



Wyre Borough Council
Date of Publication: 9 September 2020
Please ask for : Peter Foulsham
Democratic Services and Scrutiny
Manager
Tel: 01253 887606

Dear Councillor,

You are hereby summoned to attend a meeting of Wyre Borough Council remotely via WebEx on **Thursday, 17 September 2020** commencing at 7.00 pm.

Yours sincerely,

A handwritten signature in black ink that reads "Garry Payne".

Garry Payne
Chief Executive

COUNCIL AGENDA

1. **Election of Chairman**
2. **Apologies for absence**
3. **Confirmation of minutes** (Pages 3 - 16)

To approve as a correct record the Minutes of the meeting of the Council held on 5 March 2020 and 12 March 2020.

4. **Declarations of Interest**

To receive any declarations of interest from any Member on any item on this agenda.

5. **Announcements**

To receive any announcements from the Mayor, Leader of the Council, Deputy Leader of the Council, Members of the Cabinet, a Chairman of a Committee or the Chief Executive.

6. **Public questions or statements**

No questions or statements have been received for this meeting from members of the public under Paragraph 9.1 of

the Council Procedure Rules.

7. Questions "On Notice" from councillors

No questions "on-notice" have been received from any Member of the Council to a member of the Cabinet or the Chairman of a Committee for this meeting under Paragraph 12.1 of the Council Procedure Rules.

8. Treasury Management Activity 2019/20 (Pages 17 - 26)

Report of the Resources Portfolio Holder (Councillor Alan Vincent) and the Corporate Director Resources and the Section 151 Officer (Clare James)

9. Treasury Management Policy and Annual Investment Strategy, Minimum Revenue Provision Policy Statement and Capital Strategy 2020/21 (Pages 27 - 74)

Report of the Resources Portfolio Holder (Councillor Alan Vincent) and the Corporate Director Resources and the S151 Officer (Clare James)

10. Lancashire Combined Authority (Pages 75 - 80)

Report of the Leader of the Council (Councillor David Henderson) and the Chief Executive (Garry Payne)

11. Appointment to committee (Pages 81 - 82)

Report of the Leader of the Council (Councillor David Henderson) and the Chief Executive (Garry Payne)

12. Appointment to outside body (Pages 83 - 84)

Report of the Leader of the Council (Councillor David Henderson) and the Chief Executive (Garry Payne)

13. Constitution Amendments (Pages 85 - 108)

Report of the Leader of the Council (Councillor David Henderson) and the Chief Executive (Garry Payne)

14. Notices of Motion

None.

If you have any enquiries on this agenda, please contact Peter Foulsham, tel: 01253 887606, email: peter.foulsham@wyre.gov.uk

Please note: The meeting will be available for members of the public to watch live here: <https://www.youtube.com/user/WyreCouncil>



Council Minutes

The minutes of the Council meeting held on Thursday, 5 March 2020 at the Council Chamber, Civic Centre, Poulton-le-Fylde.

Councillors present:

The Mayor, Councillor Ann Turner and the Deputy Mayor, Councillor Barry Birch

Councillors I Amos, R Amos, Lady D Atkins, Sir R Atkins, Ballard, Baxter, Beavers, Berry, C Birch, Bowen, Bridge, Cartridge, Catterall, Collinson, Cropper, E Ellison, P Ellison, Fail, Fairbanks, Gerrard, George, Henderson, Holden, Ibison, Ingham, Kay, Le Marinel, Leech, Longton, Minto, Moon, Orme, O'Neill, Robinson, Smith, Stirzaker, Swales, S Turner, A Vincent, Matthew Vincent, M Vincent, D Walmsley, L Walmsley, Webster and Williams

Apologies: Councillors Armstrong, McKay and Raynor

Officers present:

Garry Payne, Chief Executive
Mark Billington, Corporate Director Environment
Marianne Hesketh, Corporate Director Communities
Clare James, Corporate Director Resources and Section 151 Officer
Emma Lyons, Communications and Marketing Lead
Peter Foulsham, Scrutiny Officer
Emma Keany, Governance Trainee

No members of the public or press attended the meeting.

72 Confirmation of minutes

Agreed that the minutes of the meeting of the Council held on Thursday 6 February 2020 be confirmed as a correct record (by 38 votes to 6).

73 Declarations of Interest

None.

74 Announcements

The Mayor announced:

1 That, with the Mayoress, Councillor Andrea Kay, she would be hosting a Spring Concert by the Blackpool Male Voice Choir and the Charles Saer Primary School Boys' Choir at St Nicholas Church, Fleetwood on Saturday 21 March 2020 at 7.30 pm. Tickets were still available.

2 That there would be a charity golf day in aid of the mayoral charities held at Knott End Golf Club on Monday 6 April 2020.

3 That there would be a charity clay pigeon shoot held on 28 March 2020.

The Mayor also read out a message from Mrs Yvonne McCann expressing her sincere thanks to the Council for the park bench that was placed in Jubilee Park, Knott End, in remembrance of her husband, Gordon.

75 Public questions or statements

None received.

76 Questions "On Notice" from councillors

None received.

77 Pay Policy Statement 2020/21

The Leader of the Council (Cllr Henderson) and the Corporate Director Resources (Clare James) submitted a report on the Council's Pay Policy Statement for the 2020/21 financial year.

In response to a question from Councillor Longton, requesting clarification about the interpretation of Paragraph 5.5 of the Pay Policy Statement, Councillor Henderson agreed to provide a written response.

Agreed (unanimously) that the Pay Policy Statement for 2020/21 be approved.

78 Business Plan 2019 - 2023 (update 2020) and refreshed Strategic Narrative

The Leader of the Council (Cllr Henderson) and the Chief Executive (Garry Payne) submitted a report on the Council's Business Plan for 2019-2023 (updated for 2020) and the refreshed Strategic Narrative.

Cllr Fail proposed and Cllr Beavers seconded an amendment that, in Appendix 2, under the heading '*Work Smart - Commercial and environmental awareness is embedded in everything we do*', the sentence,

"We will be mindful of our climate change commitment in everything we do and ensure that the council's activities are net-zero carbon by 2050."

be replaced with,

“We will take a highly pro-active stance, putting our Climate Change commitment at the forefront of all our strategies and decision making, ensuring that the Council and the Borough works towards a target of a net-zero carbon status by 2030”.

The following members voted for the amendment: Councillors Beavers, Fail, Longton, Smith, Stirzaker and Swales.

The following members voted against the amendment: Councillors I Amos, R Amos, Lady D Atkins, Sir R Atkins, Ballard, Baxter, Berry, B Birch, C Birch, Bowen, Bridge, Cartridge, Catterall, Collinson, Cropper, E Ellison, P Ellison, Fairbanks, George, Gerrard, Henderson, Holden, Ibison, Ingham, Kay, Le Marinel, Leech, Minto, Moon, O'Neill, Orme, Robinson, A Turner, S Turner, A Vincent, Matthew Vincent, Michael Vincent, D Walmsley, L Walmsley, Webster and Williams.

The amendment was therefore lost (by 6 votes to 41).

A vote was then taken on the recommendations set out in paragraphs 3.1 and 3.2 of the Leader's report. The recommendations were approved (by 40 votes to 6).

79 Council Tax 2020/21

The Leader of the Council (Cllr Henderson) submitted a report on the determination of the Council Tax for the Borough for the 2020/21 financial year. His report included reference to the report of the Resources Portfolio Holder and Corporate Director Resources and Section 151 Officer, which had been considered by the Cabinet at its meeting on 12 February 2020. The minute detailing the Cabinet's recommendations was set out in Appendix 1 of his report to this Council meeting.

The Resources Portfolio Holder (Cllr A Vincent) seconded Cllr Henderson's proposal that the recommendations made by the Cabinet be approved.

Cllr Fail proposed and Cllr Beavers seconded the following amendment, that the formal Council Tax resolution as agreed by Cabinet on 12 February 2020, as set out in Appendix 1, be agreed with 3 additional changes:

1 Fees & Charges: Hire Of Sports Pitches

The previously approved rise in the cost of hire (ranging from 3% to 6%) is revised down to 2% (rounded to the nearest pound).

The reduction in revenue is predicted to be £335 in 2020/21.

2 Fees & Charges: Green Waste Subscription

That the decision for the green waste subscription to be increased to £35 per bin per annum for single year subscriptions made online, by post, cheque, or in person be reversed, with subscriptions remaining at £30 as for those paying by Direct Debit.

The reduction in revenue is predicted to be £11,010 in 2020/21.

3 *Climate Change Fund*

£500,000 is allocated from general balances to create a Climate Change Reserve to fund a tree planting and land management programme.

£300,000 would be guaranteed to fund tree planting and the creation and preservation of natural wetland areas, and it is proposed that up to £200,000 would be made available to match donations from Wyre residents and businesses who can afford and wish to tackle the threats faced. This match funding would be ring-fenced for tree planting.

If this is approved, and as a gesture to get this fund up and running, the Labour Group will donate £50 for each Councillor. Other Groups are asked to do likewise.

Initially General Balances would reduce by £500,000 and Earmarked Reserves would increase by £500,000. Of the £500,000 transfer, £200,000 would only be released on the achievement of equivalent match funding.

The following members voted for the amendment: Councillors Beavers, B Birch, Fail, Longton, Smith, Stirzaker and Swales.

The following members voted against the amendment: Councillors I Amos, R Amos, Lady D Atkins, Sir R Atkins, Ballard, Baxter, Berry, C Birch, Bowen, Bridge, Cartridge, Catterall, Collinson, Cropper, E Ellison, P Ellison, Fairbanks, George, Gerrard, Henderson, Holden, Ibison, Ingham, Kay, Le Marinel, Leech, Minto, Moon, O'Neill, Orme, Robinson, A Turner, S Turner, A Vincent, Matthew Vincent, Michael Vincent, D Walmsley, L Walmsley, Webster and Williams.

The amendment was therefore lost (by 7 votes to 40).

A vote was then taken on the Cabinet's recommendations on the budget for 2020/21 and on the level of Council Tax as set out in paragraphs 3.1, 3.2, 3.3 and 3.4 of the Leader's report.

The following members voted in support of the proposal: Councillors I Amos, R Amos, Lady D Atkins, Sir R Atkins, Ballard, Baxter, Berry, B Birch, C Birch, Bowen, Bridge, Cartridge, Catterall, Collinson, Cropper, E Ellison, P Ellison, Fairbanks, George, Gerrard, Henderson, Holden, Ibison, Ingham, Kay, Le Marinel, Leech, Minto, Moon, O'Neill, Orme, Robinson, A Turner, S Turner, A

Vincent, Matthew Vincent, Michael Vincent, D Walmsley, L Walmsley, Webster and Williams.

The following members voted against the proposal: Councillors Beavers, Fail, Longton, Smith, Stirzaker and Swales.

The proposal was therefore carried (by 41 votes to 6).

Agreed:

1. That the formal Council Tax resolution as agreed by Cabinet on 12 February 2020, as set out in Appendix 1 of the Leader's report and attached as Appendix 1 to these minutes, be approved.

2. That this Council's Band D equivalent Council Tax for the 2020/21 financial year of £204.74 together with parish precepts, as submitted in the report on the budget, be approved for each of the valuation bands, as set out in Table A of Appendix 2 to these minutes.

3. That it be noted that for the year 2020/21 the major precepting authorities have stated the following amounts in precepts, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings in the Council's area, as shown in Table B of Appendix 2 of these minutes.

4. That, having calculated the aggregate in each case of the amounts at 2 and 3 above, and in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, the amounts set as the Council Tax for the year 2020/21 for each part of the Wyre area and for each of the categories of dwellings were as shown in Table C of the Appendix to these minutes.

80 Polling Districts and Polling Places Review

The Leader of the Council (Cllr Henderson) and the Chief Executive (Garry Payne) submitted a report on the Returning Officer's proposals arising from the review of polling districts and polling places within the Borough of Wyre.

Agreed (by 45 votes to 1) that the recommendations in the report be approved.

81 Notices of Motion

None.

Appendix to Council Minutes 5 March 2020

The meeting started at 7.00 pm and finished at 8.53 pm.

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Council Minutes 5 March 2020: Appendix 1

Extract from the minutes of Cabinet meeting on 12 February 2020.

CAB.33 Revenue Budget, Council Tax and Capital Estimates

The Resources Portfolio Holder and Corporate Director of Resources and S151 Officer submitted a report seeking confirmation of the Revenue Budget, Council Tax, Revised Capital Budget 2019/20 and Capital Programme 2020/21 onwards.

Decision taken

1. Cabinet approved

- a. The Revised Revenue Budget for the year 2019/20 and the Revenue Budget for 2020/21.
- b. For the purpose of proposing an indicative Council Tax for 2021/22, 2022/23, 2023/24 and 2024/25, taking into account the Medium Term Financial Plan at Appendix 2 which reflects an increase of £5 each year, any increase will remain within the principles determined by the Government as part of the legislation relating to Local Referendums allowing the veto of excessive Council Tax increases.
- c. Members' continuing commitment to the approach being taken regarding the efficiency savings, detailed within the Council's 'Annual Efficiency Statement' at Appendix 1 of the report.
- d. Any increases in the base level of expenditure and further additional expenditure arising during 2020/21 should be financed from existing budgets or specified compensatory savings, in accordance with the Financial Regulations and Financial Procedure Rules.
- e. The use of all other Reserves and Balances as indicated in Appendices 4 and 5 of the report.
- f. The manpower estimates for 2020/21.
- g. In accordance with the requirements of the Prudential Code for Capital Finance, those indicators included at Appendix 7 of the report.
- h. The Revised Capital Budget for 2019/20 and the Capital Programme for 2020/21 onwards.

2. Cabinet noted that, in accordance with the Council's Scheme of Delegation, as agreed by Council at their meeting of 24 February 2005:
- a. The amount of 37,300.46 had been calculated as the 2020/21 Council Tax Base for the whole area [(Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"))]; and
 - b. A Council Tax Base, for dwellings in those parts of its area to which a Parish precept relates, had been calculated as indicated below.

Barnacre-with-Bonds	967.31
Bleasdale	58.22
Cabus	621.24
Catterall	889.10
Claughton-on-Brock	379.85
Fleetwood	6,541.40
Forton	581.83
Garstang	1,831.85
Great Eccleston	634.36
Hambleton	1,071.50
Inskip-with-Sowerby	371.96
Kirkland	138.11
Myerscough and Bilsborrow	451.42
Nateby	217.51
Nether Wyresdale	335.67
Out Rawcliffe	268.05
Pilling	821.78
Preesall	1,901.05
Stalmine-with-Staynall	611.39
Upper Rawcliffe-with-Tarnacre	294.02
Winmarleigh	128.07

3. Cabinet affirmed that the Council Tax requirement for the Council's own purposes for 2020/21 (excluding Parish precepts) be £7,636,896.

