

Guildhall Gainsborough
Lincolnshire DN21 2NA
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This meeting will be webcast live via: <https://west-lindsey-public-i.tv/core/portal/home> and published on the Council's website

AGENDA

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

Notice is hereby given that a meeting of the Council will be held in the Council Chamber - The Guildhall, , on **Monday, 2nd September, 2024 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(S)

a. Extraordinary Meeting of Council - 25 April 2024

To confirm and sign as a correct record the Minutes of the Extraordinary Meeting of Full Council held on 25 April 2024.

(PAGES 7 - 12)

b. Council - 24 June 2024

To confirm and sign as a correct record the Minutes of the Meeting of Full Council held on 24 June 2024.

(PAGES 13 - 21)

3. MEMBERS' DECLARATIONS OF INTEREST

Members may make any declarations of interest at this point and may also make them at any point during the meeting.

4. MATTERS ARISING
Setting out the current position of previously agreed actions as at 22 August 2024.

(PAGES 22 - 23)

5. ANNOUNCEMENTS
- i) Chairman of Council
 - ii) Leader of the Council
 - iii) Head of Paid Service

(VERBAL REPORT)

6. PUBLIC QUESTION TIME
Questions, if received, under this Scheme will be published by way of supplement following closure of the deadline.

(TO FOLLOW)

7. QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 9
Questions, if received, under this Scheme will be published by way of supplement following closure of the deadline.

(TO FOLLOW)

8. MOTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 10

Motion 1

“Members

The Household Support Fund was introduced in October 2021 to help struggling households through the Covid Crisis by providing them with additional funds allowing them to afford things like energy, food, clothing and other essentials. Post Covid the Government have kept the fund open to help households cope with the cost of living crisis.

The Government distribute the money through the County Councils and Unitary Authorities. Lincolnshire County Council work closely with the District Councils to ensure that the funds reach those most in need. In this year’s budget speech,

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the Chancellor announced a 6 month extension to the scheme from March 2024 to October 2024 with no plans or commitment for funding beyond that date.

West Lindsey's Corporate Plan 2023 - 2027 recognises that levels of fuel poverty and child poverty are on the increase with 27.4% of households experiencing child poverty. The State of the District 2023 states that 20.1% of the children aged 0-15, live in absolute low-income households, defined as below 60% of the median income. This means that around 3000 youngsters could potentially see a further reduction in their already low standard of living and well being after October 2024 when the Household Support Fund comes to an end. This can not be allowed to happen.

This Council instruct the Leader and Chief Executive to write to the Rt. Hon. Sir Edward Leigh MP for Gainsborough Constituency, Rt. Hon. Sir Keir Starmer MP - Prime Minister, Rt. Hon. Rachel Reeves, Chancellor of The Exchequer and The Treasury to petition for the establishment of a further three-year extension to The Household Support Fund from October 2024.

I so move.
Councillor Stephen Bunney”

Motion 2

“Motion to call upon West Lindsey District Council and NHS Commissioners to improve access to health care across the district prioritising the construction of a new GP surgery in Gainsborough.

Purpose: To address the urgent need for improved healthcare services in Gainsborough by establishing a new General Practitioner (GP) service to cater for the growing population and current demand.

Background:

1. Current Situation:

- The population of West Lindsey District has been steadily increasing, leading to higher demand for healthcare services.
- Existing GP services are under significant pressure, resulting in longer waiting times for appointments and limited availability of medical professionals.
- Residents have expressed concerns about the accessibility and quality of current GP services and inconsistent provision across the district.

2. Impact on Community:

- Inadequate GP services can lead to delayed diagnoses and treatments, negatively impacting on the health and wellbeing of residents.
- Overburdened healthcare professionals may experience burnout, further exacerbating the problem.

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- Insufficient medical services can deter new residents and businesses from moving to the area, affecting local development.

Proposal:

1. Immediate Actions:

- To call on the ICB to conduct a comprehensive needs assessment to demonstrate accurate need around GP provision.
- Engage with local health authorities, NHS representatives, and community stakeholders to gather input and support for the initiative.

2. Long-Term Strategy:

- Develop a strategic plan for the establishment of a new GP service, including potential locations, required resources, and projected timelines.
- Secure funding and resources through collaboration with local government and healthcare organisations.

3. Implementation:

- Appoint a working group dedicated to overseeing the establishment of the new GP service, ensuring accountability and progress tracking.
- Launch community awareness campaigns to inform residents of the forthcoming improvements and encourage their participation in the process.

Expected Outcomes:

1. Enhanced Healthcare Access:

- Reduced waiting times for GP appointments and improved access to healthcare services for all residents.
- Increased satisfaction and wellbeing among the community due to timely and effective medical care.
- Reduced reliance on A&E services currently used to support GP capacity.

2. Support for Healthcare Providers:

- Alleviation of pressure on existing GP services, allowing healthcare providers to offer better care and maintain their own wellbeing.
- Attraction of new healthcare professionals to the area, creating a more robust and resilient healthcare system.

3. Community and Economic Benefits:

- Strengthened community health outcomes, contributing to a healthier, more vibrant district.
- Potential economic growth through the attraction of new residents and businesses seeking reliable healthcare services.

Conclusion: The establishment of a new GP service in Gainsborough is crucial

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to meeting the current and future healthcare needs of our community. We urge the Council to approve this motion and take immediate steps towards its implementation.

**I so move
Councillor Trevor Young”**

Motion 3

Council notes the recent announcement by the Labour Government to end universal winter fuel payments and restrict eligibility to only those in receipt of Pension Credits and other benefits.

Though many agree that universal Winter Fuel Payments are not necessary, Council is deeply concerned that many pensioners on lower and middle incomes will now not receive the payments. Across England and Wales the number of people eligible for winter fuel payments will fall by 10 million (from 11.4 million to only 1.5 million).

In West Lindsey the number of pensioners affected by the change in eligibility criteria is 20856. That means 91.3% of pensioners currently eligible for winter fuel payments will no longer be able to claim the payment from this winter onwards.

Council believes that the Labour Government has set the threshold at which pensioners do not qualify for Winter Fuel Payments far too low. Only those receiving a pension of less than £218.15 a week (or £332.95 a week for couples) are eligible for pension credits. This is significantly lower than the living wage rate.

Council is also concerned by the low take up of pension credit with only 63% of those eligible nationwide receiving them – and over 880,000 pensioners not doing so. Council recognises the role we have to play to increase awareness of benefits such as Pension Credit to ensure people are aware of the support they are entitled to.

Council further notes that the Energy Price Cap is due to rise by 10% in October, which combined by the removal of Winter Fuel Payments will push thousands of local pensioners into fuel poverty.

Council resolves to:

Instruct the Chief Executive to write to the Chancellor of the Exchequer calling for the policy on linking Winter Fuel Payments to Pension Credit receipt to be immediately paused and introduce a new threshold to determine eligibility for Winter Fuel Payments.

Council further requests the Chief Executive write to the local MP covering West Lindsey District area asking them to give their formal support to halting the changes to the Winter Fuel Payment eligibility.

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Request all group leaders within West Lindsey District Council sign a joint letter to the Chancellor of the Exchequer calling for the new Winter Fuel Payment policy to be suspended and reviewed.

Urgently commence a significant awareness campaign to maximise uptake of pension credits. This will include use of council noticeboards, social media, promotion in local press and also targeted letters to those who may be eligible.

I so move
Councillor Lesley Rollings”

9. REPORTS FOR DETERMINATION

- a. Recommendation from the Governance and Audit Committee 11 June 2024
- Establishment of the Joint Committee for Devolution (Terms of Reference and Standing Orders)

(PAGES 24 - 39)

- b. Recommendation from Corporate Policy and Resources Committee 27 June 2024 - Annual Treasury Management Report 2023/24

(PAGES 40 - 56)

Ian Knowles
Head of Paid Service
The Guildhall
Gainsborough

Friday, 23 August 2024

WEST LINDSEY DISTRICT COUNCIL

Minutes of the Extra-Ordinary Meeting of Council held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA on 25 April 2024 at 7.00 pm.

Present: Councillor Stephen Bunney (Chairman)
Councillor Matthew Boles (Vice-Chairman)

Councillor Emma Bailey	Councillor Owen Bierley
Councillor Trevor Bridgwood	Councillor Mrs Jackie Brockway
Councillor Liz Clews	Councillor Frazer Brown
Councillor Karen Carless	Councillor Jacob Flear
Councillor Ian Fleetwood	Councillor Sabastian Hague
Councillor Paul Howitt-Cowan	Councillor Paul Key
Councillor Lynda Mullally	Councillor Maureen Palmer
Councillor Roger Patterson	Councillor Mrs Diana Rodgers
Councillor Mrs Lesley Rollings	Councillor Tom Smith
Councillor Jim Snee	Councillor Mrs Mandy Snee
Councillor Paul Swift	Councillor Baptiste Velan
Councillor Moira Westley	Councillor Trevor Young

In Attendance:

Sally Grindrod-Smith	Director Planning, Regeneration & Communities
Emma Foy	Director of Corporate Services and Section 151 Officer
Lisa Langdon	Assistant Director People and Democratic (Monitoring Officer)
Katie Storr	Democratic Services & Elections Team Manager
Julie Heath	Communications Manager

Apologies

Councillor John Barrett
Councillor Eve Bennett
Councillor Christopher Darcel
Councillor David Dobbie
Councillor Mrs Angela Lawrence
Councillor Paul Lee
Councillor Jeanette McGhee
Councillor Peter Morris
Councillor Roger Pilgrim

81 MEMBERS' DECLARATIONS OF INTEREST

No declarations were made.

82 EXCLUSION OF PUBLIC AND PRESS

RESOLVED that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 and 5 of Part 1 of Schedule 12A of the Act.

83 UPDATED SITUATION: SCAMPTON

Before asking Officers to present the report, the Chairman, who had requested the Extraordinary Meeting, set out the context for his request. The decision and actions relating to the Scampton site where some of the most important decisions the District had faced in recent memory, and as such he wished to ensure that all Members had been provided opportunity to express views and be appraised of the current position.

The Director of Planning, Regeneration and Communities was invited to present the report which provided Members with an update on work undertaken to secure the future of the site of the former RAF Scampton.

Members were being asked to note the actions taken and progress to date, which had focussed on developing the possibility to enter into a dual or shared use agreement for the site with the Home Office.

