

Guildhall Gainsborough
Lincolnshire DN21 2NA
Tel: 01427 676676 Fax: 01427 675170

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

AGENDA

PLEASE NOTE DUE TO CONTINUED SOCIAL DISTANCING REQUIREMENTS THE PUBLIC VIEWING GALLERY IS CURRENTLY SUSPENDED

This Meeting will be available to watch live via: <https://west-lindsey.public-i.tv/core/portal/home>

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

Notice is hereby given that a meeting of the Council will be held in the Council Chamber - The Guildhall, on **Monday, 24th January, 2022 at 7.00 pm**, and your attendance at such meeting is hereby requested to transact the following business.

To: Members of West Lindsey District Council

1. APOLOGIES FOR ABSENCE
2. MINUTES OF THE PREVIOUS MEETING
To confirm and sign as a correct record the Minutes of the previous Full Council Meeting held on 1 November 2021.
(PAGES 5 - 13)
3. MEMBERS' DECLARATIONS OF INTEREST
Members may make any declarations of interest at this point and may also make them at any point during the meeting.

4. DISTRICT COUNCIL NETTLEHAM WARD BY-ELECTION RESULT -
DECEMBER 2021

To Receive the Results of the District Council Nettleham Ward By-Election held
on 16 December 2021.

(PAGE 14)

5. MATTERS ARISING

Setting out current position of previously agreed actions as at 14 January 2022.

(PAGES 15 - 20)

6. ANNOUNCEMENTS

- i) Chairman of Council
- ii) Leader of the Council
- iii) Chief Executive

7. PUBLIC QUESTION TIME

Questions, if received, under this Scheme will be published by way of
supplement.

8. QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 9

Questions submitted by Members under Procedure Rule No.9 will be published
by way of supplement following closure of the deadline.

9. MOTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 10

Environmental Responsible Investment Policy

“Chairman - It is generally recognised that burning fossil fuels contribute
significantly to global warming, climate change and the decline in the biodiversity
of the planet. If we are to meet the target for climate change mitigation it is
imperative that current reserves of fossil fuels remain in the ground; their
continued exploitation presents a substantial environmental risk to the survival of
the planet for current and future generations.

West Lindsey District Council in adopting its Sustainability, Climate and
Environmental Strategy has laid out a strong policy to address the threat from
continued use of fossil fuels. However, to ensure successful implementation of
replacing fossil fuels with renewable energies and green technologies the Council
is asked to commit to the following:

1. Recognise that Fossil Fuel Investments are considered part of the Council's Carbon Footprint.
2. To review its investment strategy to create an Environmental Responsible Investment Policy which not only rules out new investments in companies involved in fuels but also divests in such companies.
3. Through the above policy to actively seek to invest in companies that reduce greenhouse emissions and minimize climate risk and biodiversity decline.
4. To work with our Pension Fund Partners to adopt the same criteria to investments as outline in 2 and 3 above.
5. To actively oppose any new venture to extract fossil fuels ensuring that they remain safely in the ground.

I so move.

Councillor Stephen Bunney”

10. REPORTS FOR DETERMINATION

- a. Review Of The Allocation Of Seats To Political Groups On Committees/Sub-Committees

To note the number of Members to be appointed to serve on each Committee in accordance with the provisions of Section 15 of the Local Government Act.

(PAGES 21 - 31)

- b. Appointment Of Committees and to Re-affirm Committee Chairmen/ Vice-Chairmen for the remainder of the 21/22 Civic Year

In accordance with the provisions of Section 16 of the Local Government and Housing Act 1989, to appoint Members to Committees for the Civic Year, in accordance with the wishes expressed by the Political Groups

(PAGES 32 - 38)

- c. Appointment to Vacancies on Boards and Other Bodies (including outside bodies) following resignation

(PAGES 39 - 42)

- d. Recommendation from the Independent Remuneration Panel - Members Allowance Scheme 22/23

(PAGES 43 - 48)

- e. Adoption of the Corringham Neighbourhood Plan

(PAGES 49 - 53)

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

Large Clear Print: Braille: Audio: Native Language

- f. Collection Fund - Council Tax Surplus 2021/22 & Council Tax Base 2022-23.

(PAGES 54 - 61)

- g. Recommendation from Corporate Policy and Resources Committee - Mid Year Treasury Report 2021-22

(PAGES 62 - 83)

- h. Recommendation from Corporate Policy and Resources Committee - Local Council Tax Support Scheme 2022/23

(PAGES 84 - 93)

- i. Recommendation from Governance and Audit Committee - Opting-In to Public Sector Audit Appointments Ltd

(PAGES 94 - 98)

Ian Knowles
Head of Paid Service
The Guildhall
Gainsborough

Friday, 14 January 2022

WEST LINDSEY DISTRICT COUNCIL

Minutes of the Meeting of Council held in the West Lindsey Leisure Centre, The Avenue, Gainsborough on 1 November 2021 at 7.00 pm.

Present: Councillor Steve England (Chairman)
Councillor Mrs Angela Lawrence (Vice-Chairman)

Councillor Owen Bierley	Councillor Matthew Boles
Councillor Stephen Bunney	Councillor Liz Clews
Councillor David Cotton	Councillor Mrs Tracey Coulson
Councillor Christopher Darcel	Councillor Timothy Davies
Councillor Michael Devine	Councillor David Dobbie
Councillor Jane Ellis	Councillor Ian Fleetwood
Councillor Mrs Caralyne Grimble	Councillor Cherie Hill
Councillor Paul Howitt-Cowan	Councillor Mrs Cordelia McCartney
Councillor John McNeill	Councillor Mrs Jessie Milne
Councillor Peter Morris	Councillor Keith Panter
Councillor Roger Patterson	Councillor Mrs Judy Rainsforth
Councillor Mrs Diana Rodgers	Councillor Mrs Lesley Rollings
Councillor Jim Snee	Councillor Mrs Mandy Snee
Councillor Jeff Summers	Councillor Robert Waller
Councillor Mrs Anne Welburn	Councillor Mrs Angela White
Councillor Trevor Young	1 x Vacancy

In Attendance:

Ian Knowles	Chief Executive
Emma Redwood	Assistant Director People and Democratic Services
Katie Storr	Democratic Services & Elections Team Manager (Interim)
Ele Snow	Democratic and Civic Officer
Trudi Hayes	Democratic & Civic Officer

Also in Attendance: Chairman's Chaplain.

Apologies Councillor Mrs Jackie Brockway
Councillor Tom Regis

40 CHAIRMAN'S WELCOME

The Chairman welcomed all Members and Officers to the Leisure Centre, as the Authority continued to hold its Full Council meetings away from the Guildhall due to ongoing capacity restraints. The Chairman reminded Members of the fire procedures and Covid measures in place before formally opening the meeting.

Referencing the tragic and senseless murder of Sir David Amess, MP, the Chairman expressed condolences on behalf of the Authority and encouraged all Members to remain vigilant.

41 MINUTES OF THE PREVIOUS MEETING

(a) Minutes of the Meeting of Full Council held on 6 September 2021

Having being moved and seconded, an update was sought, reference page 38 of the minutes (page 12 of the reports pack) and whether the Chief Executive had undertaken any further work in respect of this matter. In response, Council were advised the matter would be considered as part of the wider Annual Constitution Review as referenced at the previous meeting.

RESOLVED that the Minutes of the Meeting of Full Council held on 6 September 2021 be confirmed and signed as a correct record.

42 MEMBERS' DECLARATIONS OF INTEREST

No declarations were made.

43 MATTERS ARISING

Officers introduced the report advising Members that the report would be taken "as read" unless Members had any questions that they wished to raise.

With no comments or questions and with no requirement for a vote, the Matters Arising were **DULY NOTED**.

44 ANNOUNCEMENTS

Chairman

The Chairman addressed Council and advised that October had seen him undertake few Civic engagements, it had, however, been an honour to attend a celebration of the life of the late John Matthews the former Mayor of Market Rasen and a dear friend to many.

The previous week, along with other Civic Leaders from across the County and beyond, the Chairman had attended a dinner hosted by the Station Commander at RAF Scampton.

The Chairman looked forward to increased engagements over the coming month.

Concluding his announcements, the Chairman advised Council that it was regret that he would be losing his Civic Officer, Trudi Hayes. On behalf of both he and his wife Kathryn, the Chairman thanked Trudi for her support and guidance over the past 3 years, which

would be greatly missed, wishing her well in her new role, elsewhere within the Authority.

Leader

The Leader made the following address to Council: -

“Naturally I’m absolutely delighted that our application to the first round of the Government’s Levelling-Up Fund was successful, with the full amount sought being awarded to us. I am aware of how competitive the process was and how many local authorities submitted proposals and I would like to thank all the Officers involved for putting together such a robust, strong bid. This amount of money will enable us to bring forward transformational change that is sustainable and long-term and that will be of significant benefit to our entire community. West Lindsey made a compelling case for funding on the basis of not only demonstrable need but also deliverability.

The first formal public consultation on the draft Central Lincolnshire Local Plan generated almost 400 responses with a total of 1421 comments made, with at least one on each of the policies. Huge thanks are due to all who took part. Joint Planning Unit Officers are now preparing a draft submission document informed by the representations received. It will be subject to a further public consultation period, which it is hoped will begin in March. Following that the document will be finalised for submission to the Planning Inspectorate. All of the comments received are available to view at: <https://central-lincs/inconsultuk/CLLP.Draft.Local.Plan/listRepsponses>

In the last financial year no fewer than ninety-one community-led projects were supported through the District Council’s grant schemes to the amount of £92,170.82. For every £1.00 invested from these funds £6.98 was matched or levered in to the benefit of West Lindsey organisations, equating to an overall sum of £643,931.05. A recent audit of the service resulted in a ‘high assurance’ opinion, the highest possible. Complementing this, weekly draws in the West Lindsey Lottery are now well established, supporting voluntary organisations through the acquisition of additional, reliable income. Registered Good Causes are on track to raise £24,679.20 this year!

Finally Chairman, in regard to the coronavirus pandemic, we now face a period of considerable challenge and uncertainty as winter approaches. Infection rates in West Lindsey increased significantly recently and currently exceed the national average, but there are encouraging signs of a reduction. Continued adherence to all official guidance and regular self-testing remain vital tools to help keep one another and our communities safe. Doing the right thing is still the best way to protect our National Health Service. The key messages remain Hands Face, Space and for those eligible, please accept both your booster and ‘flu vaccinations when offered them.”

Members raised concerns at the sound quality within the room, expressing concern that information could not be heard. The Chief Executive urged those speaking to position themselves accordingly, demonstrating how the sound could be distorted.

The Leader, given the sound concerns raised, re-stated his announcements, as set out above, for completeness.

Chief Executive

Following on from the Leader, the Chief Executive echoed his comments with regard to Levelling-Up Fund success, thanking everyone involved in producing the successful submission. Special thanks were expressed to Sally Grindrod-Smith, Assistant Director for Planning and Regeneration, for leading the bid on behalf of the Authority.

The Chief Executive advised of his attendance at the SOLACE conference in October and of an invitation he had received and accepted, to speak at an Excellence in Local Government event in September. Both opportunities had enabled the Chief Executive to establish a number of links, which would filter into the work of the Officer cohort over the next few months and would help inform delivery of the Executive Business Plan.

On the 1 October the Chief Executive had attended the Lincolnshire Day event organised by the County Council and the two unitary Councils to the North. It was understood this would become an annual event.

Finally, those Members who have hosted the most recent ward visits were thanked. With only five ward tours outstanding, the Chief Executive expressed his appreciation for the time Members had given to supporting his objective of having been able to visit every ward in West Lindsey.

45 PUBLIC QUESTION TIME

The Chairman advised the meeting that no public questions had been received.

46 QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 9

The Chairman advised the meeting that one question pursuant to Council Procedure Rule No.9 had been submitted to the meeting. This had been circulated to all Members, separately to the agenda.

The Chairman invited, Councillor John McNeill, Ward Member for Market Rasen, to put his question to the Leader, as follows: -

"One of the many achievements of the current administration at West Lindsey was to build a dry-sided leisure facility at Market Rasen, a decision I fully supported and an outcome I am very proud of. This fulfilled a manifesto commitment made by West Lindsey Conservatives to complete the leisure centre last year.

"However, West Lindsey Conservatives also made a manifesto commitment to support bringing forward plans to deliver a swimming pool at the Market Rasen

site, where this was able to be done on a sustainable and economic basis. This is something I continue to fully support.

"I am given to understand that the Assistant Director, Finance Business Support & Property Services has recently completed work on the viability of building and operating a swimming pool at the leisure centre in Market Rasen.

"Is the Leader aware of the detail of this work and can he share this with the Council?"

"If bringing a swimming pool to Market Rasen Leisure Centre has been determined as unviable, is this on an operational basis – i.e. there is insufficient evidence to suggest that enough users will make use of a swimming pool – or, on the longer term capital financing requirements of such a project – i.e. how we afford the £4-6m required?"

"If the viability of a swimming pool at Market Rasen rests upon the capital financing requirements, would the Leader agree that action to consider innovative ways of funding a swimming pool is needed? Would the Leader agree that, for example, one of the properties in our commercial investment property portfolio could be sold and the internal borrowing applied to the construction of a swimming pool at Market Rasen?"

Thank you
Councillor John McNeill"

The Leader of the Council, Owen Bierley, responded as follows: -

"Thank you for your question Councillor McNeill

Officers have undertaken some work on the feasibility of a swimming pool at Market Rasen. A high-level business case has been developed and is to be presented to the Corporate Policy and Resources Committee for consideration in December.

My understanding is that the financial case is proving challenging due to the cost of borrowing required for the scheme, but please be assured that Officers always seek innovative funding solutions as part of their work.

Whilst as you suggest an investment property could be sold, the receipt from the sale would need to repay outstanding borrowing in line with our Investment Policy and the impact of the loss of rent income on future budgets would need to be understood.

Internal borrowing is not always sustainable over the long term as we spend our reserves over time in schemes prioritised to deliver our Corporate Plan objectives.

Whilst financial considerations form a key part of this work our five case business model will also ensure that we take into account wider considerations including:

- The strategic case – assesses how the project will meet corporate priorities
- The commercial case – is there a market for the activity and will it generate income?
- The legal case – do we have the legal power and
- The operational case – what is the business need?

Thank you again for your question Councillor McNeill”

Following indications to speak, the Chairman reminded the Chamber that questions under procedure rule No.9 were not for debate by other Members.