4. Cabinet agreed to the calculation of the following amounts for the year 2020/21 in accordance with Sections 31 to 36 of the Act:

a. £66,573,969	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
b. £58,172,860	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
c. £8,401,109	Being the amount by which the aggregate at 3.4(a) above exceeds the aggregate at 3.4(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
d. £225.23	Being the amount at 3.4(c) above (Item R) all divided by Item T (3.2(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
e. £764,213	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act and as detailed in Appendix 6
f. £204.74	Being the amount at 3.4(d) above less the result given by dividing the amount at 3.4(e) above by Item T (3.2(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

5. Cabinet concurred that the Council's basic amount of Council Tax for 2020/21 was not considered excessive in accordance with principles approved under Section 52ZB of the Local Government Finance Act 1992.

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Council Minutes 5 March 2020: Appendix 2

Table A: Parish Precepts

Valuation bands

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Barnacre-with-Bonds	144.21	168.25	192.28	216.32	264.39	312.47	360.53	432.64
Bleasdale	147.94	172.60	197.26	221.92	271.24	320.56	369.86	443.84
Cabus	147.22	171.76	196.30	220.84	269.92	319.00	368.06	441.68
Catterall	197.22	230.10	262.97	295.84	361.58	427.33	493.06	591.68
Cloughton-on-Brock	167.90	195.89	223.87	251.86	307.83	363.80	419.76	503.72
Fleetwood	157.69	183.97	210.26	236.54	289.11	341.67	394.23	473.08
Forton	159.40	185.97	212.54	239.11	292.25	345.39	398.51	478.22
Garstang	164.44	191.85	219.26	246.67	301.49	356.31	411.11	493.34
Great Eccleston	160.66	187.44	214.22	241.00	294.56	348.12	401.66	482.00
Hambleton	164.49	191.91	219.32	246.74	301.57	356.41	411.23	493.48
Inskip-with-Sowerby	154.41	180.15	205.88	231.62	283.09	334.57	386.03	463.24
Kirkland	187.18	218.37	249.57	280.77	343.17	405.56	467.95	561.54
Myerscough and Bilsborrow	159.38	185.95	212.51	239.08	292.21	345.34	398.46	478.16
Nateby	142.45	166.19	189.94	213.68	261.17	308.65	356.13	427.36
Nether Wyresdale	171.08	199.59	228.11	256.62	313.65	370.68	427.70	513.24
Out Rawcliffe	151.41	176.65	201.88	227.12	277.59	328.07	378.53	454.24
Pilling	193.28	225.49	257.71	289.92	354.35	418.78	483.20	579.84
Preesall	170.59	199.02	227.46	255.89	312.76	369.62	426.48	511.78
Stalmine-with-Staynall	170.53	198.95	227.38	255.80	312.65	369.49	426.33	511.60
Upper Rawcliffe-with-Tarnacre	152.36	177.76	203.15	228.55	279.34	330.13	380.91	457.10
Winmarleigh	154.42	180.16	205.90	231.64	283.12	334.60	386.06	463.28
All other area of the Borough	136.49	159.24	181.99	204.74	250.24	295.74	341.23	409.48

Table B: Precepts from major precepting authorities

Valuation bands

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Lancashire County Council	933.55	1089.14	1244.73	1400.32	1711.50	2022.68	2333.87	2800.64
Police and Crime Commissioner for Lancashire	140.97	164.46	187.96	211.45	258.44	305.43	352.42	422.90
Lancashire Combined Fire Authority	47.24	55.11	62.99	70.86	86.61	102.35	118.10	141.72

Table C: Total tax payments for Wyre (including precepts from parish councils and other precepting authorities)

Valuation bands

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£							
Barnacre-with-Bonds	1265.97	1476.96	1687.96	1898.95	2320.94	2742.93	3164.92	3797.90
Bleasdale	1269.70	1481.31	1692.94	1904.55	2327.79	2751.02	3174.25	3809.10
Cabus	1268.98	1480.47	1691.98	1903.47	2326.47	2749.46	3172.45	3806.94
Catterall	1318.98	1538.81	1758.65	1978.47	2418.13	2857.79	3297.45	3956.94
Claughton-on-Brock	1289.66	1504.60	1719.55	1934.49	2364.38	2794.26	3224.15	3868.98
Fleetwood	1279.45	1492.68	1705.94	1919.17	2345.66	2772.13	3198.62	3838.34
Forton	1281.16	1494.68	1708.22	1921.74	2348.80	2775.85	3202.90	3843.48
Garstang	1286.20	1500.56	1714.94	1929.30	2358.04	2786.77	3215.50	3858.60
Great Eccleston	1282.42	1496.15	1709.90	1923.63	2351.11	2778.58	3206.05	3847.26
Hambleton	1286.25	1500.62	1715.00	1929.37	2358.12	2786.87	3215.62	3858.74
Inskip-with-Sowerby	1276.17	1488.86	1701.56	1914.25	2339.64	2765.03	3190.42	3828.50
Kirkland	1308.94	1527.08	1745.25	1963.40	2399.72	2836.02	3272.34	3926.80
Myerscough and Bilsborrow	1281.14	1494.66	1708.19	1921.71	2348.76	2775.80	3202.85	3843.42
Nateby	1264.21	1474.90	1685.62	1896.31	2317.72	2739.11	3160.52	3792.62
Nether Wyresdale	1292.84	1508.30	1723.79	1939.25	2370.20	2801.14	3232.09	3878.50
Out Rawcliffe	1273.17	1485.36	1697.56	1909.75	2334.14	2758.53	3182.92	3819.50
Pilling	1315.04	1534.20	1753.39	1972.55	2410.90	2849.24	3287.59	3945.10
Preesall	1292.35	1507.73	1723.14	1938.52	2369.31	2800.08	3230.87	3877.04
Stalmine	1292.29	1507.66	1723.06	1938.43	2369.20	2799.95	3230.72	3876.86
Upper Rawcliffe-with-Tarnacre	1274.12	1486.47	1698.83	1911.18	2335.89	2760.59	3185.30	3822.36
Winmarleigh	1276.18	1488.87	1701.58	1914.27	2339.67	2765.06	3190.45	3828.54
All other areas of the Borough	1258.25	1467.95	1677.67	1887.37	2306.79	2726.20	3145.62	3774.74

Council Minutes

The minutes of the Special Council meeting held on Thursday, 12 March 2020 in the Council Chamber, Civic Centre, Poulton-le-Fylde.

Councillors present:

The Mayor, Councillor Ann Turner and the Deputy Mayor, Councillor Barry Birch

Councillors I Amos, R Amos, Ballard, Baxter, Berry, C Birch, Bowen, Bridge, Catterall, Collinson, Cropper, E Ellison, Fail, Fairbanks, Gerrard, George, Henderson, Ibison, Ingham, Kay, Le Marinel, Longton, Orme, O'Neill, Robinson, Smith, Stirzaker, Swales, A Vincent, M Vincent, D Walmsley and L Walmsley

Apologies: Councillors Armstrong, Lady D Atkins, Sir R Atkins, Beavers, Cartridge, P Ellison, Holden, Leech, McKay, Minto, Moon, Raynor, S Turner, Matthew Vincent, Webster and Williams

Officers present:

Garry Payne, Chief Executive
Mark Billington, Corporate Director Environment
Marianne Hesketh, Corporate Director Communities
Clare James, Corporate Director Resources and Section 151 Officer
Andrea Mullin, Mayor's Secretary
Emily Wareing, Communications Officer
Peter Foulsham, Scrutiny Officer
Emma Keany, Governance Trainee

Also present: Honorary Aldermen Norman Irish, Len Jolley, Don Lawrenson and Keith Riley, prospective Aldermen Marge Anderton, Ruth Duffy, John Hodgkinson and Terry Lees and their respective guests.

82 Admission of Honorary Aldermen of the Borough

Appointment of Honorary Alderman: Marge Anderton

It was proposed by Councillor Stirzaker and seconded by Councillor Smith that, in recognition of sixteen years eminent service rendered to the Council, including distinguished service as Mayor, that Marge Anderton be made an Honorary Alderman.

RESOLVED that, pursuant to Section 249 of the Local Government Act 1072, in recognition of her eminent services to the Council, the title of Honorary Alderman be conferred on Mrs Marge Anderton.

Appointment of Honorary Alderman: Ruth Duffy

It was proposed by Councillor Henderson and seconded by Councillor Swales that, in recognition of sixteen years eminent service rendered to the Council, Ruth Duffy be made an Honorary Alderman.

RESOLVED that, pursuant to Section 249 of the Local Government Act 1072, in recognition of her eminent services to the Council, the title of Honorary Alderman be conferred on Mrs Ruth Duffy.

Appointment of Honorary Alderman: John Hodgkinson

It was proposed by Councillor Alan Vincent and seconded by Councillor Rita Amos that, in recognition of twenty years eminent service rendered to the Council, including distinguished service as Mayor, that John Hodgkinson be made an Honorary Alderman.

RESOLVED that, pursuant to Section 249 of the Local Government Act 1072, in recognition of his eminent services to the Council, the title of Honorary Alderman be conferred on Mr John Hodgkinson.

Appointment of Honorary Alderman: Terry Lees

It was proposed by Councillor Fail and seconded by Councillor Orme that, in recognition of twenty years eminent service rendered to the Council, including distinguished service as Mayor, that Terry Lees be made an Honorary Alderman.

RESOLVED that, pursuant to Section 249 of the Local Government Act 1072, in recognition of his eminent services to the Council, the title of Honorary Alderman be conferred on Mr Terry Lees.

The meeting started at 7.00 pm and finished at 7.49 pm.



Report of:	To:	Date
Councillor Alan Vincent, Resources Portfolio Holder Holder and Clare James, Corporate Director Resources (and S151 Officer)	Council	17 September 2020

Treasury Management Activity 2019/20

1. Purpose of report

1.1 To report on the overall position and activities in respect of Treasury Management for the financial year 2019/20.

2. Outcomes

2.1 An informed Council who have an understanding of Treasury Management activity, in line with the approved Treasury Management Policy and Strategy Statements and Treasury Management Practices.

3. Recommendation

3.1 That the Annual report on Treasury Management Activity for the 2019/20 financial be approved.

4. Background

4.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2019/20. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

4.2 During 2019/20 the minimum reporting requirements were that the full Council should receive the following reports:

- An annual treasury strategy in advance of the year (Council 04/04/19).
- A mid-year (minimum) treasury update report (Council 09/01/20).
- An annual review following the end of the year describing the activity compared to the strategy (this report).

- 4.3** 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. Member training on treasury management issues was undertaken on 9 January 2020.

5. Key Issues and Proposals

5.1 The Council’s Capital Expenditure and Financing

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

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.) which has no resultant impact on the council’s borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

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

Description	2018/19 Actual £000	2019/20 Budget £000	2019/20 Actual £000
Capital expenditure	8,085	9,831	5,979
Financed in year	8,085	9,831	5,979
Unfinanced capital expenditure	0	0	0

5.2 Overall Treasury Position as at 31 March 2020

5.2.1 At the beginning and the end of 2019/20 the council’s treasury (excluding borrowing by PFI and finance leases) position was as follows:

	31/03/19 Principa l £000	Rate/ Return	Avg Life Yrs	31/03/20 Principal £000	Rate/ Return	Avg Life Yrs
Total Debt	1,560	4.43%	28	1,559	4.43%	27
Total Investments	19,517	0.66%	0.01	24,771	0.87%	0.01
Net debt	-17,957			-23,212		
CFR*	11,357			11,261		
Under-borrowing	9,797			9,702		

5.3 The Strategy for 2019/20

- 5.3.1** Investment returns remained low during 2019/20. The expectation for interest rates within the treasury management strategy for 2019/20 was that Bank Rate would stay at 0.75% during 2019/20 as it was not expected that the MPC (Monetary Policy Committee) would be able to deliver on an increase in Bank Rate until the Brexit issue was finally settled. However, there was an expectation that Bank Rate would rise after that issue was settled, but would only rise to 1.0% during 2020.
- 5.3.2** Rising concerns over the possibility that the UK could leave the EU at the end of October 2019 caused longer term investment rates to be on a falling trend for most of April to September. They then rose after the end of October deadline was rejected by the Commons but fell back again in January before recovering again after 31 January departure of the UK from the EU. When the coronavirus outbreak hit the UK in February/March, rates initially plunged but then rose sharply back up again due to a shortage of liquidity in financial markets. As longer term rates were significantly higher than shorter term rates during the year, value was therefore sought by placing longer term investments where cash balances were sufficient to allow this.
- 5.3.3** While the council has taken a cautious approach to investing, 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 financial crisis. 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.
- 5.3.4** Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

5.4 The Borrowing Requirement and Debt

5.4.1 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). The underlying need to borrow for capital purposes is measured by the CFR, while useable reserves and working capital are the underlying resources available for investment. The table below compares the estimated CFR to the debt which exists at 31 March. This gives an indication of the borrowing required. It also shows the estimated resources available for investment. An option is to use these balances to finance the expenditure rather than investing, often referred to as internal borrowing, so the table gives an indication of the minimum borrowing requirement through this method.

	31/03/19 Actual £000	31/03/20 Budget £000	31/03/20 Actual £000
CFR (£m)	11,357	11,261	11,261
Less external borrowing	1,552	1,552	1,552
Borrowing requirement	9,805	9,709	9,709
Reserves and Balances	24,336	21,517	26,803
Borrowing/(investment) need	-14,531	-11,808	-17,094

5.5 Borrowing Rates and Borrowing Outturn in 2019/20

5.5.1 PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels.

5.5.2 However, HM Treasury has imposed two changes in the margins over gilt yields for PWLB rates in 2019/20 without any prior warning; the first on 9 October 2019, added an additional 1% margin over gilts to all PWLB rates. That increase was then partially reversed for some forms of borrowing on 11 March 2020, at the same time as the Government announced in the Budget a programme of increased spending on infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins; this ended on 4 June. It is clear that the Treasury intends to put a stop to local authorities borrowing money from the PWLB to purchase commercial property if the aim is solely to generate an income stream. According to the Chartered Institute of Public Finance and Accountancy (CIPFA) *"the underlying rationale for the proposed measures is to first prioritise the use of PWLB for investment in services and local regeneration, and secondly the related aim to dampen the extent to which local authorities undertake borrowing to invest in commercial property purely for commercial gain by removing the PWLB as a borrowing route"*.