The District Council had been notified that the Home Office had taken legal possession of the entire site, known as RAF Scampton on 28 March 2024. A Special Development Order(SDO) had been laid in Parliament and had come into effect on 11th April 2024.

Whilst the SDO sought temporary permission for the site to be used to accommodate up to 2,000 users, the decision had been taken by the Home Office to reduce the business-as-usual operating capacity down to 800.

As such the Home Office now had legal possession of the land and a formal, temporary planning approval to use the site for asylum accommodation for a period of 3 years, from 11 April, with a six month decommissioning and re-instatement period.

The Corporate Policy and Resources Committee on 21 March had resolved to approve a set of parameters that would be the guiding principles by which the Council would negotiate the possibility of a shared use proposal for the site. The mutually agreeable position was outlined to Members.

The paper set out progress against the 16 parameters approved by Corporate Policy and Resources Committee and these were brought to Members attention in detail.

The Home Office had co-operatively engaged with WLDC to develop a shared use proposal. The principles of the proposal were detailed to Full Council

Work was continuing with the Council's legal and commercial advisors to fine tune the detail of the headline agreement. It was stressed the principle was to ensure that the headlines in

the pre-heads of terms document, allowed the work on the heads of terms, which would be developed in the next phase, to deliver an end legal agreement that was viable, deliverable and in line with the procured arrangements.

Proposed draft key lines of communication were set out in the report, recognising the sensitivities of a headline shared use agreement and the need to balance the local community position with a provision of clarity regarding matters which had generated significant public interest.

At the present time there was not a confirmed date by which the site would become operational for asylum uses. Officers also outlined the unknowns which remained particularly around the discharge of SDO conditions.

Whilst there was still significant work to be done to deliver a contractually legal and compliant development agreement, positive progress had been made, under challenging circumstances, with the direction of travel indicating that there was a way forward that could support West Lindsey to realise the aim of safeguarding the £300m investment into the site.

The Chairman opened the matter for debate with the Leader making opening statements, speaking of the challenges the Council had faced with regards this matter over the last 12 months. He considered the current position and work to date demonstrated a great collective effort from Officers and Members alike, paying tribute to Ian Knowles, Chief Executive, Sally Grindrod-Smith, Director of Planning Regeneration and Communities, wider Officers from across a range of Council Services and praising the excellent work of the Communications Team.

He spoke of being proud of how the Council had challenged the Government, taken brave decisions, which had at times come with a huge level of risk and considered this testament to the spirit of West Lindsey and the Council as a whole.

Whilst the head-line proposal was not a perfect resolution, and ideally the District would have preferred to not have even been considered for such proposals, given all circumstances, and the position the District had been facing 12 months ago, he was of the belief the draft proposal was the best possible outcome the District could achieve. It sought to protect the £300 million investment, protected key and vital heritage aspects of the site and saw the asylum use much reduced and conditioned to the greatest degree possible. Acknowledging there was more work to be undertaken to secure the final proposal, with a further Ministerial meeting and a visit to the Weathersfield site, he urged all Members to be supportive of the work to date and the arrangement being sought.

Local Ward Member for Scampton indicated his total support of the Leader's comments and the work of the Council in being willing to challenge the Home Office at the highest level. The Council planned investment of £300 million at the site would not just generate benefits for Scampton, but for the District with more widely positive benefits at a County and Regional level. Whilst acknowledging the situation was not perfect, a compromise as outlined would deliver the best outcomes and allow the matter to progress, acknowledging the significant impact the situation had caused.

The Deputy Leader echoed comments of the previous speakers, and praised the work of Officers and Members for the fantastic and considerable work that had been undertaken to

get the Council to the current position. This had been uncharted territory requiring a great deal of nerve. The industries that would occupy the site would transform aero-space, tech businesses. The impact on business and investment interest associated with the site had been the driving force in challenging the decision of the Government at the highest level. The much reduced footprint of the asylum element of the site was something Members considered should be a key message.

A Member did express concern that the public's view had not been fully accounted for and suggested that Members elected in May had not been fully appraised, he was of the view that all Members should have been permitted a vote of this matter at an early stage and going forward.

Members asked a number of questions relating to negotiations pertaining to leasing arrangements and sought to understand the differing approaches. Officers outlined their preference and surmised as to why this would not be the preference for the Home Office.

In responding to comments around ensuring a safe, legal and compliant site, the Director of Planning, Regeneration and Communities outlined in detail the multi-agency work which had been undertaken, week-in week-out over the last 12 months with attendance from Police, Fire, County Council, Public Health and adjoining Districts. The District Council and its partners would have access to the Operational Management Plan, and this would enable robust and fully informed Emergency Plans across all sectors to be developed.

Challenge was made by a fellow Member to previous comments about the suggested lack of Member involvement in prior decisions regarding this matter. With Members emphasising the only decision taken had been to fight proposals or not fight. Officers stressed that they had had no say in the sale of the site, the use of the site, the planning permission for the site. The only strategy which had been applied was to proceed with robust enforcement as a Strategy; the Authority had been forced into the position.

Members from across the Chamber spoke in support of the work to date and the head-line proposals. The Council had taken positive actions and made a statement about how it was prepared to back business and commerce across the District. Acknowledging there was still hard work ahead, Members were hopeful the Scampton site had a positive future and again praised all those involved.

Acknowledging the matter had been fast paced and of a legally sensitive nature, with many technical aspects, there was a level of support for allowing all Members, by way of Full Council decision, to be permitted a vote on any final arrangement. Such a vote would demonstrate the cohesion of the Council to find a positive outcome to the situation.

It was also suggested that the District should not rest on its laurels as ultimately a number of asylum seekers would still be resident on the site. Some political exchange ensued with the Chairman reminding the Chamber of the rules of engagement he had set for the meeting.

Officers outlined the 29 conditions the Council had managed to secure against the SDO, many of which were pre-commencement, and outlined in detail how they gave the Council a certain level of assurance over a range of matters, including site numbers. The Council would have a pivotal role in enforcing the SDO.

Members from Neighbouring Wards, echoed comments relating to the much more improved position under negotiation, offered praise for the work and spoke of feelings running across the Ward, when compared to 12 months prior. Crime and disorder were of a lesser of a concern and it was suggested that if the public could be made aware of some of the multi-agency work which continued to be undertaken and the conditions which would be in place, these fears would be further reduced.

A Member made a request for a recorded vote, which was duly seconded.

There were many comments throughout the debate around the Government's poor history of site decommissioning across the District and the legacy this often left. Members were positive this would not now be the case for Scampton and questioned whether there would be any lessons learnt for the future.

Officers were hopeful that the need for the Home Office to have clear lines of open communication with those areas effected had been established and it was considered the outcome had demonstrated the importance of the Councils robust approach to Strategic Planning, its Local Plan and Neighbourhood Plans.

In closing statements tribute was paid, by the Opposition, to the former Leader who had been at the helm for the early stages of the fight to save the investment.

With thoughts moving to the vote, a Point of Information/ Order was raised. There was concern that if the decision being taken was a private one, the request for a recorded vote was superfluous.

In responding, Officers confirmed whilst the debate had been in closed session all decisions made were in the public domain.

It was further questioned as to what Members were voting on given the recommendation was to note. In responding the Chairman moved an amendment, requesting the words "and endorse" be added, there by demonstrating that elected Members were in support of the work being undertaken by Officers in respect of negotiations. Consent was sought and received from the meeting to include the additional words.

On being put to the vote, votes were cast in the following manner:

For: Councillors Bailey, Bierley, Boles, Bridgwood, Brockway, Brown, Bunney, Carless, Clews, Flear, Fleetwood, Hague, Howitt-Cowan, Key, Mullally, Palmer Patterson, Rodgers, Rollings, Smith, Snee J, Snee M, Swift, Velan, Westley and Young.

Against: None

Abstain: None

With a total of 26 votes cast in favour, no votes against and no abstentions, it was unanimously:

RESOLVED that the actions taken and progress to date pertaining to the negotiations to explore the possibility to take control of the site to enable the

delivery of the procured heritage, skills and regeneration scheme be noted and endorsed.

The meeting concluded at 8.02 pm.

Chairman

WEST LINDSEY DISTRICT COUNCIL

Minutes of the Meeting of Council held in the Council Chamber - The Guildhall on 24 June 2024 at 7.00 pm.

Present: Councillor Stephen Bunney (Chairman)
Councillor Matthew Boles (Vice-Chairman)

Councillor Emma Bailey	Councillor John Barrett
Councillor Eve Bennett	Councillor Owen Bierley
Councillor Trevor Bridgwood	Councillor Mrs Jackie Brockway
Councillor Liz Clews	Councillor Frazer Brown
Councillor Karen Carless	Councillor David Dobbie
Councillor Adam Duguid	Councillor Jacob Flear
Councillor Ian Fleetwood	Councillor Sabastian Hague
Councillor Paul Howitt-Cowan	Councillor Paul Key
Councillor Mrs Angela Lawrence	Councillor Paul Lee
Councillor Jeanette McGhee	Councillor Peter Morris
Councillor Lynda Mullally	Councillor Maureen Palmer
Councillor Roger Patterson	Councillor Roger Pilgrim
Councillor Mrs Diana Rodgers	Councillor Mrs Lesley Rollings
Councillor Tom Smith	Councillor Jim Snee
Councillor Mrs Mandy Snee	Councillor Paul Swift
Councillor Baptiste Velan	Councillor Moira Westley
Councillor Trevor Young	

In Attendance:

Ian Knowles	Chief Executive
Emma Foy	Director of Corporate Services and Section 151 Officer
Lisa Langdon	Assistant Director People and Democratic (Monitoring Officer)
Katie Storr	Democratic Services & Elections Team Manager (Deputy Monitoring Officer)

Also in Attendance: Mr Neville Reyner, Chairman of Scothern Parish Council

Also Present: 3 Members of the public

Apologies Councillor Christopher Darcel

16 MINUTES OF THE PREVIOUS MEETING

Having been proposed and seconded, it was: -

RESOLVED that the Minutes of the Annual Meeting of Full Council held on 13 May 2024 be confirmed, approved and signed as a correct record.

17 MEMBERS' DECLARATIONS OF INTEREST

No declarations of interest were made at this point in the meeting. The Chairman reminded Members that they could make a declaration at any point in the meeting should they feel it necessary to do so.

