is a legal requirement under the Health and Safety at Work Act 1974. The Act makes you personally liable and you could be prosecuted for any breach as well as being subject to disciplinary action.

All employees are expected to read in their first 2 weeks at work, and follow the council's Health, Safety and Welfare Policy. The policy can be viewed electronically on the council's intranet site or a hard copy can be viewed if you ask your Manager.

Managers should also ensure that agency staff, contractors, visitors etc., working at or on council sites and premises are aware of safety requirements and appropriate associated policies and procedures.

Health, Safety and Welfare Policy

16. I.D. Cards

To help prevent security breaches the council has an Identification Card scheme for employees. If an ID card is issued, employees should ensure that they have their ID card with them at all times and if challenged by an appropriate person i.e. another council employee, councillor or somebody working for the authority, they are to show their ID card to confirm their identity. Staff must also wear the Staff Lanyard that they are issued and must not wear a personalised lanyard. The ID cards carry a passport style photograph which will be used for the council's computerised payroll/HR system and other internal systems.

17. Political Neutrality (sensitive posts)

You serve the council as a whole. It follows you must serve all members and not just those of any single political group, and must ensure that the individual rights of all members are respected.

18. Politically Restricted Posts

If your total remuneration exceeds the value of SCP 44 Band 12 as amended from year to year or if you give advice on a regular basis to the Council itself, to the council, Committee, Scrutiny Review Panels or Statutory Boards, or to any Joint Committee on which the council are represented or if you speak on behalf of the council on a regular basis to journalists or broadcasters, your post is designated as a 'politically restricted post' in accordance with The Local Government and Housing Act 1989. Further details can be sought from Human Resources.

Whether or not your post is particularly restricted, you must not allow your own personal or political opinions to interfere with your work.

Constitution – Protocol on Member/Officer Relations

19. Proper Use of Council Resources

The council is responsible for the efficient use of the public resources it controls including financial resources, equipment and its staff. You must not use council premises, property, vehicles or other council facilities unless authorised to do so. You must not do work that is not council work of any sort in council premises or by using council equipment or materials, or during the council's time. Some facilities, such as photocopying may be made available to officers for private use on agreed terms and with prior approval. Use of computers for personal purposes is allowed in employee breaks providing all relevant policies are adhered to see section 20 below.

All officers have a duty to abide by the highest standards of probity in dealing with financial issues. You should assist the council in discharging its obligations to follow proper accounting practices and to secure best value. You must operate within the required accounting standards and timetables to ensure that all the council's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.

You are required to ensure that the council Internal Audit Services and the council's external auditor are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work. You are obliged to provide the auditors with any information and explanations that they seek in the course of their work.

Constitution – Financial Procedure Rules

20. Use of Technology, Telephones, Internet and Email

Use of computers may be an important part of your duties. You should be familiar with the rules relating to personal use of equipment, the prohibitions on accessing or downloading racist, sexist, pornographic or violent websites or material, virus protection and the use of unapproved software.

Officers may make personal telephone calls whilst at work but such calls should be limited and payments made for use.

The council does allow for personal use of email and the internet (if you have reasons to be connected for work purposes), providing that it is not excessive, does not interfere with your normal activities and it is made clear that any message sent is not on behalf of the council.

Unauthorised access to computers and computer systems is an offence under the Misuse of Computers Act 1990, and is punishable in severe cases by imprisonment. Staff must not access or try to access any system for which they have not been authorised by their Manager via a systems access form.

Computer Telephone and Desk Use Policy
Information Security Policy
Social Media Policy
Internet Acceptable Use Policy
Email Policy
Removable Media Policy
Remote Access Policy

21. Raising Concerns at Work – Grievances and Whistleblowing

If you have any concerns arising from:

- a. Your employment contract or employment in general there is a grievance procedure to be followed. You should raise any such issues with your Line Manager in the first instance.
Grievance Procedure
- b. Any other aspect of the council's operations, such as if you become aware of any activities that you believe are illegal, improper, unethical or in some other way inconsistent with this Code, or the council's Constitution, policies and procedures, there is a procedure for these concerns –

Whistleblowing Policy and Guidance.

22. Confidentiality

~~Openness in the dissemination of information and decision making should be the norm in the council. However, you must respect the confidentiality of the information to which you have access at work and you must not use it for personal gain or pass it on to others who might use it in this way.~~

~~You must not inform or share information with anyone inside or outside the council, including social media sites, who is not entitled to know for the purposes of their job, what goes on at council meetings held in private or exempt sessions, nor about the contents of council documents which are confidential or exempt (unless requested under the Freedom of Information Act and an exemption applies).~~

~~Information requests will be dealt with under Freedom of Information, Environmental Information or Data Protection and must be processed in accordance with the legislation.~~

~~Data Protection and Subject Access Requests must be verified before processing begins as you need to be satisfied that you are releasing information to those entitled to receive it. Also, if you are asked to disclose any information you should be aware of the rules of the Data Protection Act which make it unlawful to disclose information without the person's consent unless it is for one of the following reasons;~~

- ~~1. The prevention or detection of crime/or criminal activities~~
- ~~2. The prevention of defrauding the council~~
- ~~3. The apprehension or prosecution of offenders~~
- ~~4. The assessment or collection of any tax or duty~~
- ~~5. The organisation is registered by us to receive information~~

~~If you are approached to give information under one of the above headings you should:~~

- ~~1. Satisfy yourself that the request falls under 1. to 5. Above, if in any doubt ask your manager~~
- ~~2. Seek advice from the FOI Team who also have access to legal advice~~

~~It is important to note that the necessity for confidentiality exists not only during employment but also after you have left.~~

~~*Information Management and Protection Policy*
Data Protection Policy
Data Protection Breach Policy
Freedom of Information and Environmental Information Regulations Policy
Records Management Policy~~

~~Delete all of section 22 and replace with the new section from the Data Protection Officer as shown below:~~

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22. Confidentiality and Data Protection

Transparency around council business and decision making should be the norm in the council. However, you must respect the confidentiality of the information to which you have access at work and you must not use it for personal gain or pass it on to others who might

use it in this way.

As an employee of the council you will almost certainly have access to and process personal data relating to citizens, councillors, staff or partners. You must only access personal data if you have been authorised to and you must comply with the 7 data protection principles set out in the Data Protection Act 2018 (DPA 2018) and the UK General Data Protection Act (UK GDPR). These principals state that all personal data must be:

- (a) processed lawfully, fairly and in a transparent manner in relation to individuals ('lawfulness, fairness and transparency');
- (b) collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes ('purpose limitation');
- (c) adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed ('data minimisation');
- (d) accurate and, where necessary, kept up to date ('accuracy');
- (e) kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed ('storage limitation');
- (f) processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures ('integrity and confidentiality');

UK GDPR Article 5(2) adds that:

- (g) The controller (the "council") shall be responsible for, and be able to demonstrate compliance with, paragraph 1 ('accountability');

Mandatory Data Protection and Cyber Security training

As a condition of employment at the council you are required to complete mandatory data protection and cyber security training at the start of your employment and annual refresher training thereafter.

Policy Compliance

If you are adhering to council policies and procedures and only access data you have been authorised to then you cannot be held personally responsible for data breaches.

If, however, you are found to have wilfully disregarded council policies and procedures or accessed personal records without authorisation then you could be subject to disciplinary and/or criminal proceedings. The Data Protection Act 2018 introduced 3 criminal offences relating to processing of personal data which are relevant to staff:

1. DPA 2018 Sect 170: Unlawful obtaining etc of personal data

It is an offence for a person knowingly or recklessly

(a) to obtain or disclose personal data without the consent of the controller,

(b) to procure the disclosure of personal data to another person without the consent of the controller, or

(c) after obtaining personal data, to retain it without the consent of the person who was the controller in relation to the personal data when it was obtained.

2. DPA 2018 Sect 171: Re-identification of de-identified personal data

It is an offence for a person knowingly or recklessly to re-identify information that is de-identified personal data without the consent of the controller responsible for de-identifying the personal data.

3. DPA 2018 Sect 173: Alteration etc of personal data to prevent disclosure to data subject

It is an offence for a person [Data Controller (the “council”) or person employed by the council] to alter, deface, block, erase, destroy or conceal information with the intention of preventing disclosure of all or part of the information that the person making the request would have been entitled to receive.

Staff should also be aware that there are a number of criminal offences set out in the Computer Misuse Act 1990:

- Unauthorised access to computer material
- Unauthorised access with intent to commit or facilitate a crime
- Unauthorised modification of computer material.
- Making, supplying or obtaining anything which can be used in computer misuse offences.

Sharing Information

You must not inform or share information with anyone inside or outside the council, including social media sites, who is not entitled to know for the purposes of their job, what goes on at council meetings held in private or exempt sessions, nor about the contents of council documents which are confidential or exempt (unless requested under the Freedom of Information Act and an exemption applies).

Information requests will be dealt with under Freedom of Information, Environmental Information or Data Protection and must be processed in accordance with the legislation.

Data Subject Access Requests (DSARs) must be verified before processing begins as you need to be satisfied that you are releasing information to those entitled to receive it. Also, if you are asked to disclose any information you should be aware of the rules of the Data Protection Act which make it unlawful to disclose information without the person’s consent unless there is a valid exemption listed in Schedule 2.

If you are asked to provide personal information you should seek advice from the FOI Team who also have access to legal advice

It is important to note that the need for confidentiality exists not only during employment but also after you have left.

For more details on the council's information management policies please make sure you read and understand the following policy documents which are available on Minerva.

- [Information Management and Protection Policy](#)
- [Data Protection Policy](#)
- [Data Protection Breach Policy](#)
- [Freedom of Information and Environmental Information Regulations Policy](#)
- [Records Management Policy](#)

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23. Private Interests

Whilst your private life is your own concern, you must not allow your private interests to conflict with your public duty by misusing your official position to benefit yourselves or others. In order to demonstrate openness and transparency in local government and to protect yourself and the council from accusations of bias, you must declare and register certain interests if an actual, potential or perceived conflict arises with regards to a council decision or policy. You will also need to make a further declaration if a declaration you made previously has materially changed.

The Register of Private Interests is ~~held in the Democratic Services Team~~ on Minerva.

You must inform your manager if you are a member of an organisation that is not open to the public, which has a commitment to allegiance (oaths) and secrecy about its rules, membership and conduct. You should make sure that any such membership does not require you to act in a way that will affect your work or damage our reputation.

If an employee has withheld information or provided misleading information, then dismissal could be considered. Normal rules for dismissal should be applied.

24. Criminal Convictions

You are expected to keep within the law at all times during your employment. You must tell your manager if you are arrested and refused bail or charged with any criminal offence and, unless exempt by the Rehabilitation of Offenders Act 1974, you must tell your manager in writing if you are convicted of any criminal offence, bound over or cautioned about activities outside work.

If you drive on council business, you must tell your manager if you are arrested, charged or cautioned about any Road Traffic Act Regulatory offences. You must tell your manager if you are involved in any civil proceedings that affect your work.

The council reserves the right to periodically request verification of an employee's criminal record by means of a DBS Basic Disclosure certificate.

25. Appointment of Staff

All council appointments must be made in accordance with our recruitment and selection procedures.

The aim of the council is to attract, reward and retain the best people and to make the maximum possible use of the abilities of all its employees. The council will therefore undertake the recruitment, selection and retention of potential employees in the most careful, accurate, professional, legal and fair way to match the requirements of the post. Appointments will only be made on the basis of the skills, experience and aptitude required for the vacancy.

Offers of employment will be made subject to the receipt of a satisfactory employment health declaration, two satisfactory references and a clear basic Disclosure Scotland check.

You must not give job references for employees you manage to any new employer. These are provided centrally by the People & Organisational Development Team. You may give a personal reference so long as it is not on council headed paper and cannot be seen to be a reference from the council.

Recruitment and Selection Practical Guidance

26. Canvassing for Appointment

A candidate for any appointment under the council who knows that he/she is related to any elected Member or officer of the council must, when making an application, disclose that relationship. A candidate who fails to disclose such a relationship or canvasses members in any way will be disqualified for the appointment or if appointed will be liable to dismissal without notice.