- 5.5.3** There is likely to be little upward movement in PWLB rates over the next two years as it will take national economies a prolonged period to recover all the momentum they will lose in the sharp recession that will be caused during the coronavirus lockdown period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020/21.
- 5.5.4** No new borrowing was undertaken during the year 2019/20. Capital schemes budgeted for in 2019/20 were funded by grants and contributions, capital receipts and the Capital Investment Reserve. No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable. There were no short-term borrowing transactions (i.e. less than 365 days) during 2019/20.
- 5.5.5** Interest payments in respect of long-term borrowing for the 2019/20 financial year total £68,830 which was in line with the full year budget of £68,830. The actual interest payments, including miscellaneous payment for the year to 31 March is £68,849 compared to the full year budget of £69,850. This includes £19.88 payable to the Fielden Trust.
- 5.5.6** The Council incurs charges at 4% over the current base rate for net overdrawn balances with no annual arrangement fee. The Council's net bank account position was not overdrawn during the financial year 2019/20.

5.6 Investments

- 5.6.1** **Investment Policy** – the council's investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 4 April 2019. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, (Standard and Poor's (S&P), Moody's and Fitch Ratings) supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).
- 5.6.2** The investment activity during the year conformed to the approved strategy, and the council had no liquidity issues.
- 5.6.3** Investments held by the council – Internally managed funds earned an average of 0.87%. The comparable performance indicator is the average 7 day LIBID (London Interbank Bid Rate) which was 0.53%. The equated investments are analysed in the table below:

	Equated Investment Principal £	Interest Due £	Rate of Return	Benchmark Return
Santander 35 day Notice	4,509,590	38,332	0.85%	0.53%
Bank of Scotland 95 day Notice	3,616,438	39,782	1.10%	0.53%
Handelsbanken 35 day Notice	1,709,588	11,113	0.65%	0.53%
NatWest 35 day Notice	586,301	4,399	0.75%	0.53%
Qatar Fixed	3,230,136	58,677	0.98%	0.53%
Handelsbanken IA	1,502,887	5,261	0.35%	0.53%
Bank of Scotland Call Account	1,272,310	7,700	0.61%	0.53%
NatWest Liquidity	2,011,499	5,795	0.29%	0.53%
LGIM	1,090,411	7,448	0.68%	0.53%
Prime Rate	5,716,439	41,588	0.73%	0.53%
Total	25,245,599	220,094	0.87%	0.53%

5.6.4 Interest receivable from investments for the 2019/20 financial year totals £220,094 compared to the full year budget of £175,400. Interest overall including miscellaneous items, received in the year totalled £222,313 compared to a budgeted figure of £175,500. The increase in interest income over that budgeted figure of £46,813 is owing to an improved cashflow situation towards the end of the year, partly due to external grant monies being received in advance of expenditure.

5.6.5 There have been no occasions of funds over £100,000 remaining in the council's overnight general account since February 2018 when the NatWest roll up facility and control account was activated.

5.7 Other issues

5.7.1 In November 2019, CIPFA published their guide to Prudential Property Investment. The new guidance explains CIPFA's position signalled in the Prudential Code "that authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed (see Prudential Code, paragraph 45). This position reflects the circumstances – which are well understood for treasury management activities – that local authorities must not borrow where there is no specific or projected need to borrow, but an opportunity has been identified to make an investment return greater than the authority's cost of borrowing". This guidance will need to be

considered carefully by the Property Investment Board when making decisions.

5.7.2 In April 2020, CIPFA published a Bulletin on Treasury and Capital Management in response to the coronavirus pandemic. The update provided practical advice on cashflow, liquidity, security and various other issues and this informed the approach taken to treasury management at the outset of the pandemic. These issues will be covered in more detail in the mid-year report due later this year.

Financial and legal implications	
Finance	Considered in detail in the report above.
Legal	The approval of the recommendation will ensure that the statutory requirements have been complied with.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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List of background papers:		
name of document	Date	where available for inspection
None		

List of appendices

Appendix 1 - Prudential and Treasury Indicators

dem/cou/cr/170920jm1

Appendix 1: Prudential and Treasury Indicators

1. Prudential Indicators	2018/19 Actual £'000	2019/20 Estimate £'000	2019/20 Actual £'000
Capital Expenditure	8,085	9,831	5,979
Ratio of financing costs to net revenue stream	0.14%	-0.07%	-0.39%
Gross Borrowing requirement General Fund	1,560	1,559	1,559
Gross debt	1,560	1,559	1,559
CFR	11,357	11,261	11,261
Annual change in CFR	-96	-96	-96
2. Treasury Management Indicators	2018/19 Actual £'000	2019/20 Estimate £'000	2019/20 Actual £'000
Authorised Limit for external debt borrowing		20,000	
Other long term liabilities		0	
Total		20,000	
Operational Boundary for external debt borrowing		13,452	
Other long term liabilities		7	
Total		13,459	
Actual external debt	1,560		1,559

Maturity structure of fixed rate borrowing during 2019/20	upper limit	lower limit
Under 12 month	100%	0%
12 months and within 24 months	45%	0%
24 months and within 5 year	75%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	0%
<p>These gross limits are set to avoid large concentrations of fixed rate debt that has the same maturity structure and would therefore need to be replaced at the same time.</p>		

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Report of:	To:	Date
Councillor Alan Vincent, Resources Portfolio Holder and Clare James, Corporate Director Resources	Council	17 September 2020

Treasury Management Policy and Annual Investment Strategy, Minimum Revenue Provision Policy Statement and Capital Strategy 2020/21

1. Purpose of report

1.1 Confirmation of the Treasury Management Policy and Annual Investment Strategy, Minimum Revenue Provision (MRP) Policy Statement and Capital Strategy 2020/21.

2. Outcomes

2.1 A Treasury Management Policy and Annual Investment Strategy, Minimum Revenue Provision (MRP) Policy Statement and Capital Strategy 2020/21.

3. Recommendations

3.1 To approve the Treasury Management Policy and Annual Investment Strategy, MRP Policy Statement and Capital Strategy for 2020/21 as considered by Cabinet at their meeting 25 March 2020.

3.2 To approve the variations to the standard Treasury Management policies and practices introduced for the duration of the COVID-19 (coronavirus) pandemic.

4. Background

4.1 A review of the Treasury Management Policy Statement, Treasury Management Practices, Strategy, MRP Policy Statement and Capital Strategy is undertaken each year and reported to Cabinet in March.

4.2 However in order to comply with the CIPFA Code of Practice for Treasury Management, the full Council is formally required to approve the Treasury Management Policy and Annual Investment Strategy, the MRP Policy Statement and the Capital Strategy for the forthcoming financial year.

5. Key issues and proposals

- 5.1** The Treasury Management Policy Statement and Annual Investment Strategy, MRP Policy Statement and Capital Strategy are attached in Appendices 1 to 4.
- 5.2** Appendix 5 summarises the variations to the normal treasury management policies and practices introduced as a result of the coronavirus global pandemic.

Financial and legal implications	
Finance	The financial implications arising from the adoption of the Treasury Management and Annual Investment Strategy, the MRP Policy Statement and the Capital Strategy have been reflected in the Revenue Estimates which were agreed by Cabinet at their meeting 12 February 2020.
Legal	The approval of the recommendation will ensure that the revised Prudential Code 2018 and the CIPFA Code of Practice on Treasury Management have been complied with.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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List of background papers:		
name of document	Date	where available for inspection
None		

List of appendices

- Appendix 1 – Treasury Management Policy Statement 2020/21
- Appendix 2 – Treasury Management and Annual Investment Strategy 2020/21
- Appendix 3 – Minimum Revenue Provision Policy Statement 2020/21
- Appendix 4 – Capital Strategy 2020/21
- Appendix 5 – Variations to the standard Treasury Management policies and practices introduced for the duration of the COVID-19 (coronavirus) pandemic

dem/cou/cr/170920jm2

TREASURY MANAGEMENT POLICY STATEMENT 2020/21

Wyre Council defines its Treasury management activities as follows:

1. The management of the authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

Clauses to be formally adopted

4. The Council will create and maintain, as the cornerstones for effective treasury management:
 - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities, and;
 - suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.

5. The Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
6. The Council delegates responsibility for the implementation and regular monitoring of its treasury management practices to Cabinet, and for the execution and administration of treasury management decisions to the

Corporate Director of Resources, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

7. The Council nominates the Overview and Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

dem/cou/cr/170920jm2 Appendix 1

TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY 2020/21

1. Introduction

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

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

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

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

This authority has not engaged in any commercial investments and has no non-treasury investments.

1.2 Reporting requirements

1.2.1 Capital Strategy

The CIPFA 2018 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. **Prudential and treasury indicators and treasury strategy** (this report) – The first, and most important report is forward looking and covers:
 - the capital plans (including prudential indicators);
 - a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
 - the treasury management strategy (how the investments and borrowings are to be organised), including treasury indicators; and
 - an investment strategy (the parameters on how investments are to be managed).
- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- c. **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operation compared to the estimates within the strategy.

1.2.3 Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Overview and Scrutiny Committee.

1.3 Treasury Management Strategy for 2020/21

The strategy for 2020/21 covers two main areas:

1.3.1 Capital issues

- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy

1.3.2 Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. All members were invited to attend a Treasury Management training session delivered by our Treasury Management Consultants prior to the Council meeting on 9 January 2020. Training will be ongoing as required.

The training needs of treasury management officers are periodically reviewed.

1.5 Treasury management consultants

The Council uses Link Asset Services, as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2. **The Capital Prudential Indicators 2019/20 – 2024/25**

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans. The Prudential Indicators, capital expenditure plans and how these plans are being financed by capital or revenue resources were approved by Cabinet at its meeting on 12 February 2020.

2.1 **Capital Expenditure**

This prudential indicator is a summary of the Council's Capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

Capital Expenditure	2018/19 Actual £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Total	8,085	9,831	3,367	2,112	1,894	1,984	2,136

Other long-term liabilities - The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments. (not currently applicable to Wyre)

The table overleaf summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of Capital Expenditure	2018/19 Actual £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Capital Receipts	56	17	25	0	0	0	0
Capital Grants and Contributions	7,473	5,604	2,701	1,833	1,833	1,833	1,833
Revenue / Reserves	556	4,210	641	278	61	151	303
Net Financing need for the Year	0	0	0	0	0	0	0

2.2 **The Council's borrowing need (the Capital Financing Requirement)**

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not

immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council does not currently have any such schemes within the CFR.

	2018/19 Actual £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Total CFR	11,355	11,259	11,163	11,068	10,972	10,876	10,780
Movement in CFR	-96	-96	-96	-96	-96	-96	-90

Movement in CFR represented by:							
MRP and other financing movements	96	96	96	96	96	96	90

The Council's Capital Financing Requirement is shown gross of Adjustment A (the unreconciled difference between the previous credit ceiling and the new CFR per the Prudential Code). In essence, Adjustment A provides a debt liability of £9.5m which the council is not required to repay through MRP.

2.3 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources	2018/19 Actual £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Fund balances/ reserves	24,336	21,517	22,590	21,672	20,473	18,443	16,273
Capital receipts	732	729	704	704	704	704	704
Provisions	1,962	2,496	2,496	2,496	2,496	2,496	2,496
Other							
Total core funds	27,030	24,742	25,790	24,872	23,673	21,643	19,473
Working capital*	436	436	436	436	436	436	436
Expected Investments	27,466	25,178	26,226	25,308	24,109	22,079	19,909

*Working capital balances shown are estimated year-end; these may be higher mid-year.

2.4 Minimum Revenue Provision Policy Statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP). MHCLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. The Council is recommended to approve the MRP Statement at Appendix 4.

2.5 Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

%	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Ratio	0.14	-0.07	0.10	0.07	-0.11	-0.11	-0.15

2.6 Control of Interest Rate Exposure

Please see following paragraphs 3.3, 3.4 and 4.4.

3. Borrowing

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant

professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 The overall treasury management portfolio as at 31 March 2019 and for the position as at 24 January 2020 are shown below for both borrowing and investments

Treasury Portfolio				
Treasury Investments	Actual	Actual	Current	Current
	31/03/2019	31/03/2019	24/01/2020	24/01/2020
	£000	%	£000	%
Banks	13,517	69%	20,843	63%
Money Market Funds	6,000	31%	12,000	37%
Total Treasury Investments	19,517	100%	32,843	100%
Total External Borrowing	1,552	100%	1,552	100%
Net Treasury Investments	17,965		31,291	

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
External Debt	£000	£000	£000	£000	£000	£000	£000
Debt at 1 April	1,552	1,552	1,552	1,552	1,552	1,552	1,552
Expected change in Debt	0	0	0	0	0	0	0
Other Long Term Liabilities (OLTL)	8	8	8	8	8	8	8
Expected change in OLTL	0	0	0	0	0	0	0

Actual Gross Debt at 31 March	1,560	1,560	1,560	1,560	1,560	1,560	1,560
Capital Financing Requirement	11,355	11,259	11,163	11,068	10,972	10,876	10,786
Under/(over) Borrowing	9,795	9,699	9,603	9,508	9,412	9,316	9,226

Within the range of prudential indicators there are a number of key indicators to ensure that the council operates its activities within well-defined limits. One of these is that the council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Corporate Director of Resources reports that the council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: Limits to Borrowing Activity

The Council is required to approve an 'authorised limit' and an 'operational boundary' for external debt. The Treasury Management indicators were approved by the Cabinet at its meeting on 12 February 2020 alongside the prudential indicators, capital expenditure plans and how these plans are being financed by capital or revenue resources.

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Debt	13,452	13,452	13,452	13,452	13,452	13,452
Other long term liabilities	8	8	8	8	8	8
Total	13,460	13,460	13,460	13,460	13,460	13,460

The authorised limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be

set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Debt	20,000	20,000	20,000	20,000	20,000	20,000
Other long term liabilities	0	0	0	0	0	0
Total	20,000	20,000	20,000	20,000	20,000	20,000

3.3 Prospects for Interest Rates

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives our central view.