18 MATTERS ARISING

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

With no comments or questions and with no requirement to vote, the matters arising were **DULY NOTED.**

19 PUBLIC QUESTION TIME

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

20 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, and published on the website.

The Chairman invited, Councillor Jim Snee, Local Ward Member for Gainsborough North, to put his question to the Chairman of the Prosperous Communities Committee as follows:-

"Chair, Councillor Mandy Snee, Councillor Matthew Boles and myself have yet again received complaints from residents with regards to the extremely poor condition and uncleanliness of the Gainsborough Leisure Centre Pool and changing facilities.

This problem has been raised on numerous occasions and it appears not to have been resolved satisfactorily.

I personally work in an environment which relies heavily on a thorough cleaning regime, where audits both internal and external are carried out rigorously by competent trained staff, on a regular timetable, to ensure high standards are adhered to, ensuring Public Health & Safety is priority.

We would like to see a similar style regime adopted by SLM to ensure public safety and to reassure the public that the leisure centre is a safe environment to visit.

We ask this Council to request officers provide a report to the next meeting

of Prosperous Communities Committee that answers the following questions:

- Can SLM as the Service provider, guarantee that their cleaning regime meets current Health Standards for a Public Facility and is evidenced on a recording log?
- Do we, the Council, as Landlord carry out our own Audit of the facility on a regular basis?
- How are issues/concerns dealt with? What remedial actions are taken to address these issues? And where is this information recorded?"

The Chairman thanked Councillor Snee for his question, and invited Councillor Rollings, in her capacity as Chairman of the Prosperous Communities Committee, to respond, with the response being as follows: -

"Firstly, I would like to thank Councillor Jimmy Snee, Councillor Mandy Snee and Councillor Matt Boles for the question.

Due to the importance, but also commercially sensitive nature of the contract, I have asked for an urgent investigation report to be brought to the July Prosperous Communities Committee. This report will provide an update on contract management action taken and disclosure of the records requested in the question."

Councillor Snee thanked Councillor Rollings for the response and indicated his eagerness at receiving the report.

21 MOTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 10

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

22 ADOPTION OF THE SCOTHERN NEIGHBOURHOOD PLAN REVIEW

Before introducing the report, the Chairman again welcomed Mr Neville Reyner, Chairman of Scothern Parish Council to the meeting.

Members gave consideration to a report which sought Members approval to adopt the review of the neighbourhood plan for the parish of Scothern.

Members were advised this marked the first review of an adopted Plan in West Lindsey. The Plan had been prepared by the Neighbourhood Plan sub-group on behalf of the Parish

Council and the Group had spent much time and energy on the Plan undertaking extensive consultation throughout its development.

The Examiner's remarks were drawn to the attention of the Chamber.

The review had involved two rounds of public consultation and had been successful at both examination and referendum, the latter been held on 20 June when 82.5% of residents who had voted, had voted in favour of the Plan.

The Chairman moved the recommendations before inviting Councillor Reyner to make a short address to the Chamber and in doing so he outlined the work the Group had undertaken, the support they had received along the way. Councillor Renyer welcomed the referendum result but had hoped for a greater turnout, increasing resident engagement and participation generally was an objective of his Parish Council.

Councillor Reyner paid tribute to the working group, which had been made up of parish councillors and residents. He also thanked those residents who had engaged in the consultation events and spoke of his hopes of establishing similar consultation events with residents regarding the Parishes fundamental vision by 2040, to continue to be a thriving, sustainable rural community in which people enjoy living and working.

The Chairman of Council then formally received the Plan from Councillor Reyner to a round of applause from all Members.

The Chairman opened the matter for debate, and Members sought to understand if the newly adopted Neighbourhood Plan, took precedent over the Central Lincolnshire Local Plan. The former Chairman of the Planning Committee provided Members with an initial response and Officers undertook to get a definitive position from the Neighbourhood Planning Officer and circulate this to Members.

Members from across the political spectrum congratulated Councillor Reyner and his team on their achievements, recognising the considerable work involved in getting a Plan to this stage.

The Leader of the Council spoke of challenges within the national planning system and his aspiration to ensure planning and development delivered for local people, taking into account their views, and Neighbour Plans sought to do this.

Having been proposed and seconded on being put to the vote it was

RESOLVED that: -

- (a) the reviewed Scothern Neighbourhood Plan be adopted (made) in accordance with the Neighbourhood Planning Regulations 2012; and
- (b) the newly adopted (made) Scothern Neighbourhood Plan Review June 2024, to replace the Scothern Neighbourhood Plan adopted in January 2017, to form part of the West Lindsey Development Plan for Scothern parish area.

23 REVIEW OF THE ALLOCATION OF SEATS TO POLITICAL GROUPS ON COMMITTEE / SUB-COMMITTEES

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

Members were advised of the reasoning for the review, as detailed in section 1.3 of the report.

This was a matter which had been determined by the Head of Paid Service under his delegated authority, in Consultation with the Group Leaders, and as such, there was no requirement for a vote.

With no questions posed, the following was **DULY NOTED**: -

- (a) the details of the political groups, as set out in Appendix A of the report;
- (b) the number of Members to be appointed to serve on each committee, arising from the Head of Paid Service's delegated decision; and
- (c) the allocation to the different political groups of seats on committees, arising from the Head of Paid Service's delegated decision, as set out in Appendix B of the report.

24 APPOINTMENT OF COMMITTEES

As result of the committee allocations having been amended under Section 15 of the Local Government and Housing Act 1989, the Council was required to reappoint to its Committees to reflect the new allocations.

The Chairman of the Council presented the report which set out the wishes expressed by the political Groups, based on their allocations, in respect of the appointment of Members to serve on each of the Council's formal Committees for the remainder of 2024/25 Civic Year.

With no questions or comments, having been proposed and seconded it was: -

RESOLVED that in accordance with the provisions of section 16 of the Local Government and Housing Act 1989, and the wishes expressed by political groups, Members be appointed to serve on the Council's Committees for the remainder of 2024/25 civic year as follows: -

Chief Officer Employment Committee (8 Members)

Councillor Owen Bierley

Councillor Mrs Jackie Brockway
Councillor Jeanette McGhee
Councillor Peter Morris
Councillor Mrs Lesley Rollings
Councillor Mrs Mandy Snee
Councillor Moira Westley
Councillor Trevor Young

Corporate Policy and Resources Committee (12 Members)

Councillor Owen Bierley
Councillor Matthew Boles
Councillor Frazer Brown
Councillor Stephen Bunney
Councillor Ian Fleetwood
Councillor Paul Key
Councillor Roger Patterson
Councillor Mrs Lesley Rollings
Councillor Tom Smith
Councillor Mrs Mandy Snee
Councillor Paul Swift
Councillor Trevor Young

Governance and Audit Committee (8 Members)

Councillor Stephen Bunney
Councillor Mrs Jackie Brockway
Councillor John Barrett
Councillor Christopher Darcel
Councillor David Dobbie
Councillor Sabastian Hague
Councillor Mrs Angela Lawrence
Councillor Baptiste Velan

Licensing Committee (11 Members)

Councillor John Barrett
Councillor Eve Bennett
Councillor Liz Clews
Councillor David Dobbie
Councillor Mrs Angela Lawrence
Councillor Paul Lee
Councillor Maureen Palmer
Councillor Mrs Diana Rodgers
Councillor Jim Snee
Councillor Mrs Mandy Snee
Councillor Baptiste Velan

Regulatory Committee (11 Members)

Councillor John Barrett
Councillor Eve Bennett
Councillor Liz Clews
Councillor David Dobbie
Councillor Mrs Angela Lawrence
Councillor Paul Lee
Councillor Maureen Palmer
Councillor Mrs Diana Rodgers
Councillor Jim Snee
Councillor Mrs Mandy Snee
Councillor Baptiste Velan

Planning Committee (12 Members)

Councillor Emma Bailey
Councillor John Barrett
Councillor Owen Bierley
Councillor Matthew Boles
Councillor Karen Carless
Councillor David Dobbie
Councillor Ian Fleetwood
Councillor Sabastian Hague
Councillor Peter Morris
Councillor Roger Patterson
Councillor Tom Smith
Councillor Jim Snee

Prosperous Communities Committee (12 Members)

Councillor Emma Bailey
Councillor Owen Bierley
Councillor Frazer Brown
Councillor Stephen Bunney
Councillor Karen Carless
Councillor Chris Darcel
Councillor Jacob Flear
Councillor Paul Lee
Councillor Peter Morris
Councillor Roger Patterson
Councillor Mrs Lesley Rollings
Councillor Trevor Young

Overview and Scrutiny Committee (12 members)

Councillor Eve Bennett
 Councillor Trevor Bridgwood
 Councillor Liz Clews
 Councillor Adam Duguid
 Councillor Jacob Flear
 Councillor Paul Howitt-Cowan
 Councillor Paul Key
 Councillor Paul Lee
 Councillor Lynda Mullally
 Councillor Maureen Palmer
 Councillor Roger Pilgrim
 Councillor Moira Westley

25 APPOINTMENT OF COMMITTEE CHAIRMEN AND VICE CHAIRMEN

Having re-appointed the Committees, the report under consideration sought to appoint Chairmen and Vice-Chairmen to each of the Committees.

With no questions and with no counter nominations made, having been proposed and seconded, it was: -

RESOLVED that the following persons be appointed as Chairmen and Vice-Chairmen, for the remainder of the 2024/25 Civic Year to the following Committees:

Committee	Chairman	Vice Chairman/men
Chief Officer Employment Committee	Councillor Moira Westley	Councillor Mandy Snee
Corporate Policy and Resources Committee	Councillor Trevor Young	Councillor Lesley Rollings Councillor Paul Swift
Planning Committee	Councillor Matt Boles	Councillor Jim Snee
Governance and Audit Committee	Councillor Stephen Bunney	Councillor David Dobbie Councillor Velan Baptiste
*Licensing Committee	Councillor Jim Snee	Councillor Mandy Snee
Overview and Scrutiny Committee	Councillor Paul Howitt-Cowan	Councillor Jacob Flear Councillor Moira Westley

*Regulatory Committee	Councillor Jim Snee	Councillor Mandy Snee
Prosperous Communities Committee	Councillor Lesley Rollings	Councillor Trevor Young Councillor Emma Bailey

26 AMENDMENTS TO THE APPOINTMENTS TO OUTSIDE BODIES AND WORKING GROUPS

Consideration was given to a report which sought to make amendments to some Outside Body and Internal Working Group appointments, having received requests from the two largest political groups, namely, the Lincolnshire Wolds Countryside Management Project and the Environment and Sustainability Working Group.