In response, the Member suggested that the Chairman could permit such action, and considered time allowed for such, given the short agenda. Failing that constitution allowed for procedure rules to be suspended. It was moved that procedure rules be suspended, but this was not duly seconded nor the specific rule to be suspended identified.

The Chairman was insistent with the Member that he would not be permitting further debate on this matter, and that the Member had at his disposal other methods by which he could raise such matters.

47 MOTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 10

The Chairman advised the meeting that no Motions, under Council Procedure Rule No.10, had been submitted to the meeting.

48 RECOMMENDATION FROM THE LICENSING COMMITTEE - GAMBLING ACT 2005 STATEMENT OF PRINCIPLES (GAMBLING POLICY) - APPROVAL

The Chairman of the Licensing Committee presented the Gambling Act 2005 Draft Statement of Principles (the Gambling Policy) to Council, which stood recommended by her Committee, following on from the statutory consultation period. Full Council were asked to approved the Policy for implementation with effect from 1 January 2022.

Members were advised that the Council was required to publish a Statement of Principles and review it every three years; the document formed the basis on which the Council's licensing decisions were made. The Statement of Principles applied to casino's, bingo clubs, betting shops, track betting, amusement arcades, gaming machines, prize gaming, lotteries and other forms of gambling.

Some minor amendments had been made following on from the consultation and these had been reflected within the final version presented to Members and were summarised in the report.

The statutory licensing role that the Council played was key to ensuring that businesses operated safely and responsibly and enabled residents to engage in these activities in a regulated and managed way. It also enabled the Council to take action where premises were not following those principles.

The Chairman of the Licensing Committee moved the recommendations, which were duly seconded.

On being put to the vote it was: -

RESOLVED that the recommendation from Licencing Committee on 16 September 2021 be accepted, and the Gambling Act 2005 – Statement of Principles 22-24 be approved for adoption, with effect from 1 January 2022.

49 RECOMMENDATION FROM THE GOVERNANCE AND AUDIT COMMITTEE - ADOPTION OF A NEW CODE OF CONDUCT FOR MEMBERS

The Chairman of the Governance and Audit Committee presented the report, which stood recommended from his Committee. The report recommended that West Lindsey District Council, and subsequently its Parishes, should adopt the new LGA Model Code of Conduct as the standard by which all Councillors should be expected to adhere.

Members had had the opportunity to engage in a workshop in advance of the decision, and reference was made to the pleasing level of engagement. The matter has had thorough debate at both the Standards Sub-Committee and the Governance and Audit Committee and as such Members' attention was drawn to the following points:

Section 2 of the report summarised the provisions of the new Code, many of which WLDC have already previously adopted, through its work in 2017/18. The new Code did now include a requirement to comply with any sanctions issued, and to undertake training on Standards Matters and the Code of Conduct.

West Lindsey's current ethos of declarations of interest wider than the legal requirements of the Localism Act were also supported within the new Code section 2.8 of the report provided details.

Members noted that whilst moving to the new Code was not a mandatory requirement, a national single code for all Members with clear wording, supporting guidance, working examples and explanatory text was something the Governance and Audit Committee had been of the belief should be welcomed.

Should the recommendations be supported the Authority would over the next few months work with Parishes across the District to encourage that they too adopted the new Code by May 2022. The National Association Of Local Councils had indicated their intention to withdraw their current code, instead promoting the LGA Model Code as the standard to work to, indicating the national support behind the new model.

Finally, Council were asked to support the Standards Sub-Committee in continuing to lobby the Government to respond to the outstanding recommendations from the Committee for Standards in Public Life, particularly those relating to sanctions, by requesting the Leader to write to relevant Ministers to further highlight this important issue.

Debate ensued and a Member questioned the need for a new Code, given the majority of

the provisions already existed in West Lindsey's current code. Declarations of interest did not need further confusing, the additional level was purported to be for greater public transparency however it was suggested it would just cause further confusion. Mandatory training in the absence of any sanction was considered pointless. It was questioned what action would be taken or could be taken if Councillors failed to attend training. It was suggested the LGA was a little late with its revision and whilst the regime lacked "teeth", the Code had little value regardless of its content. No sanctions could be applied and whilst accepting at a District Level group discipline could be applied and censure notices could be damaging to a Party's reputation, this could not be said with regard to Parish Councillors. The scope of when the code applied was always a contentious point and it was suggested, this matter had not been addressed, or further clarity offered by the revision.

In responding and in respect of mandatory training, the Monitoring Officer gave assurance that Officers would work with all Councillors to ensure they had the opportunity to engage in some form of training, making it as accessible as possible and in differing formats recognising competing responsibilities Members often had.

Members again sought indication of what action would be taken when a Member simply refused to undertake the training given they could not be removed or suspended from office.

Other Members across the Chamber spoke in support of the need for greater sanctions and the lack of credibility a system with no recompense held.

The Monitoring Officer again addressed the meeting, acknowledging the limited sanctions. She too was an advocate for their re-introduction and could fully sympathise with Members' comments and frustrations. However, under the current regime, to issue any stronger sanction would be illegal. Non-attendance at training could be dealt with by way of Public censure notice, but again the Monitoring Officer stressed, this was not in her interest nor her pre-planned intention, the approach taken would be one of working together, encouragement, and allowing ample opportunity for all to engage in at least some level of basic training.

The Chairman of Governance and Audit Committee supported the Monitoring Officer, noting it would not be lawful to issue greater sanctions. Group discipline and council acting as a collective body of peers carried weight at District level and should be used to deal with the worst of unacceptable behaviour. In the meantime the Authority and Sub-Committee could only continue to lobby and raise concerns, given the tone of the comments, he indicated Council appeared to be supportive of this action and he encouraged Members to therefore support the action proposed.

Having being moved, seconded and on being put to the vote it was: -

RESOLVED that the recommendation from the Governance and Audit Committee be accepted and in doing so, :-

- (a) the LGA's model code of Conduct and associated Guidance Notes be adopted as the Authority's Code of Conduct, with immediate effect.
- (b) all Parish Council's across the District be encouraged to adopt West Lindsey's new Code of Conduct by May 2022

- (c) the implementation of the roll-out process detailed in Section 3 of the report and set out below be approved ;

Communications to Parish and Town Councils	November 2021
Series of Workshops / Training to be held with Parish Councils to raise awareness and encourage adoption. These may be cluster events or attendance at individual Parishes Virtual arrangements will be used wherever possible	Jan – March 2022
All Parishes to have adopted the Code by their AGM in May 2022 and advised the DC accordingly	May 2022
Position Review	June 2022
Follow up work	June 2022 onwards

and

- (d) the Standards Sub-Committee’s previous recommendation that “Officers be requested to continue lobbying Government Ministers for a change in legislation to allow for the decriminalisation of “interests”, and the re-introduction of proper meaningful sanctions” be supported and as such the Leader of the Council writes to relevant Ministers to further highlight this important point.

Note: Councillors David Cotton, Chris Darcel and Tim Davies requested that their abstention against the above decision be recorded.

The meeting concluded at 7.43 pm.

Chairman

DECLARATION OF RESULT OF POLL

WEST LINDSEY DISTRICT COUNCIL

Election of a District Councillor for Nettleham Ward

on Thursday 16 December 2021

I, Ian Knowles, being the Returning Officer at the above election, do hereby give notice that the number of votes recorded for each Candidate at the said election is as follows:

Name of Candidate	Description (if any)	Number of Votes*
LORYMAN, Benjamin Jeffrey Leigh	The Green Party	71
MCGUIRE, Jessica Ellen Ann	Labour Party	116
OLIVER, Jaime Emma	Liberal Democrat	585 Elected
PALMER, Maureen Florence	The Conservative Party Candidate	374

* If elected the word 'Elected' appears against the number of votes.

The number of ballot papers rejected was as follows:	Number of ballot papers
A want of an official mark	0
B voting for more Candidates than voter was entitled to	0
C writing or mark by which voter could be identified	3
D being unmarked or wholly void for uncertainty	1
E rejected in part	0
Total	4

Vacant Seats: 1

Electorate: 3594

Ballot Papers Issued: 1150

Turnout: 32%

And I do hereby declare that,

Jaime Emma Oliver

is duly elected Councillor for the said Ward.

Dated Friday 17 December 2021

Ian Knowles
Returning Officer

Purpose:

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

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

Matters arising Schedule

Meeting	Full Council				
Status	Title	Action Required	Comments	Due Date	Allocated To
Black	motion to Council - combating litter	<p>extract from mins of mtg held on 2/11/20 RESOLVED that the motion as amended, be ACCEPTED and as such the Council commits to : -</p> <p>(b) by way of report to Prosperous Communities Committee, examine the merits of becoming a local authority member of the Keep Britain Tidy Network, and identify which of the campaign's including Love Parks and Charity Bins, could be introduced in the District;</p> <p>(d) by way of report to Prosperous Communities Committee, investigate whether promoting take-up of the DEFRA voluntary code amongst our fast food businesses and local business partnerships is appropriate and investigate the resource and capacity implications, of seeking their sponsorship for the introduction of a Charity Bin scheme and for a public education programme. Prosperous Communities Committee are charged with making a formal decision in respect of this aspect of the motion.</p>	<p>This item has now been re-scheduled for September as opposed to June as previously indicated to Members .</p> <p>Item will remain on the schedule until the report has completed its route through Committee .</p> <p>This matter was considered at PC Committee in November 2021. The report and minute are available to view at</p> <p>https://democracy.west-lindsey.gov.uk/ieListDocuments.aspx?CId=176&MId=2897&Ver=4</p> <p>minute 42 relates</p>	15/12/20	Ady Selby

Black	neighbourhood plans	extract from mins of mtg 28/6/21 It was custom and practice for Neighbourhood Planning Groups to formally present their plans to the Council Meeting. Disappointingly, current restrictions had not made this possible, but the Chairman indicated of his intention to ensure Group representatives, were invited in due course, to meet with him at a separate event when restrictions allowed more easily.	this has been logged within the Civic Work Plan	31/10/21	Trudi Hayes
Black	Adoption of new Code of Conduct	Extract from mins of meeting the LGA's model code of Conduct and associated Guidance Notes be adopted as the Authority's Code of Conduct, with immediate effect.	Document re-published in Constitution and on website. All Members have been provided with a direct copy and provided written receipt.	31/12/21	Katie Storr
Black	Lobbying Government - Re-introduction of sanctions	Extract from mins of mtg 6/11/21 the Standards Sub-Committee's previous recommendation that "Officers be requested to continue lobbying Government Ministers for a change in legislation to allow for the decriminalisation of "interests", and the re- introduction of proper meaningful sanctions" be supported and as such the Leader of the Council writes to relevant Ministers to further highlight this important point.	Lobbying left to be drafted and sent. Copy to all Members Copy attached from Members info - app a	30/11/21	Katie Storr

Green	<p>motion to council - street lights</p>	<p>extract from mins of meeting 28/6/21</p> <p>(a) The Leader of the Council to commence robust discussions with Leading Members of the County Council with a view to seeking the re-introduction of street lighting in parts of West Lindsey, particularly into those communities we ourselves have deemed to be vulnerable; and</p> <p>(b) the Leader feed back to this Council, by way of reporting to Prosperous Communities, the outcome of these discussions, potential options which could be investigated and their associated costs.</p>	<p>A written approach has been made to the Leader and relevant portfolio holder of LCC requesting a meeting to further discuss this matter initially – a response is awaited”</p> <p>Further information will be presented to The Prosperous Comms Cttee in accordance with the motion as this matter progresses”</p> <p>arising report will need programming into Prosp Comms workplan .</p> <p>This matter was again raised at the meeting on 6 September : -</p> <p>The Leader of the Opposition expressed his disappointment and the lack of willingness from the Administration to provide an update regarding street lighting motion, passed by the Council, and which was important to many residents. He commented on the noticeable absence of any media coverage regarding the motion, surmised at the reasons for this, and spoke of opportunities missed by the Leader.</p> <p>The Chairman interjected and advised that he would request the Leader to respond in writing, but that Leader’s announcements were concluded and not for debate.</p> <p>22/10 - Up to the time of writing Lincolnshire County Council has not responded to my (the Leaders) letter; however I have been informally advised that requests for specific lighting to be turned on overnight, made through the normal channels, will be considered. This clearly remains work in progress.</p> <p>Further communications have been issued to the Leader of LCC requesting engagement - it is hoped a report can be made to the Prosperous Communities Committee before the</p>	25/10/21	Cllr. O Bierley
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			end of the civic year		
Green	Promotion of Motions submitted to Full Council - Constitutional Query	Reference debate at Council on 6 September /1 November, this matter to be considered as part of the wider constitutional review	Included on the list of matters to be considered. Annual Review is due before Governance and Audit Cttee in April and then Annual Council in May.	01/05/22	Katie Storr
Green	New Code - Adoption by Parish Councils	<p>Extract from mins of mtg 6/11/21</p> <p>all Parish Council's across the District be encouraged to adopt West Lindsey's new Code of Conduct by May 2022</p> <p>(c) the implementation of the roll-out process detailed in Section 3 of the report and set out below be approved ;</p> <p>Communications to Parish and Town Councils November 2021</p> <p>Series of Workshops / Training to be held with Parish Councils to raise awareness and encourage adoption. These may be cluster events or attendance at individual Parishes Virtual arrangements will be used wherever possible Jan – March 2022</p>	<p>Communications issued to all Parish Council by end of January and matter promoted in parish news</p> <p>workshops to be held in Feb / March</p>	01/06/22	Emma Redwood



Guildhall, Marshall's Yard,
Gainsborough, Lincolnshire, DN21 2NA

Telephone: 01427 676676
Fax: 01427 675170
Web: www.west-lindsey.gov.uk

Your contact for this matter is:

Councillor Owen Bierley
Leader@west-lindsey.gov.uk

1 December 2021

To be sent via e-mail to: correspondence@communities.gov.uk

Secretary of State for Levelling Up, Housing and Communities
Department for Levelling Up, Housing & Communities
2 Marsham Street
London
SW1P 4DF

Dear Rt Hon Michael Gove

Recommendations arising from the report made by the Committee for Standards in Public Life in 2019 – Need for change

I write to you in my capacity as Leader of West Lindsey District Council, following a recent resolution passed by a Meeting of my Full Council.

My Council at its meeting on 1 November gave consideration to, and passed a resolution to adopt the new LGA Model Code of Conduct as the standard by which all Councillors across the District should be expected to adhere.