Annual Average % as at the quarter ending:	Bank Rate %	PWLB Rates %			
		5 year	10 year	25 year	50 year
March 2019	0.75	2.10	2.50	2.90	2.70
June 2019	1.00	2.20	2.60	3.00	2.80
Sept 2019	1.00	2.20	2.60	3.10	2.90
Dec 2019	1.00	2.30	2.70	3.10	2.90
March 2020	1.25	2.30	2.80	3.20	3.00
June 2020	1.25	2.40	2.90	3.30	3.10
Sept 2020	1.25	2.50	2.90	3.20	3.10
Dec 2020	1.50	2.50	3.00	3.40	3.20
March 2021	1.50	2.60	3.00	3.40	3.20
June 2021	1.75	2.60	3.10	3.50	3.30
Sept 2021	1.75	2.77	3.10	3.50	3.30
Dec 2021	1.75	2.80	3.20	3.60	3.40
March 2022	2.00	2.80	3.20	3.60	3.40

Annual Average % as at the quarter ending:	Bank Rate %	PWLB Rates %			
		5 year	10 year	25 year	50 year
March 2019	0.75	2.10	2.50	2.90	2.70
June 2019	1.00	2.20	2.60	3.00	2.80
Sept 2019	1.00	2.20	2.60	3.10	2.90
Dec 2019	1.00	2.30	2.70	3.10	2.90
March 2020	1.25	2.30	2.80	3.20	3.00
June 2020	1.25	2.40	2.90	3.30	3.10
Sept 2020	1.25	2.50	2.90	3.20	3.10
Dec 2020	1.50	2.50	3.00	3.40	3.20
March 2021	1.50	2.60	3.00	3.40	3.20
June 2021	1.75	2.60	3.10	3.50	3.30
Sept 2021	1.75	2.77	3.10	3.50	3.30
Dec 2021	1.75	2.80	3.20	3.60	3.40
March 2022	2.00	2.80	3.20	3.60	3.40

The above forecasts have been based on an assumption that there is an agreed deal on Brexit, including agreement on the terms of trade between the UK and EU, at some point in time. The result of the general election has removed much uncertainty around this major assumption. However, it does not remove uncertainty around whether agreement can be reached with the EU on a trade deal within the short time to December 2020, as the prime minister has pledged.

It has been little surprise that the Monetary Policy Committee (MPC) has left Bank Rate unchanged at 0.75% so far in 2019 due to the ongoing uncertainty over Brexit and the outcome of the general election. In its meeting on 7 November, the MPC became more dovish due to increased concerns over the outlook for the domestic economy if Brexit uncertainties were to become more entrenched, and for weak global economic growth: if those uncertainties were to materialise, then the MPC were likely to cut the Bank Rate. However, if they were both to dissipate, then rates would need to rise at a “gradual pace and to a limited extent”. Brexit uncertainty has had a dampening effect on UK GDP growth in 2019, especially around mid-year. There is still some residual risk that the MPC could cut the Bank Rate as the UK economy is still likely to only grow weakly in 2020 due to continuing uncertainty over whether there could effectively be a no deal Brexit in December 2020 if agreement on a trade deal is not reached with the EU. Until that major uncertainty is removed, or the period for agreeing a deal is extended, it is unlikely that the MPC would raise Bank Rate

Bond yields / PWLB rates. There has been much speculation during 2019 that the bond market has gone into a bubble, as evidenced by high bond prices and remarkably low yields. However, given the context that there have been heightened expectations that the US was heading for a recession in 2020, and a general background of a downturn in world economic growth, together with inflation generally at low levels in most countries and expected to remain subdued, conditions are ripe for low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last thirty years. We have therefore seen over the last year, many bond yields up to ten years in the Eurozone actually turn negative. In addition, there has, at times, been an inversion of bond yields in the US whereby ten-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated, as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities. However, stock markets are also currently at high levels as some investors have focused on chasing returns in the context of dismal ultra-low interest rates on cash deposits.

During the first half of 2019-20 to 30 September, gilt yields plunged and caused a near halving of longer term PWLB rates to completely unprecedented historic low levels. (See paragraph 3.7 for comments on the increase in the PWLB rates margin over gilt yields of 100bps introduced on 9.10.19.) There is though, an expectation that financial markets have gone too far in their fears about the degree of the downturn in US and world growth. If, as expected, the US only suffers a mild downturn in growth, bond markets in the US are likely to sell off and that would be expected to put upward pressure on bond yields, not only in the US, but also in the UK due to a correlation between US treasuries and UK gilts; at various times this correlation has been strong but at other times weak. However, forecasting the timing of this, and how strong the correlation is likely to be, is very difficult to forecast with any degree of confidence. Changes in UK Bank Rate will also impact on gilt yields.

One potential danger that may be lurking in investor minds is that Japan has become mired in a twenty-year bog of failing to get economic growth and inflation up off the floor, despite a combination of massive monetary and fiscal stimulus by both the central bank and government. Investors could be fretting that this condition might become contagious to other western economies.

Another danger is that unconventional monetary policy post 2008, (ultra-low interest rates plus quantitative easing), may end up doing more harm than good through prolonged use. Low interest rates have encouraged a debt-fuelled boom that now makes it harder for central banks to raise interest rates. Negative interest rates could damage the profitability of commercial banks

and so impair their ability to lend and / or push them into riskier lending. Banks could also end up holding large amounts of their government's bonds and so create a potential doom loop. (A doom loop would occur where the credit rating of the debt of a nation was downgraded which would cause bond prices to fall, causing losses on debt portfolios held by banks and insurers, so reducing their capital and forcing them to sell bonds – which, in turn, would cause further falls in their prices etc.). In addition, the financial viability of pension funds could be damaged by low yields on holdings of bonds.

The overall longer run future trend is for gilt yields, and consequently PWLB rates, to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

In addition, PWLB rates are subject to ad hoc decisions by H.M. Treasury to change the margin over gilt yields charged in PWLB rates: such changes could be up or down. It is not clear that if gilt yields were to rise back up again by over 100bps within the next year or so, whether H.M. Treasury would remove the extra 100 bps margin implemented on 9.10.19.

Economic and interest rate forecasting remains difficult with so many influences weighing on UK gilt yields and PWLB rates. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

Investment and borrowing rates

- Investment returns are likely to remain low during 2020/21 with little increase in the following two years. However, if major progress was made with an agreed Brexit, then there is upside potential for earnings.
- Borrowing interest rates were on a major falling trend during the first half of 2019-20 but then jumped up by 100 bps on 9.10.19. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. However, the unexpected increase of 100 bps in PWLB rates requires a major rethink of local authority treasury management strategy and risk management.

3.4 Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2020/21 treasury operations. The Corporate Director of Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then borrowing will be postponed.
- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

The Council doesn't have any plans in the short to medium term to undertake any further borrowing.

3.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as the 100 bps increase in PWLB rates only applied to new borrowing rates and not to premature debt repayment rates.

4. Annual Investment Strategy

4.1 Investment policy – management of risk

The Council's investment policy has regard to the following:

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. **Types of investment instruments** identified for use in the financial year are listed in Treasury Management Practices (TMP) Schedule 1 under the 'specified' and 'non-specified' investments categories.
5. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
6. **Transaction limits** are set for each type of investment in 4.2.
7. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.4).
8. This authority has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
9. All investments will be denominated in **sterling**.
10. As a result of the change in accounting standards for 2019/20 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November

2018, the Ministry of Housing, Communities and Local Government [MHCLG] concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1 April 2018.)

However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

4.2 Creditworthiness Policy

This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads that may give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will, therefore, use counterparties within the following durational bands:

- Yellow 5 years (only Local Authorities)
- Dark Pink 5 years for Ultra-Short Dated Bond Funds with credit score of 1.25
- Light Pink 5 years for Ultra-Short Dated Bond Funds with credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Red 6 months
- Green 100 days
- No colour Not to be used.

Organisation	Minimum credit criteria / colour band	Max. Amount per Institution	Max. maturity Period
Term deposits with UK Clearing Banks and UK Building Societies	Purple Blue Orange Red Green	£6m £6m £6m £6m £6m	Up to 2 years Up to 1 year* Up to 1 year Up to 6 months Up to 100 days
Term deposits with Other Banks	Orange Red Green	£6m £6m £6m	Up to 1 year Up to 6 months Up to 100 days
Certificates of Deposit with UK Clearing Banks and UK Building Societies	Purple Blue Orange Red Green	£6m £6m £6m £6m £6m	Up to 2 years Up to 1 year* Up to 1 year Up to 6 months Up to 100 days
UK Local Authorities	Yellow	£6m £6m	Up to 5 years Up to 1 year
Ultra-Short Dated Bond with credit score of 1.25	Dark Pink / AAA	£6m	liquid
Ultra-Short Dated Bond with credit score of 1.5	Light Pink / AAA	£6m	liquid
Money Market Funds - CNAV, LVNAV or VNAV	AAA	£6m	liquid

*Part nationalised banks

The Link Asset Services' creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of F1 and a long term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service.

- If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, as well as information on any external support for banks to help support its decision making process.

4.3 UK Banks – ring fencing

The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as "ring-fencing". Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and "riskier" activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity's core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does

others and those with sufficiently high ratings (and any other metrics considered) will be considered for investment purposes.

4.4 Country limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors. The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Annex 1. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

4.5 Investment Strategy

In-House Funds

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Investment returns expectations

On the assumption that the UK and EU agree a Brexit deal including the terms of trade by the end of 2020 or soon after, then Bank Rate is forecast to increase only slowly over the next few years to reach 1.00% by quarter 1 2023. Bank Rate forecasts for financial year ends (March) are:

- Q1 2021 0.75%
- Q2 2022 1.00%
- Q3 2023 1.25%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

- 2019/20 0.75%
- 2020/21 0.75%
- 2021/22 1.00%
- 2022/23 1.25%

- 2023/24 1.50%
- 2024/25 1.75%
- Later years 2.25%

The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture. The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside. In the event that a Brexit deal is agreed with the EU and approved by Parliament, the balance of risks to economic growth and to increases in Bank Rate is likely to change to the upside.

4.6 Investment treasury indicator

There are currently no plans for funds to be invested for a period greater than 364 days. These limits are set with regard to the council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year end. For its cash flow generated balances, the council will seek to utilise its instant access and notice accounts, money market funds, short dated deposits (overnight to 100 days) and 6 month deposits in order to benefit from compounding of interest. This council will use an investment benchmark to assess the investment performance of its investment portfolio of 7 day LIBID (London Interbank Bid Rate).

4.7 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

4.8 Non-treasury investments

This council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries and investment property portfolios. This council does not currently have any such investments. However it will ensure that all of its investments are covered in the capital programme, investment strategy or equivalent and will set out, where relevant, the council's risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that of treasury management. The council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the council's risk exposure where applicable.

Approved Countries for Investment (as at 03/01/20)

This list is based on those countries which have sovereign ratings of AA- or higher (we show the lowest rating from Fitch, Moody's and Standards & Poor) and also (except – at the time of writing – for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link Asset Services credit worthiness service.

Based on lowest available rating

AAA

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

AA+

- Finland
- USA

AA

- Abu Dhabi (UAE)
- Hong Kong
- France
- U.K.

AA-

- Belgium
- Qatar

dem/cou/cr/170920jm2 Appendix 2

MINIMUM REVENUE PROVISION POLICY STATEMENT 2020/21 (England and Wales)

1. The Council's Adopted Approach

The council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09 and will assess their MRP for 2020/21 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003 and the revised guidance issued in 2018.

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure and from 1 April 2008, for all unsupported borrowing (including PFI and finance leases) the policy will be Asset Life method. Capital expenditure will under delegated powers be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method (Asset Life Method). For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision, voluntary revenue provision or overpayments, can, if needed be reclaimed in later years if deemed necessary or prudent. The council does not have any such overpayments.

WYRE BOROUGH COUNCIL

CAPITAL STRATEGY

2020/21

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1.0	INTRODUCTION
1.1	<p>The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code 2017 requires local authorities to produce a capital strategy in order to demonstrate that the council does the following:</p> <ul style="list-style-type: none"> • takes capital and investment decisions in line with service objectives; • properly takes account of stewardship, value for money, prudence, sustainability and affordability; • sets out the long-term context in which capital expenditure and investment decisions are made; • gives due consideration to both risk and reward, and; • gives due consideration to the impact on the achievement of priority outcomes.
1.2	<p>The capital strategy forms part of the council's integrated revenue, capital and balance sheet planning.</p>
1.3	<p>The strategy is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services. It also provides an overview of how associated risk is managed and the implications for future financial sustainability.</p>
1.4	<p>The purpose of this document is to ensure that Members have sufficient detail to allow them to fully understand the overall capital strategy, its governance procedures and risk appetite.</p>
1.5	<p>A long-term view is taken when outlining the capital strategy and its associated context, as many schemes will span a number of years and have implications beyond the Medium Term Financial Plan (MTFP). All planned capital expenditure and investment decisions are included in the strategy including those undertaken with external partners.</p>
1.6	<p>CIPFA guidance indicates that the Capital Strategy should have regard to the following areas, each of which will be covered in this document:</p> <ul style="list-style-type: none"> • Capital expenditure • Debt and borrowing and treasury management • Commercial activity • Other long-term liabilities • Knowledge and skills
1.7	<p>This document should be read in conjunction with the Council's annual Treasury Management Policy Statement and Practices, Treasury Management and Annual Investment Strategy and the Minimum Revenue Provision Policy Statement. Reference</p>

	<p>may be made to specific sections of these documents as appropriate to avoid unnecessary duplication in the Capital Strategy.</p>
2.0	KEY DOCUMENTS
2.1	<p>Aside from the Treasury Management Policy Statement and Practices, Treasury Management and Annual Investment Strategy and the Minimum Revenue Provision Policy Statement, there are several key internal documents which influence the strategic direction of the council and these are listed below.</p> <ul style="list-style-type: none"> • The Business Plan which gets refreshed annually and has three themes around People, Place and Economy. • The Council’s Strategic Narrative which identifies three ‘big goals’ around financial discipline and commercialism, a flexible and change-ready workforce and providing an integrated and community-focused service offer. • The Commercial Strategy (see Appendix 1). • The Asset Management Strategy and Action Plan. • Also important are the main financial reports: the Statement of Accounts, the Medium Term Financial Plan (MTFP) and the Revenue Estimates and Capital Programme. <p>All of the above documents are available on the council’s website (for more details please see the latest versions at www.wyre.gov.uk).</p>
3.0	CAPITAL EXPENDITURE
3.1	<p>This section will cover the following areas identified by CIPFA guidance where their impact is material:</p> <ul style="list-style-type: none"> • An overview of the governance process for approval and monitoring capital expenditure • A long-term view of capital expenditure plans, where long-term is defined by the financing strategy of and risks faced by the authority with reference to the life of the projects/assets (see Appendix 2). • An overview of asset management planning including the cost of past borrowing, maintenance requirements and planned disposals. • Any restrictions around borrowing or funding of ongoing capital finance.
	The Definition of Capital Expenditure
3.2	<p>The council has two types of expenditure as defined in the annual statement of accounts:</p> <ul style="list-style-type: none"> • <i>Revenue expenditure</i>: the everyday costs incurred with running the council such as employee costs, premises related expenditure and various supplies and services.