With no questions posed and having been proposed and seconded, it was:

RESOLVED that: -

- (a) Councillor Owen Bierley be appointed to the Lincolnshire Wolds Countryside Management Project until Annual Council May 2027 in replacement of Councillor Moira Westley; and
- (b) Councillor Ian Fleetwood be appointed to the Environment and Sustainability Working Group, until Annual Council May 2027, in replacement of Councillor Paul Lee.

The meeting concluded at 7.24 pm.

Chairman

Council Matters Arising Schedule

Purpose:

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

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

Matters arising Schedule

Status	Title	Action Required	Comments	Due Date	Allocated To
Green	Public Participation Schemes - Review of	<p>AGM Mtg 23/5/23</p> <p>When considering the Annual Review of Constitution, the Leader advised the Administration would wish to undertake a fundamental review of the participation schemes in year</p> <p>Scope and time line of this work to be discussed with Administration</p>	<p>Initial conversation to be held at Chairs Brief as to how the Group would like to proceed – on hold</p>	(blank)	Katie Storr
Green	Motion - Lobbying of LNER	<p>Please undertake action to fulfil Council resolution below.</p> <p>Please outline what action has been taken.</p>	<p>Extract from Mins of Mtg 6 /11/23 - RESOLVED unanimously that the District Council lobby LNER, seeking support from all statutory partners, to assess the viability of Barnetby being included in the direct run from Cleethorpes, passing through Market Rasen, to London.</p> <p>Officers are arranging a meeting with LNER to obtain the latest details of the potential new Cleethorpes to London service. This includes understanding which stations will and will not be included as stopping points. Once this is clarified officers will establish a lobbying strategy as required.</p> <p>A commitment to re-introduce a direct Cleethorpes to London service was made by the previous Government with previous ministers stating an expected start date of December 2024. There has not been any update on this position as yet following the election.</p> <p>Officers continue to monitor announcements on rail services by the Government and train operators. When the Government position on this new service commitment is confirmed, officers will work to establish a lobbying strategy</p>	30/08/24	Grant White

as required.

Amber

Motion to Council - explore options to increase our road sweeping capability, including the feasibility and financial implications.

Council to be advised when the motion is to be considered and outcome of Motion - Outcome will be reported through Council matters arising for information

I therefore call upon this Council to support me in requesting that the Prosperous Communities Committee explore options to increase our road sweeping capability, including the feasibility and financial implications. - Motion was referred without debate.

30/6/24 Ady Selby

Black

Precedent of Neighbour Plans

Extract from mins of mtg 24/6/24
Members sought to understand if the newly adopted Neighbourhood Plan, took precedent over the Central Lincolnshire Local Plan. Members were provided with an initial response and Officers undertook to get a definitive position from the Neighbourhood Planning Officer and circulate this to Members.

Awaiting entry on to a work plan

Legal guidance on the relationship between a neighbourhood plan (Scothern NP Review June 2024) which is more recently adopted than a local plan (Central Lincolnshire Local Plan April 2023) is provided by the National Planning Policy Framework (NPPF, Dec 2023). It states:

30/6/24 Nev Brown / Lisa Langdon

"Neighbourhood plans must be in general conformity with the strategic policies contained in any development plan that covers their area."

As part of its examination, the examiner reaffirmed that the Scothern NP Review met this requirement with the CLLP 2023 (development plan).

"Once a neighbourhood plan has been brought into force, the policies it contains take precedence over existing non-strategic policies in a local plan covering the neighbourhood area, where they are in conflict; unless they are superseded by strategic or non-strategic policies that are adopted subsequently."

The CLLP 2023 has 84 policies of which 76 are strategic and only 8 are non-strategic. Of the latter, only 4 apply to Scothern. As part of the NP Review's examination, no conflicts were found to exist between these 4 non-strategic policies and any related policies in the Scothern NP Review.

Agenda Item 9a



Full Council

Monday 2 September 2024

**Subject: Recommendation from the Governance And Audit Committee
- Establishment of the District Joint Committee for
Devolution**

Report by:	Assistant Director People and Democratic Services
Contact Officer:	Lisa Langdon
Purpose / Summary:	<p>This Report is seeking approval for the establishment of District Joint Committee for the purposes of devolution, that the Leader of the Council is to represent WLDC at this Joint Committee, to endorse and recommend the documentation it is proposed will govern the Joint Committee and to request Council delegate any further review or amendment of the District Joint Committee to the Governance and Audit Committee.</p> <p>This report stands recommended from the Governance and Audit Committee at its meeting on 11 June 2024.</p>

RECOMMENDATION(S):

That Council accepts the recommendation from the Governance and Audit Committee and in doing so

- 1) approves the establishment of a District Joint Committee of the Lincolnshire Districts for the purposes of devolution and participation at the Mayoral Combined County Authority**
- 2) approves that the Leader of West Lindsey District Council represents the authority at the District Joint Committee**

- 3) **approves the proposed Terms of Reference and Standing Orders for the District Joint Committee**
- 4) **delegates any further review or amendment of the Terms of Reference to the Governance and Audit Committee.**

IMPLICATIONS

Legal:

The establishment of the Mayoral Combined County Authority is subject to legislative provisions which will be considered by the 3 constituent authorities (Lincolnshire County Council, North Lincolnshire Council and North East Lincolnshire Council), however for the purposes of the establishment of a Joint Committee of the district authorities, the relevant legislative provisions are section 11 Levelling Up and Regeneration Act 2023 and section 101 Local Government Act 1972. These provisions provide the legal mechanism to allow WLDC to form a Joint Committee and participate in the Mayoral Combined County Authority.

Financial :

There are no direct financial implications in respect of this report. Attendance at the Joint Committee will be subject to the Remuneration Policy in the usual way.

(N.B.) All committee reports MUST have a Fin Ref

Staffing :

There are no direct staffing implications arising from this report.

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

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 a this report.

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

Establishment of the District Joint Committee for devolution purposes

[Agenda for Corporate Policy and Resources Committee on Thursday, 21st March, 2024, 6.30 pm | West Lindsey District Council \(west-lindsey.gov.uk\)](#)

Risk Assessment :

It is envisaged that the District Joint Committee will consist of all 7 District Councils, however it is outside the control of WLDC what other authorities will decide. Should any of the District Councils not receive approval to establish this Joint Committee, it is expected the Joint Committee will go ahead with those which do receive authority to participate.

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

1. Introduction

- 1 A devolution agreement for Greater Lincolnshire was announced by the Government in November 2023 and subsequently agreed by Lincolnshire County Council, North Lincolnshire Council and North East Lincolnshire Council. These 3 authorities are the constituent members for the purposes of devolution and the creation of the Mayoral Combined County Authority (MCCA). The 7 district authorities in Lincolnshire are the non constituent members for the purposes of devolution and the MCCA.
- 1.2 The devolution agreement will bring additional funds into Greater Lincolnshire over the next 30 years, such funds totalling £720 million. The additional funding will be used in relation to planning projects, transport projects, economic development and the improvement of skills and education across Greater Lincolnshire.
- 1.3 It is anticipated that the new arrangements will come into existence through an Establishment Order which is expected in Summer 2024. This will then allow for the establishment of the MCCA with an election of a Greater Lincolnshire Mayor taking place in 2025.
- 1.4 The 3 constituent authorities will lead on the new arrangements and the formation of the MCCA, however it is appreciated that the 7 district authorities in Lincolnshire must still have a voice and be able to represent the interests of the district authorities at the MCCA. The new arrangements therefore allow for the establishment of a Joint Committee of the 7 districts to provide a mechanism for participation at the MCCA.

2. The purpose of the District Joint Committee

- 2.1 The devolution deal document for Greater Lincolnshire published on 22nd November 2023, provides the following paragraph and the officers have been mindful of this paragraph when drafting the documentation that will form the District Joint Committee:

“Paragraph 23. The district and borough councils within Lincolnshire have an important role to play in levelling up Greater Lincolnshire and delivering the shared vision for the area. It is expected that a joint committee of these councils will be formed and that this joint committee will be designated by the MCCA as a nominating body for the purposes of nominating four non-constituent Members of the MCCA. The term of office for non-constituent members would be a matter for the MCCA constitution, but it is expected that non-constituent Members would be appointed annually, with membership rotated among the district and borough councils. The same joint committee

could be used to nominate other elected members from the district and borough councils to other places on forums of the MCCA, including Overview and Scrutiny and Audit Committees.”

- 2.2 The purpose of the District Joint Committee will be to establish a collaborative platform for coordination among the non-constituent authorities and be a mechanism through which their interests are represented on the MCCA. The District Joint Committee will seek to enhance efficiency, effectiveness and accountability in the delivery of services and policies within the MCCA and promote the shared interests of the district authorities for the benefit of Greater Lincolnshire.
- 2.3 It is proposed that the District Joint Committee shall have the following scope, noting that a key role is to nominate 4 non-constituent members to participate in the MCCA and to nominate members to the MCCA's Overview and Scrutiny Committee, and Audit Committee:
- To exercise oversight of the initial formulation and development of the MCCA,
 - To approve or adopt any policy as required by the MCCA,
 - To facilitate joint decision making on matters defined within the MCCA's remit,
 - Where appropriate to oversee the implementation of shared initiatives and policies,
 - Encourage, promote and enable dialogue and cooperation between the 7 non-constituent authorities,
 - To nominate 4 non-constituent members to participate in the MCCA, such members to reflect the view and position of the 7 district authorities in their entirety.
 - To nominate members to the MCCA's Overview and Scrutiny Committee, and Audit Committee in line with the MCCA's requirements for those committees,
 - To consider any matters being discussed/proposed/implemented by the MCCA and provide collective feedback to the MCCA
 - To approve appointment and/or representation of a Member(s) on external bodies or groups where appropriate
- 2.4 It is proposed that the membership of the District Joint Committee be the Leader of each district authority, and in their absence a substitute member can be nominated on their behalf.

3. The necessary documentation

- 3.1 The District Joint Committee will require Terms of Reference and Standing Orders. Versions of both these documents have been drafted by the Monitoring Officers of the District Councils.