You must not let political or personal preferences influence your judgement. You must not canvass the support or lobby colleagues or elected Members and you must resist any attempts by others to canvass you.

You must also apply this consistent approach in connection with discipline, promotion or pay.

27. Leaving the Council

When leaving your job, you should leave your files and records in good order for the person taking over from you. If it is required by your manager, you should put a note on each file giving a brief history of the issues, any action that needs to be taken and when it should be done. You should highlight any important dates and deadlines.

You must return any property when your manager asks you to and always when your employment ends. This includes not only hard copy documents, files and correspondence but also tapes, software storage media and any other property belonging to the council.

After you leave the council, you still have a duty not to disclose personal data relating to others or exempt/confidential information that you have learned in the course of your work at the council.

28. Alcohol and Drugs

All council employees should know and adhere to these basic rules, further guidance can be found in the Workplace Drug and Alcohol Misuse Policy.

The council does carry out workplace screening and this may occur;

- pre-employment
- at random and unannounced
- for cause/post incident/post allegation or complaint

You should not knowingly take any non-medical substance such as alcohol or drugs that may affect your ability to work. You should tell your manager if you are taking any medication that may adversely affect you or the way you do your job.

No employee may carry out their duties or enter council premises, while under the influence of alcohol or illegal drugs.

No illegal drugs may be brought onto council premises.

The presence of any drugs or unauthorised alcohol found during working hours is unacceptable and will lead to disciplinary action.

Possession, supply or production of illegal drugs on West Lindsey District Council premises or engaging in such activities outside of work will not be tolerated.

Employees need to know that drugs taken during days off or holiday periods may still be in their system days or even weeks later and may give a positive result if required to give a sample to be tested.

Any breach of the policy may be treated as Gross Misconduct under the council's Disciplinary Procedure and this may result in the termination of employment.

*Workplace Drug and Alcohol Misuse Policy
Discipline at Work Guidance*

29. Contact with the Media

Relations with the media need to be handled with care to ensure the council's position on any issue is represented properly. Day to day contact with the press and media will normally be handled by the Communications Team, together with the appropriate committee chairman, Leader and relevant officers.

You should refer any media enquiries to the Communications Team.

You may write or give interviews about matters unconnected with your work or the council so long as you are not identified as our employee.

*The Constitution
Social Media Policy*

30. Use of Social Media

Social media sites provide communication opportunities of reaching out to the council's stakeholders; as an officer of the council you are bound by the 7 Principles of Public Life (Appendix A).

You must not allow your professional and personal use of social media sites to become blurred; you need to be mindful of your duties not to:

- Disclose council information without authority;
- Take part in any political or public activity, which compromises or might be seen to compromise your impartial service to the council and its stakeholders;
- Make derogatory comments about the council, its policies or procedures;
- Make derogatory comments about other council employees, councillors or stakeholders;
- Continue to engage with others who become abusive or aggressive.

Once you have posted items to the Internet, it is very difficult to remove them, great care must be taken before you press the submit button as such comments may lead to disciplinary action.

If you have any concerns consult your manager for advice.

It is important that you are aware that submitting content to social media sites, whether in a personal or professional capacity, that is considered to be derogatory or inappropriate may result in disciplinary action being taken against you. *Social Media Policy*

Appendix A – The Seven Principles of Public Life

Selflessness

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

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CP&R

Thursday, 23 July 2020

Subject: Stress Management Policy Review

Report by:

Monitoring Officer

Contact Officer:

Emma Redwood
People and Organisational Development
Manager

emma.redwood@west-lindsey.gov.uk

Purpose / Summary:

To review the council's Stress Management Policy and agree recommended changes.

RECOMMENDATION(S):

That Corporate Policy and Resources committee approve the reviewed Stress Management Policy and this is adopted for all employees of the council.

Delegated authority be granted to the Chief Executive to make minor housekeeping amendments to the policy in future, in consultation with the chairman of CP&R committee and chairman of JSCC.

IMPLICATIONS

Legal: there is no legal duty to have a policy on managing stress, the Council have various legal duties that are relevant in relation to stress at work. A main duty is to take reasonable care for the safety of Council staff. This includes the duty to ensure that health is not put at risk by excessive pressures or demands. This policy takes account of our obligations under the Health and Safety at Work etc. Act 1974, Management of Health and Safety at Work Regulations 1999, Employment Rights Act 1996, Protection from Harassment Act 1997, Working Time Regulations 1998 and Equality Act 2010. Failure to follow health and safety legislation can lead to enforcement action by the Health and Safety Executive (HSE)

Financial : There are no direct financial implications arising from the policy

Staffing : Health and safety should be an integral part of management; failure to properly consider, plan and make sufficient resources available for health and safety will result in a negative impact on resources – both staff time and budget.

Equality and Diversity including Human Rights :

West Lindsey District Council has a commitment to equal opportunities. It seeks to ensure that no potential or current employee receives less favourable treatment than another on the grounds of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Data Protection Implications : None

Climate Related Risks and Opportunities:

Section 17 Crime and Disorder Considerations:

Health Implications:

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

None.

Risk Assessment :

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

1. Introduction

The council currently has a Stress Management Policy and this has been reviewed by the People & OD Manager and the Health & Safety Co-ordinator to ensure the content is relevant and up to date. There have been no specific legislative changes impacting the review of the policy.

2. Purpose

West Lindsey District Council are committed to protecting the health, safety and welfare of employees and recognises that work place stress is a health and safety issue and acknowledge the importance of identifying and reducing workplace stressors. We acknowledge that we should act to prevent or reduce risks that are reasonably foreseeable.

3. Scope

The Policy applies to all employees of the council.

4. Changes

All changes recommended in the policy have been highlighted in yellow to show where changes have been made. The policy follows the example policy as set out on the HSE website. Reference has been made to the supporting document Stress Management – Manager's Good Practice Guide which is already available on Minerva.

5. Engagement

This policy review has been undertaken by the People & OD Team Manager and the Health & Safety Co-ordinator and has been fully supported by members, union and staff representatives at Joint Staff Consultative Committee on 2nd July 2020.

Stress Management Policy



Introduction

West Lindsey District Council are committed to protecting the health, safety and welfare of employees and recognises that work place stress is a health and safety issue and acknowledge the importance of identifying and reducing workplace stressors. We acknowledge that we should act to prevent or reduce risks that are reasonably foreseeable.

The policy will apply to everyone in the authority. Managers are responsible for implementation, and the authority is responsible for providing the necessary resources.

The council recognises that it's most important resource is its employees. This policy shows our determination to identify sources of workplace stress and the effects on our employees, eliminate stress or control the risks from stress where possible.

Definition of Stress

The Health and Safety Executive define stress as “the adverse reaction people have to excessive pressure or other types of demand placed on them”.

This makes an important distinction between pressure, which can be a positive state if managed correctly, and stress which can be detrimental to health. Supporting this policy ~~are Appendix 1 Contributors to Stress and Appendix 2 Symptoms of Work Related Stress~~ is the Stress Management – Manager’s Good Practice Guide, available on Minerva.

Legal Obligation

The Health and Safety at Work Act etc.1974 (HSWA) Section 2. Management of Health and Safety at Work Regulations Regulation 3 West Lindsey District Council acknowledges the authority has a duty of care to the physical, mental health and well being of our employees and will assess workplace risks through the process of risk assessment.

We acknowledge that we should act to prevent or reduce risks that are reasonably foreseeable. The authority will make reasonable adjustments where practical if an employee becomes incapacitated through stress related illness. ~~We acknowledge that we should act to prevent or reduce risks that are reasonably foreseeable.~~

General Policy

The Authority will provide adequate resources to identify all workplace stressors and conduct risk assessments to eliminate stress or control the risks from stress. Managers will review and monitor assessments at least every two years, after an incident, or if there is a significant change.

The authority will consult with union/safety representatives on proposed action relating to the prevention of work place stress.

The authority provides training for all managers and supervisory staff in good management practices.

The authority will make resources available for staff affected by stress caused by work or external forces in the form of ~~Occupational Health~~ the Employee Assistance Programme (EAP).

West Lindsey District Council is committed to promoting a supportive culture to promote openness in the working environment.

Responsibilities

People and Organisational Development

- Give guidance to managers on HR issues.
- Advise managers and individuals on training requirements.
- Assist in monitoring the effectiveness of measures to address stress by collating sickness absence statistics.
- Provide support to Managers and individuals in a changing environment
- Promote ~~Occupational Health~~ the Employee Assistance Programme as an important resource in dealing with stress and its related problems. Employees are encouraged to seek advice from ~~Occupational Health~~ the Employee Assistance Programme who will discuss problems in confidence through its confidential counselling service.

Health and Safety Co-ordinator

- Will assist management by offering advice/ training on how to carry out risk assessments and support managers to monitor and review assessments.
- Review the Policy and consult the Safety Champions Group
- Undertake safety inspections, and safety audits.
- Horizon scan for future changes to legislation, assess and advise on the impact to the organisation.

Safety Champions Group

- Be consulted on and assist in developing of the Policy and risk assessments.
- Support managers and peers in the implementation of the policy and with adherence to legislation.
- Investigate work related incidents in accordance with the procedure.

Employees

- Employees should recognise their responsibilities under HSWA. Report any stress adversely affecting their health or work to their manager or senior manager if more appropriate.

- Employees are encouraged to seek advice through Occupational Health the Employee Assistance Programme, and attend appointments for counselling/support when recommended. Employees also have the opportunity to make a direct approach to Occupational Health.
- Cooperate with referrals to occupational health and participate in counselling when recommended by a health professional.
- Investigate health and wellbeing opportunities and look after your physical and mental health.

Management Responsibilities

- Managers need to identify causes of stress, recognise the signs, and support staff effectively encouraging guiding employees as appropriate.
- To monitor the effectiveness of the policy and to identify the route cause of Stress and action appropriately.
- To complete risk assessments and follow through on corrective actions.
- Ensure good communication between management and staff, particularly where there are organisational and procedural changes.
- Ensure staff are fully trained to discharge their duties.
- Monitor workloads to ensure that people are not overloaded.
- Monitor working hours, overtime and holidays to ensure that staff are not overworking.
- Attend training to enable them to implement this policy effectively.
- Ensure that bullying and harassment is not tolerated within their jurisdiction.
- Be vigilant and offer additional support to a member of staff who is experiencing stress outside work e.g. bereavement or separation.
- Confidentiality must be respected and maintained and personal circumstances are not discussed with others without consent, unless in exceptional circumstances where this level of confidentiality cannot be guaranteed if there are health and safety concerns for the individual, fellow colleagues or clients of the council.

Equal Opportunities/Generic Equalities

West Lindsey is committed to equal opportunities. We will promote the equality of current employees and will ensure no one receives less favourable treatment than another on the grounds of race, gender, colour, nationality, ethnic or national origins, sex or sexual orientation, religion, marital status, age or disability or any grounds not relevant to the performance of the job or the service delivery.

Related Policies

- Lone Working/Violence Policy
- ~~Employee Development and Performance Review Appraisal Policy~~
- ~~Harassment at Work Bullying and Harassment Policy~~
- Management of Sickness Absence
- Equal Opportunity in Employment Policy
- Officer Code of Conduct
- ~~Statement of General Safety Policy. Health, Safety and Welfare Policy~~

~~Review Date January 2016~~

Policy Statement

West Lindsey District Council has a commitment to equal opportunities. It seeks to ensure that no potential or current employee receives less favourable treatment than another on the grounds of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Managers Guidance Notes

Responsibilities

Managers

- ~~1. Conduct and implement recommendations of Risk Assessments within their jurisdiction.~~
- ~~2. Ensure good communication between management and staff, particularly where there are organisational and procedural changes.~~
- ~~3. Ensure all staff are fully trained to carry out their duties and that they understand their role within the organisation.~~
- ~~4. Monitor workloads to ensure that people are not overloaded.~~
- ~~5. Monitor working hours and overtime to ensure that staff are not over working. Monitor holidays to ensure that staff are taking their full entitlement.~~
- ~~6. Ensure bullying and harassment is not tolerated within their jurisdiction.~~
- ~~7. Be vigilant and provide other additional support to a member of staff who is experiencing stress outside of work e.g. bereavement or separation.~~

Staff

- ~~1. Raise issues of concern with your supervisor, line manager.~~
- ~~2. Accept opportunities for counselling/support when recommended.~~

This section has been added into the main body of the policy

Take out Appendix 1 and 2 , have referred to the Guide in the main body of the report.