As part of that decision Full Council also asked that I write to you, to again highlight the concerns and weakness we consider exist within the current Regime, and which ultimately become the focus of the most recent debate had. (view minutes link)

My Council's Standards Sub-Committee has watched closely and actively engaged in the LGA's work in developing the new code and has written previously to Government Ministers both in an individual capacity and through regional and national organisations of which my Council is a Member, to highlight the need for change.

Whilst West Lindsey District Council welcomes one single national code to be adopted across all levels of Local Government and has demonstrated this with its adoption of the new model standard, unfortunately, those areas which would really see the standards regime re-invigorated and become fit for purpose are those areas which primarily involve a change in legislation.

Being able to apply meaningful sanctions when needed is an absolute must if adherence to the Code (any Code) is to be

maintained. We strongly advocate the return of sanctions including the power to suspend. We feel it imperative to mention this fact, and will continue to mention this fact at every opportunity. Any Code without sanctions we feel is a “tooth-less tiger”. Human nature expects actions to lead to consequences and the current arrangement offers no consequences, no deterrents.

The original notion that bad behaviour would be addressed through the ballot box simply does not work, particularly in rural areas with lots of parish councils, many of which never have a formal election. In small communities, it is difficult for residents to separate a Councillor in his/her official role, as opposed to when they are simply being a village resident, which they have the right to be. Clearly defining the scope and when the Code can be applied is something that needs to be addressed in order to manage if nothing more than the public’s expectations.

The criminalisation of pecuniary interests, we would suggest, is a step too far and results in fewer matters being addressed. Local Police forces do not have the resources to deal with arguably lower level breaches, and as such this erodes confidence in democracy. The most serious incidents could historically be referred to the Police and in our experience we would suggest this approach was more proportionate.

Many of these issues and concerns were recognised in the recommendations arising from the report made by the Committee for Standards in Public Life in 2019. My Council’s Standards Sub-Committee has been eagerly awaiting the Government’s wider response to the report, and to understanding whether there is willingness to review the legislation but to date the recommendations remain unresponded to.

I again encourage the Government to address the wider recommendations as a priority, many of which would address the concerns my Council have asked that I again bring to your attention.

Yours faithfully

Councillor Owen Bierley
Leader of West Lindsey District Council



Council

Monday, 24 January 2022

Subject: Review Of The Allocation Of Seats To Political Groups On Committees/Sub -Committees

Report by:

Monitoring Officer

Contact Officer:

Katie Storr
Democratic Services & Elections Team Manager
katie.storr@west-lindsey.gov.uk

Purpose / Summary:

This report sets out the details of the political groups on the Council, the number of Members to be appointed to serve on each committee and the allocation to different political groups of seats on the committees.

A re-allocation has been undertaken as a result of Notices being received in accordance with the Local Government (Committees & Political Groups) Regulations 1990 following the recent by-election result in the Nettleham Ward.

RECOMMENDATION(S):

- 1) that the details of political groups, as set out in Appendix A, be noted;**
- 2) that the number of Members to be appointed to serve on each Committee, arising from the Head of Paid Service's delegated decision, be noted; and**
- 3) that the allocation to different political groups of seats on committees, as set out in Appendix B, arising from the Head of Paid Service's delegated decision, be noted.**

IMPLICATIONS

Legal:

Council is required to review the allocation to different political groups of seats on committees and sub-committees.

In accordance with the provisions of Section 15 of the Local Government and Housing Act 1989, the

Financial : FIN/162/22/TJB

None directly arising as a result of this report.

Staffing :

None directly arising as a result of this report.

Equality and Diversity including Human Rights :

None directly arising as a result of this report.

Data Protection Implications :

None directly arising as a result of this report.

Climate Related Risks and Opportunities :

None directly arising as a result of this report.

Section 17 Crime and Disorder Considerations :

None directly arising as a result of this report.

Health Implications:

None directly arising as a result of this report.

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

Working Papers and Options considered held by Democratic Services

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

Key Decision:

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

Yes

No

Introduction

- 1.1 In accordance with the provisions of Section 15 of the Local Government and Housing Act 1989, the Council is required to review the allocation to different political groups of seats on committees and sub-committees.
- 1.2 The requirement to review the allocations is as a result of the recent by-election held in the Nettleham Ward at which Councillor Miss Jaime Oliver was elected . Councillor Jaime Oliver has given due notice under Regulation 9b that she wishes to be treated as Member of the Liberal Democrat Group
- 1.3 Existing political groups for the purposes of the Local Government (Committees & Political Groups) Regulations 1990 are as follows:

Group	No.	Leader/Spokesperson	Deputy Leaders
West Lindsey Administration Group	20	Councillor Owen Bierley	Councillor Anne Welburn
Liberal Democrat Group	13	Councillor Trevor Young	Councillor Lesley Rollings
Lincolnshire Independents	2	Councillor Chris Darcel	Councillor Cherie Hill

- 1.4 Councillor Paul Howitt-Cowan, West Lindsey Independent is not aligned to any Group.
- 1.5 The Council has delegated authority to the Head of Paid Service to agree, following consultation with the Group Leaders, the overall allocation of seats to groups resulting from the application of rounding.
- 1.6 Full details of group membership are set out in Appendix A.

2. The Allocations

- 2.1 In accordance with the provisions of section 15 of the Local Government and Housing Act 1989 (Duty to allocate seats to political groups), the Council is required to give effect, so far as reasonably practicable, to the following specified principles:

- (a) that not all the seats on a Committee/Sub-Committee are allocated to the same political group;
- (b) that the majority of the seats on a Committee/Sub-Committee are allocated to a particular political group where the number of persons belonging to that group is a majority of the authority's membership;
- (c) subject to paragraphs (a) and (b) above, that the number of seats on the ordinary Committees which are allocated to each political group bears the same proportion to the total of all the seats on the ordinary Committees of that authority as is borne by the number of **Members of that group** to the membership of the authority;
- (d) subject to paragraphs (a) to (c) above, that the number of seats on the Committee/Sub-Committee which are allocated to each political group bears the same proportion to the number of all the seats on that Committee/Sub-Committee as is borne by the number of **members of that group** to the membership of the authority.

2.2 (b) above applies as there is a group with a majority of seats on the Council.

2.3 In order to give effect, so far as is **reasonably practicable**, to the principles specified above and in consultation with group leaders as required by the delegation, it has been determined that the best fit to meet the political balance rules is for the: -

- **Planning Committee, Corporate Policy and Resources Committee, Prosperous Communities Committee, Licensing Committee, Regulatory Committee and Overview and Scrutiny Committee (if Politically balanced) * to comprise 14 Members;**
- **Chief Officer Employment Committee to comprise 9 Members**
- **Governance and Audit Committee to comprise 7 Members;**

2.4 ***It should be noted that it was requested that the political balance for the Overview and Scrutiny Committee not be applied (as was agreed following the District wide elections in May 2019 as has been at each subsequent allocation review undertaken.**

To retain the suspension of political balance a separate vote will be required on the appointment of Committees report). **As such 11 Places have been afforded to the Overview and Scrutiny Committee.** The allocations have therefore been calculated on this basis.

- 2.5 As agreed as part of the Annual Review of the Constitution during 2017/2018, the same 14 Members comprise both the Licensing Committee and the Regulatory Committee.
- 2.6 All of the Group Leaders have been consulted on the number of Members appointed to serve on the Committees/Sub-Committees.
- 2.7 Applying group numbers to the seats available on the Committees and Sub-Committees gives the allocation set out in Appendix B, as the most reasonably practical in the circumstances.

Local Government & Housing Act 1989

The Local Government (Committees and Political Groups) Regulations 1990

Political Groups on the District Council – January 2022

West Lindsey Administration Group (20 Councillors)

(Comprising 17 Conservatives, 1 Independent and 2 Gainsborough Independent Councillors)

Conservatives (17)

Councillor Owen Bierley

Councillor Jackie Brockway

Councillor Tracey Coulson

Councillor Jane Ellis

Councillor Steve England

Councillor Ian Fleetwood

Councillor Caralyne Grimble

Councillor Angela Lawrence

Councillor Cordelia McCartney

Councillor John McNeill

Councillor Jessie Milne

Councillor Peter Morris

Councillor Roger Patterson

Councillor Tom Regis

Councillor Jeff Summers

Councillor Robert Waller

Councillor Anne Welburn

Independent Councillor

Councillor Diana Rodgers

Gainsborough Independents

Councillor Timothy Davies

Councillor Mick Devine

Liberal Democrat Group (13 Councillors)

Councillor Matthew Boles

Councillor Stephen Bunney

Councillor Liz Clews

Councillor David Cotton

Councillor David Dobbie

Councillor Jaime Oliver

Councillor Keith Panter

Councillor Judy Rainsforth

Councillor Lesley Rollings

Councillor Jim Snee

Councillor Mandy Snee

Councillor Angela White

Councillor Trevor Young

Lincolnshire Independents Group (2 Councillors)

Councillor Chris Darcel

Councillor Cherie Hill

West Lindsey Independent Unaligned to any Group (1 Councillor)

Councillor Paul Howitt-Cowan

Appendix B

Political Make-up of the Council, on which calculations have been based: -

West Lindsey Administration Group (WLAG)	Lib Dem	Lincs Ind	Ind	Total
20 members	13 Members	2 Members	1 Member	36 Members
55.56%	36.11%	5.56%	2.78%	100%

TABLE 1 – ORDINARY COMMITTEES

	WLAG	Lib Dem	Lincs Ind	Ind Mbr	Total
Prosperous Communities (14)	8	5	1	0	14
Corporate Policy and Resources (14)	8	5	0	1	14
Governance and Audit (7)	4	2	1	0	7
Planning (14)	8	5	1	0	14
Chief Officer Employment (9)	5	4	0	0	9
Total no. of seats (58)	33	21	3	1	58
As a %	55.56	36.21	5.17	1.72	100

NOTES: This would meet the criteria with the WLAG having a majority on each Committee, followed by the Liberal Democrats having the next largest proportion and so on.

TABLE 2

IF POLITICAL BALANCE APPLIED	WLAG	Lib Dem	Lincs Ind	Ind Mbr	Total
Overview and Scrutiny Committee (14)	8	5	1	0	14
Total no of seats as a %	57.14	35.17	7.14	0	100

POLITICAL BALANCE SUSPENDED	WLAG	Lib Dem	Lincs Ind	Ind Mbr	Total
Overview and Scrutiny Committee (11)	5	5	1	0	11
Total no of seats as a %	45.45	45.45	9.09	0	100

TABLE 3

	WLAG	Lib Dem	Lincs Ind	Ind Mbr	Total
Licensing (14)	8	5	0	1	14
Regulatory (14)	8	5	0	1	14
Total no. of seats (24)	16	10	0	2	28
Total no of seats as a %	57.14	35.71	0	7.14	100

Note the membership of the two committees above has to be identical

Agenda Item 10b



Council

Monday, 24 January 2022

Subject: Appointment Of Committees and to Re-affirm Committee Chairmen/ Vice-Chairmen for the remainder of the 21/22 Civic Year

Report by:

Monitoring Officer

Contact Officer:

Katie Storr
Democratic Services & Elections Team Manager
katie.storr@west-lindsey.gov.uk

Purpose / Summary:

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

The report further seeks to re-affirm the appointments of Chairmen and Vice/Chairmen for the remainder of the 21/22 civic year.

RECOMMENDATION(S):

- (1) That the rules relating to proportionality be suspended in relation to the Overview and Scrutiny Committee; and**
- (2) In accordance with the provisions of section 16 of the Local Government and Housing Act 1989 and the wishes expressed by political groups, Members be appointed to serve to the Council's Committees for the remainder of the civic year as set out within this report;**
- (3) The current committee Chairmen, and Vice-Chairmen (shown throughout the report and summarised in table 1) be re-affirmed**

IMPLICATIONS

Legal:

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

Financial : FIN/164/22/TJB

Special responsibility allowances for the proposed Chairs and Vice Chairs are met from the Members Allowance budget.

Staffing :

None directly arising as a result of this report.

Equality and Diversity including Human Rights :

None directly arising as a result of this report.

Data Protection Implications :

None directly arising as a result of this report.

Climate Related Risks and Opportunities :

None directly arising as a result of this report.

Section 17 Crime and Disorder Considerations :

None directly arising as a result of this report.

Health Implications:

None directly arising as a result of this report.

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

Notices received from the Group Leaders on the allocation of Committee/ Sub-Committee places – documents available from the Guildhall, Gainsborough (on request).

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

Key Decision:

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

Yes

No

1. Introduction

1.1 In accordance with the provision of section 16 of the Local Government and Housing Act 1989, it is the duty of the Council to make appointments to Committees in accordance with the wishes expressed by political groups following the determination under section 15 (the allocation of seats to political groups).

1.2 Section 2 details the wishes expressed by the political groups.

2. Appointment of Committees

2.1 Chief Officer Employment Committee (9 Members)

Councillor Owen Bierley	
Councillor Jackie Brockway	Chairman
Councillor Mick Devine	Vice-Chairman
Councillor Diana Rodgers	
Councillor Anne Welburn	
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2.2 Corporate Policy and Resources Committee (14 Members)

Councillor Owen Bierley	
Councillor Mick Devine	
Councillor Ian Fleetwood	
Councillor Paul Howitt-Cowan	
Councillor John McNeill	
Councillor Tom Regis	
Councillor Jeff Summers	Vice-Chairman
Councillor Bob Waller	
Councillor Anne Welburn	Chairman
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2.3 Governance and Audit Committee (7 Members)

Councillor Jackie Brockway	Vice-Chairman
Councillor Tracey Coulson	
Councillor Chris Darcel	
Councillor John McNeill	Chairman
Councillor Anne Welburn	
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2.4 Licensing Committee (14 Members)

Councillor Tim Davies
Councillor Caralyne Grimble
Councillor Paul Howitt-Cowan
Councillor Angela Lawrence Vice-Chairman
Councillor Cordelia McCartney
Councillor Jessie Milne Chairman
Councillor Peter Morris
Councillor Diana Rodgers
Councillor Jeff Summers
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2.5 Regulatory Committee (14 Members)

Councillor Tim Davies
Councillor Caralyne Grimble
Councillor Paul Howitt-Cowan
Councillor Angela Lawrence Vice-Chairman
Councillor Cordelia McCartney
Councillor Jessie Milne Chairman
Councillor Peter Morris
Councillor Diana Rodgers
Councillor Jeff Summers
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2.6 Planning Committee (14 Members)

Councillor Mick Devine
Councillor Ian Fleetwood Chairman
Councillor Cherie Hill
Councillor Cordelia McCartney
Councillor Jessie Milne
Councillor Peter Morris
Councillor Roger Patterson
Councillor Jeff Summers
Councillor Bob Waller Vice-Chairman
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2.7 Prosperous Communities Committee (14 Members)

Councillor Owen Bierley	Chairman
Councillor Tracey Coulson	Vice-Chairman
Councillor Chris Darcel	
Councillor Mick Devine	
Councillor Jane Ellis	
Councillor Steve England	
Councillor John McNeill	Vice-Chairman
Councillor Jessie Milne	
Councillor Roger Patterson	

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3. Suspension of Political Balance

The Council can, by way of a separate vote, agree to not apply the provisions of the Local Government (Committees and Political Groups) Regulations 1990 to a Committee or Committees. Requests have been received from both Group Leaders that the Overview and Scrutiny Committee be not politically balanced.