- 3.2 The District Council Leaders and Chief Executives have been consulted on these documents and amendments made following comments received.
- 3.3 The proposed Terms of Reference for the Joint Committee are at Appendix 1, the proposed Standing Orders for the Joint Committee are at Appendix 2.
- 3.4 The documentation may be amended to meet the needs of the Joint Committee and will be periodically reviewed by the District Joint Committee to ensure they remain fit for purpose and complement the evolution of the MCCA. It is proposed that any review and amendment of the Terms of Reference is considered by the Governance and Audit Committee.

4. Conclusion

- 4.1 The Governance and Audit Committee considered this matter on 11 June and have recommended to Council its content to Full Council.
- 4.2 At the time of writing, the Statutory Instrument necessary for the creation of the Mayoral Combined County Authority is not yet established. If, following the making of the Statutory Instrument, any amendments or revisions are required to the District Joint Committee as a result of this, a report will be brought through the Governance and Audit Committee and if necessary, the full Council meeting.

Terms of reference for the District Joint Committee of the 7 Lincolnshire District Authorities

1. Membership of the District Joint Committee

The following Local Authorities, hereafter known as the “non-constituent authorities” are specified as those which are to form the District Joint Committee;

Boston Borough Council
City of Lincoln Council
East Lindsey District Council
North Kesteven District Council
South Holland District Council
South Kesteven District Council
West Lindsey District Council

2. Purpose and Scope

The purpose of the District Joint Committee is to establish a collaborative platform for coordination among the non-constituent authorities to represent their interests on the Greater Lincolnshire Mayoral Combined County Authority (MCCA). The District Joint Committee will nominate 4 district member representatives to participate in meetings of the MCCA on a rotation basis. It seeks to enhance efficiency, effectiveness and accountability in the delivery of services and policies within the MCCA and will promote the shared interests of the authorities for the benefit of Greater Lincolnshire.

The District Joint Committee shall have the following scope:

- a) To exercise oversight of the initial formulation and development of the MCCA,
- b) To approve or adopt any policy as required by the MCCA,
- c) To facilitate joint decision making on matters defined within the MCCA’s remit,
- d) Where appropriate to oversee the implementation of shared initiatives and policies,
- e) Encourage, promote and enable dialogue and cooperation between the 7 non-constituent authorities,
- f) To nominate 4 non-constituent members for a two-year term of office to participate in the MCCA, such members to reflect the view and position of the 7 District Authorities in their entirety.
- g) To nominate members to the MCCA’s Overview and Scrutiny Committee, and Audit Committee in accordance with the MCCA’s requirements for those committees,

- h) To consider any matters being discussed/proposed/implemented by the MCCA and provide collective feedback to the MCCA
- i) To approve appointment and/or representation of a Member(s) on external bodies or groups where appropriate

3. Membership and Substitutes

The Joint Committee shall consist of representative members from each non-constituent authority with the aim of creating comprehensive representation. The membership shall include 1 member from each authority, such member being the Leader of that Authority. In the absence of the representative member, each Leader of that authority may appoint one substitute member to attend on their behalf.

4. Chairperson and Vice Chairperson

The District Joint Committee shall elect a Chairperson and Vice-Chairperson from amongst its members during the initial meeting for a two-year term of office. Subsequent elections of Chairperson and Vice-Chairperson shall be held on a bi-annual basis for two-year term of office.

The Chairperson and Vice-Chairperson, upon election to their respective office, will each automatically be designated one of the District Council's four seats as non-constituent members on the MCCA.

5. Democratic Administration and Standing Orders

The democratic administration will be agreed at the formation of the Joint Committee and shall be provided by XXXXX.

The Standing Orders for the Joint Committee are at Appendix 1

6. Frequency and Quorum of Meetings

The frequency of meetings shall be determined by the District Joint Committee at its initial meeting and shall where possible align with the meeting cycle of the MCCA.

Quorum

A quorum of 4 members is required for the Joint Committee to conduct its business.

7. Decision making and voting

The District Joint Committee should in the first instance seek consensus but if that is not reached matters will be decided through voting. Each member shall have one vote and decisions determined by a simple majority.

If there are equal numbers of votes, the Chairperson shall exercise a second, casting vote.

8. Access to Information

As this Joint Committee is formed pursuant to the provisions of section 101 Local Government Act 1972, the usual arrangements relating to access to information requirements will apply.

9. Expenses

Member expenses shall be sought through their respective authorities pursuant to the usual processes and procedures.

10. Review and amendments

These terms of reference shall be periodically reviewed by the Joint Committee to ensure they remain fit for purpose and complement the evolving circumstances of the MCCA.

Any amendments to these terms of reference will be subject to the governance arrangements of the respective non-constituent authority.

The Joint Committee may make Standing Orders for the regulation of the proceedings of Joint Committee and may vary or revoke any such Orders.

Effective Date xxxxxxx

Joint Committee of the seven Lincolnshire District Authorities

Standing Orders

1. MEMBERSHIP

- 1.1 The District Joint Committee will have a membership of seven, with each second-tier local authority in Lincolnshire being entitled to appoint one member.
- 1.2 The following local authorities are those which are to constitute the District Joint Committee:
- Boston Borough Council
City of Lincoln Council
East Lindsey District Council
North Kesteven District Council
South Holland District Council
South Kesteven District Council
West Lindsey District Council
- 1.3 The member appointed by each of the authorities set out in paragraph 2.1 will be the Leader of the Council.
- 1.4 In the absence of the representative member, each Leader of that authority may appoint one substitute member to attend meetings of the District Joint Committee on their behalf.
- 1.5 The term of office for members of the District Joint Committee will end when they are no longer Leader of their respective authority.

2. APPOINTMENT OF CHAIRPERSON AND VICE-CHAIRPERSON

- 2.1 The District Joint Committee will elect a Chairperson and Vice-Chairperson from amongst its members during its inaugural meeting for a two-year term of office, and bi-annually thereafter.
- 2.2 The District Joint Committee Chairman and Vice-Chairman will be rotated on a bi-annual basis, unless all present at the meeting unanimously agree that a Chairperson or Vice-Chairperson should continue for a further term.
- 2.3 Nominations for the appointment of Chairperson and Vice-Chairperson must be proposed and seconded with the successful candidate requiring the majority of votes.
- 2.4 Where there are three or more nominations that have been proposed and seconded, the candidate with the least number of votes will be removed from the process. This process will be repeated until there are two candidates and one has received the majority of votes.

- 2.5 The Chairperson and Vice-Chairperson, upon election to their respective office, will each automatically be designated one of the District Council's four seats as non-constituent members on the Mayoral Combined Authority.

3. FREQUENCY OF MEETINGS

- 3.1 The frequency of meetings of the District Joint Committee will be determined by the Committee at its inaugural meeting and will, where possible, align with the meeting cycle of the Mayoral County Combined Authority.
- 3.2 The Chairperson shall be entitled to call extraordinary meetings of the Joint District Committee, in consultation with the Vice-Chairperson of the Committee. Only matters for which the meeting was called may be considered at an extraordinary meeting of the Joint Committee.

4. QUORUM

- 3.1 The quorum for the District Joint Committee will be four members.
- 3.2 If there is no quorum at the published start time for the meeting, a period of 15 minutes will be allowed, or longer at the Chairperson's discretion. If there remains no quorum at the expiry of this period, the meeting will be declared null and void.
- 3.3 If the meeting becomes inquorate after the meeting has commenced, the meeting will be closed and the remaining items will be declared null and void.

5. DECISION-MAKING AND VOTING

- 5.1 The District Joint Committee should in the first instance seek consensus. If a consensus cannot be reached then matters will be decided through voting.
- 5.2 Each member of the District Joint Committee will have one vote.
- 5.3 Any member appointed as a substitute will have full voting rights at meetings of the District Joint Committee.
- 5.4 All votes will be carried out by a show of hands and will be determined by a simple majority.
- 5.5 If there are an equal number of votes, the person presiding the meeting will exercise a second, casting vote.
- 5.6 A recorded vote will be held if requested by the majority of those members in attendance at a meeting of the District Joint Committee.

5.7 Any member may request that their vote for, against or in abstention of a proposal voted upon be recorded in the minutes at a meeting of the Joint Committee.

6. ACCESS TO INFORMATION

6.1 Meetings of the District Joint Committee will be held in person.

6.2 Members of the public may attend all meetings of the District Joint Committee.

6.3 At least five clear working days before a meeting of the District Joint Committee, the Council appointed as secretariate will make copies of the following documents available for inspection by members of the public at each of the constituent Councils' offices and publish these documents on its website:

(a) The agenda for the meeting

(b) Any reports which are to be made available to the public in accordance with these Standing Orders

6.4 Where the meeting is convened at less than five clear working days' notice, a copy of the agenda and associated reports will be made available for inspection at the time the meeting is convened.

6.5 If an item is added to the agenda after it has been made publicly available, the revised agenda and any report relating to the item for consideration will be made available for inspection from the time the item was added to the agenda.

6.6 Where reports are prepared after the summons has been sent out, each such report will be made available to the public as soon as the report is completed and sent to Councillors.

6.7 Council appointed as secretariat will supply copies of the following documents to any person on payment of a charge for postage and any other appropriate costs, or for free via the Council's website:

(a) Any agenda and reports that are open to public inspection

(b) Any further statements or particulars necessary to indicate the nature of the items in the agenda that are open to public inspection

(c) Copies of any other documents supplied to Councillors in connection with an item, should the Monitoring Officer of the Council appointed as secretariat deem it appropriate

- 6.8 The District Joint Committee will ensure that copies of the following are available for public inspection for at least six years after the date of a meeting:
- (a) The minutes of the meeting and records of decisions taken
 - (b) A summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record
 - (c) The agenda for the meeting
 - (d) Reports relating to items when the meeting was open to the public
- 6.9 The Monitoring Officer of the Council appointed as secretariat will set out in every report a list of those documents (called background papers) relating to the subject matter of the report which in their opinion:
- (a) Disclose any facts or matters on which the report or an important part of the report is based
 - (b) Have been relied on to a material extent in preparing the report but does not include published works or those which disclose exempt or confidential information (as defined below) and in respect of Cabinet reports, the advice of the political advisor (if any)
- 6.10 The District Joint Committee will make available for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers at the offices of the Council appointed as secretariat and will also be available on the Council's website.