Appendix 1 CONTRIBUTORS TO STRESS

Occupational Contributors

The following have been known to contribute to stress, however, this is not an exhaustive list but is designed to show the broad range of stressors.

Physical conditions

- Noise
- Poor lighting
- Over-crowding
- Extremes of temperature
- Badly designed furniture
- Poor maintenance
- Working with VDU's

Balancing the demands of home and work

- Poor child care facilities
- Long hours
- Shift work/call out
- Need to take time off to care for sick children and other dependants

Job design

- Too much or too little work
- Surveillance and monitoring by computers, videos and listening devices
- Repetitive work
- Time pressures
- Uncertain responsibilities
- Excessive requirements
- Introduction of new technology
- Under-utilised skills
- Lack of information, instruction, supervision and training

Relationships in organisations

- Unsympathetic management
- Unsympathetic colleagues
- Lack of support, assistance or training
- Harassment (on the grounds of sex, ethnic origin, disability and general workplace bullying)

Customer complaints

- Poor communication
- Social isolation of work

Work organisation and conditions

- Lack of job security
- Lack of control over work
- Continuous changes in work organisation
- Lack of participation in decision making
- Rigid hierarchy
- Inadequate staffing
- Over promotion
- Under promotion

Non-occupational causes

- Death in the family
- Unemployment or fear of losing employment
- Financial worries, especially debts
- Single parenthood
- Relationship problems such as divorce
- Other family problems such as parents who are ill
- Moving house
- having a baby or infertility
- Serious terminal illness
- Retirement

Appendix 2

SYMPTOMS OF WORK RELATED STRESS

The range of symptoms includes the following:

Physical Symptoms

- Headaches and migraine
- Colds and other respiratory disorders
- Asthma
- Raised cholesterol and blood pressure levels
- Heart disease
- Diabetes
- Sleepless nights
- Possible effects on pregnancy

Mental Health Symptoms

- Irritability
- Depression
- Increased risk of suicide
- Withdrawal
- Anxiety
- Low self-esteem
- "Burn out"
- Post traumatic stress disorder

Psychosocial Symptoms

- Heavy drinking
- Smoking
- Drug taking
- Eating disorders
- Increased sickness absence
- Abnormal presenteeism
- Increased accident rate
- Breakdown of relationship

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**Corporate Policy and
Resources Committee**

Thursday, 23 July 2020

Subject: Customer Relationship Management System (CRM)

Report by:

Director of Governance and ICT

Contact Officer:

Michelle Carrington
Strategic Lead Customer First

tracey.bircumshaw@west-lindsey.gov.uk

Purpose / Summary:

To request approval to spend further Capital Budget in support the delivery of the CRM system.

RECOMMENDATION(S):

- 1. To approve capital expenditure of £52k to support the design and implementation of the Customer Relationship Management System**
- 2. To approve £28k of the ICT Upgrade/Refresh Reserve to fund the revenue costs of a 1 year extension to the Firmstep Achieve system licence, maintenance and support contract.**

IMPLICATIONS

Legal: None from this report

Financial : FIN/47/21

The Council has a Capital Budget of £355k within the current year capital programme for the delivery of the capital elements of the Customer First Programme. £130k of which having been approved for spend for the acquisition and basic implementation of the CRM system in the report to CP&R Committee in December 2019.

This report clarified that the remaining budget would be required to meet the cost of service redesign and CRM system development in addition to omni-channel integration, AI, process Automation and Customer Feedback.

The proposal to approve capital expenditure of up to £52k will see the full implementation and development of the core CRM system.

Due to the delivery solution, a £28k revenue cost will be incurred for a 1 year extension to the current Firmstep Achieve system, this will be funded from the IT Upgrade/Refresh Reserve.

Ongoing savings (year 5 onwards) remain at circa £8k per annum reflecting savings on licencing, maintenance and support costs of existing systems.

A £2.5k cost of training will be met from the Corporate Training Budget.

The report details further the Project Budget at section 2.

Staffing : In-house staff will be formally trained in the crm to enable them to complement

Equality and Diversity including Human Rights :

None from this report

Data Protection Implications : The system will meet all required standards

Climate Related Risks and Opportunities: None from this report

Section 17 Crime and Disorder Considerations: None from this report

Health Implications: None from this report

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

None.

Risk Assessment :

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

1. Background

- 1.1 The Corporate Policy and Resources Committee at its meeting on 9 December 2019 approved the procurement of a Customer Relationship Management (CRM) system, and the approval to spend £130,000 for professional service fees to support the design, configuration and implementation of the CRM system, from within the £355,000 Customer First Capital Budget (£280,000 funding reserved for CRM).
- 1.2 The approval request was based on estimates provided by the supplier and based on an average build for implementing a standard system. The report was clear in that further costs were likely for further development during the implementation stage.
- 1.3 As part of the G-cloud procurement arrangements, the first stage of the project has been to undertake a discovery phase, with the outcome being a Statement of Works which specified a more definitive statement of the actual professional days required to deliver the first phase.
- 1.4 During the requirements definition, it has become clear that the Authority's requirements are beyond that of a 'normal build', mostly in relation to the number of specific bespoke integrations to Council business applications, and the volume of portal related development including the online transactions. Therefore the original number of days estimated for the delivery of Phase 1 of the CRM implementation has been calculated at a higher level than originally anticipated and an estimated additional 88 consultancy days has been identified totalling a £95k cost.
- 1.5 The project team had planned to undertake a good proportion of the development themselves, to limit the professional service days required. However, it has now been identified that the skillsets required of in-house development staff particularly around the portal and online capabilities are more complex than original understood. As such, staff will be required to undertake training in particular coding languages. Two staff will be trained initially to provide sufficient resource and resilience for the Phase 1 development activities. In addition it is anticipated that the Authority will train further staff in future years to ensure resilience for the maintenance of the system once it is operational.
- 1.6 Due to the additional estimated consultancy days required to deliver and implement the system, the Authority has considered a number of options on how best to deliver the CRM system to maximise benefit and functionality received from the system, whilst keeping additional costs at a reasonable level.
- 1.7 The preferred option will allocate some additional professional service days for the more complex elements and increase the in-house development days for the remaining development work. However, by increasing the in-house development this will incur a delay to the project, as this work cannot be undertaken until the relevant training of in-house staff has been completed.

1.8 The effect of this option is as follows:

- An additional 21.5 days of professional service would need to be commissioned beyond that included within the original allocation, at a cost of £18,275.

This is a capital cost and taken from the CRM allocated budget.

- Due to the delay, the existing Forms package system (Firmstep Achieve) will need to be extended for a further year (the minimum period that the Supplier will accept) at a cost of £28,000.

This is a revenue costs which will be funded from the IT Upgrade/Refresh Reserve which includes £400k to support such costs (as approved in the 2019/20 Medium Term Financial Plan)

- Additional training costs will be required for two in-house staff to gain the required development skills at a cost of £2,500 will be met from the Corporate Training Budget.

1.9 The total cost of the proposed option is £48,775 with £28,000 of revenue and £20,775 of capital costs against the £95k for professional service delivery.

2. Project Budget

2.1 The Capital element of the project has an approved budget of £355,000 which has now been reassessed and reflects the following;

2.2 Implementation and design of the core CRM system £182,000
Development Management system solution £123,000
Omni-channel, Artificial Intelligence, process automation and Customer Feedback £50,000

2.3 It is proposed that to ensure that the CRM project can be managed efficiently and effectively that capital expenditure of up to £52,000 be approved ensuring that if additional support is required due to either resourcing need or expertise this can be expedited in a timely manner. (This being the current balance of the revised implementation cost of £182,000.)

2.4 The project team and service representatives will determine the functionality of the CRM system for the delivery of the Planning System, but have the option to procure an alternative solution should this not be achievable

2.5 The budget of £50,000 is required for the Omni-channel (a seamless customer experience), Artificial Intelligence (ie Chat Bot) and Customer Feedback capability all of which are enhancements to the core CRM system.

Agenda Item 6d



**Corporate Policy and
Resources Committee**

Thursday, 23 July 2020

Subject: Treasury Management Annual Report 2019-20

Report by:

Assistant Director Finance, Business Support and
Property Services (S151)

Contact Officer:

Caroline Capon
Corporate Finance Team Leader

caroline.capon@west-lindsey.gov.uk

Purpose / Summary:

To report on Annual Treasury Management
activities and prudential indicators for 2019/20 in
accordance with the Local Government Act 2003

RECOMMENDATION(S):

1. Members recommend the Annual Treasury Management Report and actual Prudential Indicators 2019/20 to Full Council for approval.

IMPLICATIONS

Legal: This report complies with the requirement of the Local Government Act 2003.

Financial : FIN/45/20/TJB

Treasury Investment activities have generated £0.269m of investment interest at an average rate of 1.655%.

Non-Treasury investments (Investment Property acquisitions) have totalled £5.681m in 2019/20 and the full portfolio has generated a gross yield of 6.53%

Financing activities has resulted in a total of £20m of external borrowing at a cost in year of £0.355m.

Staffing : None from this report

Equality and Diversity including Human Rights : None from this report

Data Protection Implications : None from this report

Climate Related Risks and Opportunities: None from this report

Section 17 Crime and Disorder Considerations: None from this report

Health Implications: None from this report

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

CIPFA Code of Treasury Management Practice

CIPFA The Prudential Code

Local Government Act 2003

Located in the Finance Department, Guildhall, Gainsborough

Risk Assessment :

The Treasury Management Strategy sets our assessment of Treasury risks.

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

1. Executive Summary

The Council are required to receive as a minimum the following reports;

- an annual treasury strategy in advance of the year (March 2019)
- a mid-year, (minimum), treasury update report (November 2019)
- an annual review following the end of the year describing the activity compared to the strategy, (this report)

In addition, this 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 either the Governance and Audit Committee who provide scrutiny of the Treasury Management Strategy and the Corporate Policy and Resources Committee who monitor in year performance and mid-year updates. Member training on treasury management issues was undertaken during the year in order to support members' scrutiny role.

During 2019/20, 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	2018/19 Actual £000	2019/20 Original £000	2019/20 Actual £000
Capital expenditure	21,709	21,698	18,029
Capital Financing Requirement:	23,082	43,184	37,905
Of which – Investment Properties	15,984	22,999	21,602
Gross borrowing (External)	11,000	33,863	20,000
Finance Lease	0	0	0
Investments			
• Longer than 1 year	3,000	3,000	3,000
• Under 1 year	11,200	6,527	8,670
• Total	14,200	9,527	11,670
Net borrowing	(3,200)	24,336	8,330

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

The financial year 2019/20 continued the challenging investment environment of previous years, namely low investment returns.

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.

2. Capital Expenditure and Financing

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.

Capital and Financing	2018/19 Actual £000's	2019/20 Original Budget £000's	2019/20 Actual £000's
Capital expenditure	21,079	21,698	18,029
Financed in year by:			
Capital Receipts	0	687	359
Capital grants/contributions	1,578	3,340	734
Revenue	1,053	3,614	1,801
Leases	0	0	0
S106	0	360	202
Prudential Borrowing	18,448	13,697	14,933

3. 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 2019/20 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 2019/20 MRP Policy, (as required by MHCLG Guidance), was approved as part of the Treasury Management Strategy Report for 2019/20 on 04 March 2019.

In respect of Commercial Investment Properties, which are funded from borrowing, no MRP will be payable, however this will be determined on a case by case basis. Instead the Council has created a Valuation Volatility Reserve with a minimum balance of 5% of purchase price of the portfolio. This Reserve will be utilised to mitigate any loss on the investment upon sale of the assets if the capital receipt does not meet the debt outstanding. This is considered a prudent approach for these specific assets.

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.