	<ul style="list-style-type: none"> • <i>Capital expenditure</i>: the more sizeable costs, which usually relate to the acquisition of new assets or significant enhancement of existing assets to extend the economic benefit to the council.
3.3	<p>In brief, there are three routes under which expenditure can qualify as capital and these are:</p> <ul style="list-style-type: none"> • Spending which meets the recognition criteria specified under ‘proper accounting practices’ e.g. expenditure on the acquisition of, construction of or the addition of subsequent costs to non-current assets (tangible e.g. buildings and intangible e.g. software) • Spending which meets one of the definitions specified in regulations made under the Local Government Act 2003 e.g. Revenue Expenditure Funded from Capital Under Statute (REFCUS). • The Secretary of State makes a direction that the spending can be treated as capital expenditure.
3.4	<p>Examples of capital expenditure include expenditure on the acquisition, reclamation or enhancement of assets (e.g. buildings, land, plant and machinery). It can include computer costs (for use over a period exceeding one year e.g. software licences), grants to third parties, incidental costs involved in a capital project (e.g. officers' salaries and professional fees).</p>
3.5	<p>Excluded from the definition of capital are training, administrative and other general overhead costs. Costs will also be ineligible to the extent that they relate to activity that takes place prior to the intention to acquire or construct a fixed asset. Examples of this include the cost of option appraisals and feasibility studies that do not contribute to the scoping of the asset ultimately acquired or constructed.</p>
3.6	<p>The key principle to follow is that ‘everything is revenue unless you can prove it is capital’.</p>
	<p>The Capital Programme, Governance and Approval Process</p>
3.7	<p>The Capital Programme is the council’s schedule of capital works for future years and includes details of the funding of the schemes. Included in the schedule are projects such as sea defences, restoration of parks and open spaces, our rolling replacement of vehicles and the construction of new buildings and facilities. Also included could be service and commercial investments such as new IT systems to deliver digital transformation, the purchase of land or buildings for investment purposes and design, consultancy or in-house fees for staff time in support of major schemes.</p>
3.8	<p>The approval process for individual capital schemes and the Capital Programme itself can be found in the Council’s Constitution which is available on the council’s website. In summary, the majority of capital schemes are approved via a Portfolio Holder Report submitted to the relevant Portfolio Holder. Alternatively, where a key decision is involved, a Cabinet Report on a specific scheme or project is used to update the Capital Budget. Regular reports are also submitted to Cabinet throughout the year providing them with the</p>

latest current year Capital Budget position and its impact on the multi-year Capital Programme and requesting their approval for any changes. In February of each year the Cabinet formally approve the current revised and the future year's Capital Programme and this is subsequently ratified by full Council in March as part of the annual budget setting process.

3.9 From 2018/19 onwards, the council's MTFP will encompass the current year's budget plus four years and the Capital Programme will mirror this approach. Reference will also be made to years beyond the scope of the MTFP period where the expected lifespan of planned projects exceeds this timeframe.

Asset Management

3.10 The Asset Management Strategy and Action Plan provides an overview of the council's current position with regard to investment properties, surplus assets, planned maintenance and investment projects, etc. The latest detailed Asset Management Strategy and Action Plan can be found on the council's website.

3.11 In order to achieve our corporate vision, key work areas have been established for Asset Management, these are:

- Managing Investment Assets
- Managing Property Assets
- Property Maintenance
- Property Disposals
- Property Acquisitions

3.12 The Council's property portfolio largely falls under two main categories: Property Assets and Investment Property.

The breakdown of property categories is as shown below:

Category	Number	Asset Value (31/03/2019)
Property Assets	69	£43.874m
Investment Assets	51	£6.858m
Community Assets	103	£3.935m
Heritage Assets	3	£0.331m
Assets Held for Sale	0	£0m
TOTAL	226	£54.997m

Long-Term Borrowing

3.13 In an effort to reduce the council's reliance on borrowing and following concerns about the sustainability of continuing to borrow in the current economic climate, a Capital Investment Reserve was created as part of the 2009/10 closure of accounts. The council has the

following outstanding long term borrowing:

Date	Loan ref.	Value (£)	Period (Years)	Rate (%)	Maturing
05/03/2008	494404	552,000	30	4.48	September 2037
05/03/2008	494405	1,000,000	50	4.41	September 2057
Total		1,552,000			

4.0 DEBT AND BORROWING AND TREASURY MANAGEMENT

4.1 This section will cover the following areas identified by CIPFA guidance where their impact is material:

- A projection of external debt and use of internal borrowing to support capital expenditure (internal borrowing refers to the use of cash balances to finance capital expenditure in place of borrowing money from external sources).
- Provision for the repayment of debt over the life of the underlying debt.
- Authorised limit and operational boundary for the following year.
- The authority’s approach to treasury management including processes, due diligence and defining the authority’s risk appetite.

Capital Investments vs. Treasury Management Investments

4.2 ‘Treasury Management Activities’ are defined by CIPFA as:

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

4.3 Unlike capital investments, for treasury management investments the security and liquidity of funds is placed ahead of any investment return.

4.4 The council recognizes that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes and investment property portfolios.

4.5 The council will ensure that all of its investments are covered in the capital strategy, investment strategy or equivalent, and will set out, where relevant, the council’s risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.

4.6 Capital investments should be proportional to the level of resource available to the council and the council should ensure that the same robust procedures for the consideration of risk and return are applied to these decisions.

Capital Resources and Financing Strategy

<p>4.7</p>	<p>Wyre’s Capital Programme has always relied heavily on external funding owing to limited internal resources and a desire not to add to existing levels of external borrowing. In recent years the council has typically achieved external funding levels in excess of 90% of the total capital programme. Much of this has been provided by the Environment Agency for large scale sea defences but other externally funded works include Disabled Facilities Grants (Better Care Fund), Coastal Communities Funding for Fleetwood Market improvements and Digital Signage, and works to restore our parks (Heritage Lottery Funding).</p>
<p>4.8</p>	<p>As a result of central government funding cuts and a significant gap to bridge in our ongoing revenue estimates, there is limited scope for the council to contribute monies from general balances without additional compensating savings being identified. Likewise, the shortfall in ongoing funding means that it is not prudent to add to our external borrowing unless a compelling ‘invest to save’ case exists.</p>
<p>4.9</p>	<p>Several earmarked reserves exist to support capital investment and these include the Capital Investment, Leisure Management, IT, Value For Money and the Vehicle Replacement/Street Cleansing Maintenance Reserves.</p> <p>Added to these, on 16 January 2019, Cabinet approved the creation of a Property Investment Board and associated Fund. This report has given the Corporate Director Communities delegated authority to make investment decisions up to £1,000,000 in consultation with the Resources Portfolio Holder.</p> <p>The Board consists of the Corporate Director Communities, Corporate Director Resources (S.151 Officer) and Legal Services Manager (Deputy Monitoring Officer). The Board will meet as and when a commercial opportunity arises that requires a timely decision. A report to the Board from the Head of Built Environment will set out the proposal, its associated risks and the financial and legal implications. Any business case for a commercial opportunity would therefore require the approval of the S.151 Officer and the Legal Services Manager. The remainder of Corporate Management Team, not represented on the Board, would also be consulted on any investment opportunities and all could deputise for the Corporate Director Communities in their absence.</p> <p>The Investment Board will take into account the Medium Term Financial Plan, the Capital Programme, the emerging Capital Strategy and any relevant Treasury Management Policies and Procedures. All decisions must be in line with the aforementioned documents.</p>
<p>4.10</p>	<p>Currently, the primary contribution to the Capital Investment Reserve comes from asset disposals with a commitment that the reserve will benefit from any sale of land or property. Surplus assets have been identified but there are a limited number available and owing to resource pressures, as and when approved, these must be phased over a number of years. In 2019/20 a capital receipt of £15,000 from the sale of land at Siding Road was</p>

	<p>achieved. Some smaller disposals are expected in the medium term as per the current Schedule of Executive Decisions and the Asset Management Strategy and Action Plan 2018 – 2023.</p>
4.11	<p>The Capital Programme assumes available funding from the following sources:</p> <ul style="list-style-type: none"> • Capital grants and contributions • Capital receipts from the sale of assets • Earmarked reserves • Revenue contributions • Internal borrowing • External borrowing
4.12	<p>Ordinarily, capital receipts can only be used to fund capital expenditure or be set aside to repay debt. However, as part of the multi-year 2016/17 local government finance settlement, greater flexibility to allow council's to use these receipts to generate ongoing revenue efficiencies was announced although conditions apply including the requirement for a Strategy approved by full Council.</p>
4.13	<p>“The Guidance recommends that the Strategy setting out details of projects to be funded through flexible use of capital receipts be prepared prior to the start of each financial year. Failure to meet this requirement does not mean that an authority cannot access the flexibility in that year. However, in this instance, the Strategy should be presented to full Council or the equivalent at the earliest possible opportunity.”</p>
4.14	<p>At the present time, there is no intention to make use of this flexibility owing to the significant schedule of works required to maintain and invest in our assets and as such no Strategy has yet been approved by Council.</p>
5.0	<p>COMMERCIAL ACTIVITY</p>
5.1	<p>This section will cover the following areas identified by CIPFA guidance where their impact is material:</p> <ul style="list-style-type: none"> • The authority's approach to commercial activities including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources. • Requirements for independent and expert advice and scrutiny arrangements.
5.2	<p>The council's Commercialisation Strategy 2018 – 2023 was first reported to Cabinet as part of the decision to create a Property Investment Board in January 2019. This document provides an opportunity to incorporate it into the Capital Strategy for approval by full Council, as first done in 2019.</p>
5.3	<p>As local authorities become increasingly complex and diverse it is vital that those charged with governance understand the long-term context in which investment decisions are made and all the financial risks to which the authority is exposed. The impact of</p>

	<p>commercialisation has widened the scope of local authority powers and with the introduction of arrangements such as combined authorities it is no longer sufficient to consider only the individual local authority but also the residual risks and liabilities to which it is subject.</p> <p>Authorities may invest in other financial assets, including loans and property primarily for financial return, which are not part of treasury management activity.</p> <p>Other investments may include:</p> <ul style="list-style-type: none"> • ‘service investments’ held clearly and explicitly in the course of the provision – and for the purposes – of operational services, including regeneration • ‘commercial investments’ which are taken for mainly financial reasons, including investments arising as part of business structures, such as shares and loans in subsidiaries or other outsourcing structures such as IT providers or building services providers; or investments explicitly taken with the aim of making a financial surplus for the organisation; commercial investments also include non-financial assets which are held primarily for financial return such as investment properties.
<p>5.4</p>	<p>Investigations into policy driven initiatives and investments are allowed under the Capital and Investment Strategies under the delegated authority of the S.151 Officer. The authority currently has no material commercial activity and none is forecast in the current capital programme.</p>
<p>5.5</p>	<p>Expert advice will be sought, including legal and financial, where required for any service or commercial investments. Commercial activity is not risk-free, even where no or cheap external borrowing is used.</p> <ul style="list-style-type: none"> • All decisions to incur expenditure and to borrow must be backed by effective legal powers, which might not be available. There is an additional problem in that these decisions may subsequently be invalidated by changes in statutory provisions or developments in case law. • The authority’s returns (income and capital gains) are at risk, while, once incurred, borrowing costs are unavoidable. A reduction in returns could put the authority’s revenue account into deficit. There are risks in relation to the fair value of the property on the balance sheet, for example, where the commercial property fair value is less than the value of the debt liability. • Assuming the investment is purchased at market prices, the extra margin or return must reflect additional risk.
<p>5.6</p>	<p>The Commercialisation Strategy can be found at Appendix 1.</p>
<p>6.0</p>	<p>OTHER LONG-TERM LIABILITIES</p>
<p>6.1</p>	<p>This section will cover the following areas identified by CIPFA guidance where their impact is material:</p> <ul style="list-style-type: none"> • An overview of the governance process for approval and monitoring and ongoing risk management of any other financial guarantees and other long-term liabilities.

6.2	Liabilities related to the Defined Benefit Pension Scheme are excluded from this definition related to treasury management.
6.3	The Authority does not have any finance leases or operating leases. A review of forthcoming changes under IFRS16 is being undertaken and this may alter the position but it is not expected to have a material impact.
7.0	KNOWLEDGE AND SKILLS
7.1	<p>This section will cover the following areas identified by CIPFA guidance where their impact is material:</p> <ul style="list-style-type: none"> • A summary of the knowledge and skills available to the authority and confirmation that these are commensurate with the authority's risk appetite.
	Officer Training
7.2	The training needs of treasury management officers are reviewed throughout the year and additionally when the responsibilities of staff members change or there is staff turnover. Training records are held centrally for audit purposes.
7.3	Staff are encouraged to view webinars and/or attend training courses, seminars and conferences held by Link Asset Services, CIPFA and other appropriate bodies. Relevant staff are encouraged to study professional qualifications from CIPFA and other appropriate organisations.
7.4	Day-to-day treasury management staff and the S.151 Officer attend an annual strategy meeting with Link Asset Services. Their expertise is available throughout the year and utilised by relevant staff as and when required.
	Member Training
7.5	The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny.
7.6	An annual training session is held for members of the Overview and Scrutiny Committee (O&S) in particular. This is either delivered in-house by the responsible officer at a suitable O&S meeting or provided by the council's external treasury management consultants, usually by way of a pre-council briefing available to all Members. Refer to the Treasury Management Policy Statement and Practices, Treasury Management and Annual Investment Strategy for more details.
	Treasury Management Consultants
7.7	The council uses Link Asset Services, Treasury Solutions as its external treasury

	<p>management advisors.</p> <p>The council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external providers.</p> <p>It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.</p>
<p>8.0</p>	<p>NEXT STEPS</p>
<p>8.1</p>	<p>The Capital Strategy is a new document and as such it is currently a high level overview which over time will be developed to reflect the Council’s emerging risk appetite, strategic influences and overall capital ambitions.</p>
<p>8.2</p>	<p>A key part of the evolution of the Capital Strategy will be the determination of the Council’s capital ambition and an important element of this will relate to the adopted Local Plan (Council, 28 February 2019). This document contains the following Vision Statement (further detail is available on our website at www.wyre.gov.uk):</p> <p style="padding-left: 40px;">“By 2031 Wyre will be recognised as an aspirational place with a clear focus on delivering sustainable growth – balancing environmental, social and economic considerations. It will be an attractive and successful place focused on creating opportunities for people to live, work, visit and do business. Development will have achieved high quality urban and rural environments, whilst respecting the diverse distinctiveness of local character across the Borough.”</p>
<p>8.3</p>	<p>This vision will inform the starting point for further investigations and research into the current economic position in Wyre, including a focus on our high streets and how we can use council assets and further investment using the Property Investment Fund to promote regeneration.</p>
<p>8.4</p>	<p>Wyre has a strong track record of attracting external investment through successful funding bids and benefactor donations. In the recent Coastal Communities Funding (Five) round the focus has been on joining up our coastline and beginning the journey to establish Fleetwood Market as a key anchor point in Fleetwood’s town centre. This has yielded nearly £800,000 in external funding for the creation of the new Market House Studios, Outdoor Units and Digital Signage. Bids for Heritage Action Zone funding and Future High Street Funding are also in progress and the outcomes are expected in 2020.</p>
<p>8.5</p>	<p>During 2020/21 further work will continue, initially by Corporate Management Team, to explore the scope of a longer term vision for the borough and how the Council can help to</p>

	shape and support this through capital investment.
9.0	USEFUL LINKS
9.1	The following documents can all be found on the Wyre Council website: www.wyre.gov.uk .
9.2	<ul style="list-style-type: none"> • Asset Management Strategy and Action Plan • Business Plan • Treasury Management Policy Statement and Practices and Treasury Management and Annual Investment Strategy and Minimum Revenue Provision Policy Statement • Medium Term Financial Plan • Revenue Estimates and Capital Programme • Local Plan
10.0	APPENDICES
10.1	<p>The following appendices are included for information:</p> <ul style="list-style-type: none"> • Appendix 1 – Commercialisation Strategy • Appendix 2a and 2b – Capital Strategy - Long Term Forecast

Wyre Council - Commercialisation Strategy 2018/19 to 2022/23

Background and Commercial Vision

In December 2016, the Council adopted a new Strategic Narrative, which sets out a clear vision and goals for evolving the way that Wyre council works.