The proposed unbalanced Committee Membership is set out below.

3.1 Overview and Scrutiny Committee (11 members) -

Councillor Tim Davies	
Councillor Caralyne Grimble.	
Councillor Cherie Hill	
Councillor Angela Lawrence	
Councillor Roger Patterson	
Councillor Diana Rodgers	Vice-Chairman
Councillor Lesley Rollings	Chairman
Councillor Angela White	Vice-Chairman

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Should this proposal not be unanimously supported the Committee will have to be balanced. The Chairmanships for this committee will also be amended in the event a balanced committee is agreed.

4. **Committee Chairmen and Vice-Chairmen**

- 4.1 Whilst the Council has had the need to re-appoint the Committees in accordance with its duty to make appointments to Committees in accordance with the wishes expressed by political groups following the determination under section 15 (the allocation of seats to political groups), all Group Leaders have indicated they have no wish to amend the Chairmen and Vice-Chairmen appointments previously made,
- 4.2 This report therefore merely seeks the re-affirmation of these positions
- 4.3 The positions and nominations are summarised below for ease.

Table 1

Committee	Chairman	Vice-Chairman/men
Chief Officer Employment	Councillor Jackie Brockway	Councillor Mick Devine
Corporate Policy and Resources	Councillor Anne Welburn	Councillor Jeff Summers
Planning	Councillor Ian Fleetwood	Councillor Robert Waller
Governance and Audit	Councillor John McNeill	Councillor Jackie Brockway
Licensing	Councillor Jessie Milne	Councillor Angela Lawrence
Overview and Scrutiny	Councillor Lesley Rollings	Councillor Diana Rodgers Councillor Angela White
Regulatory	Councillor Jessie Milne	Councillor Angela Lawrence
Prosperous Communities	Councillor Owen Bierley	Councillor Tracey Coulson Councillor John McNeill



Council

Monday, 24 January 2022

**Subject: Appointment to Vacancies on Boards and Other Bodies
(including outside bodies) following resignation**

Report by:

Monitoring Officer

Contact Officer:

Katie Storr
Democratic Services & Elections Team Manager
katie.storr@west-lindsey.gov.uk

Purpose / Summary:

This report seeks to appoint to vacancies on boards and other bodies (including outside bodies) arising from the resignation of former Councillor G McNeill.

RECOMMENDATION(S):

That those persons named at 2.1 of the report be appointed to the current vacancies.

IMPLICATIONS

Legal:

None Arising – such appoints are not such subject to political balance regulations

Financial :FIN/163/22/TJB

Members are entitled to claim travelling expenses for attending meetings of outside bodies – provision is provided for in existing budgets

Staffing :

None arising from this report

Equality and Diversity including Human Rights :

None arising from this report

Data Protection Implications :

None arising from this report

Climate Related Risks and Opportunities:

None arising from this report

Section 17 Crime and Disorder Considerations:

None arising from this report

Health Implications:

None arising from this report

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

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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

Key Decision:

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

Yes

No

1 Introduction

- 1.1 Whilst the re-calculation of political balance does not necessitate the need to re-appoint to the numerous sub-committees, boards and other bodies (including outside), the resignation of former Councillor G McNeill has seen a number of vacancies arise on such bodies.
- 1.2 At the time of his resignation, Councillor G McNeill held the following positions on such bodies: -

Outside Bodies

Lincoln Transport Strategy Delivery Board
PATROL

Working Groups

Lincolnshire Show Panel
Jubilee Events Planning Group

2 Appointments to be made

- 2.1 It is recommended that the following persons be appointed to the current vacancies: -

Lincoln Transport Strategy Delivery Board	Councillor Mrs Anne Welburn
PATROL	Councillor Mrs Diana Rodgers
Lincolnshire Show Panel	Councillor Mrs Diana Rodgers
Jubilee Events Planning Group	Councillor Mrs Anne Welburn



Council

24 January 2022

RECOMMENDATIONS FROM THE INDEPENDENT REMUNERATION PANEL - MEMBERS' ALLOWANCES FOR CIVIC YEAR 2022/2023

Report by:

Monitoring Officer

Contact Officer:

Emma Redwood
Monitoring Officer
01427 676591
Emma.redwood@west-lindsey.gov.uk

Purpose / Summary:

To review and consider the recommendations made by the Independent Remuneration Panel with regard to Members' allowances for 2022/2023 civic year.

RECOMMENDATION(S):

- (1) That Members approve the new rates as shown within this Report (Appendix 1), with regard to Members' allowances for the Civic Year 2022/2023:
 - A proposed increase of 1.5% to the individual Basic Allowance and Special Responsibility Allowances (SRA's).

IMPLICATIONS

Legal: None

Financial : FIN/136/22/VA

Pending approval from Full Council in January, the proposed changes will result in a saving of £3,900 compared to the 2022/2023 MTFP Budget.

	Proposed Allowance (£)	2022/2023 MTFP (£)	Saving in 2022/2023 (£)
Basic Allowances	224,700	228,100	(3,400)
Special Responsibility Allowances	63,700	64,200	(500)
Total	288,400	292,300	(3,900)

Staffing : None

Equality and Diversity including Human Rights : None

Risk Assessment : None

Climate Related Risks and Opportunities : None

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

None

Call in and Urgency:

Is the decision one 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. Background

- 1.1 West Lindsey District Council's Independent Remuneration Panel (IRP), has carried out its annual review of the Council's Scheme of Members' Allowances.
- 1.2 To inform the review, the Panel has considered a number of factors. These include the financial and budgeting situation the Council faces, including a pay award increase of 1.5% (1.75% for 2021/2022 for Officers unconfirmed); a comparison of allowance rates payable at comparable Councils; the recommended increase for last year was rejected by Members resulting in rates staying static for 2021/2022 ; and the role allowances play in attracting prospective Councillors and upholding democratic processes.
- 1.3 The Panel consulted with all Members, providing the opportunity to make comments via email and also offered the opportunity for meeting with the Panel remotely via MS Teams. On 25 August 2021, four Members met independently with the Panel to give their views. Four further Members offered their comments in writing to the Panel.
- 1.4 The comments received by the Panel from Members have been taken into account when arriving at the final Recommendations within this report.
- 1.5 The Panel would like to record its thanks to those Members and Officers who made themselves available to speak with them.

2. Members' Allowances

- 2.1 Taking all factors into account, the Panel have recommended an increase across the board of 1.5% to Members' basic allowance and Special Responsibility Allowances (SRA's).
- 2.2 This increases the Members' basic allowance to £6,242 for the year 2022/2023, and equates to an extra amount of £1.77 per week per Member.
- 2.3 The Panel acknowledged that they recognised that non-decision making meetings involving Members were now held virtually via MS Teams, and that this was a positive step towards reducing both costs and the carbon footprint.

3. Mileage and Subsistence Allowances

- 3.1 No change to mileage allowances. The Panel noted and commented that mileage allowances are currently in line with the tax efficient rate authorised by the Inland Revenue.
- 3.2 No change to subsistence allowances as set out below. Receipts must be provided for subsistence claimed and attached to the claim form.
 - a. Absence of more than four hours but no more than eight hours – only the cost of one meal can be reimbursed up to a maximum of £15.

- b. Absence of more than eight hours but no more than 12 hours – only the cost of two meals can be reimbursed up to a maximum of £25.
- c. Absence of more than 12 hours but no more than 16 hours – only the cost of three meals can be reimbursed up to a maximum of £33.
- d. Absence of more than 16 hours but not including an overnight stay – only the cost of four meals can be reimbursed up to a maximum of £40.
- e. Overnight – No Change - £83
- f. Overnight (London or LGA) – No Change - £208

4. Financial Impact

- 4.1 The financial impact depending on whether Members are minded to accept the recommendation for the 1.5% increase to basic allowance/SRA's, amounts to £3,900 savings relative to the 2022/2023 MTFP budget.
- 4.2 The revised schedule of proposed allowances is set out in Appendix One.

5. Recommendation

- 5.1 The Panel recommends an increase of 1.5% to the basic allowance and Special Responsibility Allowances (SRA's) for 2022/2023.

Appendix One: Special Responsibility Allowances (SRA): Recommended Rates

Allowance	Rate 2021/2022	Proposed Rate 2022/2023
Basic Allowance	£6,150	£6,242
SRA – Leader of Council	£12,425	£12,611
SRA – Deputy Leader/s (in the event of two or more being nominated, the payment to be shared)	£4,505	£4,573
SRA – Chair of Council	£3,980	£4,040
SRA – Vice-Chair of Council	£1,370	£1,391
Civic allowance for the Chairman of Council	£1,610	£1,634
Civic allowance for the Vice Chairman Of Council	£1,370	£1,391
SRA – Committee Chairs (excluding Licensing Cttee and Regulatory Cttee)	£3,105	£3,152
SRA – Regulatory Chair	£1,555	£1,578
SRA – Licensing Chair	£1,555	£1,578
SRA – Committee Vice-Chairs (excluding Licensing Cttee and Regulatory Cttee)	£1,470	£1,492
SRA – Regulatory Vice-Chair	£735	£746
SRA – Licensing Vice-Chair	£735	£746
SRA – Leader of the Opposition (in the	£4,505	£4,573

event of the Council being a 'hung' Council, the Leaders of the two largest groups be paid the same special responsibility allowance as for the Leader of the Opposition)

SRA – Deputy Leader of the Opposition	£820	£832
SRA – Minority Group Leaders (per group member, and including the Group Leader)	£100	£102
Independent Members: Governance & Audit and Standards Committees – A payment of £60.00 for the first four hours of attendance at a meeting/event and a second payment for attendance in excess of four hours. The first four hours would commence from the start time of the meeting (To be paid when not chairing a meeting).	£60	No change
Dependent Carer's Allowance	£10	No Change



COUNCIL

Monday, 24 January 2022

Subject: Adoption of the Corringham Neighbourhood Plan

Report by:

Assistant Director of Planning and Regeneration

Contact Officer:

Nev Brown
Senior Neighbourhood Planning Policy Officer

nev.brown@west-lindsey.gov.uk

Purpose / Summary:

To adopt the Corringham Neighbourhood Plan.

RECOMMENDATION(S): To adopt the Corringham Neighbourhood Plan in accordance with the Neighbourhood Planning Regulations 2012.

IMPLICATIONS

Legal:

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

Financial : FIN/147/22/SL

For every neighbourhood plan successful at examination the Council receives a grant of £20k from the Department of Levelling Up, Housing and Communities to help support its neighbourhood planning role in the district.

A total grant of £80k was claimed for in 2020/21 for 'Scotton', 'Bishop Norton and Atterby', 'Gainsborough' and 'Morton' NPs all of which has been received. A claim of £20k is being made for the Corringham NP during 2021/22.

At the year-end 2020/21 £33.1k of Neighbourhood Planning Grant (NPG) was transferred to the NPG earmarked reserve – with a balance of £67.8k at 31 March 2021, to support future costs of the neighbourhood planning process.

No further financial implications arising due to this report.

Staffing : HR160-12-21

Internal resources in place to deal with neighbourhood planning.

Equality and Diversity including Human Rights :

The Plan has been examined under the Neighbourhood Planning Regulations for any issues relating to equality and diversity.

Data Protection Implications : n/a

Climate Related Risks and Opportunities :

To succeed at examination a neighbourhood plan has to comply with national and strategic planning guidance on climate change. For the Corringham NP, the examiner found it to be sound in this respect. Climate change related policies in the NP include ones that seek to: achieve or exceed design and construction standards for sustainable development; minimise CO2 emissions for domestic scale green energy solutions; and provide charging points for electric vehicles.

Section 17 Crime and Disorder Considerations : n/a

Health Implications:

To succeed at examination the Corringham NP had to comply with national and strategic planning guidance on health and well-being. The examiner found it to be sound in this respect. Health and well-being related policies in the NP require: provision for sustainable transport modes including walking and cycling; protection of open spaces, public rights of way, rural lanes, and recreation and community facilities; and the designation of local green spaces.

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

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

Risk Assessment : 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. Introduction

- 1.1 This report seeks Members' approval to adopt (make) the Corringham Neighbourhood Plan (CNP) as part of the West Lindsey Development Plan. The report follows the CNP's successful referendum which was held recently.

2. Background

- 2.1 Corringham Parish Council (CPC), as the qualifying body, received Council approval in June 2016 to prepare a neighbourhood plan. The CNP was submitted to the Council for examination in March 2021 and comments were invited from the public and stakeholders.

3. Decision & Reasoning

- 3.1 The Council in agreement with CPC appointed an independent examiner, Mr Andrew Ashcroft, to examine whether the CNP met the basic conditions required by legislation and if it should proceed to referendum.

- 3.2 The Examiner's Report concluded that the CNP met the basic conditions, and that subject to the modifications proposed in the report, the CNP should proceed to a referendum. The report was considered under the Council's delegated powers and it was agreed that the CNP should proceed to referendum and in the outcome of a successful referendum result it should be made by the Council.

- 3.3 The CNP referendum met the requirements of the Localism Act 2011. It was held on 2 December 2021 in Corringham and posed the question:

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

- 3.4 At the referendum 83% of those that voted were in favour of the CNP. Legislation requires that the Council must make the neighbourhood plan if more than half of those voting have voted in favour of the plan. Greater than 50% of those who voted were in favour of the CNP being used to help decide planning applications in the plan area.