Capital Financing Requirement (CFR)	31 March 2019 Actual £000's	31 March 2020 Actual £000's
Opening balance	4,715	23,082
Add adjustment for the inclusion of on-balance sheet leasing arrangements and Prudential Borrowing	18,448	14,933
Less Adjustment for Non Capital Loans	(45)	0
Less MRP/Finance Lease Repayments	(36)	(110)
Closing balance	23,082	37,905
<i>Movement on CFR</i>	<i>18,367</i>	<i>14,823</i>

Borrowing activity is constrained by prudential indicators for gross 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 ensures that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2018/19) plus the estimates of any additional capital financing requirement for the current (2019/20) 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 2019/20. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2019 Actual £000's	31 March 2020 Actual £000's
Prudential borrowing position	18,403	33,381
CFR	23,082	37,905

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 2019/20 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.

	2019/20 £000's
Authorised limit	48,519
Operational boundary	37,906
Financing costs as a proportion of net revenue stream	1.6%

4. Treasury Position as at 31 March 2020

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 2019/20 the Council's treasury, (excluding borrowing and finance leases), position was as follows:

4.1 Borrowing

TABLE 1	31 March 2019 Principal £000's	Rate/ Return	Average Life yrs.	31 March 2020 Principal £000's	Average Rate/ Return	Average Life yrs.
Fixed rate funding:						
-PWLB	11,000	2.28%	26.67	16,000	2.14%	27
-Other LA	0	0	0	3,500	1.02%	1
Total debt	11,000	2.28%	26.67	20,000	1.95%	22
CFR	23,082		-		-	-
Over / (under) borrowing	(12,082)	-	-		-	-
Investments:						
	14,200	1.57%	-	11,600	1.655%	-
Total investments	14,200	1.57%	-	11,600	1.655%	-
Net debt	(3,200)	-	-			-

Under borrowing reflects Internal Borrowing from the Council's cash balances.

The maturity structure of the debt portfolio was as follows:

	31 March 2019 Actual £000's	31 March 2020 Actual £000's	%
Less than 5 years	0	6,000	30%
5 years and within 10 years	2,500	3,000	15%
10 years and within 20 years	0	0	0
20 years and within 30 years	2,500	2,500	12.5%
30 years and within 40 years	0	0	0
40 years and within 50 years	6,000	8,500	42.5%

£16.5m of loans have been undertaken with the Public Works Loans Board at fixed rates on a maturity basis as detailed above.

One loan for £3.5m has been undertaken with another Local Authority at a fixed rate on a maturity basis for a period of 1 year.

Borrowing in advance of need

The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

The Council's capital investments and their subsequent financing costs as a % of the Net Revenue Stream is detailed below along with the impact on Council Tax (all other things being equal). The indicators reflect our Borrowing Strategy, that we will only borrow where schemes are able to provide sustained support for the costs of borrowing and reflect new income generated is in excess of the cost of borrowing.

	31 March 2019 Actual	31 March 2019 Actual
Ratio of Financing Costs to Net Revenue Stream	(0.91%)	1.6%
Increase/(Reduction) in Council Tax	(£15.68)	(£7.26)

4.2 Investments

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 on 04 March 2019. 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.

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 2019 £000's	31 March 2020 £000's
General Fund Balance	3,848	4,234
Earmarked reserves	15,834	15,787
Provisions	1,196	947
Usable capital receipts	3,362	3,462
Capital Grants Unapplied	587	537
Total	24,827	24,967

Investments held by the Council

- The Council maintained an average balance of £16.403m of internally managed funds.
- The internally managed funds earned an average rate of return of 1.655%.
- The comparable performance indicator is the average 7-day LIBID rate, which was 0.7977%
- Total investment income was £0.269m compared to a budget of £0.206m

Types of investments	31 March 2019 Actual £000	31 March 2020 Actual £000
Deposits with banks and building societies	6,200	1,800
Money Market Funds	8,000	2,800
Other Local Authorities	0	4,000
Property funds	3,000	3,000
TOTAL TREASURY INVESTMENTS	14,200	11,600

4.3 Non Treasury Investments

YEAR OF ACQUISITION	Commercial Property Portfolio	Sector	Total Acquisition Cost £'m
2017/18	Bradford Road, Keighley	Hotel	2.490
2018/19	43 Penistone Road, Sheffield	Leisure	2.700
2018/19	Unit 7 Drake House, Sheffield	Manufacturing	3.174
2018/19	5 Sandars Road, Gainsborough	Manufacturing	6.470
2018/19	Heaton Street, Gainsborough	Retail	1.150
2019/20	Wheatley Road, Doncaster	Commercial Unit	5.681
	TOTAL PORTFOLIO		21.665

The investments are held on the balance sheet at their Fair Value (*the price expected to be received in current market conditions*). Their Fair Value as at 31 March 2020 for the Commercial Property Portfolio is £20.949m, effectively reflecting a reduction for the costs of purchase.

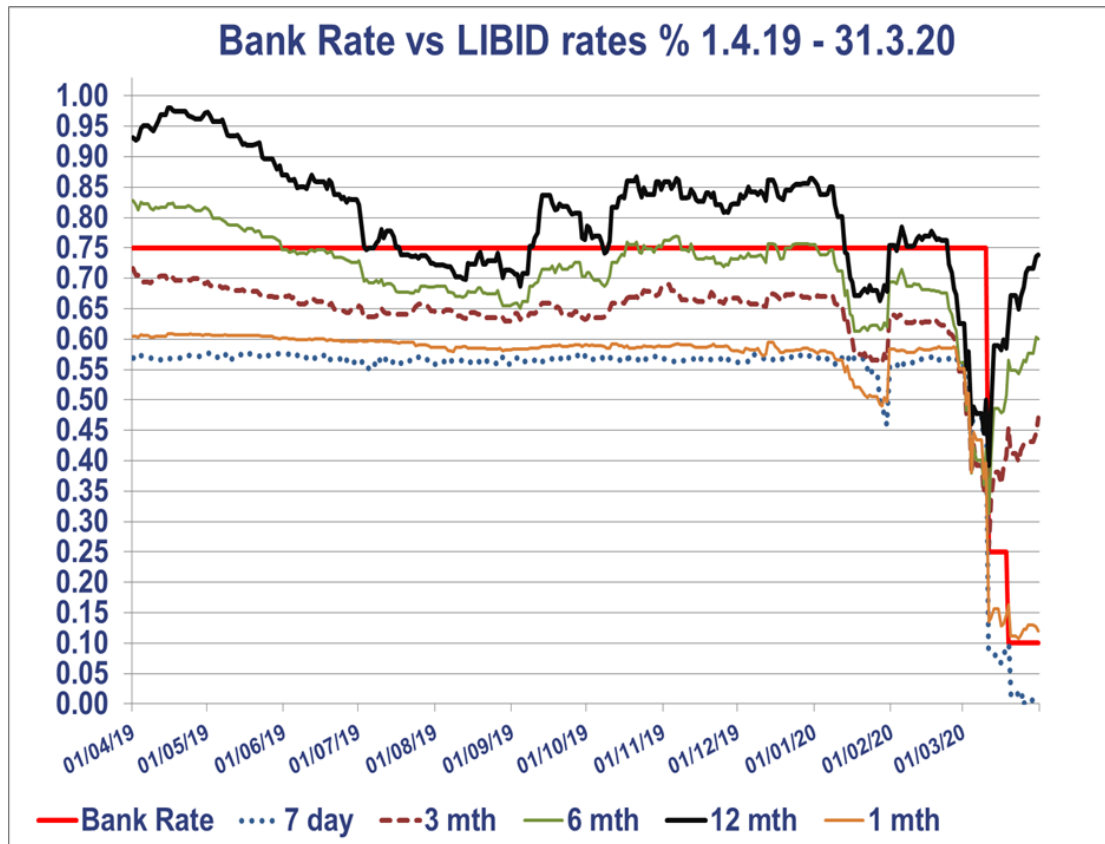
The actual net contribution to services for the year was £0.721m (net of borrowing costs).

This investment portfolio is generating a gross yield of 6.53%

The Council mitigates any loss on investment by holding a Valuation Volatility Reserve at a minimum of 5% of the purchase price of properties. The balance on this reserve as at 31 March 2020 is £1.767m.

5. The strategy for 2019/20

5.1 Investment strategy and control of interest rate risk



Investment returns remained low during 2019/20. The expectation for interest rates within the treasury management strategy for 2019/20 was that Bank Rate would stay at 0.75% during 2019/20 as it was not expected that the MPC would be able to deliver on an increase in Bank Rate until the Brexit issue was finally settled. However, there was an expectation that Bank Rate would rise after that issue was settled, but would only rise to 1.0% during 2020. Shorter term investment interest rates were fairly flat during most of the year until the two cuts in bank rate in March 2020 caused investment rates to fall sharply.

This authority does not have sufficient cash balances to be able to place deposits for more than a month so as to earn higher rates from longer deposits. Continued uncertainty in the aftermath of the 2008 financial crisis has 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.

5.2 Borrowing strategy and control of interest rate risk

During 2019-20, 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 an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.

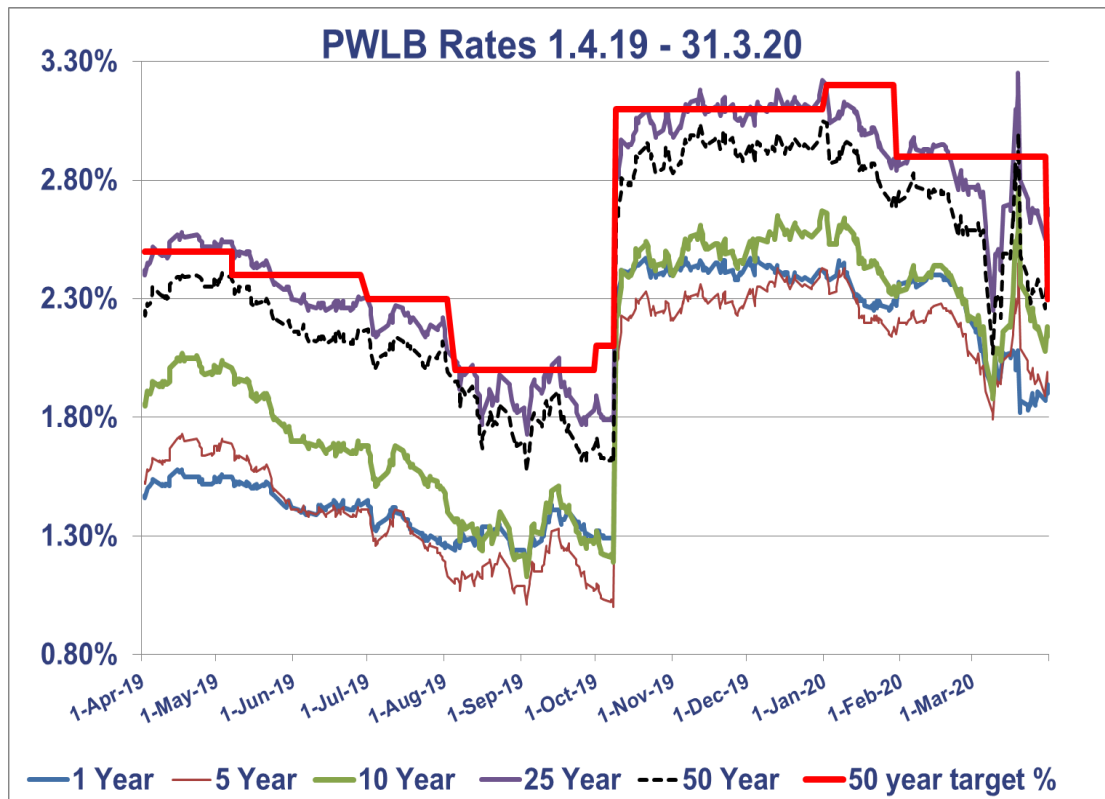
The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Director of Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks (*please adapt this outline to what you actually did in the year*):

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2019/20 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

Link Asset Services Interest Rate View		31.3.20						
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 Month LIBID	0.45	0.40	0.35	0.30	0.30	0.30	0.30	0.30
6 Month LIBID	0.60	0.55	0.50	0.45	0.40	0.40	0.40	0.40
12 Month LIBID	0.75	0.70	0.65	0.60	0.55	0.55	0.55	0.55
5yr PWLB Rate	1.90	1.90	1.90	2.00	2.00	2.00	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50



PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectations that the US could have been heading for a recession in 2020, and a general background of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued; these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. We have therefore seen, over the last year, many bond yields up to 10 years in the Eurozone turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields were on a generally falling trend during the last year up until the coronavirus crisis hit western economies. Since then, gilt yields have fallen sharply to unprecedented lows as investors have panicked in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central

banks also started quantitative easing purchases of government bonds which will act to maintain downward pressure on government bond yields at a time when there is going to be a huge and quick expansion of government expenditure financed by issuing government bonds; (this would normally cause bond yields to rise). At the close of the day on 31 March, all gilt yields from 1 to 5 years were between 0.12 – 0.20% while even 25-year yields were at only 0.83%.