The Strategic Narrative contains three big goals and these are:

- An integrated and community-focused service offer.
- A flexible and change-ready workforce.
- Financial discipline and commercial awareness.

Focusing on the third big goal around financial discipline and commercial awareness, the narrative commits that:

- By 2020 we will have implemented new ways to replenish dwindling government funding for local authorities.
- Our employees will be commercially minded with the ability to spot and maximize commercial opportunities.
- We will be financially astute delivering quality services, in conjunction with partners, on time and on budget.

Our approach will include:

- **Maintaining financial discipline.** Our Medium Term Financial Plan and Efficiency Programme will be aligned with our Business Plan to ensure our objectives and priorities are properly resourced and funded appropriately.
- **Bringing commerciality into everyday thinking.** We will bring commerciality into everyday working across the organisation through improved procurement practices, better contract management and a focus on delivering established financial goals.

At Wyre, commercialisation is a broad term used to capture all aspects of service reviews and redesign, the commissioning cycle, shared and multi-partner organisation joined-up services, income generation and general efficiencies.

Key Drivers

The council has a forecast budget gap of £2.7m in 2022/23 (as at October 2018) largely owing to central government cuts and this financial position necessitates our becoming more commercial in our approaches to procurement, contract management and the delivery and marketing of our services.

There is renewed interest in inter-Council arrangements with other local authorities as financial pressures increase. The same applies to other public sector partners who are similarly looking at the advantages, both financial and operational, of delivering services together on a shared footprint to make efficiencies.

Wyre's ultimate goal is achieving sustainability without the need for central government grant support and successes reported by other councils are building confidence in the sector that this is possible.

The introduction of our new appraisal 1-2-1s and 1-2-1+ are embedding the strategic vision and driving forward the 'One Team One Council, 'Working Collaboratively' and 'Work Smart' values throughout the workforce.

Annual benchmarking of services has highlighted areas for further investigation where our unit costs appear high compared to both our 'nearest neighbour' group and the national average. This analysis will prompt more detailed reviews of high unit cost areas to identify potential savings.

Core principles of Commercialisation at Wyre Council

Commercialisation at Wyre Council encompasses the following approaches:

- Selling and Marketing our Services
- Fees and Charges
- Smart Procurement
- Improved and Continuous Contract Management
- Multi-partner Collaboration and Shared Services
- Maximising our Assets
- Investments
- Generating Efficiencies
- Digital Transformation
- Civic Crowdfunding

This strategy allows for all services to participate (or elements of services) and encourages a diverse range of approaches.

The principles of commercialisation include:

- Be open to all options for service delivery
- Be willing to take risks – allow for failure as well as success
- Be open and honest about current performance
- Follow financial regulations
- Be prepared to invest now for a return in the future

Links to other Wyre Council Strategies and key documents include the following:

- Wyre Council Business Plan
- Medium Term Financial Strategy
- Procurement Guide for Staff
- Commercial Advice for Staff
- Digital Transformation Strategy
- Annual Fees and Charges review
- Annual Benchmarking Report

Aims and Objectives

Essentially, the strategy aims to deliver a financial return, which contributes to closing the growing funding gap currently forecast to be £2.7m in 2022/23 (as at October 2018).

This will entail developing a programme of work based on:

- business cases put forward throughout the year;
- business plan programmes and projects;
- external funding bids;
- fees and charges reviews;
- marketing our services and assets
- training and development of staff to grow our in-house commercialism skills;
- the creation of cross-directorate working groups to take shortlisted projects forward; and,
- harnessing Wyre's unique selling points including our capital assets, a brand that people trust and detailed local knowledge.

Creating the right culture and environment

Careful consideration will be given to nurturing the positive, 'can do' culture within Wyre in order to encourage innovative ideas and develop them into robust project proposals. This will involve the following activities:

- Undertaking a staff development programme to support our vision and goals;
- Holding regular staff briefings (at least once a year) and cascading updates to teams during the year via Core Brief
- Adopting a project management approach for the implementation of the programme and promoting the new online resources for generating project proposals;
- Ensuring new proposals have the right support from the Senior Leadership Team and necessary stakeholders.

Outcomes

The approach taken in this strategy will ensure that positive outcomes are delivered including:

- A real, tangible opportunity to make a contribution to the Medium Term Financial Plan;
- Staff development – new skills will be acquired and can be transferred to other opportunities internally;
- Enhancing Wyre Council's reputation as a leading-edge authority in this sphere;
- Developing the organisation into a more innovative workplace, building on successes so far;
- Bringing benefits to the local economy;
- Ensuring the sustainability of non-statutory services that would otherwise be stopped due to lack of funding.

Criteria for Selecting Investment Assets

An initial Pass/Fail test will apply to all investment property acquisitions:

1. Owing to the council's requirement to generate income through a satisfactory level of return, the net initial yield (NIY) range that we could expect to achieve on the investment is likely to be between 5% and 7%. The NIY allows for the cost of purchase including agent's fees, surveys and stamp duty and should exceed a minimum level of 5% to qualify. (To **calculate net initial yield**, you need to deduct all the expenses (ongoing costs + cost of vacancy) from the annual rental income (weekly rent x 52). You then divide that number by the property's purchase price (including associated cost of purchase expenses) and times it by 100. This will give you the percentage yield.)
2. Whilst borrowing is not currently planned to finance the purchase of investment property, if it is undertaken then all investments must initially provide income equal to or above the council's required rate of return (ROR) defined by the cost of capital borrowing for purchase.

Any asset meeting the above criteria will be eligible to pass to the next stage for consideration. Any assets which do not meet the above criteria will not be considered further.

Following the initial Pass/Fail test, for eligible assets, a more detailed evaluation criteria will then apply accompanied by a business case co-ordinated by the Head of Built Environment.

Appendix 2a: Capital Strategy - Long Term Forecast (Yr 1 to Yr 10)

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Budget								
	£	£	£	£	£	£	£	£	£
<u>LEISURE, HEALTH AND COMMUNITY ENGAGEMENT PORTFLIO</u>									
<u>Communities Directorate</u>									
Garstang Leisure Centre Fitness Equipment	29,381	0	0	0	0	0	0	0	0
Fleetwood Leisure Centre Heating Works	158,200	0	0	0	0	0	0	0	0
Leisure Centre Improvement Works	0	417,500	0	105,000	0	364,000	0	0	0
Theatre Improvement Works	0	150,000	25,000	0	0	20,000	0	0	0
Portfolio Total	187,581	567,500	25,000	105,000	0	384,000	0	0	0
<u>NEIGHBOURHOOD SERVICES AND COMMUNITY SAFETY PORTFOLIO</u>									
<u>Communities Directorate</u>									
Disabled Facilities Mandatory Grants	1,908,127	1,833,127	1,833,127	1,833,127	1,833,127	1,833,127	1,833,127	1,833,127	1,833,127
Empty Homes Delivery	0	17,049	0	0	0	0	0	0	0
<u>Environment Directorate</u>									
<u>Coastal Protection</u>									
Cell 11 Monitoring (Yr 4 of 5 year programme approved annually):External Costs	3,000	3,000	0	0	0	0	0	0	0
Cell 11 Monitoring (Yr 4 of 5 year programme approved annually):In House Costs	28,805	17,000	0	0	0	0	0	0	0
Rossall Seawall Improvement Works: External Costs	1,707,184	0	0	0	0	0	0	0	0
Wyre Beach Management - In House Fees	58,630	0	0	0	0	0	0	0	0
Wyre Beach Management - External Costs	103,838	0	0	0	0	0	0	0	0
Portfolio Total	3,809,584	1,870,176	1,833,127						
<u>PLANNING AND ECONOMIC DEVELOPMENT PORTFOLIO</u>									
<u>Communities Directorate</u>									
CCF5 Fleetwood Market Outdoor Area	334,210	0	0	0	0	0	0	0	0
CCF5 Adelaide Street Studios	309,520	0	0	0	0	0	0	0	0
CCF5 Digital Signage	0	58,000	0	0	0	0	0	0	0
Fleetwood Market Improvement Works	0	520,000	50,000	0	0	90,000	0	0	0
Portfolio Total	643,730	578,000	50,000	0	0	90,000	0	0	0
<u>RESOURCES PORTFOLIO</u>									
<u>Communities Directorate</u>									
Reception Refurbishment Works Garstang Pool	37,065	0	0	0	0	0	0	0	0
IT Service Management Software	5,140	0	0	0	0	0	0	0	0
Civic Centre Roofing Works	91,300	0	0	0	0	0	0	0	0
Civic Centre Improvement Works	0	110,000	0	40,000	0	0	0	0	0
<u>Resources Directorate</u>									
Citizen Access Portal	173,510	0	0	0	0	0	0	0	0
Cash Receipting System Upgrade	34,140	0	0	0	0	0	0	0	0

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Budget								
	£	£	£	£	£	£	£	£	£
Tablet Devices for Councillors	22,330	0	0	0	0	0	0	0	0
<u>Environment Directorate</u>									
Vehicle Fleet Replacement Programme	2,823,500	641,200	278,495	61,000	150,500	302,500	168,000	404,500	2,806,700
Copse Road VMU Roofing Works	8,770	0	0	0	0	0	0	0	0
Depot Improvement Works	0	25,000	0	0	0	0	0	0	0
MOT Test Centre	1,170	0	0	0	0	0	0	0	0
Portfolio Total	3,196,925	776,200	278,495	101,000	150,500	302,500	168,000	404,500	2,806,700
<u>STREET SCENE, PARKS AND OPEN SPACES PORTFOLIO</u>									
<u>Environment Directorate</u>									
Restoration of the Mount	1,021,687	772,680	0	0	0	0	0	0	0
Refurbishment of Playgrounds- unallocated	0	18,330	0	0	0	0	0	0	0
Tebay Playground Refurbishment	0	7,000	0	0	0	0	0	0	0
Mariners Close Playground Removal/Relandscaping	19,995	0	0	0	0	0	0	0	0
King Georges Playing Field	18,369	0	0	0	0	0	0	0	0
Refurbishment of Childrens Playground Jean Stansfield Park	29,487	0	0	0	0	0	0	0	0
Wheeled Bins	825,000	0	0	0	0	0	0	0	0
King George V Playing Field Exercise Equipment	5,000	0	0	0	0	0	0	0	0
Sensory Garden - Memorial Park, Fleetwood	28,450	0	0	0	0	0	0	0	0
Jubilee Gardens Refurbishment	45,300	0	0	0	0	0	0	0	0
Closed Churchyard Works	0	60,000	0	0	0	0	0	0	0
Portfolio Total	1,993,288	858,010	0						
GRAND TOTAL	9,831,108	4,649,886	2,186,622	2,039,127	1,983,627	2,609,627	2,001,127	2,237,627	4,639,827
<u>Funded by Grants and Contributions TOTAL</u>	5,604,407	2,700,856	1,833,127	1,833,127	1,833,127	1,833,127	1,833,127	1,833,127	1,833,127
<u>Funded by Revenue TOTAL</u>	4,209,506	1,423,700	353,495	206,000	150,500	776,500	168,000	404,500	2,806,700
<u>Funded by Capital Receipts TOTAL</u>	17,195	525,330	0	0	0	0	0	0	0
<u>Funded by Loans</u>	0	0	0	0	0	0	0	0	0
	9,831,108	4,649,886	2,186,622	2,039,127	1,983,627	2,609,627	2,001,127	2,237,627	4,639,827

NOTE: The above combines the Q3 Capital Programme approved by Cabinet with the provisional planned asset maintenance and vehicle replacement schedules as at January/February 2020.
As such not all works or funding have been approved and both are subject to change.

Appendix 2b: Capital Strategy - Long Term Forecast (Yr 11 to Yr 20)

	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39
	Budget									
	£	£	£	£	£	£	£	£	£	£
<u>NEIGHBOURHOOD SERVICES AND COMMUNITY SAFETY PORTFOLIO</u>										
<u>Health and Wellbeing Directorate</u>										
Housing (subject to external funding confirmation)										
Disabled Facilities Mandatory Grants	1,833,127	1,833,127	1,833,127	1,833,127	1,833,127	1,833,127	1,833,127	1,833,127	1,833,127	1,833,127
Portfolio Total	1,833,127									
<u>RESOURCES PORTFOLIO</u>										
<u>People and Places Directorate</u>										
Vehicle Fleet Replacement Programme	250,000	250,000	250,000	250,000	250,000	250,000	3,250,000	250,000	250,000	250,000
Portfolio Total	250,000	250,000	250,000	250,000	250,000	250,000	3,250,000	250,000	250,000	250,000
GRAND TOTAL	2,083,127	2,083,127	2,083,127	2,083,127	2,083,127	2,083,127	5,083,127	2,083,127	2,083,127	2,083,127
<u>Funded by Grants and Contributions TOTAL</u>	1,833,127									
<u>Funded by Revenue TOTAL</u>	250,000	250,000	250,000	250,000	250,000	250,000	3,250,000	250,000	250,000	250,000
<u>Funded by Capital Receipts TOTAL</u>	0									
<u>Funded by Loans</u>	0									
	2,083,127	2,083,127	2,083,127	2,083,127	2,083,127	2,083,127	5,083,127	2,083,127	2,083,127	2,083,127

NOTE: The above assumes Disabled Facilities Grants will continue to be funded at the same level. An estimate of the rolling programme of vehicle replacements has been used to provide a forecast. As such not all works or funding have been approved and both are subject to change.