7. EXCLUSION OF ACCESS BY THE PUBLIC TO MEETINGS

Confidential information – requirement to exclude the public

- 7.1 The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.
- 7.2 Confidential information means information given to the District Joint Committee or its constituent Councils by a Government Department on terms that forbid its public disclosure, or information that cannot be publicly disclosed by order of a Court.

Exempt information – discretion to exclude the public

- 7.3 The public may, by resolution of the meeting concerned, be excluded from meetings whenever it is likely in view of the nature of the business to be

transacted or the nature of the proceedings that exempt information would be disclosed.

- 7.4 Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.
- 7.5 Exempt information means information falling within one or more of the categories specified in the left hand column on the table below, subject to any condition specified in respect of that category in the right hand column of the table.

Description of exempt information	Qualification
1. Information relating to any individual	Exempt information if and so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
2. Information which is likely to reveal the identity of an individual	Exempt information if and so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
3. Information relating to the financial or business affairs of any particular person (including the authority holding the information)	<p>Exempt information if and so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information</p> <p>Information falling within this paragraph 3 is not exempt by virtue of that paragraph if it is required to be registered under:</p> <ul style="list-style-type: none"> (a) The Companies Act 1985 (b) The Friendly Societies Act 1974 (c) The Friendly Societies Act 1992 (d) The Industrial and Provident Societies Acts 1065 to 1978 (e) The Building Societies Act 1986 (f) The Charities Act 1993
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising	Exempt information if and so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information

between the authority or a Minister of the Crown and employees of, or officer holders under, the authority	
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings	Exempt information if and so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
6. Information which reveals that the authority proposes: (a) To give under any enactment a notice under or by virtue of which requirements are imposed on a person (b) To make an order or direction under any enactment	Exempt information if and so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime	Exempt information if and so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information

7.6 If the Monitoring Officer of the Council appointed as secretariate thinks fit, the District Joint Committee may exclude access by the public to the whole or any part of reports which in their opinion relate to items during which the meeting is likely not to be open to the public. Such reports will be marked “*Not for publication*” together with the category of information likely to be disclosed.

8. MEMBER CONDUCT

8.1 Members appointed to the District Joint Committee, or attending meetings in the capacity as a substitute, will be bound by the Councillor Code of Conduct of their nominating authority. Any complaint regarding the conduct of a member acting in such capacity should be referred to the Monitoring Officer of the local authority they are a member of.

- 8.2 If a member persistently disregards the ruling of the person presiding the meeting and behaves improperly or offensively, or deliberately obstructs business, the person presiding the meeting may move that the member be not heard further. If seconded, a vote will be taken without discussion.
- 8.3 If a member continues to exhibit the behaviour which resulted in a motion being passed that they not be heard further, the person presiding the meeting may move that either the member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, a vote will be taken without discussion.

9. DISTURBANCE BY THE PUBLIC

- 9.1 If a member of the public interrupts proceedings, the person presiding the meeting will warn the person concerned. If they continue to interrupt, the person presiding the meeting will order their removal from the meeting room.
- 9.2 If there is a general disturbance in any part of the meeting room open to the public the person presiding the meeting may call for that part to be cleared.
- 9.3 If there is a general disturbance making orderly business impossible, the person presiding the meeting may adjourn the meeting for as long as he or she thinks is necessary.

10. INTERPRETATION OF STANDING ORDERS

- 10.1 The ruling of the person presiding a meeting of the District Joint Committee as to the application and interpretation of these Standing Orders shall be final.

11. SUSPENSION OF STANDING ORDERS

- 11.1 Any of these Standing Orders may, as far as is lawful, be suspended by motion passed unanimously by those entitled to vote.

Agenda Item 9b



Full Council

2 September 2024

Subject: Recommendation from Corporate Policy and Resources - Annual Treasury Management Report 2023/24

Report by:

Director of Corporate Services (S151 Officer)

Contact Officer:

Peter Davy
Financial Services Manager

peter.davy@west-lindsey.gov.uk

Purpose / Summary:

To report on Annual Treasury Management activities and prudential indicators for 2023/24 in accordance with the Local Government Act 2003

RECOMMENDATION(S):

1. That Members accept the recommendation from the Corporate Policy and Resources Committee and approve the Annual Treasury Management Report and actual Prudential Indicators 2023/24

IMPLICATIONS

Legal: None from this report

Financial : FIN/29/25/PD

Treasury Investment activities have generated £1.144m of investment interest at an average rate of 5.1%.

Non-Treasury investments (Investment Property Portfolio) have generated a gross yield of 7.12%

Financing activities has resulted in a total of £24.0m of external borrowing at a cost in year of £0.584m.

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 :

The Treasury Management Strategy 2023/24

Risk Assessment :

The Treasury Management Strategy sets out an 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****Key Decision:**

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

Yes**No****1. Executive Summary**

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

- an annual treasury strategy in advance of the year (March 2023)
- a mid-year, (minimum), treasury update report (January 2024)
- an annual review following the end of the year describing the activity compared to the strategy, (this report)

In addition, this Corporate Policy and Resources Committee has received quarterly treasury management update reports.

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

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by either the Governance and Audit Committee who provide scrutiny of the Treasury Management Strategy and the Corporate Policy and Resources Committee who monitor in year performance and mid-year updates. Member training on treasury management issues was undertaken during the year in order to support members' scrutiny role.

During 2023/24, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and treasury indicators	2022/23 Actual £000	2023/24 Original £000	2023/24 Actual £000
Capital expenditure	4,851	20,888	5,303

Prudential and treasury indicators	2022/23 Actual £000	2023/24 Original £000	2023/24 Actual £000
Capital Financing Requirement:	39,438	38,321	37,022
Of which – Investment Properties	20,211	19,837	19,536
Gross borrowing (External)	21,500	26,500	24,000
Finance Lease	0	0	0
Investments			
• Longer than 1 year	3,000	3,000	2,000
• Under 1 year	15,515	10,000	18,210
• Total	18,515	13,000	20,210
Net borrowing	2,985	13,500	3,790

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

The financial year 2023/24 was a challenging investment environment due to consistent interest rate rises by the Bank of England. This meant that locking in longer term investments was hard to do because of concern over the possible increase or decrease of the return over time. With this in mind shorter term investments were made so as not to lose potential returns if rates went up. Conversely debt then became more expensive and so it was a fine balancing act.

This report summarises the following:-

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

2. Capital Expenditure and Financing

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or

- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was funded.

Capital and Financing	2022/23 Actual £000's	2023/24 Original Budget £000's	2023/24 Actual £000's
Capital expenditure	4,851	20,888	5,303
Financed in year by:			
Capital Receipts	523	3,350	324
Capital grants/contributions	2,989	13,248	4,142
Revenue	955	3,943	776
Leases	0	0	0
S106	328	204	797
Prudential Borrowing	56	143	(736)

3. The Council's overall borrowing need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2023/24 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, (such as the Government, through the Public Works Loan Board [PWLB], or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources, (such as unapplied capital receipts); or

- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2023/24 MRP Policy, (as required by DLUHC Guidance), was approved as part of the Treasury Management Strategy Report for 2023/24 on 6th March 2023.

The Council has retained a Valuation Volatility Reserve with a minimum balance of 3% of purchase price of the investment property portfolio. This Reserve will be utilised to mitigate any loss on the investment upon sale of the assets if the capital receipt does not meet the debt outstanding. With the introduction of MRP for 2022/23, this reserve and minimum balance will be reviewed on an annual basis. This is considered a prudent approach for these specific assets.

The Council's CFR for the year is shown below, and represents a key prudential indicator.

Capital Financing Requirement (CFR)	31 March 2023 Actual £000's	31 March 2024 Actual £000's
Opening balance	40,293	39,438
Add adjustment for Prudential Borrowing	56	(736)
Less MRP/Finance Lease Repayments	(911)	(1,680)
Less VRP	0	0
Closing balance	39,438	37,022
<i>Movement on CFR</i>	<i>(855)</i>	<i>(2,416)</i>

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

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council ensures that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2023/24) plus the estimates of any additional capital financing requirement for the current (2024/25) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2023/24. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2023 Actual £000's	2023/24 Budget £000's	31 March 2024 Actual £000's
Gross Borrowing Position	21,500	26,500	24,000
CFR	39,438	38,321	37,022
(Under)/Over Funding of CFR	(17,938)	(11,821)	(13,022)

The Authorised Limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2023/24 the Council has maintained gross borrowing within its authorised limit.

The Operational Boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

	2023/24 £000's
Authorised limit	43,000
Operational boundary	37,022
Financing costs as a proportion of net revenue stream	11.15%

4. Treasury Position as at 31 March 2024

The Council’s debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council’s Treasury Management Practices. At the end of 2023/24 the Council’s treasury, (excluding borrowing and finance leases), position was as follows:

TABLE 1	31 March 2023 Principal £000's	Rate/ Return	Average Life yrs.	31 March 2024 Principal £000's	Average Rate/ Return	Average Life yrs.
Fixed rate funding:						
-PWLB	16,500	2.14%	26	14,000	2.25%	27
-Other LA	5,000	3.50%	1	10,000	5.78%	0.3
Total debt	21,500		21	24,000		27.3
CFR	39,438		-	37,022		
Over / (under) borrowing	(17,938)	-	-	(13,022)		
Investments:						
	18,515		-	20,210		
Total investments	18,515		-	20,210		
Net debt	2,985	-	-	3,790		

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

The maturity structure of the debt portfolio was as follows:

	31 March 2023 Actual £000's	31 March 2024 Actual £000's	% Portfolio
Less than 5 years	10,500	13,000	54%
5 years and within 10 years	0	0	0
10 years and within 20 years	0	0	0
20 years and within 30 years	2,500	2,500	10%
30 years and within 40 years	0	0	0
40 years and within 60 years	8,500	8,500	36%

£14.0m of loans have been undertaken with the Public Works Loans Board at fixed rates on a maturity basis as detailed above.