However, HM Treasury has imposed **two changes in the margins over gilt yields for PWLB rates** in 2019-20 without any prior warning; the first on 9 October 2019, added an additional 1% margin over gilts to all PWLB rates. That increase was then partially reversed for some forms of borrowing on 11 March 2020, at the same time as the Government announced in the Budget a programme of increased spending on infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins; this ends on 4 June. It is clear that the Treasury intends to put a stop to local authorities borrowing money from the PWLB to purchase commercial property if the aim is solely to generate an income stream.

Following the changes on 11 March 2020 in margins over gilt yields, the current situation is as follows: -

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

There is likely to be little upward movement in PWLB rates over the next two years as it will take national economies a prolonged period to recover all the momentum they will lose in the sharp recession that will be caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020-21.

6. Other Issues

6.1 Changes to Counterparty Limits

There have been no breaches of Prudential Indicators. However, on the 30 March 2020 an urgent Delegated Decision was signed off to increase our Treasury Counterparty limits:

- Upper investment limits with AAA rated Money Market Funds to be raised, £7.5m from £5m
- Lloyds Bank, our bankers, raised to £2m current account, £7.5m

deposit account (increased from £1m and £5m respectively)

These changes were required for effective cash management due to receiving circa £20m in Grants from Government in relation to Covid-19 initiatives.

Agenda Item 6e



Corporate Policy and Resources
Committee

Thursday, 23rd July 2020

Subject: Budget and Treasury Monitoring – Period 1 2020/21 (1st April 2020 to 31st May 2020)

Report by:

Tracey Bircumshaw

Contact Officer:

Strategic Finance and Business Support Manager

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Business Support Team Leader
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Purpose / Summary:

This report sets out the revenue, capital and treasury management activity from 1 April 2020 to 31st May 2020.

RECOMMENDATION(S):

- a) That Members accept the forecast out-turn position of a £444k net contribution to reserves as at 31st May 2020 (see Section 2).
- b) Members accept the use of Earmarked Reserves during the quarter approved by the Chief Finance Officer using Delegated powers (2.4.1) and the contribution to Earmarked Reserves (2.4.2).
- c) That Members approve the amendment to the fees and charges schedule for the Crematorium (2.3.3), to be effective immediately.
- d) Members approve the Capital Budget amendments as detailed in 3.1.2 to 3.1.5 and accept the current projected Capital Outturn as detailed in 3.1.1.

IMPLICATIONS

Legal: None arising as a result of this report.

Financial: FIN/28/21/B/SL

The draft revenue forecast out-turn position for 2020/2021 is currently reflecting a net contribution to reserves of £444k as at 31st May 2020.

This is after taking account of approved carry forwards of £83k as detailed at Appendix 1.

Summary of Out-turn Position 2020/21		
	£ 000	
FORECAST OUTTURN AS AT 31.05.20	(527)	BEFORE CARRY FORWARDS
CARRY FORWARDS : USE OF EARMARKED RESERVES	83	ALREADY APPROVED
NET CONTRIBUTION (TO) / FROM RESERVES:	(444)	
FORECAST USE OF GENERAL FUND BALANCES-COVID19	599	
NET CONTRIBUTION (TO) / FROM GENERAL FUND BALANCES:	155	

The items with significant variances are contained within this report at 2.1 and 2.2.

The forecast financial implications of Covid-19 are contained within this report at 2.2.7.

The anticipated capital out-turn position 2020/21 is £14.074m. This is a movement of £10.044m on the original budget. The required amendments to the capital programme are detailed in 3.1.2 to 3.1.5.

The Treasury Management activities during the reporting period are disclosed in the body of this report. Total external borrowing is currently £20m. We are forecasting a £516k underspend on the cost of borrowing due to the use of internal cash balances for Treasury Management purposes.

There have been no breaches of Treasury or Prudential Indicators within the period of this report. However, to enable us to maintain effective cash management during a period of uncertainty on future cash flows, including the receipt of significant Government Grant Funding and anticipated variations on our income and expenditure levels as a consequence of the Covid-19 pandemic, on the 30 March 2020 an urgent Delegated Decision approved an increase to our Treasury Counterparty limits:

- Upper investment limits with AAA rated Money Market Funds to be raised, £7.5m from £5m
- Lloyds Bank, our bankers, raised to £2m current account, £7.5m deposit account (increased from £1m and £5m respectively)

Average investments for the period (Apr-May) was £16.612m, which achieved an average rate of interest of 1.173% in Period 1 (1.592% Jan-Mar).

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: N/A

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

Key Decision:

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

Yes

No

1. Executive Summary

This report provides the oversight of financial performance for;

REVENUE

- 'Business as Usual' Revenue Forecast Out-Turn (after carry forwards) - Surplus £444k (3.09% of Forecast Net Revenue Expenditure) – See 2.1 for details of significant variances.
- Forecast surplus includes net Treasury Management activity savings of £313k (£516k underspend of the cost of borrowing, offset by £203k pressure on investment property income as no acquisitions are now anticipated this financial year.
- Forecast pressure above Covid-19 LA Support Grants £599k (see 2.2.7 for details).
- Remaining net deficit of £155k to be drawn down from the General Fund Balance, which would result in a forecast Fund balance as at 31 March 2021 of £3.709m.

CAPITAL

- Capital Forecast Out-Turn: £14.074m, a variance of £14.698m against current budget £28.772m, this is made up of:
 - **Anticipated Slippage of £12.834m to 2021/22**
 - £8.334m for investment properties – in the current situation the Council are not expecting to make any property purchases this financial year.
 - £2.5m Gainsborough Cinema – Due to Covid-19 the scheme is expected to have a delayed start.
 - £1.46m Riverside Gateway – the scheme to slip to 2021/22.
 - £0.540m Bowling Green Road – scheme expected to slip 3 months into 2020/21 due to a delayed start.
 - **Overspend on two schemes of £0.120m**
 - £0.080m Market Rasen Leisure Centre £60k of which is due to Covid-19 implications with the remainder being inclement weather, additional storage and CCTV.
 - £0.020m Firewall Implementation.
 - £0.020m IT Storage Refresh.
 - **Underspend on one scheme.**
 - £1.984m Food Enterprise Zone - this project is no longer deliverable at this point in time, but remains a key priority for WLDC and for the GLEP as set out within the Greater

Lincolnshire Industrial Strategy. We will continue to work with landowners and funders to bring forward a deliverable scheme.

- The Housing Infrastructure Scheme (Southern SUE) was due to commence in 2021/22, the Committee is now asked to approve £1.337m of the budget being brought forward from 2021/22 to 2020/21, as spend will be incurred during this financial year with a grant claim to be submitted to recover the costs.
- Phase 2 of the Made In Gainsborough Project has previously had £0.075m allocated. The expenditure has now been finalised at £0.060m. The committee is now asked to formally approve this budget.

TREASURY MANAGEMENT

- Treasury Management Report and monitoring:
 - Average investment interest rate for Period 1 was 1.173%
 - Total Investments at the end of Period 1 £13.490m

The tables below reflect investment movements and prudential borrowing analysis:

Investment Movements	Period 1 £'000
Investments B/fwd (at 31.3.2020 incl. bank)	11,670
Less Capital expenditure	(1,811)
Add PWLB/Other LA Borrowing in year	0
Less Net Revenue Expenditure	4,931
Add Net Collection Fund Movement (Ctax/NNDR)	(1,171)
Add Working Capital Movement	239
Investments c/fwd (at 31.05.2020)	13,858

Our prudential borrowing position reflects actual borrowing undertaken from the Public Works Loans Board/Other Local Authorities and the amount of internal borrowing required to meet the actual costs of borrowing up to the 31.05.2020.

Prudential Borrowing at 31.05.2020	Period 1 £'000
Total External Borrowing (PWLB) and Other Local Authorities	16,500
Internal Borrowing	3,500
Total Prudential Borrowing at 31.05.20	17,209

REVENUE BUDGET MONITORING PERIOD 1
(1st April 2020 to 31st May 2020)
Forecast Outturn for 2020/2021

2. The Revenue Budget forecast outturn currently stands at a net contribution to reserves of 444k as detailed in the table below, this is after taking account of £83k of budget carry forwards, the details of which are provided at Appendix 1.

Details of headline variances by Cluster can be found below at 2.1 and 2.2.

Details of the Covid-19 financial implications and LA Support Grant shortfall can be found at 2.2.7.

SERVICE CLUSTER	2020/2021		Forecast Outturn Variance £
	Budget £	Forecast Outturn £	
Our People	1,752,400	1,671,500	(80,900)
Our Place	4,107,600	4,099,600	(8,000)
Our Council	6,087,100	5,951,386	(135,714)
Controllable Total	11,947,100	11,722,486	(224,614)
Corporate Accounting:			
Interest Receivable	(250,300)	(242,400)	7,900
Interest Payable	983,000	467,200	(515,800)
Investment Income	(1,618,600)	(1,415,600)	203,000
Precepts and Levies	2,505,000	2,508,440	3,440
Movement in Reserves:			
To / (From) General Fund	(369,600)	(369,600)	0
Use of Specific Reserves	(862,135)	(862,135)	0
Contribution to Specific Reserves	1,778,835	4,178,835	2,400,000
Repayment of Borrowing	243,700	243,700	0
Net Revenue Expenditure	14,357,000	16,230,926	1,873,926
Funding Total	(14,357,000)	(16,758,200)	(2,401,200)
NET SUBSIDY FROM / (CONTRIBUTION) TO RESERVES FOR THE YEAR	0	(527,274)	(527,274)
Carry Forwards - use of Earmarked Reserves			83,200
Net Contribution (To) / From Reserves			(444,074)
Forecast Use of General Fund Balances-COVID19			599,100
Net Contribution (To) / From General Fund			155,026

With effect from 2020/21 the designation of services to Cluster have been amended to reflect the Corporate Plan 2019 – 2023.



2.1 The significant movements being;

Cluster	EXPENDITURE	Total £000	Direction of Travel
BUDGET UNDERSPENDS			
	Salary savings.	(£158)	New
Corporate Accounting-Interest Paid	Treasury management activities - saving on borrowing costs.	(£516)	New
PRESSURES			
Corporate Accounting-Investment Income	Net impact of investment property acquisitions - offset by the saving on borrowing costs.	£203	New
	Various forecast outturn variances <£10k	£44	New
		(£427)	

Cluster	INCOME	Total £000	Direction of Travel
BUDGETED INCOME EXCEEDED			
Our Council	Green Waste service income target exceeded (£31k) plus operational savings of (£4k).	(£35)	New
Our People	Hemswell Residents Company - extension to land management contract.	(£11)	New
BUDGETED INCOME NOT ACHIEVED			
Our People	Housing Benefits - forecast net subsidy position.	£17	New
Our Place	Property Services - Anticipated voids awaiting lease agreements.	£12	New
		(£17)	

TOTAL VARIANCE	(£444)
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2.2 Significant items (>£10k) of note by Cluster:

2.2.1 Interest & Investment Income

- £516k of the forecast contribution relates to interest payable on borrowing. We provide a base budget estimated on the capital financing of schemes from prudential borrowing and assume that this borrowing will be from the Public Works Loans Board. This ensures we have a sustainable base budget which provides for future interest and mitigates minimum revenue provision costs.

In reality, we manage our actual borrowing through our Treasury Management function, utilising any surplus cash balances as internal borrowing, rather than taking on costly additional debt.