Variations to the standard Treasury Management policies and practices introduced for the duration of the COVID-19 (coronavirus) pandemic

Liquidity

Advice from CIPFA is being updated to deal with a constantly changing situation. Their latest position as at 1 April 2020 indicated the following measures should be adopted:

- The changes to business rates collection and other funding streams has created greater uncertainty over the amount and timing of cash flows collected by local authorities. Authorities should consider their investment portfolios, with a view to moving to a shorter term, more liquid position. Authorities should not be investing long term at this time, in case of unexpected expenditure or further unexpected loss of income streams. If authorities are demonstrating significant issues with cash flow, they should contact HM Treasury.
 - We continue to maintain a high level of liquidity with all our investments and the team are closely monitoring and responding to the changing position

Overdraft

We have discussed the arrangements for an overdraft facility with NatWest but at the moment this is not required. As an illustration, it will cost £15,000 if we decide to put a £3,000,000 overdraft arrangement in place plus 1% on any overdrawn balance.

BACS run cap

Natwest currently operate a £3.5m daily cap on our Creditor account BACS run. During this period we anticipate exceeding this on a regular basis as we pay out nearly £32m in business grants. We have arranged with NatWest that the cap will be lifted as long as we arrange this over the telephone for each instance.

Investment Limits

Our current policies and practices allow us to invest up to £6m with any one institution. There is an acceptance that this will need to be relaxed over the first quarter of 2020/21 or until the pandemic position alters owing to the significant sums being deposited with us by central government. We are increasing the number of accounts available to us to deposit funds with. The £6m cap will be increased to £12m during this unusual period for use in limited circumstances only until the aforementioned capacity is increased.

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Report of:	Meeting	Date
Leader of the Council, David Henderson and Chief Executive, Garry Payne	Council	17 September 2020

Lancashire Combined Authority

1. Purpose of report

- 1.1 The purpose of this report is to agree, in principle, that Wyre Council takes part in the discussions to establish a Lancashire Combined Authority with an Elected Mayor (with limited powers).

2. Outcomes

- 2.1 Better collaboration across local authorities in Lancashire on specific issues including transport, housing, regeneration and economic development.
- 2.2 Devolved powers, responsibilities and funding from Central Government to a Lancashire Combined Authority.

3. Recommendations

- 3.1 That the Council agree, in principle, to progress discussions around the role, function and governance structure to establish a Lancashire Combined Authority, including an Elected Mayor with limited powers.
- 3.2 That the Council receive a further report on the detailed Combined Authority proposal in due course to attain Wyre Council's consent to the establishment of the Lancashire Combined Authority.

4. Background

- 4.1 Devolution is a key priority for Central Government and this has been reaffirmed in the latest Queen's Speech which indicated that an English Devolution White Paper will be published in the Autumn setting ambitions 'for unleashing regional potential in England, and to enable decisions that affect local people to be made at a local level'. This timescale for publication has been reaffirmed in recent months, despite the pandemic,

although no confirmed date has been announced. The Government has pledged 'structural and institutional reform' and has stated that 'with more powers and funds must come more local democratic responsibility and accountability.' The paper will set out to increase the number of devolution deals and mayors, in addition to 'levelling' up the powers between mayoral combined authorities. There is expected to be a clear message that combined authorities are the only vehicle to secure significant additional powers and funding from Government.

4.2 Simon Clarke, Minister of State at the Ministry of Housing, Communities and Local Government, in his speech to the Local Government Association conference on 3 July said:

"The white paper will connect local recovery with levelling up...

Providing a place-based strategy to boost regional economic performance in every corner of the country, from the Northern Powerhouse and the Midlands Engine to the Western Gateway and the Oxford-Cambridge Arc.

Our transformative plan will include a clear, ambitious strategy for strengthening our local institutions...

With many more elected mayors and more unitary councils following in the footsteps of Dorset, Buckinghamshire and Northamptonshire.

So that we can remove the complexity of governance and reduce costs to the taxpayer while making space for town and parish councils to be genuinely empowered."

4.3 A Combined Authority (CA) is a formal legal body set up using national legislation that enables a group of two or more councils to collaborate and take collective decisions across council boundaries on issues such as transport, regeneration and economic growth. Each of the councils who are members of a combined authority remain separate authorities. The creation of a CA means that member councils can be more ambitious in their joint working and can take advantage of powers and resources devolved from central government. There are now ten combined authorities in existence, or in the course of being established, across the country, ranging from the longest established – Greater Manchester – to the emerging combined authority in West Yorkshire. Each have a different number of constituent local authorities and varying levels of devolved powers and funding from Government.

4.4 The debate on a Combined Authority for Lancashire has been ongoing for a number of years. In December 2015, full Council made the decision not to participate in the discussions around developing a Combined Authority for Lancashire. The rationale for this decision was that there was a significant lack of information on the benefits and costs at that time

to Wyre becoming a member of the CA. There was also evidence that suggested that no devolution deal would come unless there was a directly elected Mayor and there was uncertainty around the control and co-ordination of surplus public land in Lancashire and how this may have a negative impact on the council. We have, however, always remained fully committed to developing closer collaborative working across Lancashire and stated that if there were clear benefits then we would reconsider our position.

5. Key issues and proposals

5.1 The establishment of a Combined Authority for Lancashire is an opportunity to create a single, clear and influential voice for Lancashire. It is a mechanism to gain additional powers and funding from Government. Its aim is to carry out agreed joint functions which would be determined by the authorities in Lancashire and to enable collaboration and collective strategic decisions across boundaries. Agreeing to a CA enables a Devolution Deal or other agreements to take place with Government across a variety of public service areas. Typically in other places this has included greater control through:

- integrated public services (health and social care, emergency services, housing providers, one public estate, schools)
- spatial planning
- apprenticeships and adult education
- wider freedoms around concessionary travel for young people
- homelessness
- crime e.g. co-commissioning

5.2 In return for establishing a CA, some of the benefits Lancashire could expect, which have been common to other CA's, may include:-

- A 30 year Investment Fund (potentially £500m to £750m for Lancashire)
- Powers to raise local levies
- An integrated transport body and local transport planning utilising Transport Grant and Transforming Cities Fund
- Strategic housing planning and the Housing Infrastructure Fund
- Adult education budgets and Apprenticeship Grant for Employers
- Powers over police and fire functions
- Spatial planning and Local Industrial Strategy
- Bus franchising.

An analysis has been carried out that shows that levelling up Lancashire to Greater Manchester (based on pro rata population) could equate to devolution funding of over £4.5 billion.

5.3 It would be for the new Lancashire CA, in negotiation with the Government to determine the focus and detail of a Devolution Deal and

the devolution ‘ask’ for Lancashire. This is a good opportunity to secure resources and powers from Government for Lancashire and to enable a number of funding decisions to be taken closer to local people.

- 5.4** It is for the authorities who make up the CA to determine a governance structure that works most effectively in the Lancashire context. There is no uniform agreed governance structure for a CA. A CA requires the consent of all local authorities covered by the CA. Eight of the ten existing combined authorities have a directly elected mayor and the combined authorities with an elected Mayor have received significant devolution deals. The elected Mayor chairs the CA and the Mayor is elected by the constituents. The Mayor has limited powers and in partnership with the CA Executive, exercises the powers and functions devolved from Government and in essence a CA operates to a similar principle as a Leader and Cabinet. The Government believes the role ensures clear accountability over the powers, functions and funding that is devolved from national to local level. Senior Civil Servants have indicated that in order to secure a devolution deal of significant worth, as Greater Manchester and other regions have done, an Elected Mayor is likely to be a requirement along with Local Government Reorganisation.
- 5.5** The Leaders of the Lancashire local authorities are keen to gain agreement from Government formally to establish a Lancashire Combined Authority and are seeking an agreement in principle from all the councils in Lancashire to start this process. The Secretary of State for Housing, Communities and Local Government would then commence the process and identify a Whitehall team which Lancashire will work with. Clusters of Lancashire Leaders have written to the Secretary of State indicating they are supportive of a Combined Authority for Lancashire with associated Local Government Reorganisation. On 12 August, the Leader of the Council has also written to the Secretary of State and indicated in principle support for Local Government Reorganisation with a Unitary council covering Wyre, Fylde, Blackpool, Lancaster and Ribble Valley. Discussions have been initiated with relevant Leaders so that work can commence in collaboration on both an evidence and business case.
- 5.6** A further report would be brought back to full Council in due course once there are more details around the proposal for the Lancashire Combined Authority and Local Government Reorganisation.

Financial and legal implications	
Finance	The Council’s MTFP does not currently contain any budgetary provision to meet any costs associated with the establishment of a Combined Authority.
Legal	Combined Authorities are legal entities created through powers contained in sections 103-113 of the Local Democracy, Economic Development and Construction Act 2009. A combined authority can only be created once the

	Secretary of State is satisfied that the establishment of a combined authority will contribute to improved economic development and transport policy in the area. There is no power for public bodies other than local authorities to join a combined authority.
--	--

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Marianne Hesketh	01253 887350	Marianne.hesketh@wyre.gov.uk	13 July 2020

List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

None

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Report of:	Meeting	Date
The Leader of the Council (Councillor David Henderson) and the Chief Executive (Garry Payne)	Council	17 September 2020

Appointment to Committee

1. Purpose of report

1.1 To enable a change to be made to the membership of the Planning Committee for the remainder of the 2020/21 Municipal Year.

2. Outcomes

2.1 Effective arrangements to carry out the Council’s planning function.

3. Recommendation

3.1 That Councillor George of the Wyre Alliance group be appointed to the Planning Committee in place of Councillor Williams.

4. Background

4.1 The Chief Executive has been advised that, due to work commitments, Councillor Williams is no longer available to attend meetings of the Planning Committee. It is proposed by the Wyre Alliance group that Councillor Williams be replaced on the committee by Councillor George.

5. Key issues and proposals

5.1 This appointment is a straight replacement of one councillor by another from the same group and so there are no immediate implications for the political balance calculations, which will remain the same.

Financial and legal implications	
Finance	There are no financial implications associated with this report.

Legal	There are no legal implications associated with this report.
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Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Peter Foulsham	01253 887606	Peter.foulsham@wyre.gov.uk	03/08/2020

List of background papers:		
name of document	date	where available for inspection
None.		

List of appendices

None.

dem/cou/cr/170920pf1



Report of:	Meeting	Date
The Leader of the Council (Councillor David Henderson) and the Chief Executive (Garry Payne)	Council	17 September 2020

Appointment to Outside Body

1. Purpose of report

1.1 To report a change of councillor appointed as a representative on the Garstang Town Trust for the period until the next elections in May 2023.

2. Outcomes

2.1 Effective involvement and communication with various organisations which operate in the borough and impact on the wellbeing of residents.

3. Recommendation

3.1 That Councillor Alice Collinson be appointed as one of the council's two representatives on the Garstang Town Trust in place of Councillor Jonny Leech until the next elections in May 2023.

4. Background

4.1 Appointments to outside bodies were made at the Annual Council meeting on 16 May 2019. Representatives were to remain in place until the next Council elections in May 2023, unless he or she resigned, the organisation no longer required a representative or a vacancy otherwise occurred.

5. Key issues and proposals

5.1 Councillor Jonny Leech has requested to stand down from his nomination as a representative on the Garstang Town Trust and the Council is requested to approve his replacement by Councillor Alice Collinson.

Financial and legal implications	
Finance	There are no financial implications associated with this report.
Legal	There are no legal implications associated with this report.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Peter Foulsham	01253 887606	Peter.foulsham@wyre.gov.uk	27/07/2020

List of background papers:		
name of document	date	where available for inspection
None.		

List of appendices

None.

dem/cou/cr/170920pf2



Report of:	Meeting	Date
The Leader of the Council (Councillor David Henderson) and the Chief Executive (Garry Payne)	Council	17 September 2020

Constitution Amendments

1. Purpose of report

1.1 To enable changes to be made to the Council's Constitution.

2. Outcomes

2.1 More up to date and effective governance arrangements.

3. Recommendations

3.1 That Article 7, Part 2/03 of the Council's Constitution be amended by adding the following words to the Audit Committee's Terms of Reference:

"To consider periodically (at least annually) whether the Auditors appointed to carry out the External Audit function remain independent and objective and, that their judgement in carrying out that role has not been impaired as a consequence of their participation in any non-audit reviews, services or advice provided to the council".

3.2 That the Councillors' Code of Conduct be amended to include the International Holocaust Remembrance Alliance (IHRA) working definition of Anti-Semitism in 2017 and be included as Part 5.01 of the Council's Constitution, in place of the current version.

3.3 That Part 7.02/2 of the Council's Constitution, headed Executive Functions Delegated to the Chief Executive, be amended by the inclusion of the following paragraph:

"Where Government guidance makes it clear that face to face meetings should not be held, meetings will be held remotely, under The Local

Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 (“the Flexibility Regulations”). Dispensation for non-attendance at meetings will also apply until such time as the Flexibility Regulations cease to be in force.”

- 3.4** That the words “or a ward councillor representing an adjoining ward” be inserted in Part 7.02 (Scheme of Delegation). Page 7.02/14, paragraph 1(a) of the Council’s Constitution so that the paragraph now reads:

“A ward councillor representing the ward within which the application site lies or a ward councillor representing an adjoining ward, has requested that the application be considered by the Planning Committee, subject to the request being received by the Head of Planning Services within 10 working days of the date of the email providing members with a link to the weekly list of planning applications, which includes the planning application requested.”

4. Background

- 4.1** The Local Government Act 2000 requires all local councils to have a written Constitution. Most still very closely follow a national model drawn up when the 2000 Act was implemented. Reports are submitted by the Chief Executive on a regular basis to enable the Council to approve changes to the Constitution to take account of new legislation, changes to functions, structures, roles, responsibilities or procedures.

5. Key issues and proposals

Audit Committee Terms of Reference

- 5.1** In March 2020 the Audit Committee agreed to amend their Terms of Reference to ensure they accurately reflect the work of the committee and take into consideration the terms of reference recommended by Chartered Institute of Public Finance and Accounting (CIPFA). At the request of the External Auditor an additional bullet point has been added stating that the committee must periodically consider whether the appointed Auditors remain independent and objective and that their judgement in carrying out that role has not been impaired as a consequence of their participation in any non-audit reviews, services or advice provided to the council.
- 5.2** It is proposed that the following wording be added to the current terms of reference for the committee (Article 7, Part 2/7.03 of the Council’s Constitution):

“To consider periodically (at least annually) whether the Auditors appointed to carry out the External Audit function remain independent and objective and, that their judgement in carrying out that role has not been impaired as a consequence of their

participation in any non-audit reviews, services or advice provided to the council”.

The proposed revised version of Article 7 is attached at Appendix 1.