Borrowing in advance of need

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

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

	31 March 2023 Actual	31 March 2024 Actual
Ratio of Financing Costs to Net Revenue Stream	5.37%	11.15%
Increase/(Reduction) in Council Tax	£0.05	£25.75

Investments

Investment Policy – the Council's investment policy is governed by DLUHC investment guidance, which has been implemented in the annual investment strategy approved by the Council on 6th March 2023. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

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

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

Balance Sheet Resources*	31 March 2023 £000's	31 March 2024 £000's
General Fund Balance	4,884	3,328
Earmarked reserves	19,140	20,047
Provisions	691	378
Usable capital receipts	1,116	1,460
Capital Grants Unapplied	3,018	3,577
Total	28,849	28,790

*Subject to external audit of the 2023/24 accounts

- The Council maintained an average balance of £22.408m of internally managed funds.
- The internally managed funds earned an average rate of return of 5.1%.
- The comparable performance indicator is the Sterling Overnight Index Average (SONIA) which was a rate of 4.96% as at 31 March 2024.
- Total investment income was £1.144m compared to a budget of £0.577m.

Types of investments	31 March 2023 Actual £000	31 March 2024 Actual £000
Deposits with banks and building societies	1,995	500
Money Market Funds	13,520	16,710
Other Local Authorities	0	1,000
Property funds	3,000	2,000
TOTAL TREASURY INVESTMENTS	18,515	20,210

Non-Treasury Investments

YEAR OF ACQUISITION	Commercial Property Portfolio	Sector	Total Acquisition Cost £'m
2017/18	Bradford Road, Keighley	Hotel	2.490
2018/19	43 Penistone Road, Sheffield	Leisure	2.700
2018/19	Unit 7 Drake House, Sheffield	Manufacturing	3.175
2018/19	5 Sandars Road, Gainsborough	Manufacturing	6.470
2018/19	Heaton Street, Gainsborough	Retail	1.150
2019/20	Wheatley Road, Doncaster	Commercial Unit	5.681
	TOTAL PORTFOLIO		21.666

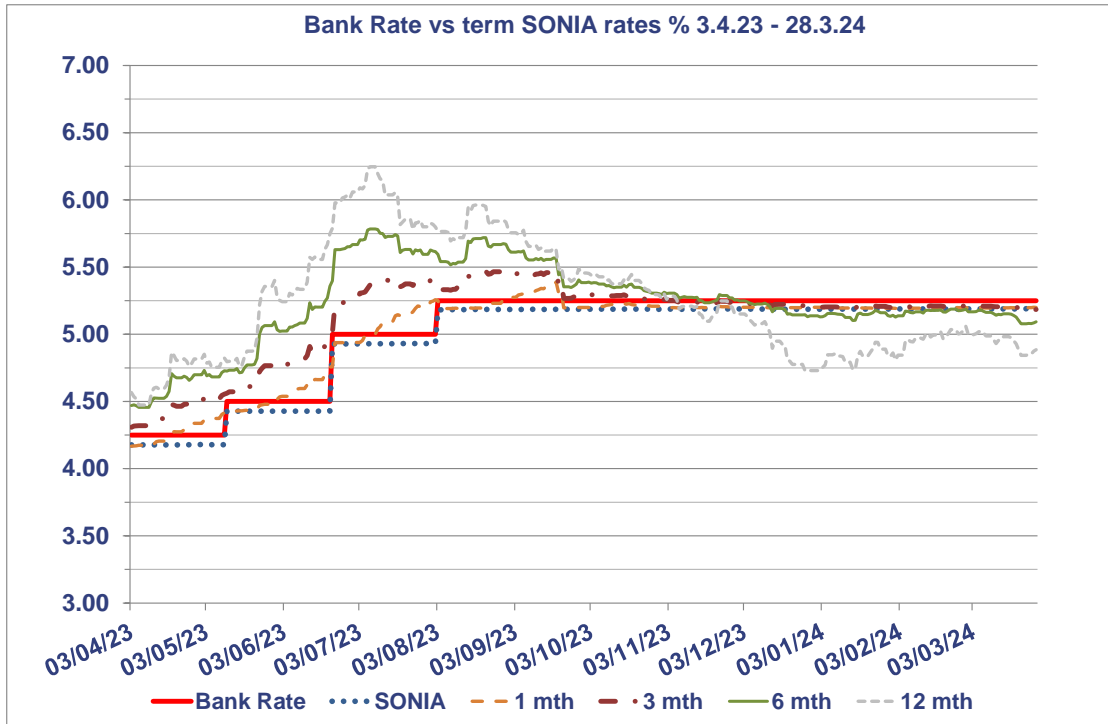
The investments are held on the balance sheet at their Fair Value (*the price expected to be received in current market conditions*). The Fair Value as at 31 March 2024 for the Commercial Property Portfolio is £21.752m.

This investment portfolio is generating a gross yield of 7.12% and £1.549m in income relevant to the financial year.

The Council mitigates any loss on investment by holding a Valuation Volatility Reserve at a minimum of 3% of the purchase price of properties. The balance on this reserve as at 31 March 2024 is £0.967m.

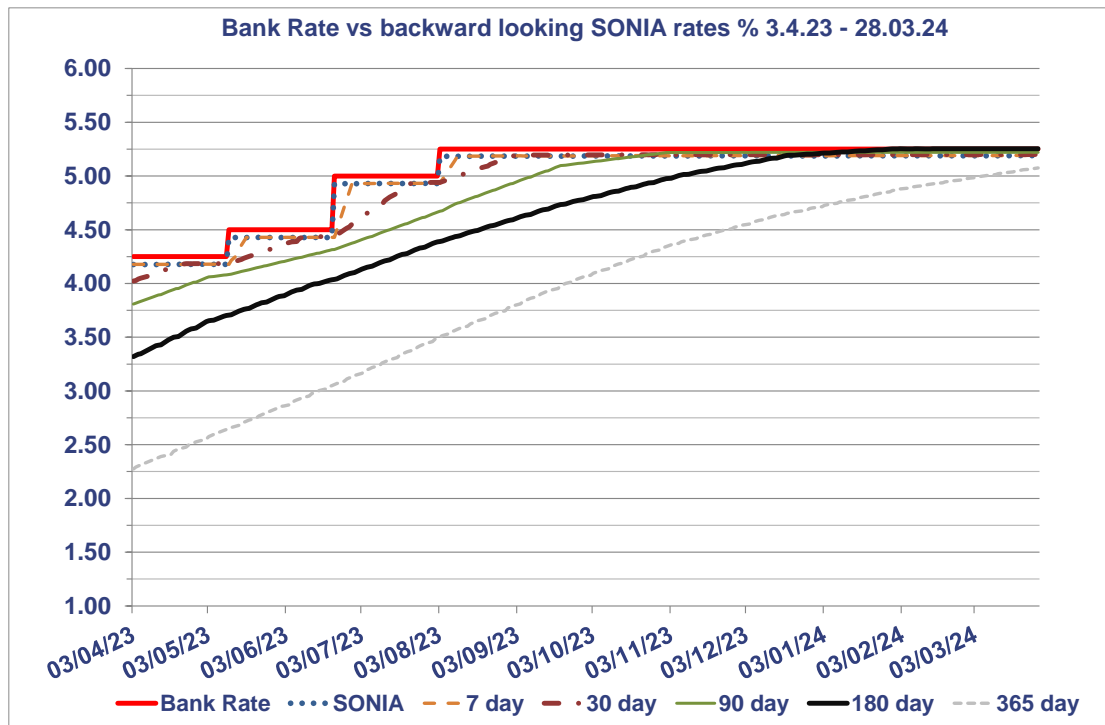
5. The Strategy for 2023/24

Investment strategy and control of interest rate risk



FINANCIAL YEAR TO QUARTER ENDED 28/03/2024						
	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	5.25	5.19	5.39	5.48	5.78	6.25
High Date	03/08/2023	28/03/2024	19/09/2023	30/08/2023	07/07/2023	07/07/2023
Low	4.25	4.18	4.17	4.31	4.46	4.47
Low Date	03/04/2023	04/04/2023	03/04/2023	03/04/2023	06/04/2023	06/04/2023
Average	5.03	4.96	5.02	5.13	5.23	5.25
Spread	1.00	1.01	1.22	1.17	1.33	1.77

Investment Benchmarking Data – Sterling Overnight Index Averages (Backward-looking) 2023/24



FINANCIAL YEAR TO QUARTER ENDED 28/03/2024							
	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	5.25	5.19	5.19	5.20	5.22	5.25	5.08
High Date	03/08/2023	28/03/2024	28/03/2024	26/03/2024	25/03/2024	22/03/2024	28/03/2024
Low	4.25	4.18	4.18	4.02	3.81	3.32	2.27
Low Date	03/04/2023	04/04/2023	11/04/2023	03/04/2023	03/04/2023	03/04/2023	03/04/2023
Average	5.03	4.96	4.96	4.93	4.84	4.64	3.93
Spread	1.00	1.01	1.01	1.18	1.41	1.94	2.80

Investment returns picked up throughout the course of 2023/24 as central banks, including the Bank of England, continued to respond to inflationary pressures that were not transitory, and realised that tighter monetary policy was called for.

Starting April at 4.25%, Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 5.25% by August. By the end of the financial year, no further increases were anticipated. Indeed, the market is pricing in a first cut in Bank Rate in either June or August 2024.

The upward sloping yield curve that prevailed throughout 2023/24 meant that local authorities continued to be faced with the challenge of proactive investment of surplus cash, and this emphasised the need for a detailed working knowledge of cashflow projections so that the appropriate balance between maintaining cash for liquidity purposes, and “laddering” deposits on a rolling basis to lock in the increase in investment rates as duration was extended, became an on-going feature of the investment landscape.

With bond markets selling off, UK equity market valuations struggled to make progress, as did property funds, although there have been some spirited, if temporary, market rallies from time to time – including in November and December 2023. However, the more traditional investment options, such as specified investments (simple to understand, and less than a year in duration), have continued to be at the forefront of most local authority investment strategies, particularly given Money Market Funds have also provided decent

returns in close proximity to Bank Rate for liquidity purposes. In the latter part of 2023/24, the local authority to local authority market lacked any meaningful measure of depth, forcing short-term investment rates above 7% in the last week of March.

While the Council has taken a prudent approach to investing surplus monies, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the Global Financial Crisis of 2008/09. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

Borrowing strategy and control of interest rate risk

During 2023/24, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as although near-term investment rates were equal to, and sometimes higher than, long-term borrowing costs, the latter are expected to fall back through 2024 and 2025 as inflation concerns are dampened. The Council has sought to minimise the taking on of long-term borrowing at elevated levels (>4%) and has focused on a policy of internal and temporary borrowing, supplemented by short-dated borrowing (<5 years) as appropriate.