The results of the referendum were:	Votes recorded*	Percentage
Number of votes cast in favour of 'yes'	55	83%
Number of votes cast in favour of 'no'	11	17%

Electorate	392
Ballot Papers Issued	66
Turnout	16.8%

* No ballot papers were rejected

- 3.5 The duty of adopting (making) the CNP would not apply if the CNP was found to breach, or would otherwise be incompatible with any EU obligation or Convention rights. The Council has assessed that the CNP has been prepared in accordance with these requirements.
- 3.6 In accordance with national planning guidance, the adopted (made) Corringham Neighbourhood Plan must be given full weight in the determination of planning applications within the parish area.
- 3.7 Having an adopted Corringham NP will mean that West Lindsey has a total of 22 neighbourhood plans in place covering a large part of the district. Neighbourhood plans have given many of our local communities the tools to shape and protect their areas. This is welcomed by the Government which sees neighbourhood planning as a key part of its ambition to deliver the Localism Act.
- 3.8 The total number should continue to rise as there are currently 19 neighbourhood plans in various stages of preparation. There are also 2 plans being reviewed and potentially 42 areas in the district that are suitable for neighbourhood plans but have yet to start the process. Compared to nationally, West Lindsey is performing well in terms of neighbourhood plan coverage.

4. Recommendation:

- 4.1 That Members formally agree to adopt (make) the Corringham Neighbourhood Plan in accordance with the Neighbourhood Planning Regulations 2012.**

Agenda Item 10f



Council

Monday 24 January 2022

Subject: Collection Fund - Council Tax Surplus 2021/22 & Council Tax Base 2022-23.

Report by:

Assistant Director of Finance and Property Services and Section 151 Officer

Contact Officer:

Caroline Bird
Principal Corporate Accountant

Caroline.Bird@west-lindsey.gov.uk

Purpose / Summary:

The report sets out the declaration of the estimated surplus on the Council's Collection Fund relating to Council Tax at the end of March 2022 and how it is shared amongst the constituent precepting bodies.

It also sets out the Council tax base calculation for 2022/23. The tax base is a key component in calculating both the budget requirement and the council tax charge

RECOMMENDATION(S):

- 1) That Members accept that the estimated surplus of £225,500 be declared as accruing in the Council's Collection Fund at 31 March 2022 relating to an estimated Council Tax surplus.**
- 2) That the Council uses its element of the Collection Fund surplus/deficit in calculating the level of Council Tax in 2022/23.**
- 3) Approves, in accordance with the Local Authorities (Calculation of Tax Base) Regulation 1992, as amended, the amount calculated by the Council as its Council Tax Base for the whole of the District area for 2022/23 shall be 31,038.46 as detailed in this report and appendices.**

IMPLICATIONS

Legal: It is a requirement under the Local Government Finance Act 1992 that the Council calculates the tax base for council tax purposes. This must be done before 15 January prior to the financial year to which the tax base relates. It is also a requirement that the resolution determining the calculation be notified to the County Council between 1 December 2021 and 31 January 2022.

It is a requirement under the Local Government Finance Act 1992 that any estimated surplus on the previous year's Collection Fund shall be shared amongst the major precepting bodies.

Financial : FIN/155/22/CB

The estimated surplus in Council tax totals £1,470,700 to be shared as follows:-

Lincolnshire County Council £1,041,800

Police and Crime Commissioner, Lincolnshire £203,400

West Lindsey District Council £225,500

West Lindsey District Council will include its surplus share within its budget 2022/23 and taken into account for Council Tax setting. The surplus share of £225,500 represents an increase of £58,000 against the 2021/22 budgeted surplus of £167,500.

Staffing : None directly arising as a result of this report

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

Data Protection Implications : None directly arising as a result of this report

Climate Related Risks and Opportunities: None directly arising as a result of this report

Section 17 Crime and Disorder Considerations: None directly arising as a result of this report

Health Implications: None directly arising as a result of this report

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

Risk Assessment :

The Council is bound by legislation undertake the necessary work to determine the Council Tax Base and to distribute the estimated surplus on the Collection Fund. Failure to do so would mean that the Council would be acting illegally and would be prone to appropriate sanctions

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. Collection Fund Surplus for 2021/22

- 1.1 The Council is required to declare an estimate of the surplus or deficit that will occur on the Collection Fund at the end of each year. The Collection Fund records the amount of income collected from Council Tax, together with precept payments to principal authorities. These elements will generate a surplus or a deficit which should be taken into account when determining the Council Tax for the following year.
- 1.2 Any surplus or deficit generated through the Collection fund in relation to Council Tax is shared between the County Council, the Lincolnshire Police Authority and this Council in the same proportion as the amount of their precepts for 2021/22
- 1.3 A surplus or deficit may occur in the Collection Fund if the Council tax base is larger or smaller than originally anticipated or collection rates are higher or lower than expected.

2 Estimated Council Tax Surplus for 2021/22

- 2.1 The amount calculated as available from the Collection Fund arising upto 31.3.2022 and for distribution during 2022/23 has been calculated as £1,470,700
- 2.2 This amount will be shared amongst the precepting authorities as follows:

	£
Lincolnshire County Council	1,041,800
Police and Crime Commissioner	203,400
West Lindsey District Council	225,500

	£1,470,700

- 2.3 This Council must take its share of the surplus, being £225,500, into account when it sets its element of the Council Tax for 2022/23.

3 The Council's Tax base for 2022/23

- 3.1 The tax base is an important factor in determining the level of Council Tax for the next year. It is expressed as the equivalent of the number of dwellings in Band D.
- 3.2 The calculation takes into account the following factors:-
- 3.2.1 The number of chargeable dwellings in each valuation band in each Parish on 30 November 2021.
- 3.2.2 The number of discounts available to single and other eligible persons and for vacant dwellings.

- 3.2.3 The number of premiums effective at the relevant date.
- 3.2.4 The number of valuation band reductions for dwellings adapted for the disabled.
- 3.2.5 The number of dwellings exempt from liability.
- 3.2.6 The total amount estimated to be applied for the Council Tax Support Scheme.
- 3.2.7 The estimated amount of Council Tax collection in the financial year.
- 3.2.7 The proportion which dwellings in each band bear to Band D, on a full year basis.
- 3.3 The Council Tax Support scheme was introduced in April 2013 enabling actual information to be used as a basis for the estimation in calculating the impact of the reductions on the tax base. These are detailed within the calculation of the tax base at Appendix 1.
- 3.4 The number of chargeable dwellings in each valuation band has been taken from the valuation list supplied by the Valuation Office on 31 October 2021 and updated by the Council Tax department on 30 November 2021. A summary of the calculation and adjustments taken into account is shown at Appendix 1. The overall tax base for 2022/23 is estimated to be 31,038.46 (30,128.37 2021/22) Band D equivalent properties (increase of 3%)
- 3.5 The number of properties exempt from Council Tax, including Ministry of Defence buildings, has been deducted from the initial tax base. Direct payments in lieu are received from the Ministry of Defence and these are included later in the tax base calculation.
- 3.6 A loss on collection results in a collection rate from Council Tax of 98.3% (2021/22 98.3%) (The National Average collection rate for 2020-21 was 95.7%, decrease from 2019-20 which was 96.8%) which has been taken into account, reflecting current levels of collection.
- 3.7 The Council levies additional amounts for the precepts of Local Councils, and separate tax bases are required for those areas. These are shown at Appendix 2.

Appendix 1

COUNCIL TAX BASE

Band	Z	A	B	C	D	E	F	G	H	TOTAL
Number of dwellings	0.00	16,681.00	8,296.00	7,870.00	6,008.00	3,714.00	1,565.00	532.00	67.00	44,733.00
Exempt properties	0.00	(389.00)	(149.00)	(127.00)	(53.00)	(28.00)	(13.00)	(5.00)	(2.00)	(766.00)
No of Chargeable dwellings	0.00	16,292.00	8,147.00	7,743.00	5,955.00	3,686.00	1,552.00	527.00	65.00	43,967.00
Disablement relief	37.00	(9.00)	32.00	(17.00)	(10.00)	(21.00)	(2.00)	(3.00)	(7.00)	0.00
Adjusted Chargeable dwellings	37.00	16,283.00	8,179.00	7,726.00	5,945.00	3,665.00	1,550.00	524.00	58.00	43,967.00
Discounts on relevant day	(1.75)	(1,997.70)	(737.25)	(563.15)	(318.50)	(149.00)	(53.90)	(26.65)	(7.20)	(3,855.10)
Premiums	0.00	120.00	21.00	22.00	9.00	5.00	1.00	2.00	3.00	183.00
Total Discounts	(1.75)	(1,877.70)	(716.25)	(541.15)	(309.50)	(144.00)	(52.90)	(24.65)	(4.20)	(3,672.10)
Adjusted Total Dwellings	35.25	14,405.30	7,462.75	7,184.85	5,635.50	3,521.00	1,497.10	499.35	53.80	40,294.90
Reduction in tax base due to CTS	11.32	3,624.82	630.11	312.66	119.20	46.69	12.37	4.39	0.10	4,761.66
Equivalent after reduction due to CTS	23.93	10,780.48	6,832.64	6,872.19	5,516.30	3,474.31	1,484.73	494.96	53.70	35,533.24
Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Total No of Band D equivalents	13.35	7,187.05	5,314.27	6,108.64	5,516.30	4,246.34	2,144.54	824.97	107.40	31,462.86
Band D contributions in lieu (MOD)	0	44.00	29.96	27.07	6.00	0	1.44	0	2.00	110.47
Pre Collection Rate Adjustment – Tax Base	13.35	7,231.05	5,344.2	6,135.71	5,522.33	4,246.34	2,145.98	824.97	109.40	31,573.33
TAX BASE (Adjusted for Collection rate 98.3%**)	13.12	7,108.87	5,253.89	6,031.86	5,428.53	4,174.15	2,109.52	810.95	107.57	31,038.46

* The total number of Band D equivalents has been calculated at a parish level.

** Total No Band D Equivalent x Collection Rate + Band D contributions in Lieu.

APPENDIX 2 Parish Tax Base

Parish	2022/23 Tax Base
Aisthorpe	39.84
Bardney - Apley - Stainfield	726.96
Bigby	176.00
Bishop Norton	140.67
Blyborough	33.57
Blyton	389.37
Brampton	33.85
Brattleby	51.60
Broadholme	38.54
Brocklesby	33.25
Brookenby	167.45
Broxholme	30.32
Bullington	11.68
Burton	416.54
Buslingthorpe	22.72
Cabourne	28.78
Caenby	24.79
Caistor	995.86
Cammeringham	47.91
Cherry Willingham	1394.32
Claxby	68.51
Corringham	171.38
Dunholme	756.16
East Ferry	41.37
East Stockwith	70.29
Faldingworth	186.53
Fenton	154.61
Fillingham	87.32
Fiskerton	373.44
Friesthorpe	10.58
Fulnetby	4.51
Gainsborough	4774.09
Glentham	172.08
Glentworth	117.01
Golto	31.30
Grange de Lings	11.29
Grasby	188.60
Grayingham	60.18
Great Limber	80.39
Greetwell	345.41
Hackthorn - Cold Hanworth	86.52
Hardwick	17.86
Harpswell	23.01
Heapham	42.14
Hemswell	124.28

Parish	2022/23 Tax Base
Hemswell Cliff	168.57
Holton Beckering	45.75
Holton le Moor	62.06
Ingham	352.20
Keelby	691.02
Kettlethorpe	164.98
Kexby	116.33
Kirmond le Mire	14.20
Knaith	127.29
Langworth - Barlings - Newball	236.46
Laughton	150.75
Lea	380.10
Legsby	78.08
Linwood	37.94
Lissington	52.62
Market Rasen	1,252.40
Marton - Gate Burton	243.05
Middle Rasen	724.88
Morton	435.66
Nettleham	1572.36
Nettleton	238.81
Newton-On-Trent	138.01
Normanby-By-Spital	145.44
Normanby le Wold	18.12
North Carlton	92.81
North Kelsey	363.01
North Willingham	49.59
Northorpe	51.12
Osgodby	216.89
Owersby	98.07
Owmbly-By-Spital	116.06
Pilham	25.22
Rand	19.45
Reepham	330.40
Riby	46.62
Riseholme	123.67
Rothwell	64.06
Saxby	19.45
Saxilby - Ingleby	1533.78
Scampton	368.57
Scothern	385.87
Scotter	1169.53
Scotton	219.73
Searby cum Owmbly	81.09
Sixhills	14.68

Parish	2022/23 Tax Base
Snarford	13.91
Snelland	30.78
Snitterby	90.64
Somerby	24.85
South Carlton	36.49
South Kelsey	205.50
Spridlington	92.44
Springthorpe	59.91
Stainton le Vale	34.50
Stow	131.05
Sturton-By-Stow	506.79
Sudbrooke	726.57
Swallow	89.70
Swinhope	49.23
Tealby	277.38
Thonock	9.65
Thoresway	40.52
Thorganby	13.61
Thorpe le Fallows	6.28
Toft Newton	129.97
Torksey	288.02
Upton	165.19
Waddingham	213.71
Walesby	108.95
Walkerith	26.31
Welton	1561.67
West Firsby	10.91
West Rasen	33.08
Wickenby	82.05
Wildsworth	28.65
Willingham	199.84
Willoughton	110.68
Total	31,038.46

Agenda Item 10g



Council

Monday, 24 January 2022

Subject: Mid-Year Treasury Management Report 2021-22

Report by:	Assistant Director of Finance and Property Services and Section 151 Officer
Contact Officer:	Paul Loveday Corporate Finance Team Leader Paul.Loveday@west-lindsey.gov.uk
Purpose / Summary:	This report provides the Mid-Year update for Treasury Management Indicators in accordance with the Local Government Act 2003

RECOMMENDATION(S):

As recommended by the Corporate Policy and Resources Committee, Council is asked to:

- 1. Approve the Mid-Year Treasury Management Report**
- 2. Approve the changes to Prudential Indicators**

IMPLICATIONS

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

Financial : FIN/112b/22

There are no financial implications as a direct result of this report

Staffing : None arising as a result of this report

(N.B.) Where there are staffing implications the report **MUST** have a HR Ref

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

Data Protection Implications : None arising as a result of 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 2017

CIPFA The Prudential Code

Local Government Act 2003

Located in the Finance Department

Risk Assessment :

The Mid Year Treasury Management Report reviews 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

This mid-year report has been prepared in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice on Treasury Management, and covers the following:

- An economic update for the first part of the 2021/22 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2021/22;
- A review of the Council's borrowing strategy for 2021/22;
- A review of compliance with Treasury and Prudential Limits for 2021/22.