- This saving is offset by a £203k pressure against Investment Income. The income budget was increased in 2020/21 to reflect the potential for further acquisitions to the Commercial Investment-Property Portfolio. No acquisitions are now anticipated this financial year.
- The remaining balance of £313k is included in the forecast net contribution to reserves.

2.2.2 Funding and Contribution to Specific Reserves

£2.4m Extended Retail Relief Grant is anticipated from the Government, £1.593m has been received to date. The grant will offset the 2020/21 deficit the reduction in income will have on the Collection Fund and will therefore be transferred to the NNDR Volatility Reserve at year-end to offset the repayment of this deficit in future years.

2.2.3 Our Council

- The 2020/21 budget for Green Waste Charging reflects a net contribution of £812k. With actual income at £913k from subscriptions achieved during this period the forecast net contribution is £847k, £35k above the prudent original forecast. (£31k additional income, plus operational savings of £4k).

2.2.4 Our People

- £83.2k is an approved carry forward into 2021/22 (see Appendix 1)
- £11k additional income is due to the extension of the Hemswell Resident Company contract to 31st March 2023 (was budgeted to 31st December 2020).
- A pressure of £17k reflects the Housing Benefits forecast net subsidy position.

2.2.5 Our Place

- There is a forecast shortfall in property rental income of £12k, due to voids in tenancy whilst awaiting lease agreements.

2.2.6 Establishment

Current vacancy levels after costs of interim staffing resources is forecast to achieve a £158k budget underspend for the year, this represents 1.6% of the overall employee budget. This is broken down by cluster as follows;

Cluster	Sum of variance £
Our Council	(193,499)
Our People	29,400
Our Place	5,600
Grand Total	(158,499)

2.2.7 Financial Implications of Covid-19

We are monitoring the ongoing financial implications of the Covid-19 pandemic and will update Members regularly. The forecast financial impact on the 2020/21 outturn position is detailed in the table below.

There is a forecast shortfall in LA Covid Support Grant and High Street Recovery Grant of £599k.

The impact of Covid-19 will be closely monitored and a revised budget 2020/21 and a mid-year review of the Medium Term Financial Plan will be presented to the November meeting of this Committee.

Category	Forecast Impact 20/21	Significant Variances - Notes
	(Surplus) / Deficit £	
Grants Paid Out	19,477,500	Business Support Grants
Grants Received	(23,756,217)	Business Rate Relief Grant S31 £2,400k, Covid-19 Support Grant £1,085k, Council Tax Hardship Fund £793k, BEIS Business support Grant £18,664k, LA Discretionary Grant Fund £814k
Grand Total	(4,278,717)	

LA Covid Support Grant	(1,000,731)
High Street Recovery Grant	(84,598)
LA Covid Support Grant	(1,085,329)

Category	Forecast Impact 20/21	Significant Variances - Notes
	(Surplus) / Deficit £	
Cost	816,148	SLM Leisure assistance £678k, Markets-signage and sanitation station £8k, agency staff (markets, waste collection, building control, homelessness) £31k, overtime and additional hours (housing benefits, local tax collection, waste collection) £18k, ICT spare laptops and headsets £17k, postage to vulnerable people and businesses £12k, capital salaries due to delayed schemes £20k, Fixed term finance post extended £22k, waste services PPE £5k, bank charges for grant payments £5k
Income Loss	1,155,143	Planning fee income £125k, Investment interest £119k, Housing Benefits overpayments reclaimed £82k, council tax loss of court costs £90k, car parks (pay & display, permits, fines) £150k, property rental income reduction £115k, building control £74k, land charges £36k, markets stallage fees £35k, street cleansing services for private clients £20k, bulky waste collections £13k, Trinity Arts Centre £171k, trade waste £106k, liquor licences £6k, other income £13k
Saving	(251,850)	1 apprentice vacancy not recruiting (£17k), Trinity Arts Centre operating costs (£112k), car allowances & mileage (£48k), trade waste disposal costs (£25k), Land charges search fees (£10k), legal services (£12k), civic events (£13k), other operating expenditure savings (£15k)
Income	(35,000)	TAC - Art Council England Grant (£35k)
Grand Total	1,684,441	

LA Covid Support Grant Shortfall	599,112
----------------------------------	---------

2.3 Fees and Charges

2.3.1 £1,280k has been received in Fees and Charges up to the end of the period against a budget for the period of £1,561k, a shortfall to date of £281k.

- The most significant areas of additional income forecast for the year being:
 - Garden Waste (£31k) - see 2.2.3

2.3.2 There is a forecast pressure for the year on fees and charges of £829k due to the impact of Covid-19, however £172k of this is offset by savings realised, leaving a net pressure of £657k.

The significant areas of under achieved income due to the impact of Covid-19 being (see 2.2.7);

- **Trade Waste £106k** – partly offset by £25k forecast saving on disposal costs. Net pressure of £81k.
- **Planning Fee Income £125k**
- **Local Tax Collection £90k** - loss of recovery of court costs
- **Car Parks £150k** - Permits, Pay & Display and Fines
- **Building Control £74k**
- **Trinity Arts Centre £171k** – a grant claim from Art Council England has been successful for £35k partly offset this loss of income, plus operational savings of £112k are forecast due to site closure. Net pressure forecast of £24k.
- **Land Charges £36k**
- **Markets £35k**
- **Street Cleansing £20k** – Private contractor work

2.3.3 Amendment to Fees and Charges Schedule – Crematorium

Members are asked to approve an addition to the fees and charges schedule approved by Council in March 2020, relating to Crematorium charges, to be effective immediately;

Prosperous Communities Committee		Crematorium			
2020/21	VAT Amount	2020/21 Charge Inc. VAT	VAT Rate		
£	£	£			
Pro Visual tribute (2-25 photographs)	Professionally edited slideshow	£66.67	£13.33	£80.00	S

Visual Tribute – Professionally Edited Slideshow

Our supplier offers two very similar visual tribute services, but with vastly different costs. This was overlooked at the time of setting fees and charges.

The slideshow currently offered is for photos with a simple fade transmission played either on a loop throughout the service, or at a particular time during the service, to any piece of music which we sell for £48 (incl. VAT).

However, families are requesting a Pro-tribute, which again are photos, but professionally edited into a video-style tribute shown at a particular time during the service, to any piece of music.

We are proposing to sell at £80 (incl. VAT), which is consistent with what is being charged by other service providers and fully recovers our costs in providing this service.

2.4 Use and Contribution to Reserves

2.4.1 2020/21 Use of Reserves – Delegated Decisions

The Chief Finance Officer has used delegated powers to approve the use of earmarked reserves up to £50k, new delegated decisions totalled £121.6k;

- £5k from Communities at Risk reserve. Revenue spend related to Hemswell Cliff Regeneration (MT 14.04.20 FIN/7/21).
- £45k from Connectivity Fund. Call Connect contract for 2 years at £45k pa (CP&R 23.04.20 FIN/8/21)
- £35.4k from Project Investment reserve. To cover revenue spend on CRM scheme - CRM license.
- £36.2k from Unapplied Grants. New Burdens income budget correction.

2.4.2 2020/21 Contributions to Reserves

The following contributions to earmarked reserves total £41.8k;

£41.8k Homelessness Prevention grant to Unapplied Grants. Required for temporary staffing resources in 2021/22.

2.5 Grants

As at 1st April 2020 we had an amount of £575k relating to grants received which had yet to be expended. Budget provision will be created throughout the financial year as required to deliver projects in accordance with grant terms.

2.5.1 Successful Grant Bids and New Grant determinations

The following grants have been awarded during this period:

Grant Issued By	Name of Grant	Revenue/ Capital	£
MHCLG	Covid - Business Support Grant	Revenue	18,664,000
MHCLG	Business Rates Relief Grant	Revenue	1,592,822
MHCLG	Covid - LA Support Grant	Revenue	947,496
MHCLG	Covid - CT Hardship grant	Revenue	793,388
MHCLG	Preventing Homelessness Grant	Revenue	128,800
MHCLG	Local Council Tax Support Administration Subsidy Grant	Revenue	103,265
MHCLG	High Street Recovery Fund	Revenue	84,598
Heritage Lottery Fund	THI	Revenue	58,600
DWP	Housing Benefits New Burdens Grants	Revenue	51,100
Arts Council	Mayflower	Revenue	50,000
DWP	Housing Benefits Admin Grant	Revenue	38,384
Art Council England	Emergency Fund	Revenue	35,000
LCC	Scampton RAF	Revenue	30,700
MHCLG	Covid 19 - Contingency Fund - Homelessness	Revenue	16,500
Defra	Flood Resilience Grant	Capital	15,943
MHCLG	Rough Sleeping Initiative	Revenue	9,970
MHCLG	Letting Agents Transparency and Redress Scheme	Revenue	1,233
Defra - SSCL	Air Quality Taxi Database burdens	Revenue	597
TOTAL:			22,622,396

Other Items for information

2.6 Planning Appeals

In period 1 2020/21 there were no appeals determined

There are 2 live applications for costs.

2.7 Aged Debt Summary – Sundry Debtors Aged Debt Summary Period 1 Monitoring Report

At the end of May 2020, there was a total of £228k outstanding debt in the system over 90 days. The majority of this debt was over 150 days old and mainly comprised of:

- Housing Benefits overpayments £62k the majority of which will look to be recovered through ongoing entitlement or where appropriate on agreed repayment schedules.
- Property Services £46k – this is due to deferred rent payment agreements to support businesses during the pandemic.
- Leisure £40k
- Housing £23k
- Environmental Protection & Licensing £22k

Period	90 – 119 days £	120 – 149 days £	150+ days £	Total £
Period 1 - ending May 2020	79,469	6,064	142,405	227,938

2.8 Changes to the Organisation Structure

There have been no changes to the organisation structure during the period.

3.1 CAPITAL BUDGET MONITORING – Period 1

3.1.1 The Capital Budget forecast out-turn for schemes approved to spend (includes Stage 3 and BAU) totals £10.123m against a revised budget of £18.818m. Pipeline Schemes (Pre Stage 1, Stage 1 and Stage 2) are expected to spend £3.950m (subject to formal approval). This gives an overall total spend of £14.074m as detailed in the table below.

Capital Investment Programme 2020/21

Corporate Priority / Scheme	Actuals to 31/05/2020	Original Budget 2020/21	Revised Budget 2020/21	Forecast Outturn 2020/21	Over / (Underspend)	Carry Forward Requests/ Drawbacks
Total Capital Programme Gross Expenditure - Stage 3 and BAU	451,176	15,469,031	18,817,920	10,123,359	179,789	(8,874,350)
Stage 2	25,500	4,542,775	5,477,675	2,977,675	0	(2,500,000)
Stage 1	0	602,300	972,800	972,800	0	0
Pre-Stage 1	0	3,503,513	3,503,513	0	(2,043,513)	(1,460,000)
Total Capital Programme Gross Expenditure	476,676	24,117,619	28,771,908	14,073,834	(1,863,724)	(12,834,350)

3.1.2 Approvals to Carry Forward £12.834m, are requested for the following schemes.

- £8.334m for investment properties – in the current situation the Council are not expecting to make any property purchases this financial year.
- £2.5m Gainsborough Cinema – Due to Covid-19 the scheme is expected to have a delayed start.
- £1.46m Riverside Gateway – the scheme to slip to 2021/22.
- £0.540m Bowling Green Road – scheme expected to slip 3 months into 2020/21 due to a delayed start.

3.1.3 Approval to bring forward funding from 2021/22 to 2020/21.

- This committee has previously approved a budget of £2.194m for Housing Infrastructure Scheme (Southern SUE) to be fully funded by a grant from Homes England – Housing Infrastructure Fund commencing in 2021/22. Members are now asked to approve £1.337m of this budget being brought forward to 2020/21 as spend will be incurred during this financial year, and a grant claim submitted to recover the costs.

3.1.4 In December 2019 this committee approved a £0.075m budget allocation to Phase 2 of the Made in Gainsborough Project. The expenditure has now been finalised at £0.060m and it is therefore proposed the capital budget is now formalised to fund this programme of works.