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

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

Interest rate forecasts initially suggested further gradual rises in short, medium and longer-term fixed borrowing rates during 2023/24. Bank Rate had initially been forecast to peak at 4.5% but it is now expected to have peaked at 5.25%.

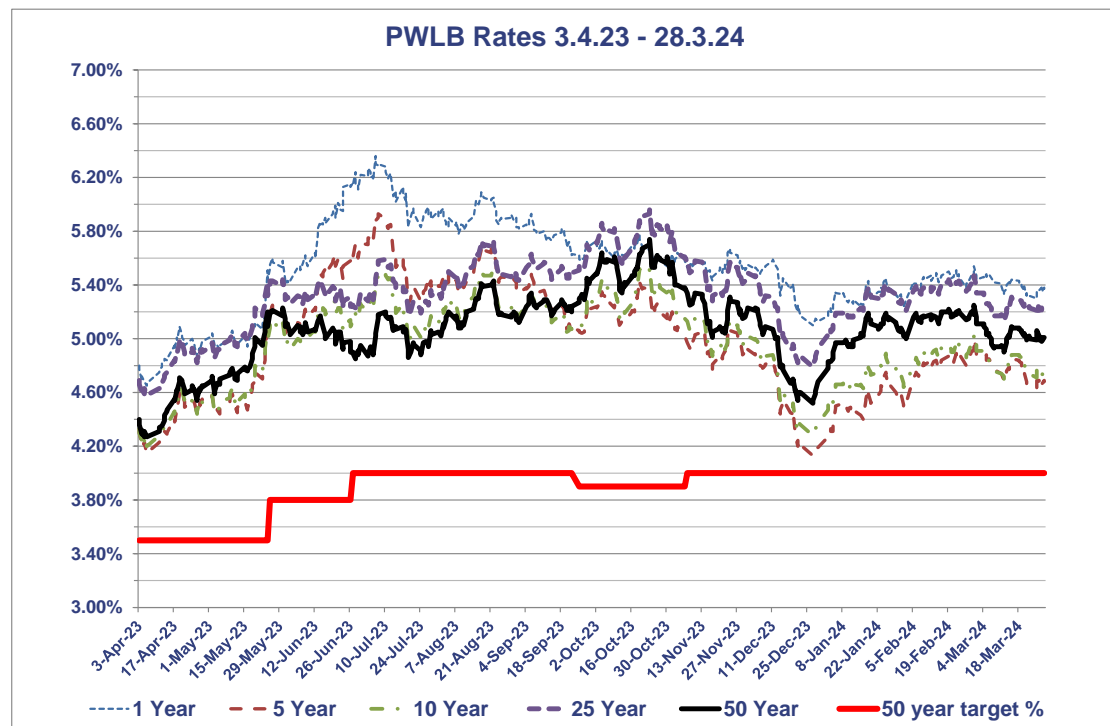
By January it had become clear that inflation was moving down significantly from its 40-year double-digit highs, and the Bank of England signalled in March 2024 that the next move in Bank Rate would be down, so long as upcoming inflation and employment data underpinned that view. Currently the CPI measure of inflation stands at 3.4% but is expected to fall materially below 2% over the summer months and to stabilise in 2025 and 2026. Nonetheless,

there remains significant risks to that central forecast, mainly in the form of a very tight labour market putting upward pressure on wages, and continuing geopolitical inflationary risks emanating from the prevailing Middle East crisis and the Russian invasion of Ukraine.

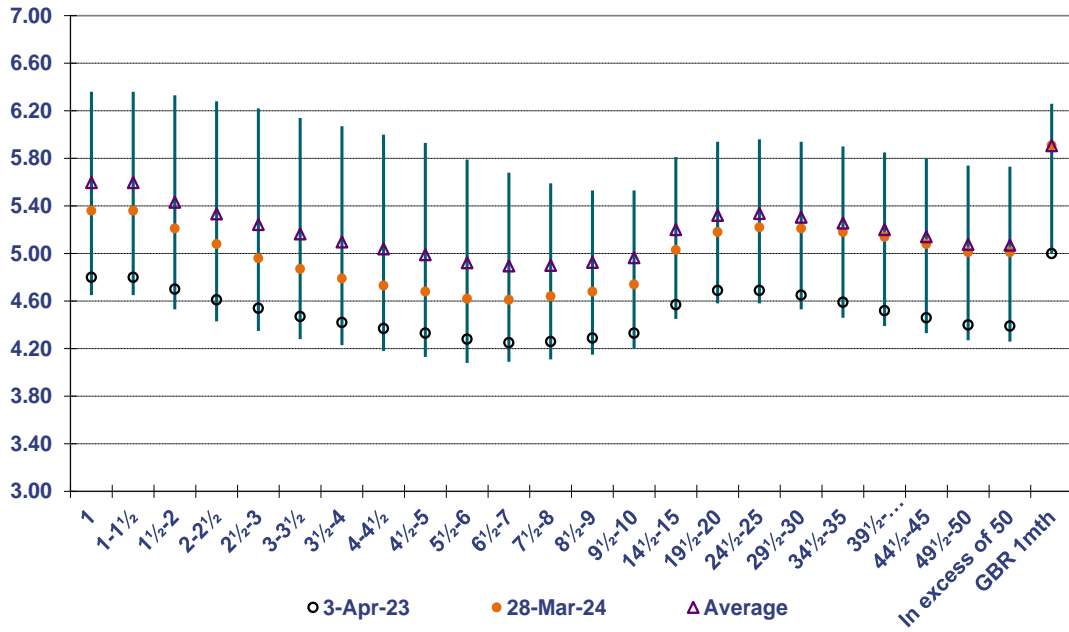
Forecasts at the time of approval of the treasury management strategy report for 2023/24 were as follows:-

Link Group Interest Rate View		07.02.23												
		Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
BANK RATE		4.25	4.50	4.50	4.25	4.00	3.75	3.25	3.00	2.75	2.75	2.50	2.50	2.50
3 month ave earnings		4.30	4.50	4.50	4.30	4.00	3.80	3.30	3.00	2.80	2.80	2.50	2.50	2.50
6 month ave earnings		4.40	4.50	4.40	4.20	3.90	3.70	3.20	2.90	2.80	2.80	2.60	2.60	2.60
12 month ave earnings		4.50	4.50	4.40	4.20	3.80	3.60	3.10	2.70	2.70	2.70	2.70	2.70	2.70
5 yr PWLB		4.00	4.00	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.10	3.10	3.10
10 yr PWLB		4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.50	3.40	3.30	3.30	3.20
25 yr PWLB		4.60	4.60	4.40	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.40	3.40
50 yr PWLB		4.30	4.30	4.20	4.10	3.90	3.80	3.60	3.60	3.40	3.30	3.20	3.20	3.10

PWLB Rates 2023/24



PWLB Certainty Rate Variations 3.4.23 to 28.3.24



High/Low/Average PWLB Rates for 2023/24

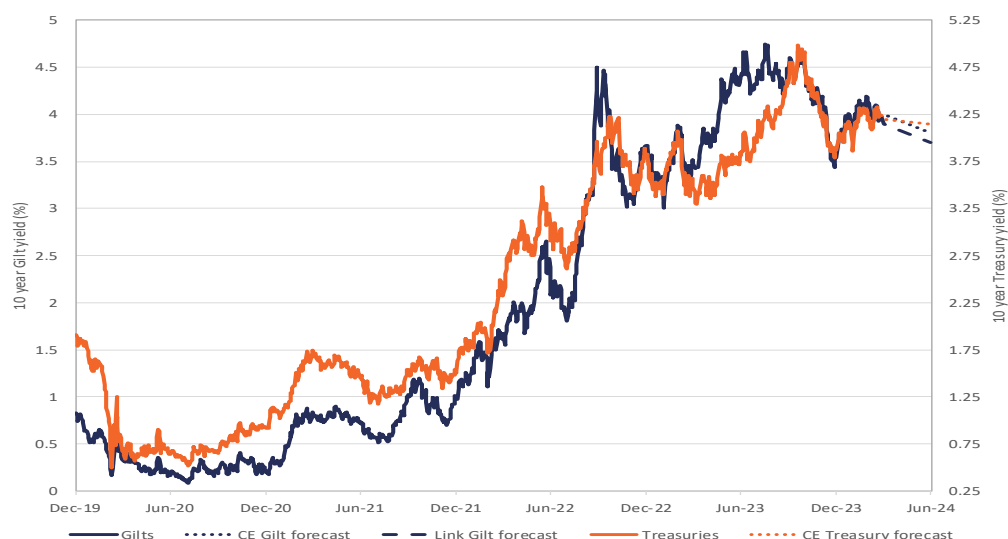
	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.13%	4.20%	4.58%	4.27%
Date	06/04/2023	27/12/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.53%	5.96%	5.74%
Date	06/07/2023	07/07/2023	23/10/2023	23/10/2023	23/10/2023
Average	5.54%	4.99%	4.97%	5.34%	5.08%
Spread	1.71%	1.80%	1.33%	1.38%	1.47%

PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. Indeed, in recent years many bond yields up to 10 years in the Eurozone turned negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession.

However, since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods. In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. Furthermore, at present the FOMC, ECB and Bank of England are all being challenged by levels of persistent inflation that are exacerbated by very tight

labour markets and high wage increases relative to what central banks believe to be sustainable.

Graph of UK gilt yields v. US treasury yields



Gilt yields have generally been on a continual rise since the start of 2021, peaking in the autumn of 2023. Currently, yields are broadly range bound between 3.5% and 4.25%.

At the close of the day on 28 March 2024, all gilt yields from 1 to 50 years were between 3.81% and 4.56%, with the 1 year being the highest and 6-7 years being the lowest yield.

Regarding PWLB borrowing rates, the various margins attributed to their pricing are as follows: -

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)
- **HRA Borrowing rate** is gilt plus 40 40bps (G+40bps)

There is likely to be a fall in gilt yields and PWLB rates across the whole curve over the next one to two years as Bank Rate falls and inflation (on the Consumer Price Index measure) moves below the Bank of England's 2% target.

As a general rule, short-dated gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.

The Bank of England is also embarking on a process of Quantitative Tightening. The Bank's original £895bn stock of gilt and corporate bonds will gradually be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, and high in historic terms, is an unknown at the time of writing.

6. Other Issues

Counterparty Limits

There have been no breaches of Prudential Indicators.