- 1.1 Covid-19 continues to have an adverse effect on the economy. The Bank Base rate has remained at 0.1%.
- 1.2 There have been no changes to the Treasury Management Strategy Statement and Annual Investment Strategy.
- 1.3 The forecast out-turn for Capital Expenditure is £8.755m against a current budget of £11.331m. The budget was revised to £8.755m at Corporate Policy and Resources committee 11 November 2021 with a request of £2.319m to be re-phased over future financial years. The remaining £0.257m is an underspend and is no longer required.
- 1.4 The Council is projected to have £17.689m invested by the year end having generated £0.154m in investment Interest. The return on investments is significantly lower than in previous years due to the impact of Covid-19 on the economy.
- 1.5 It is anticipated that total external borrowing will be £25m by the year end.
- 1.6 An assumption has been made in the prudential indicators that a further voluntary revenue provision will be made in 2021/22 in respect of borrowing for investment properties of £0.374m

2. Background

2.1 Capital Strategy

In December 2017, CIPFA issued revised Prudential and Treasury Management Codes. These require all local authorities to prepare a Capital Strategy which is to provide the following:

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed;

- the implications for future financial sustainability.

2.2 Treasury Management

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2.3 Key Changes to the Treasury and Capital Strategies

There are no changes to report to Council

3. Economics and Interest Rates

MPC meeting 24.9.21

- The Monetary Policy Committee (MPC) voted unanimously to leave Bank Rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn; two MPC members voted to stop the last £35bn of purchases as they were concerned that this would add to inflationary pressures.
- There was a major shift in the tone of the MPC’s minutes at this meeting from the previous meeting in August which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. In his press conference after the August MPC meeting, Governor Andrew Bailey said, “the challenge of avoiding a steep rise in unemployment has been replaced by that of ensuring a flow of labour into jobs” and that “the Committee will be monitoring closely the incoming evidence regarding developments in the labour market, and particularly unemployment, wider measures of slack, and underlying wage pressures.” In other words, it was flagging up a potential danger that labour shortages could push up wage growth by more than it expects and that, as a result, CPI inflation would stay above the 2% target for longer. It also discounted sharp increases in monthly

inflation figures in the pipeline in late 2021 which were largely propelled by events a year ago e.g., the cut in VAT in August 2020 for the hospitality industry, and by temporary shortages which would eventually work their way out of the system: in other words, **the MPC had been prepared to look through a temporary spike in inflation.**

- So, in August the country was just put on alert. However, this time the MPC's words indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to **faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement;** this suggested that it was now willing to look through the flagging economic recovery during the summer to prioritise bringing inflation down next year. This is a reversal of its priorities in August and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. Indeed, whereas in August the MPC's focus was on getting through a winter of temporarily high energy prices and supply shortages, believing that inflation would return to just under the 2% target after reaching a high around 4% in late 2021, now its primary concern is that underlying price pressures in the economy are likely to get embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.
- Financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in February 2022, but this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furlough ends at the end of September. At the MPC's meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would need to wait until the May meeting when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation.
- **The MPC's forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
 1. Placing the focus on raising Bank Rate as "the active instrument in most circumstances".
 2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
 3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.
- **COVID-19 vaccines.** These have been the game changer which have enormously boosted confidence that **life in the UK could largely return to normal during the summer** after a third wave of the virus threatened to overwhelm hospitals in the spring. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is

plenty of pent-up demand and purchasing power stored up for services in hard hit sectors like restaurants, travel and hotels. The big question is whether mutations of the virus could develop which render current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread.

The full economic report is attached at Appendix A and includes information on world economies.

3.1 Interest Rate Forecasts

The Council's treasury advisor, Link Group, has provided the current following forecasts on 29 September 2021.

Link Group Interest Rate View		29.9.21								
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
3 month ave earnings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70
6 month ave earnings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80
12 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40

Additional notes by Link on this forecast table: -

- LIBOR and LIBID rates will cease from the end of 2021. Work is currently progressing to replace LIBOR with a rate based on SONIA (Sterling Overnight Index Average). In the meantime, our forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings.

As shown in the forecast table above, one increase in Bank Rate from 0.10% to 0.25% has now been included in quarter 2 of 2022/23, a second increase to 0.50% in quarter 2 of 23/24 and a third one to 0.75% in quarter 4 of 23/24.

Significant risks to the forecasts

- COVID vaccines do not work to combat new mutations and/or new vaccines take longer than anticipated to be developed for successful implementation.
- The pandemic causes major long-term scarring of the economy.

- The Government implements an austerity programme that suppresses GDP growth.
- The MPC tightens monetary policy too early – by raising Bank Rate or unwinding QE.
- The MPC tightens monetary policy too late to ward off building inflationary pressures.
- Major stock markets e.g. in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market sell-offs on the general economy.
- Geo-political risks are widespread e.g. German general election in September 2021 produces an unstable coalition or minority government and a void in high-profile leadership in the EU when Angela Merkel steps down as Chancellor of Germany; on-going global power influence struggles between Russia/China/US.

The balance of risks to the UK economy: -

The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

Bank Rate is not expected to go up fast after the initial rate rise as the supply potential of the economy has not generally taken a major hit during the pandemic, so should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the surge to around 4% towards the end of 2021. Three increases in Bank rate are forecast in the period to March 2024, ending at 0.75%. However, these forecasts may well need changing within a relatively short time frame for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam during the summer and now into the autumn. This could lead into stagflation which would create a dilemma for the MPC as to which way to face.
- Will some current key supply shortages e.g., petrol and diesel, spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation. Then we have the Government's upcoming budget in October, which could also end up in reducing consumer spending power.
- On the other hand, consumers are sitting on around £200bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?

- There are 1.6 million people coming off furlough at the end of September; how many of those will not have jobs on 1st October and will, therefore, be available to fill labour shortages in many sectors of the economy? So, supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate the MPC's current concerns.
- There is a risk that there could be further nasty surprises on the Covid front, on top of the flu season this winter, which could depress economic activity.

In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will need to be revised again soon - in line with what the new news is.

It also needs to be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on the grounds of it no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

Forecasts for PWLB rates and gilt and treasury yields

As the interest forecast table for PWLB certainty rates above shows, there is likely to be a steady rise over the forecast period, with some degree of uplift due to rising treasury yields in the US.

There is likely to be **exceptional volatility and unpredictability in respect of gilt yields and PWLB rates** due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields?
- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
- How strong will inflationary pressures turn out to be in both the US and the UK and so impact treasury and gilt yields?
- How will central banks implement their new average or sustainable level inflation monetary policies?
- How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the "taper tantrums" in the US in 2013?
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within our forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

Gilt and treasury yields

Since the start of 2021, there has been a lot of volatility in gilt yields, and hence PWLB rates. During the first part of the year, US President Biden's, and the Democratic party's determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020 under President Trump. This was then followed by additional Democratic ambition to spend further huge sums on infrastructure and an American families plan over the next decade which are caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus, which is much bigger than in other western economies, was happening at a time in the US when:

1. A fast vaccination programme has enabled a rapid opening up of the economy.
2. The economy had already been growing strongly during 2021.
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries. A combination of shortage of labour and supply bottle necks is likely to stoke inflationary pressures more in the US than in other countries.
4. And the Fed was still providing monetary stimulus through monthly QE purchases.

These factors could cause an excess of demand in the economy which could then unleash stronger and more sustained inflationary pressures in the US than in other western countries. This could then force the Fed to take much earlier action to start tapering monthly QE purchases and/or increasing the Fed rate from near zero, despite their stated policy being to target average inflation. It is notable that some Fed members have moved forward their expectation of when the first increases in the Fed rate will occur in recent Fed meetings.

In addition, more recently, shortages of workers appear to be stoking underlying wage inflationary pressures which are likely to feed through into CPI inflation. A run of strong monthly jobs growth figures could be enough to meet the threshold set by the Fed of "substantial further progress towards the goal of reaching full employment". However, the weak growth in August, (announced 3.9.21), has spiked anticipation that tapering of monthly QE purchases could start by the end of 2021. These purchases are currently acting as downward pressure on treasury yields. As the US financial markets are, by far, the biggest financial markets in the world, any trend upwards in the US will invariably impact and influence financial markets in other countries. However, during June and July, longer term yields fell sharply; even the large non-farm payroll increase in the first week of August seemed to cause the markets little concern, which is somewhat puzzling, particularly in the context of the concerns of many commentators that inflation may not be as transitory as the Fed is expecting it to be. Indeed, inflation pressures and erosion of surplus economic capacity look much stronger in the US than in the UK. As an average since 2011, there has been a 75% correlation between movements in 10 year treasury yields and 10 year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.

There are also possible **DOWNSIDE RISKS** from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to keep an eye on.

The balance of risks to medium to long term PWLB rates: -

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

A new era – a fundamental shift in central bank monetary policy

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on ‘achieving broad and inclusive “maximum” employment in its entirety’ in the US before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be ‘sustainably over 2%’ and the ECB now has a similar policy.
- **For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.**
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt.

3.4 Treasury Management Strategy Statement and Annual Investment Strategy update

The Treasury Management Strategy Statement (TMSS) for 2021/22, which includes the Annual Investment Strategy, was approved by the Council on 1 March 2021.

The underlying TMSS approved previously requires revision in the light of economic and operational movements during the year. The proposed changes and supporting detail for the changes are set out below:

Prudential Indicator 2021/22	Original £'000	Revised Prudential Indicator £'000
Authorised Limit	45,000	45,000
Operational Boundary	40,062	30,000
External Debt	31,000	25,000
Investments	(12,133)	(17,689)
Net Borrowing	18,867	7,311
Capital Financing Requirement	41,340	40,088

4. The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow;
- Compliance with the limits in place for borrowing activity.

4.1 Prudential Indicator for Capital Expenditure

This Table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the budget. It draws together the main strategy elements of the capital expenditure plans, highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure by Cluster £'000	2021/22 Original Estimate £'000	2021/22 Revised Estimate £'000
Our People	2,456	1,075
Our Places	6,245	6,925
Our Council	695	755
Total capital expenditure	9,396	8,755
Financed by:		
Capital receipts	542	166
Capital grants	2,860	4,124
Revenue	4,251	1,616
S106	0	435
Total Financing	7,653	6,341
Borrowing need	1,743	2,414

4.2 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR)

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

During the half year ended 30 September 2021, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy. The Assistant Director, Finance, Business Support and Property Services (S151) reports that no difficulties are envisaged for the current or future years in complying with prudential indicators.

	2021/22 Original Estimate £'000	2021/22 Revised Estimate £'000
Prudential Indicators		
Capital Expenditure	9,396	8,755
Capital Financing Requirement (CFR)	41,340	40,088
Of Which Commercial Property	22,999	20,585
Annual Change in CFR	1,278	1,562
In year Borrowing Requirement	31,000	25,000
Under/(Over) Borrowing	10,340	15,088
Ratio of financing costs to net revenue stream	7.12%	7.98%
Incremental impact of capital investment decisions		
Increase/ Reduction(-) in Council Tax (band change per annum)	£0.00	£2.27

Please note the above prudential indicators assume a further voluntary revenue provision will be made in 2021/22 of £0.374m in respect of borrowing for investment properties.

4.3 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is

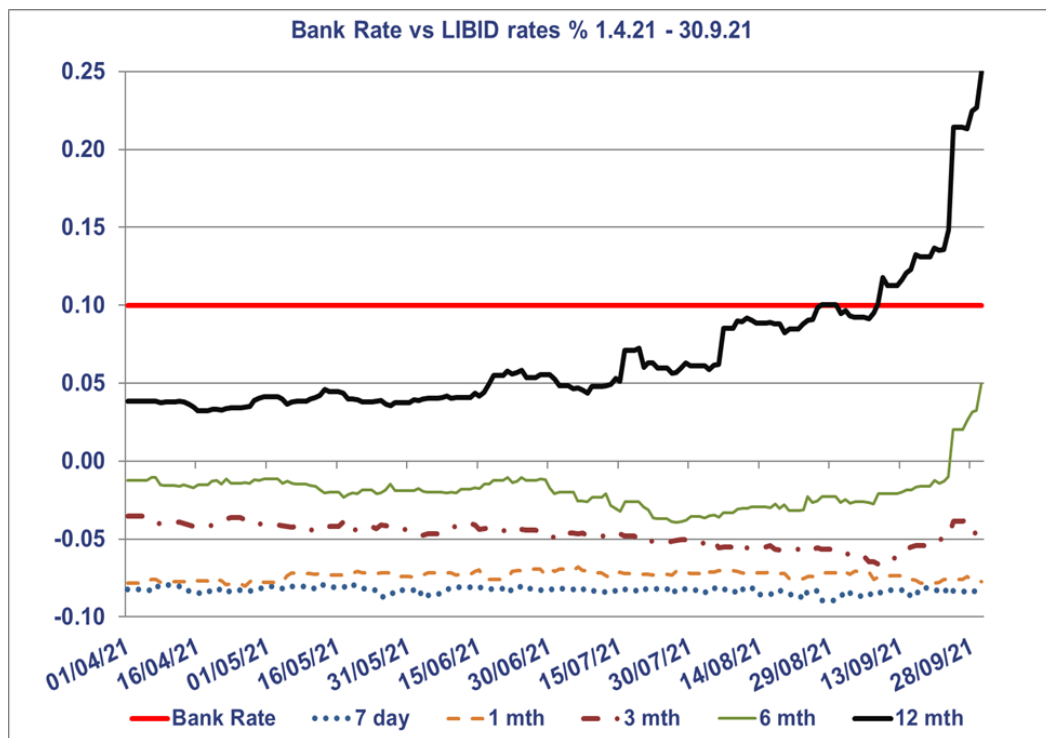
the statutory limit determined under section 3 (1) of the Local Government Act 2003.

5. Investment Portfolio 2020/21

In accordance with the CIPFA Treasury Management Code of Practice, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs.

As shown by the interest rate forecasts in section 3.2, it is now impossible to earn the level of interest rates commonly seen in previous decades as all short-term money market investment rates have only risen weakly since Bank Rate was cut to 0.10% in March 2020 until the MPC meeting on 24th September 2021 when 6 and 12 month rates rose in anticipation of Bank Rate going up in 2022. Given this environment and the fact that Bank Rate may only rise marginally, or not at all, before mid-2023, investment returns are expected to remain low.

The Council held £20.500m of investments as at 30 September 2021 (£16.820m at 31 March 2021). The annualised investment rate for the first six months of the year is 0.771% against a benchmark 7 day libid of -0.08%. The weighted average interest rate is 0.778%. The yield reflects the £3m investment in the Local Authority Property Fund.