3.1.5 The net underspend £1.864m is made up of the following amounts, which members are requested to approve:

- £1.984m reported underspend on the Food Enterprise Zone Scheme. This project is no longer deliverable at this point in time, but remains a key priority for WLDC and for the GLEP as set out within the Greater Lincolnshire Industrial Strategy. We will continue to work with landowners and funders to bring forward a deliverable scheme.

- £0.080m reported overspend on Market Rasen Leisure Centre due to £40k additional costs in relation to Covid-19 and inclement weather conditions and £40k due to CCTV cameras and additional storage; this will be financed from borrowing.
- £0.020m overspend on the Firewall implementation, this will be financed from the IT Reserve
- £0.020m overspend on the Storage Refresh Project, request to draw down this from the £0.060m contingency earmarked in the IT Reserve.

Commercial Investment Properties 2020/21

3.1.6 The Council has paused its programme with regards to purchasing commercial investment properties for 2020/21 due to the current uncertainty regarding the Covid-19 pandemic.

3.2 Acquisitions, Disposals and Capital Receipts

3.2.1 The Council has made no acquisitions in Period 1.

3.2.2 There have been no asset disposals during Period 1.

3.2.3 Capital Receipts – The total value of capital receipts at the end of period 1 was £132k. £125k from ACIS relating to right to buy and £7k of loan repayments.

3.3 The out-turn position for capital schemes is provided in the table below.

Capital Investment Programme 2020/21

Corporate Priority / Scheme	Actuals to 31/05/2020	Original Budget 2020/21	Revised Budget 2020/21	Forecast Outturn 2020/21	Over / (Underspend)	Carry Forward Requests/ Drawbacks
	£	£	£	£	£	£
Vulnerable Groups & Communities						
Flooding Resilience	500	0	50,000	50,000	0	0
Health and Wellbeing						
Disabled Facilities Grants	72,914	840,631	762,714	762,714	0	0
Private Sector Renewal	26,342	100,000	141,640	141,640	0	0
Social Housing Scheme	0	300,000	300,000	300,000	0	0
Leisure Facilities - Market Rasen	336,497	0	1,024,182	1,104,182	80,000	0
Economy						
Crematorium	(30,706)	0	0	0	0	0
Gainsborough Shop Front Improvement Sch	0	40,000	85,000	85,000	0	0
Saxilby Industrial Units	(15,000)	0	0	0	0	0
Public Safety & Environment						
Vehicle Replacement Programme	0	0	52,500	52,500	0	0
Depot Review	27,944	4,600,000	4,819,527	4,819,527	0	0
CCTV Expansion	0	0	27,265	27,265	0	0
Housing Growth						
Unlocking Housing - Living over the Shop	0	100,000	175,000	175,000	0	0
Gainsborough Regeneration - Bowling Green Road (Refcus)	0	2,162,000	2,162,000	1,621,500	0	(540,500)
Finances						
Car Park Strategy Investment	(4,103)	0	0	0	0	0
Capital Enhancements to Council Owned Assets	0	110,000	125,805	185,805	60,000	0
Carbon Efficiency	0	0	210,000	210,000	0	0
Customer						
Telephony (incl. Contact Centre)	0	19,400	19,400	19,400	0	0
Income Management	0	0	48,650	48,650	0	0
Staff & Members						
Public Sector Hub - Property	0	100,000	273,387	273,387	0	0
Storage Refresh	0	80,000	190,000	210,000	20,000	0
Siem Firewall Update	36,789	17,000	17,000	36,789	19,789	0
Investment						
Commercial Investment - Property Portfolio	0	7,000,000	8,333,850	0	0	(8,333,850)
Total Capital Programme Gross Expenditure - Stage 3 and BAU	451,176	15,469,031	18,817,920	10,123,359	179,789	(8,874,350)
Stage 2	25,500	4,542,775	5,477,675	2,977,675	0	(2,500,000)
Stage 1	0	602,300	972,800	972,800	0	0
Pre-Stage 1	0	3,503,513	3,503,513	0	(2,043,513)	(1,460,000)
Total Capital Programme Gross Expenditure	476,676	24,117,619	28,771,908	14,073,834	(1,863,724)	(12,834,350)

4. TREASURY REPORT INCLUDING MONITORING – Period 1 (1st April 2020 to 31st May 2020)

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly (TMSS, annual and midyear reports). This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

4.1 There have been no breaches of Prudential Indicators. However, on the 30 March 2020 an urgent Delegated Decision was signed off to increase our Treasury Counterparty limits:

- Upper investment limits with AAA rated Money Market Funds to be raised, £7.5m from £5m
- Lloyds Bank, our bankers, raised to £2m current account, £7.5m deposit account (increased from £1m and £5m respectively)

These changes were required and are maintained for effective cash management due to receiving Grants from Government in relation to Covid-19 initiatives.

4.2 Interest has been in excess of the 7 day average Libid (-0.03%) and SONIA 0.0677% [Sterling Overnight Index Average] with an average yield of 1.173% (including CCLA) and 0.398% (Excluding CCLA).

4.3 Interest Rate Forecasts

The Council's treasury advisor, Link Asset Services, has provided the following forecast:

Link Asset Services Interest Rate View								
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 Month LIBID	0.45	0.40	0.35	0.30	0.30	0.30	0.30	0.30
6 Month LIBID	0.60	0.55	0.50	0.45	0.40	0.40	0.40	0.40
12 Month LIBID	0.75	0.70	0.65	0.60	0.55	0.55	0.55	0.55
5yr PWLB Rate	1.90	1.90	1.90	2.00	2.00	2.00	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50

4.4 Investment in Local Authority Property Fund (CCLA)

The total the Council has invested now stands at £3m [of an approved £4m]. Interest is receivable on a quarterly basis with Q1 due in July.

The effects of Covid-19 (coronavirus) has resulted in a sharp fall in economic activity and in significant declines in the value of many assets.

These changes will be reflected in property valuations, however, at present, the sheer pace of change in the investment environment and the relative

infrequency of transactions in the sector means that it is not possible for valuers to be confident that their valuations truly reflect prevailing conditions.

CCLA asset managers have a duty to ensure that all transactions in the property funds are conducted at prices which are accurate and fair to both holders and those wishing to purchase or sell units/shares.

In circumstances where that is not possible and where there is therefore a material risk of disadvantage to either party, CCLA are obliged to suspend transactions until the required level of certainty is re-established. No further investments or redemptions will be allowed until further notice.

It is anticipated the fund value will drop this financial year by circa 6-10%.

4.5 New External Borrowing

The Council has not taken out any new external borrowing in this period. Total External Borrowing stands at £20m.

4.6 Borrowing in advance of need

The Council has not borrowed in advance of need during the period ending 31 May 2020.

4.7 Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved TMSS.

During the financial year to date, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices.

The prudential and treasury Indicators are shown below.

	Original £'000	P1 £'000
Treasury Indicators		
Authorised limit for external debt	55,307	55,307
Operational boundary for external debt	38,189	28,220
External Debt	38,189	24,220
Long term Leases	0	0
Investments	(13,321)	(12,066)
Net Borrowing	24,868	12,154
Prudential Indicators		
Capital Expenditure	24,118	14,028
Capital Financing Requirement (CFR)*	50,307	45,862
<i>Of Which Commercial Property</i>	<i>30,000</i>	<i>21,666</i>
Annual change in CFR*	9,937	7,956
In year borrowing requirement	38,189	24,220
Under/(over)borrowing	12,118	21,642
Ratio of financing costs to net revenue stream*	8.89%	6.07%
Incremental impact of capital investment decisions:		
Increase/Reduction (-) in Council Tax (band change per annum)	£1.25	£0.74

4.8 The Monthly Investment Review report for May is attached below.



West Lindsey District Council

Monthly Investment Analysis Review

May 2020

General Economy

Although the Flash Manufacturing PMI for May rose to 40.6 from April's Final release of 32.6, it still pointed to the second steepest contraction in the manufacturing sector since 2009. In a similar vein, the Flash Services PMI rose to 27.8 from April's Final release of 13.4 – but this was still the second lowest reading since the survey began. As a result of these gains, the Flash Composite PMI for May rose to 28.9 from April's 13.8 – but still indicated that manufacturing output and service sector activity both contracted faster than during the financial crisis, with new orders and employment contracting at the second fastest rate since the survey began in 1998. The Construction PMI, meanwhile, (which is released on a different timescale to the main service and manufacturing reports) plunged to 8.2 in April from 39.3 in March – pointing to the steepest pace of contraction in the sector since the survey began in 1997.

GDP data revealed that the UK economy shrank by 2.0% in the three months to March after stagnating in the three months to February, but this was slightly better than market expectations of a 2.6% contraction. Nevertheless, it was still the steepest decline in GDP since Q4 2008. The broad-based nature of declines in activity illustrated the impact of the measures taken to reduce transmission of the coronavirus. As a result, the economy contracted by 5.7% in the twelve months to March, down significantly from the upwardly revised 0.2% y/y growth recorded in February – but, once again, this was better than the market's expectation of a 7.2% contraction. Meanwhile, a 12.9% m/m fall in exports saw the UK record a trade deficit of £6.68 billion in March, compared to a downwardly revised £1.54 billion deficit in February.

Against this backdrop, the UK's unemployment rate surprisingly fell to 3.9% in the three months to March from 4.0% in the three months to February, below market expectations of 4.4%. However, the data was based on surveys covering only one week of the coronavirus lockdown. More recent data showed that the number of people claiming unemployment related benefits rose by a record 856,500 during April, compared to 12,100 people in March. Average earnings in the three months to March rose by 2.4% from a year earlier, easing from a 2.8% rise in the previous period. Excluding bonuses, average earnings increased by 2.7%, which was also lower than the 2.9% gain recorded in the three months to February.

Consumer Price Inflation (CPI) fell to 0.8% y/y in April from 1.5% y/y in March, due in part to falls in energy and utility prices (the latter the result of the decline in Ofgem's price cap). However, the core CPI rate - which strips out the more volatile components - eased to 1.4% y/y in April from 1.6% y/y in March, also indicating easing underlying price pressures. As such, inflation is currently well below the Bank of England's 2% target. In monthly terms, the CPI fell 0.2% during April after being unchanged during March.

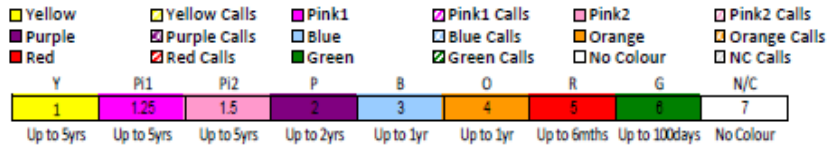
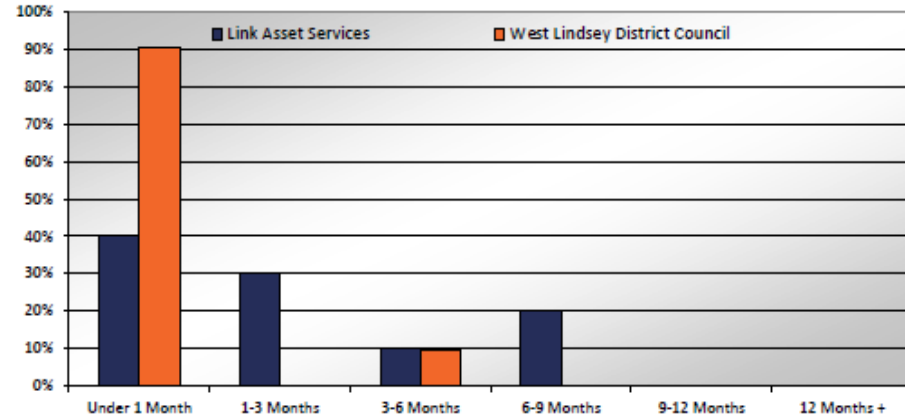
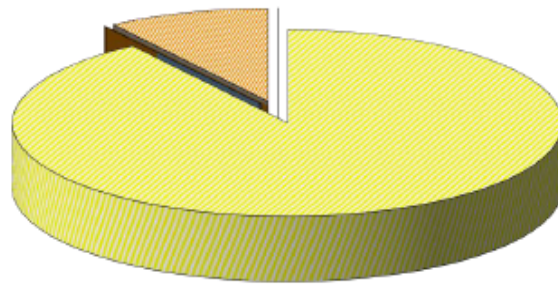
Retail sales, meanwhile, plunged a record 18.1% m/m during April, as many stores ceased trading in response to the coronavirus pandemic. This outturn was significantly worse than the 5.2% decline recorded in March, and less than expectations of a 16% decline. The year-on-year fall in retail sales of 22.6% was also a record. Mirroring the worsening impact of the coronavirus upon activity, the GfK Consumer Confidence index eased to a preliminary reading of -34 in May from -33 in April, reaching its lowest level since 2009. Against this economic backdrop, it was no surprise to see the MPC leave the Bank