The Council's budgeted investment return for 2021/22 is £0.090m, and performance for the year is forecast to be £0.064m above budget at £0.154m, this is mainly due to retaining investments in the Property Fund.

The Assistant Director, Finance, Business Support and Property Services (S151) confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2021/22.

5.1 Investment Counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

Treasury Officers continue to mitigate investment risk in accordance with Treasury Management Practices.

6. Borrowing

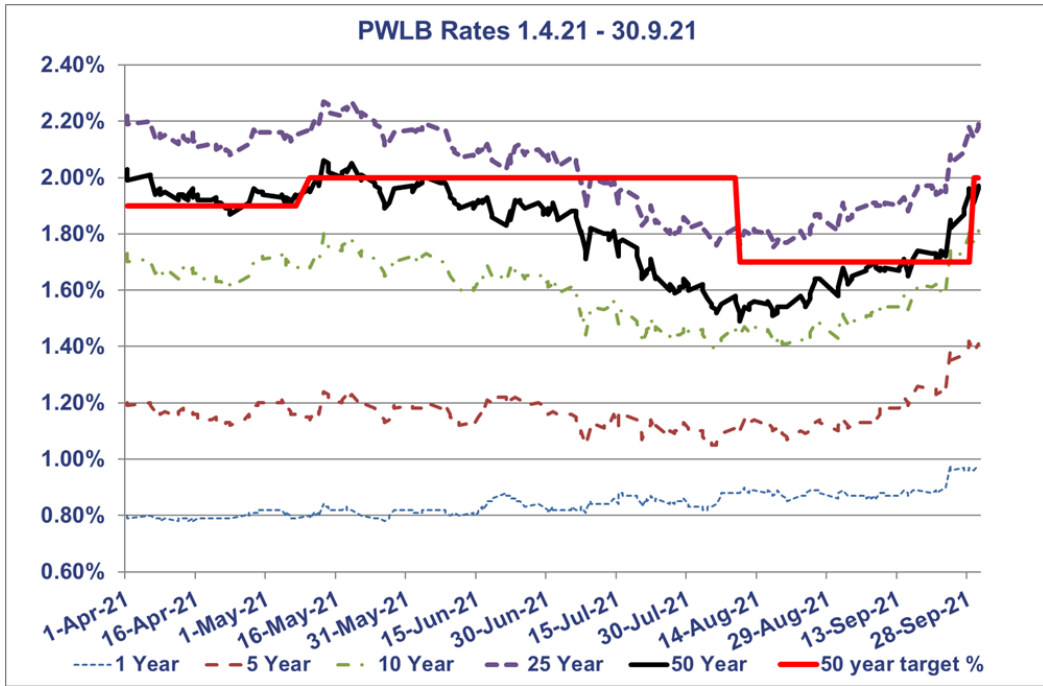
The Council's capital financing requirement (CFR) for 2021/22 is £40.088m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.

Due to the overall financial position and the underlying need to borrow for capital purposes (the capital financing requirement - CFR), no new external borrowing was undertaken in the first six months of the financial year. External borrowing remains at £20m. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

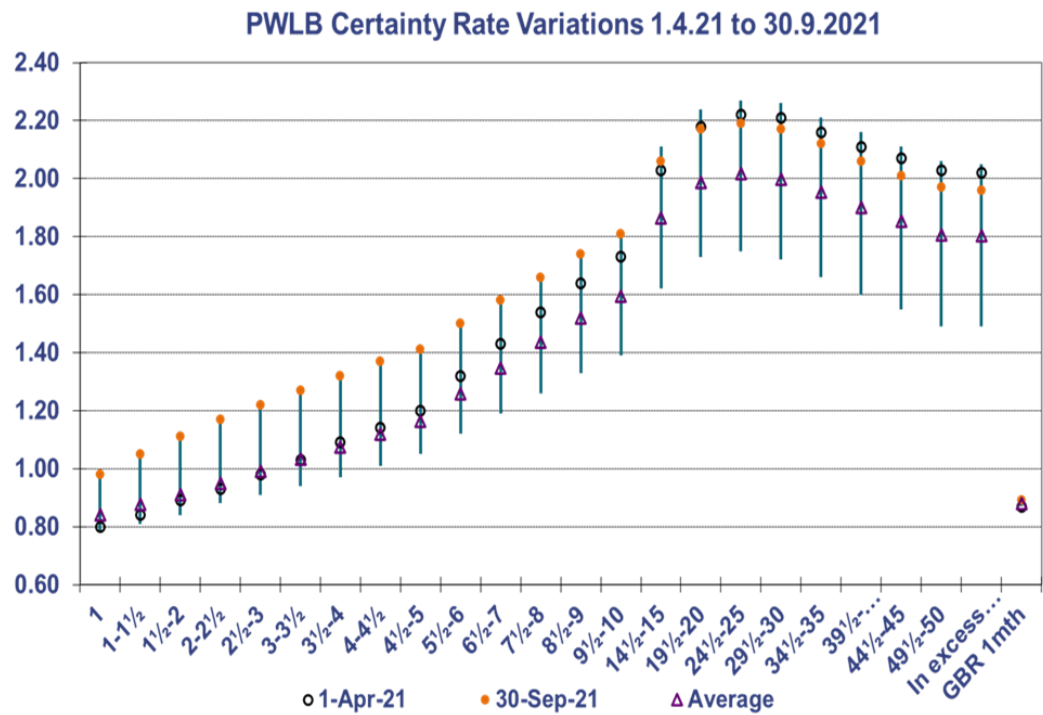
INTERNAL BORROWING: The Council forecasts that by the end of the this financial year it will have cumulatively £15,867m of internal borrowing

It is anticipated that further external borrowing of £8.5m will be undertaken during this financial year, of which £3.5m is to refinance existing debt due to mature in January 2022.

The graph and table below show the movement in PWLB certainty rates for the first six months of the year to date:



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.78%	1.05%	1.39%	1.75%	1.49%
Date	08/04/2021	08/07/2021	05/08/2021	17/08/2021	10/08/2021
High	0.98%	1.42%	1.81%	2.27%	2.06%
Date	24/09/2021	28/09/2021	28/09/2021	13/05/2021	13/05/2021
Average	0.84%	1.16%	1.60%	2.02%	1.81%
Spread	0.20%	0.37%	0.42%	0.52%	0.57%



Appendix A: Economics update

MPC meeting 24.9.21

- The Monetary Policy Committee (MPC) voted unanimously to leave Bank Rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn; two MPC members voted to stop the last £35bn of purchases as they were concerned that this would add to inflationary pressures.
- There was a major shift in the tone of the MPC's minutes at this meeting from the previous meeting in August which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. In his press conference after the August MPC meeting, Governor Andrew Bailey said, "the challenge of avoiding a steep rise in unemployment has been replaced by that of ensuring a flow of labour into jobs" and that "the Committee will be monitoring closely the incoming evidence regarding developments in the labour market, and particularly unemployment, wider measures of slack, and underlying wage pressures." In other words, it was flagging up a potential danger that labour shortages could push up wage growth by more than it expects and that, as a result, CPI inflation would stay above the 2% target for longer. It also discounted sharp increases in monthly inflation figures in the pipeline in late 2021 which were largely propelled by events a year ago e.g., the cut in VAT in August 2020 for the hospitality industry, and by temporary shortages which would eventually work their way out of the system: in other words, **the MPC had been prepared to look through a temporary spike in inflation.**
- So, in August the country was just put on alert. However, this time the MPC's words indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to **faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement;** this suggested that it was now willing to look through the flagging economic recovery during the summer to prioritise bringing inflation down next year. This is a reversal of its priorities in August and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. Indeed, whereas in August the MPC's focus was on getting through a winter of temporarily high energy prices and supply shortages, believing that inflation would return to just under the 2% target after reaching a high around 4% in late 2021, now its primary concern is that underlying price pressures in the economy are likely to get embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.

- Financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in February 2022, but this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furlough ends at the end of September. At the MPC's meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would need to wait until the May meeting when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation.
- **The MPC's forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
 5. Placing the focus on raising Bank Rate as "the active instrument in most circumstances".
 6. Raising Bank Rate to 0.50% before starting on reducing its holdings.
 7. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 8. Once Bank Rate had risen to at least 1%, it would start selling its holdings.
- **COVID-19 vaccines.** These have been the game changer which have enormously boosted confidence that **life in the UK could largely return to normal during the summer** after a third wave of the virus threatened to overwhelm hospitals in the spring. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in hard hit sectors like restaurants, travel and hotels. The big question is whether mutations of the virus could develop which render current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread.

US. See comments below on US treasury yields.

EU. The slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate has picked up sharply since then. After a contraction in GDP of -0.3% in Q1, Q2 came in with strong growth of 2%, which is likely to continue into Q3, though some countries more dependent on tourism may struggle. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the ECB is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising rates for a considerable time.

German general election. With the CDU/CSU and SPD both having won around 24-26% of the vote in the September general election, the composition of Germany's next coalition government may not be agreed by the end of 2021. An SPD-led coalition would probably pursue a slightly less restrictive fiscal policy, but any change of direction from a CDU/CSU led coalition government is likely to be small. However, with Angela Merkel standing down as Chancellor as soon as a coalition is formed, there will be a hole in overall EU leadership which will be difficult to fill.

China. After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of the year; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021. However, the pace of economic growth has now fallen back after this initial surge of recovery from the pandemic and China is now struggling to contain the spread of the Delta variant through sharp local lockdowns - which will also depress economic growth. There are also questions as to how effective Chinese vaccines are proving. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.

Japan. 2021 has been a patchy year in combating Covid. However, after a slow start, nearly 50% of the population are now vaccinated and Covid case numbers are falling. After a weak Q3 there is likely to be a strong recovery in Q4. The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was negative in July. New Prime Minister Kishida has promised a large fiscal stimulus package after the November general election – which his party is likely to win.

World growth. World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is likely that we are heading into a period where there will be a reversal of **world globalisation** and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.

Supply shortages. The pandemic and extreme weather events have been highly disruptive of extended worldwide supply chains. At the current time there are major queues of ships unable to unload their goods at ports in New York, California and China. Such issues have led to mis-distribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods on shelves.

APPENDIX B: Approved countries for investments as at 30 September 2021

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

Agenda Item 10h



Full Council

Monday 24th January 2022

Subject: Local Council Tax Support (LCTS) Scheme 2022/23

Report by:	Assistant Director – Change Management & Regulatory Services
Contact Officer:	Alison McCulloch – Revenues Manager Angela Matthews – Benefits Manager alison.mcculloch@west-lindsey.gov.uk angela.matthews@west-lindsey.gov.uk
Purpose / Summary:	To adopt a Local Council Tax Support Scheme for 2022/23 as recommended by Corporate Policy and Resources Committee.

RECOMMENDATION(S):

That Council Accepts the Recommendation from the Corporate Policy and Resources Committee and Adopts Option 1 of the report for the Local Council Tax Support Scheme for West Lindsey District Council for 2022/23.

IMPLICATIONS

Legal:

The Council has to determine a local scheme for council tax reduction by 31 January 2022

Financial : FIN/117/22/CC

The cost of the Local Council Tax Support scheme (LCTS) is shared between Lincolnshire County Council (75%), West Lindsey District Council (WLDC) (12.5%) and Lincolnshire Police (12.5%).

- If Option 1 is approved, no additional costs are forecast for the LCTS scheme for 2022/23. This does not take into account any adjustments such as new legislation affecting the default/pension age scheme and the uprated non-dependent deductions, applicable amounts and allowances as per the Department for Works and Pensions annual 'Up-ratings'
- To comply with the Council budget guiding principles, a scheme has to be designed that aims to fit the level of available government grant. How the funding is now provided to the Council, it is no longer possible to identify the funding which directly relates to this area, it is therefore desirable that the financial impact is cost neutral or can demonstrate financial savings

The scheme that is chosen by the Council will need to be monitored to ensure the level of council tax collection remains comparable with previous years.

Staffing :

The changes are minimal and therefore should not impact on staff.

Equality and Diversity including Human Rights :

Please see appendix A – Local Council Tax Support Scheme 2022/23 Equality Impact Assessment.

Data Protection Implications :

None arising from this report.

Climate Related Risks and Opportunities :

None arising from this report.

Section 17 Crime and Disorder Considerations :

None arising from this report.

Health Implications:

None arising from this report.

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

Local Government Finance Act 2012 -

<https://www.legislation.gov.uk/ukpga/2012/17/contents/enacted>

Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

<https://www.legislation.gov.uk/ukpga/2018/25/enacted>

Risk Assessment :

- a. If Council Tax Support caseloads rise or fall then WLDC and the other major precepting authorities will have to absorb those expenditure variations through the Collection Fund. It is therefore vital that the financial implications of the scheme decisions made are realistic in terms of bridging the funding gap.
- b. If there is a downturn in the local economy or where there has been major redundancies if a major company ceases trading, Council Tax Support caseloads could rise significantly.
- c. Each Council must approve their local Council Tax Support scheme by 31st January otherwise a default scheme, similar to the current Council Tax Support default scheme applied to customers of pension age, will have to be implemented. Applying a similar scheme to all working age customers would increase the annual expenditure on Council Tax Support.
- d. The amount of council tax support awarded last year was just over £6.8 million however; at the end of September 2021 this had decreased slightly to £6.7 million.

Call in and Urgency:

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

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

Yes

No

X

Key Decision:

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

Yes

X

No

Executive Summary

Council Tax Benefit was a national scheme providing means-tested financial help for low-income households to pay their Council Tax liability. This was abolished on 31 March 2013 by the Local Government Finance Act 2012 which placed a legal requirement on every billing authority to adopt a Localised Council Tax Support (LCTS) scheme.

Since the inception of the LCTS scheme on 1st April 2013 relatively minor changes have been made which has enabled claimants to receive a similar level of support each year and enabled the council to maintain an annual council tax collection rate of around 98%.

In 2020, following the Covid-19 pandemic, the Government awarded a grant to all local authorities with the requirement that an award of £150 (or less if their liability was less) be paid to all working aged council tax support claimants. It also permitted the use of any surplus to support economically vulnerable people and households.

Following the allocation of this award, it was also possible to introduce a discretionary hardship fund for all council taxpayers to apply for if they continued to experience financial difficulties caused by the pandemic. This fund is now exhausted but has supported an additional 320 families.

A further grant has been made for 2021/22 which has enabled an award of up to £200 to be made to all working aged council tax support claimants with the surplus being held as a discretionary hardship relief fund. To date this fund has supported an additional 62 families at a cost of £40.6k.