West Lindsey District Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
MMF LGIM	7,500,000	0.32%		MMF	AAA	0.000%
MMF Aberdeen Standard Investments	1,990,000	0.32%		MMF	AAA	0.000%
Lloyds Bank Plc (RFB)	1,000,000	0.45%		Call95	A+	0.014%
Borrower - Funds	Principal (£)	Interest Rate	Start Date	Maturity Date		
CCLA-LAPF	3,000,000	0.70%				
Total Investments	£13,490,000	0.41%				
Total Investments - excluding Funds	£10,490,000	0.33%				0.001%
Total Investments - Funds Only	£3,000,000	0.70%				

Portfolio Composition by Link Asset Services' Suggested Lending Criteria



Portfolios weighted average risk number = 1.29

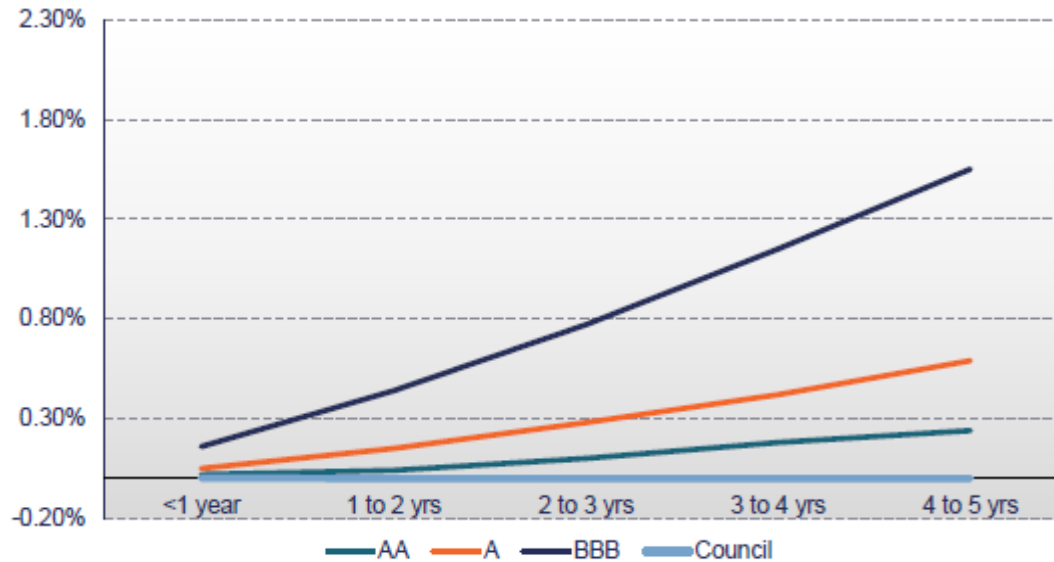
WARoR = Weighted Average Rate of Return
WAM = Weighted Average Time to Maturity

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	Excluding Calls/MMFs/USDBFs	
									WAM	WAM at Execution
Yellow	90.47%	£9,490,000	100.00%	£9,490,000	90.47%	0.32%	0	0	0	0
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Orange	9.53%	£1,000,000	100.00%	£1,000,000	9.53%	0.45%	95	95	0	0
Red	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Total	100.00%	£10,490,000	100.00%	£10,490,000	100.00%	0.33%	9	9	0	0

West Lindsey District Council

Investment Risk and Rating Exposure

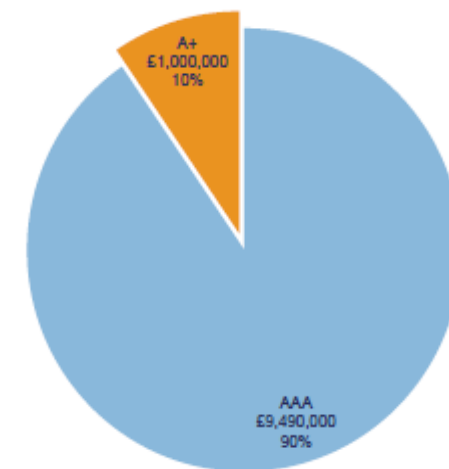
Investment Risk Vs. Rating Categories



Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.02%	0.04%	0.10%	0.18%	0.24%
A	0.05%	0.15%	0.28%	0.42%	0.59%
BBB	0.16%	0.44%	0.77%	1.15%	1.55%
Council	0.001%	0.000%	0.000%	0.000%	0.000%

Rating Exposure



Historic Risk of Default

This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

Chart Relative Risk

This is the authority's risk weightings compared to the average % risk of default for "AA", "A" and "BBB" rated investments.

Rating Exposures

This pie chart provides a clear view of your investment exposures to particular ratings.

West Lindsey District Council

Monthly Credit Rating Changes FITCH

Date	Update Number	Institution	Country	Rating Action
18/05/2020	1758	France Sovereign Rating	France	The Outlook on the Sovereign Rating was changed to Negative from Stable.
22/05/2020	1761	Australia Sovereign Rating	Australia	The Outlook on the Sovereign Rating was changed to Negative from Stable.
26/05/2020	1762	Macquarie Bank Ltd.	Australia	The Outlook on the Long Term Rating was changed to Negative from Stable.
29/05/2020	1763	Societe Generale	France	The Long Term Rating was downgraded to 'A-' from 'A' and was removed from Negative Watch and placed on Stable Outlook. The Viability Rating was downgraded to 'a-' from 'a' and was removed from Negative Watch.
29/05/2020	1764	Deutsche Bank AG	Germany	The Long Term, Short Term and Viability ratings were removed from Negative Watch and the Long Term Rating was placed on Negative Outlook.

West Lindsey District Council

Monthly Credit Rating Changes MOODY'S

Date	Update Number	Institution	Country	Rating Action
01/05/2020	1756	Nationwide Building Society	United Kingdom	The Long Term Rating was downgraded to 'A1' from 'Aa3' and the Outlook was changed to Stable from Negative.
01/05/2020	1756	Nottingham Building Society	United Kingdom	The Long Term Rating was downgraded to 'Baa2' from 'Baa1'.
01/05/2020	1756	Principality Building Society	United Kingdom	The Outlook on the Long Term Rating was changed to Negative from Stable.

West Lindsey District Council

Monthly Credit Rating Changes S&P

Date	Update Number	Institution	Country	Rating Action
14/05/2020	1757	HSBC Bank PLC	United Kingdom	The Long Term Rating was downgraded to 'A+' from 'AA-' and the Outlook was changed to Stable from Negative. The Short Term Rating was downgraded to 'A-1' from 'A-1+'.
14/05/2020	1757	HSBC UK Bank PLC	United Kingdom	The Long Term Rating was downgraded to 'A+' from 'AA-' and the Outlook was changed to Stable from Negative. The Short Term Rating was downgraded to 'A-1' from 'A-1+'.
18/05/2020	1759	Societe Generale	France	The Outlook on the Long Term Rating was changed to Negative from Stable.
19/05/2020	1760	OP Corporate Bank PLC	Finland	The Outlook on the Long Term Rating was changed to Negative from Stable.

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REVENUE CARRY FORWARDS – ALREADY APPROVED

Budget underspends to be carried forward into 2021/22 which have already been approved during the year are provided below for information only.

*please note the figures quoted are as forecast as at May 2020 out-turn monitoring. The final carry forward figures will reflect the actual out-turn position.

USE OF EARMARKED RESERVES			May 20	
Committee	Cluster	Business Unit	£ 000	Purpose of Carry Forward
Prosperous Communities	Our People	General Grants etc	77	Forecast balance on Member Local Grants budget (£144k approved over 4 years 19/20 - 22/23).
Prosperous Communities	Our People	General Grants etc	6	Use of EMR approved by CPR 06.02.19 (FIN/138/18). Remaining balance of Community Payback budget to be cfwd (approved by MT 14.04.20 FIN/7/21)
TOTAL			83	

CPR Workplan 15 July

Purpose:

This report provides an overview of reports at Corporate Policy and Resources Committee over the coming municipal year.

Recommendation:

1. That members note the workplan.

Date	Title	Lead Officer	Purpose of the report	Date First Published
17 SEPTEMBER 2020				
17 Sep 2020	Capability Policy	Emma Redwood, People and Organisational Development Manager	To review the council's capability policy and update	19 November 2019
17 Sep 2020	Section 13A Policy	Alison McCulloch, Revenues Manager	Amendment to Section 13A policy to take into account new Covid 19 hardship reliefs paid via a grant from central government	
17 Sep 2020	Caistor Southdale Development	Di Krochmal, Housing Strategy and Supply Manager	To approve plans for GP and residential development	03 April 2019
5 NOVEMBER 2020				
5 Nov 2020	Progress and Delivery Report; April - September 2020/21	Ellen King, Senior Performance Officer	This report presents progress against the delivery of the Council's key performance measures for the period April - September 2020/2021.	05 February 2020
5 Nov 2020	Proposed Fees and Charges 2021/22 - Corporate Policy and Resources	Sue Leversedge, Business Support Team Leader	Propose fees and charges to take effect from 1 April 2021.	09 June 2020
5 Nov 2020	Revised Budget 2020/21 and Mid-Year Review of Medium Term Financial Plan	Tracey Bircumshaw, Assistant Director of Finance and Property	In view of the significant impact of Covid-19 and recognizing a balanced budget a Revised Budget 2020/21 is	

		Services and Section 151 Officer	proposed. A mid year review of the MTFP identifies latest forecast positions if the	
5 Nov 2020	Budget and Treasury Monitoring Period 2 2020/21	Sue Leversedge, Business Support Team Leader	this report sets out the revenue, capital and treasury management activity from 1 April 2020 to 30 September 2020	09 June 2020
10 DECEMBER 2020				
10 Dec 2020	National Non Domestic Rates, Sundry Debtors, Council Tax and Housing Benefit Overpayment Write Offs	Alison McCulloch, Revenues Manager	Write off report for NNDR, Sundry Debtors, Council Tax and Housing Benefit Overpayments	09 June 2020
10 Dec 2020	Local Council Tax Support Scheme 2021/22	Alison McCulloch, Revenues Manager	The local council tax support scheme to be introduced on 1 April 2021 for the following year. This replaces the council tax benefit scheme.	09 June 2020
10 Dec 2020	Mid-Year Treasury Report 2020/21	Caroline Capon, Corporate Finance Team Leader	Review of Prudential indicators as a result of revising the capital programme for 2020/21	09 June 2020
14 JANUARY 2021				
17 FEBRUARY 2021				
11 Feb 2021	Corporate Policy and Resources Committee Draft Budget 2021/22 and estimates to 2025/26	Sue Leversedge, Business Support Team Leader	The report sets out details of the overall Draft Revenue Budget 2021/22 including that of this Committee and those recommended by the Prosperous Communities Committee for the period 2021/22 and estimates to 2025/26 to be included in the Medium Term Financial Plan	09 June 2020
11 Feb 2021	Committee Timetable 2021-2022	James Welbourn, Democratic and Civic Officer	To present the timetable for the above year, taking into account public holidays.	
11 Feb 2021	Budget and Treasury Monitoring Period 3	Sue Leversedge,	this report sets out the revenue, capital	09 June 2020

2020/21

Business Support Team
Leader

and treasury management activity from
1 April 2020 to 31 December 2020

15 APRIL 2021

15 Apr 2021

Budget and Treasury Monitoring Period 4
2020/21

Sue Leversedge,
Business Support Team
Leader

This report sets out the revenue, capital
and treasury management activity from
1 April 2020 to 31st March 2021. (Final
out-turn will be reported to the next
meeting)

09 June 2020

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