Due to the health and economic impacts Covid-19 has had on the residents of West Lindsey during 2020/21 and 2021/22, Members may wish to consider the appropriateness of imposing a further financial burden during 2022-23 on those already experiencing hardship. The pandemic is still causing considerable financial hardship to some residents as we are seeing through the discretionary hardship applications. The uplift of £20 per week for Universal Credit claimants has also ended resulting in additional financial hardship for those individuals affected and the impact of the energy increases expected in April are yet to be felt within the council tax collection rates.

A significant change to the LCTS scheme for 2022/23 is likely to have a negative impact on the collection rate and reduce the yield over the year.

Full Council must approve and adopt the finalised LCTS scheme by 31st January 2022 at the very latest.

1 Introduction

- 1.1 The Local Government Finance Act 2012 replaced Council Tax Benefit with a Council Tax support scheme. Unlike Council Tax Benefit (CTB) which is set by Central Government, the new Council Tax support scheme must be defined by individual Local Authorities (albeit with much central prescription).
- 1.2 Pensioners are protected by legislation which means 'local schemes' must give the same pre-2013 level of assistance to pensioners. West Lindsey District Council also made the decision in 2013/14 to protect those in receipt of a War Pension and those claimants receiving a Disability Benefit.

2 Current Situation

We currently have 6,369 council tax support claimants and of these 2,549 are pensioners and 3,820 are working age claimants. This equates to 60% of our total caseload who would be impacted by any changes to the scheme.

Our council tax collection rate for 2020/21 was 98.01% which was in the top quartile performance being 41st position out of 313 local authority reported outturns. The national average was only 95.7% so this is considerably higher. Some of this success can be attributed to the Government's hardship award and to the council tax discretionary hardship relief scheme which has enabled our most financially vulnerable residents to receive some financial support from the Council.

A full review of the scheme would have normally taken place this year had it not been for the ongoing pandemic. During this unprecedented time many of our residents have suffered personal and financial consequences and it is therefore essential that we continue to support and afford them the opportunity to recover from the impact of the pandemic.

The full effects of the pandemic are still difficult to predict and there is still economic uncertainty. With this in mind, it is recommended to postpone any fundamental changes until at least next year when we can more accurately calculate the economic outcome of pandemic.

3 Options

Two options have been considered for the 2022/23 scheme being to maintain or slightly reduce the level of financial support as detailed below:

3.1 Option 1

To apply any new legislative requirements and the uprating of the non-dependent charges, applicable amounts, and household allowances and deductions, used in the calculation of the reduction in accordance with the Department for Works and Pensions (DWP) annual 'Upratings'.

To apply any additional changes to government welfare benefit regulations during the year which are intended to increase the income of benefit recipients to avoid unintended consequences to customers.

Costs/Savings

There would be no direct saving to the council under this option as it would just maintain the current scheme.

Advantages	Disadvantages
The financial modelling shows that West Lindsey District Council can still bridge the funding by continuing with the current scheme for a further year.	
The existing scheme works well and offers a high level of support for low income families who may otherwise find themselves in debt.	
There has been a slight decrease this year in the number of households claiming LCTS which suggests that the situation is improving gradually as more claimants return to work.	
Collection rates are being maintained under the current scheme.	
This option ensures the LCTS rules stay consistent with the DWP rules which avoids confusion for claimants.	
Retaining existing policy principles of keeping LCTS in line with other key welfare benefits promotes equality.	

3.2 Option 2

To make no changes to the current scheme for 2022/23 ie: do not apply the up-rate household allowances and deductions

Costs/Savings

There would be no direct saving to the council under this option.

Advantages	Disadvantages
	The Council would have three sets of rules to apply for families applying for financial help. This will cause confusion for the claimants, will lead to increased modification to IT, additional training for the Benefits Team and an additional set of regulations to be prepared and implemented.

4 Consultation

Before a Council can determine to revise or replace its LCTS scheme it must consult with any major precepting authority which have the powers to issue a precept to it.

Consultation has taken place with both the Lincolnshire County Council and the Police and Crime Commissioner for Lincolnshire and both have submitted responses agreeing to make no change to the scheme for 2022/23.

5 Recommendations

It is recommended that the Members consider the two options and agree to Option 1 being to adopt the scheme based on the 2022/23 scheme.

6 Local Council Tax Support Scheme 2023/24

It is recognised that whatever decision is reached this would only be a scheme for 2022/23. A review of the scheme is undertaken annually when more knowledge of the impact of that year's scheme and collection rates are available. Monitoring will also take place to analyse the impact and any unintended consequences it has had on council taxpayers and benefit recipients.

Appendix A – Local Council Tax Support Scheme 2022/23 - EQUALITY IMPACT ASSESSMENT

<p>Name, brief description and objectives of policy, procedure, function?</p>	<p>For Council to agree the Local Council Tax Support Scheme for West Lindsey DC for 2022/23.</p> <p>To ensure that all council tax payers are treated fairly under the local scheme.</p> <p>To ensure that council tax support is payable to the most vulnerable residents of the district.</p>
<p>Have you consulted on the policy, procedure, function and if so, what were the outcomes?</p>	<p>Consultation has taken place with Lincolnshire County Council and the Crime and Police Commissioner for Lincolnshire who have both agreed to the recommendation.</p> <p>No consultation has taken place with council taxpayers as the recommendations are to continue with the current scheme except for applying any new legislative requirements and the uprating of the non-dependent charges, applicable amounts and household allowances and deductions, used in the calculation of the reduction in accordance with the Department for Works and Pensions (DWP) annual upratings.</p>
<p>What barriers may these individuals or groups face, and how can you promote equality (where possible)</p>	
<p>Gender</p>	<p>There is no evidence that this policy would impact on people in any way because of this characteristic.</p>
<p>Age</p>	<p>Working age claimants of Council Tax Support may receive a reduced level of assistance as compared with the former Council Tax Benefit Scheme. This scheme aims to redistribute support and be more generous to those applicants on the lowest incomes.</p> <p>The government has stated that council tax support for older people will not be reduced as a result of the introduction of the council tax reduction scheme reform. This is because the government wants to ensure that low income pensioners, who would struggle to pay council tax without additional support, and whom the government does not expect to work to increase their income, will continue to receive support for their council tax.</p>

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	Pensioner protection will be achieved by keeping in place national rules which broadly replicate the former council tax benefit scheme.
Disability	There is no evidence that this scheme would impact on people in any way because of this characteristic except in the case of War Pension and those claimants receiving a Disability Benefit who are protected by the Government.
Race	There is no evidence that this policy would impact on people in any way because of this characteristic.
Religion or Belief	There is no evidence that this policy would impact on people in any way because of this characteristic.
Sexual Orientation	There is no evidence that this policy would impact on people in any way because of this characteristic.
Gender Reassignment	There is no evidence that this policy would impact on people in any way because of this characteristic.
Pregnancy, maternity or paternity	There is no evidence that this policy would impact on people in any way because of this characteristic.
Marriage and Civil Partnership	There is no evidence that this policy would impact on people in any way because of this characteristic.
Rural Isolation	There is no evidence that this policy would impact on people in any way because of this characteristic.
Socio-economic factors	There is no evidence that this scheme would impact on people in any way because of this characteristic. However, any person unable to complete the application form will be offered assistance from the Benefits Teams in completing the application form and also be signposted to outside agencies such as Citizens Advice and Money Advice Service
Other (eg: those with dependants/caring responsibilities, asylum seeker and refugee communities, children in the care system etc)	There is no evidence that this scheme would impact on people in any way because of this characteristic. However, any person unable to complete the local council tax support application form will be offered assistance from the Benefits Team in completing the form and also be signposted to outside agencies such as Citizens Advice and Money Advice Service

<p>Is there any evidence or research that demonstrates why some individuals or groups are, or are not, affected?</p>	<p>There is no evidence or research available. This policy is based on nationally applicable legislation and it covers all applicants who must all meet a set of standards and criteria intended to ensure that evidence of hardship justifies a reduction in council tax liability.</p>
<p>If there is a potential adverse impact, please state why and whether this is justifiable.</p>	<p>There is no potential adverse impact from this policy.</p>
<p>Outcome of EIA</p>	<p> No major change needed <input checked="" type="checkbox"/> Adverse impact but continue <input type="checkbox"/> Adjust the policy /proposal <input type="checkbox"/> Stop and remove the policy/proposal <input type="checkbox"/> </p>
<p>How will you monitor your policy, procedure, function to ensure there is no adverse effect on the protected characteristics (eg: gender, age, etc) in the future?</p>	<p>Due to the nature of the reductions in the level of support, all working age claimants have the potential to have reductions in their support, however, they can be considered for further assistance under the exceptional hardship policy.</p>

Agenda Item 10i



Council

Monday 24 January 2022

Subject: Opting-In to Public Sector Audit Appointments Ltd

Report by:

Assistant Director of Finance and Property Services and Section 151 Officer

Contact Officer:

Paul Loveday Interim Corporate Finance Team Leader

Purpose / Summary:

To seek agreement to opt into Public Sector Audit Appointments Limited's (PSAA) national scheme for external audit appointments from 2023/24, as recommended by the Governance and Audit Committee.

RECOMMENDATION(S):

- 1. That the Council accept the invitation of opting in to the PSAA sector led option for the appointment of external auditors for the period 2023/24 to 2027/28 as recommended by the Governance and Audit Committee.**

IMPLICATIONS

Legal: Under The Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015, the Secretary of State has specified PSAA as an appointing person for principal local government and police bodies for audits.

Financial : FIN/152/22A

There are no direct financial implications arising from this report. However, opting in to the process is considered the most cost effective way of procuring experienced External Auditors

However upon the commencement of the current External Audit contract, procured by the PSAA, there was a saving of £10k (23%) on the £43k per annum National Audit Office (District Auditors) costs.

Costs over the past few years have increased in recognition of the additional requirements of Audit Regulations and other assurance requirements since that time taking the 2020/21 fee to £46k.

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 :

Invitation to opt into the national scheme for auditor appointments from April 2023 from PSAA.

All papers are located in the Financial Services section, Guildhall

Risk Assessment :

Quality of the External Audit is deminished – Mitigation: opt into the PSAA procurement where experienced Local Authority auditors are likely to bid.

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

- 1.1 Arrangements with the current external auditors (Mazars) will expire following the conclusion of the audit of the 2022/23 statement of accounts.
- 1.2 The current contract which ran for the audit years 2018/19 to 2022/23 was arranged by Public Sector Audit Appointments (PSAA).
- 1.3 The PSAA is a company incorporate by the Local Government Association and appointed by the Secretary of State for Housing Communities and Local Government in July 2016 to be the appointing person for principal local government and police bodies audits from 2018/19 under the provision of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Persons) Regulations 2015.
- 1.4 The Council has now received an invitation from PSAA for the Council to opt-in to the procurement of external auditors for the financial years 2023/24 to 2027/28 officers.
- 1.5 The Governance and Audit Committee have considered this report and recommended to Council.
- 1.6 In order for the opt-in to occur, a decision of Council is required by the and by the deadline of 12th March 2022.

2 Background

2.1 PSAA is a private company set up by the Local Government Association, following the abolition of the Audit Commission. The PSAA's role is to

- Appoint auditors
- Set fees
- Monitor compliance and quality issues

2.2 If the Council were not to opt-in to this scheme the alternative would be to seek a joint procurement with willing neighbouring authorities, or seek to procure independently, inevitably this would require resources;

- to creating a specification
- to initiating and administering a tender process
- to set a fee structure for the audits
- to ensure ongoing monitoring and management of audit organisations

In addition to the above tasks it would be necessary to engage consultants that had knowledge of the local authority audit market.

2.3 The main advantage of opting in are:

- Transparent and independent auditor appointment via a third party;
- The best opportunity to secure the appointment of a qualified registered auditor;
- The appointment, if possible, of the same auditors to bodies involved in significant collaboration/joint working initiatives, if the Council believes that it will enhance efficiency;
- On-going management of any independence issues which may arise;
- Access to specialist PSAA team with significant experience of working within the context of the relevant regulations to appoint auditors, managing contracts with audit firms, and setting and determining audit fees;
- Collective efficiency savings for the sector through undertaking one major procurement as opposed to a multiplicity of smaller procurements;
- Concerted efforts to work with other stakeholders to develop a more sustainable local audit market.

3. Current External Audit Contract and Performance

Since 2018/19 there have been significant delays in the completion of audits. (only 9% of 2020/21 Audits were signed off by the 30th September), contributed to concerns by the Ministry of Housing, Communities and Local Government around the effectiveness of the local audit regime. An independent review has been undertaken, by Sir Tony Redmond, into the arrangements in place to support the transparency and quality of local authority financial reporting and

external audit in England. The Government has recently announced measures to improve local audit delays.

4. Governments Measures to improve local audit delays

On 16 December 2021, DLUHC published a package of measures to support the improved timeliness of local audit. These are:

- 4.1 Measures relating to audit firms and timely completion of audit:** new routes will be developed to allow individuals to act as the Key Audit Partner, CIPFA will develop new training for auditors in local government financial reporting and management, and a new technical advisory service will (subject to consultation in the new year on the approach, business case, and costs) be made available to audit firms.
- 4.2 Measures relating to local bodies and quality of accounts preparation:** the £15m additional funding will continue through the Spending Review period (the announcement does not confirm the allocations, though authorities may wish to conclude that as the total remains the same, the allocations will also be stable); additional guidance will be prepared for audit committees.
- 4.3 Proposed measures relating to accounting and audit requirements:** temporary changes to audit guidance for 2020/21 may be extended to 2021/22 (and perhaps further); CIPFA / LASAAC will undertake further work on whether accounts can be simplified; and the implementation of the Redmond Review Standardised Statement of Service Information will be delayed.
- 4.4 Longer term measures to stabilise the market and address long-term supply issues:** reporting deadlines for audited accounts will be extended to 30 November for 2021/22 accounts and 30 September for 2023/24 to 2027/28 accounts, draft accounts will still be required by 31 May; the existing Code of Audit Practice 2020 will be extended to apply for the whole of the next appointing period; PSAA will continue with the planned procurement having taken steps to support the market; and a workforce strategy will be developed in consultation with the local audit industry.
- 4.5 Next steps:** include publication of the response to the technical consultation carried out in the summer.

5. Recommendation

- 5.1** That the Council accept the invitation of opting in to the PSAA sector led option for the appointment of external auditors for the period 2023/24 to 2027/28, as recommended by the Governance and Audit Committee.