Councillors’ Code of Conduct

- 5.3** As the Monitoring Officer reported to the Standards Committee on 12 March 2020, following the Government’s adoption of the International Holocaust Remembrance Alliance (IHRA) working definition of Anti-Semitism in 2017, councils have been encouraged to formally adopt the definition as a clear message that Anti-Semitic behaviour would not be tolerated. The most recent correspondence encouraging the council to take this stance was received from the Secretary of State for Housing, Communities and Local Government in October 2019.
- 5.4** It was previously decided that specific reference, in line with the Government’s advice, would be made in the relevant council policies for employees. Those additions were agreed at the Employment and Appeals Committee meeting in February 2020. For consistency, the Standards Committee agreed to recommend that the council include the same definition in the Councillors’ Code of Conduct. The proposed revised version of the Councillors’ Code of Conduct is attached at Appendix 2.

Remote meetings

- 5.5** The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 (“the Flexibility Regulations”) were introduced as a result of the Covid-19 pandemic. The Regulations permitted a number of changes to the ways in which local authorities hold council meetings, including the introduction of remote meetings. Advice from Lawyers in Government was that such changes could become effective without a formal resolution, but that they should be confirmed by the council at the earliest opportunity. The proposed revised wording for Page 7.02/2 of the Constitution is attached at Appendix 3.

Planning Committee

- 5.6** Part 7.02 (Scheme of Delegation) of the Council’s Constitution currently states that a ward councillor representing the ward within which an application site lies can request that the application be considered by the Planning Committee.
- 5.7** Taking into account that a planning application sometimes has an impact that is wider than just the ward within which the application lies, it is proposed that ward councillors for adjoining wards have the same ability to call in the application. The proposed revised wording for Page 7.02/14 of the Constitution is attached at Appendix 4.

Financial and legal implications	
Finance	There are no financial implications associated with this report.
Legal	There are no legal implications associated with this report.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	✓
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Peter Foulsham, Democratic Services and Scrutiny Manager	01253 778606	Peter.foulsham@wyre.gov.uk	27/07/2020

List of background papers:		
name of document	date	where available for inspection
None.		

List of appendices

Appendix 1 Audit Committee Terms of Reference (proposed revision)

Appendix 2 Councillors Code of Conduct (proposed revision).

Appendix 3 Proposed revised wording for Part 7.02/2 of the Council's Constitution

Appendix 4 Proposed revised wording for Part 7.02/14 of the Council's Constitution.

dem/cou/cr/170920pf4

Audit Committee - Terms of Reference

7.01 Purpose

The audit committee is a key component of Wyre Council's corporate governance. It provides an independent high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of an Audit Committee is to provide those charged with governance, independent assurance of the adequacy of the risk management framework and the internal control environment. It provides independent review of the authority's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Core Functions

The Council will appoint an Audit Committee independent from both the Executive and the Overview and Scrutiny function and it will have the following core functions:

Governance, Risk and Control

- To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.
- To review the annual governance statement and consider whether it properly reflects the risk environment and supporting assurances, taking into account the Head of Internal Audit's annual audit opinion.
- To consider the reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- To consider the council's arrangements to secure value for money and review assurances and assessment on the effectiveness of these arrangements.
- To monitor the effective development and operation of risk management in the council and monitor progress in addressing risk-related issues reported to the committee.
- To monitor counter-fraud, actions and resources and review the assessment of fraud risks and potential harm to the council from fraud and corruption.
- To review the governance and assurance arrangements for significant partnerships or collaborations.

Internal Audit

- To approve the internal audit charter.
- To review proposals made in relation the appointment of external providers of internal audit services and to make recommendations on their effectiveness.
- To approve the risk-based internal audit plan, including resource requirements and the approach to using other sources of assurances and any work required to place reliance upon those other sources.
- To make appropriate enquiries of both management and the Head of Internal Audit to determine if there are any inappropriate scope or resource limitations.
- To approve and periodically review safeguards to limit impairments to the independence or objectivity of the internal audit team.
- To approve significant changes to the audit plan and resource requirements.
- To consider reports from the Head of Internal Audit on the performance during the year. This will include an update on the implementation of agreed recommendations.
- To consider the Head of Internal Audit's annual report.
- To consider a report on the effectiveness of internal audit to support the Annual Governance Statement and also any external assessments of effectiveness; i.e. the quality assessment of internal audit that takes place at least once every five years in accordance with the Public Sector Internal Audit Standards.
- To provide free and unfettered access to the Audit Committee chair for the Head of Internal Audit, including the opportunity for a private meeting with the committee.

External Audit

- To receive and comment upon the External Auditor's Annual Plan, considering the scope and depth of external audit work and to ensure it gives value for money.
- To monitor the External Auditor's progress with the Annual Plan.
- To consider the External Auditors' annual letter and the report to those charged with governance.
- To consider specific reports as agreed with the External Auditor.
- To advise and recommend on the effectiveness of relationships between internal and external audit and other inspection agencies or relevant bodies.

- To provide free and unfettered access to the Audit Committee Chair for the External Auditors, including the opportunity for a private meeting with the committee.
- To consider periodically (at least annually) whether the Auditors appointed to carry out the External Audit function remain independent and objective and, that their judgement in carrying out that role has not been impaired as a consequence of their participation in any non-audit reviews, services or advice provided to the council.

Financial Reporting

- To review the annual Statement of Accounts on behalf of full Council in accordance with the Accounts and Audit Regulations 2015.
- To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.
- To consider and endorse amendments to the Council's Financial Regulations and Contract Procedure Rules and, on behalf of full Council, give any instructions to the Section 151 Officer as may be appropriate.

Accountability Arrangements

- To prepare an annual report to full Council setting out the committee's work and performance during the year in relation to the terms of reference and to refer to Council any matters it shall see fit.
- To review any issue referred to it by the Chief Executive, Monitoring Officer or any Council body.

Other core functions

- To undertake the annual review of the council's use of the Regulation of Investigatory Powers Act 2000 (RIPA), ensuring compliance with the Code of Practice.
- To receive updates and reports from the Head of Audit (Data Protection Officer) and to approve policies in relation to compliance with the Data Protection Act and Regulations made under the Act.

COUNCILLORS' CODE OF CONDUCT

COUNCILLORS' CODE OF CONDUCT FOR WYRE

Part 1:

General Provisions and Obligations

- 1.1** As a member or co-opted member of Wyre Borough Council you must have regard to the following principles – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- 1.2** Accordingly, when acting in your capacity as a member (or when you claim to act, or give the impression you are acting in your capacity as a member or when you are acting as a representative of the Council on another body):
- (a) – You must uphold and have respect for the law.
 - (b) – You must treat others with respect (* see advisory note).
 - (c) – You must have due regard, to advice provided by the Council's officers, particularly any advice given by the Chief Finance Officer, the Monitoring Officer or their Deputies and the Head of the Paid Service.
 - (d) – You must respect others and not bully or intimidate any person or attempt to bully or intimidate them (** see advisory note). This includes not intimidating or attempting to intimidate any person who is, or is likely to be, a complainant, a witness or to be involved in the administration of proceedings, meetings or hearings, relating to an allegation that a councillor (including yourself) has failed to comply with the code of conduct.
 - (e) – You must not disclose confidential information unless: you have the consent of a person authorised to give it; you are required by law to do so; the disclosure is made to a third party for the purpose of obtaining professional advice, provided that the third party agrees not to disclose the information to any other person; or, there is a clear and overriding public interest in doing so and the disclosure is made in good faith and in compliance with the reasonable requirements of the council and that you have consulted the Monitoring Officer or the Deputy Monitoring Officer prior to its release.
 - (f) – You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.
 - (g) – You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.
 - (h) – When carrying out your public duties you must make all choices, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits, on merit.
 - (i) – You are accountable for your decisions to the public and you must co-operate fully with whatever scrutiny is appropriate to your office.

- (j) – You must be as open as possible about your decisions and actions and the decisions and actions of your authority and be prepared to give reasons for those decisions and actions, in accordance with statutory requirements or any additional requirements made by the council
- (k) – You must declare any private interests, both pecuniary and non-pecuniary, that relate to your public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests in a manner conforming with the procedures set out in Part 2 below.
- (l) – You must, when using or authorising the use by others of the resources of your authority, ensure that such resources are not used improperly for political purposes (including party political purposes).
- (m) – You must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.
- (n) – You must promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example.
- (o) – You must be clear when communicating with the media or speaking in public that you do not give the impression you are acting in an official capacity when you are not. Nor should you express your own views in a way which misleads anyone reading or listening that it is official or agreed policy or position of the Council when it is your own personal view or those of a political party or group of people of which you are a member
- (p) – You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or the Council in to disrepute.

* Advisory note on treating others with respect

If you make personal attacks or indulge in rude or offensive comments this may be interpreted as disrespectful behaviour.

* *Advisory note on bullying

Bullying can include behaviour, which is inappropriate, unwelcome or offensive and which makes an individual or group feel undermined, hurt, humiliated or insulted. It can have a damaging effect on a victim's confidence, capability and health. Inappropriate behaviour, even if not intentionally malicious, may amount to bullying if the impact is, or could be perceived to be, significant. Bullying conduct can involve behaving in an abusive or threatening way, or making allegations about people in public, in the company of their colleagues, through the press or social media. It may happen once or be part of a pattern of behaviour, although minor isolated incidents are unlikely to be considered bullying, particularly if there is not an imbalance of power or status between the perpetrator and the victim. Bullying does not include criticisms, comments or other actions that are delivered in an appropriate manner and in an appropriate arena which can reasonably be considered to be part and parcel of the hurly burly of political life.

1.3

Every Councillor has a duty to behave in a non-discriminatory way towards all individuals with whom he/she has contact at work, including employees, members of the local community, customers and other Councillors.

As part of the Council's commitment to anti-discrimination and tackling Hate Crime we endorse the International Holocaust Remembrance Alliance Definition of Anti-Semitism details of which are shown in Appendix C.

PART 2:

REGISTERING AND DECLARING INTERESTS

2. Registering Interests

- 2.1 You must, within 28 days of taking office as an elected member or co-opted member, notify the Council's Monitoring Officer of any Disclosable Pecuniary Interest (DPI) as defined by Regulations made by the Secretary of State, where the interest is yours, your spouse's or civil partner's, or somebody with whom you are living with as a husband or wife, or as if you were civil partners. **(Listed in Appendix A)**
- 2.2 In addition, you must, within 28 days of taking office as a member or co-opted member, notify the Monitoring Officer of any disclosable interests which the Council has decided should be included in the register. **(Listed in Appendix B)**
- 2.3 You must also notify the Monitoring Officer within 28 days of any new interests listed in Appendix A or B or any changes to those interests already notified/registered.
- 2.4 Any interests notified to the Monitoring Officer will be included in a register of interests, which will be available for public inspection and will be published on the Council's website, unless it is a 'sensitive interest', as defined in the Localism Act 2011, (i.e. the nature of the interest is such that the member or co-opted member, and the authority's monitoring officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation).

Declaration of Disclosable Pecuniary Interests at Meetings (Appendix A),

- 2.5 You must make a verbal declaration (at the beginning or as soon as you become aware of the interest) of the existence and nature of any Disclosable Pecuniary Interest at any meeting at which you are present where an item of business which affects or relates to the subject matter of the interest is under consideration. Having declared the interest you must comply with the statutory requirement to withdraw from participating in any discussion or consideration of the matter in which you have a DPI. In addition, the Council Procedure Rules require you to leave the room where the meeting is held while any discussion or voting takes place.
- 2.6 The Council's Standards Committee may, in limited circumstances, grant you a dispensation to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.
- 2.7 Following any disclosure of a disclosable pecuniary interest not on the Council's register or the subject of a pending notification, you must notify the

Council's Monitoring Officer of that interest as soon as possible and, in any case, within 28 days beginning with the date of the disclosure at the meeting.

Declaration of Non- Pecuniary Interests at Meetings (Appendix B) or Other Significant Non- Pecuniary Interests

- 2.8** You must also make a verbal declaration at any meeting of the authority at which you are present or if you are an executive member discharging a function alone and you either have an interest described in Appendix B or any other significant non-pecuniary interest which you feel should be declared in the public interest. A significant non-pecuniary interest might, for example, include one where you anticipate that a decision might reasonably be deemed to benefit or disadvantage yourself, a member of your family or a person with whom you have a close association to a greater extent than the other Council constituents and that interest is not a Disclosable Pecuniary Interest.
- 2.9** In such circumstances you must then consider whether your participation in the matter relating to your interest would be reasonable in the circumstances particularly if the interest may give rise to a perception of a conflict of interest and/or is likely to prejudice your judgement.
- 2.10** In such circumstances you will be allowed to make representations on the matter being discussed at the meeting, where there is an entitlement for a member of the public to speak, but you must not vote. If there is no entitlement for a member of the public to speak then you must not participate or vote on the matter being discussed at the meeting. In either case the Council Procedure Rules require you to leave the room where the meeting is held while any discussion or voting takes place.
- 2.11** Any declarations of interest made at a meeting will be recorded in the minutes.

APPENDIX A

DISCLOSABLE PECUNIARY INTERESTS AS DEFINED BY REGULATIONS

- Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner, undertakes.
- Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992. The relevant period is the 12 months ending on the day when you tell the monitoring officer about your disclosable pecuniary interests following your election or re-election, or when you became aware you had a disclosable pecuniary interest relating to a matter on which you were acting alone.
- Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority –
 - under which goods or services are to be provided or works are to be executed; and
 - which has not been fully discharged.
- Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.
- Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.
- Any tenancy where (to your knowledge) -
 - the landlord is your council or authority; and
 - the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.
- Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where –
 - (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
 - (b) either -
 - the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Failure to take appropriate action in respect of a Disclosable Pecuniary Interest may result in a criminal conviction and a fine of up to £5,000 and/or disqualification from office for a period of up to 5 years.

APPENDIX B

NON- PECUNIARY DISCLOSABLE INTERESTS WHICH THE COUNCIL HAS DECIDED SHOULD BE INCLUDED IN THE REGISTER

- Details of any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
- Details of anybody exercising functions of a public nature, anybody directed to charitable purposes or anybody one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union), of which you are a member or in a position of general control or management.
- Details of any gift or hospitality with an estimated value of at least £50 that you have received in connection with your role as a member of the Council, and details of the donor (which will be kept on a separate register and will also be published on the Council's website).

Appendix C

The International Holocaust Remembrance Alliance Definition of Anti-Semitism

“Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.”

Contemporary examples of antisemitism in public life, the media, schools, the workplace, and in the religious sphere could, taking into account the overall context, include, but are not limited to:

- Calling for, aiding, or justifying the killing or harming of Jews in the name of a radical ideology or an extremist view of religion.
- Making mendacious, dehumanizing, demonizing, or stereotypical allegations about Jews as such or the power of Jews as collective — such as, especially but not exclusively, the myth about a world Jewish conspiracy or of Jews controlling the media, economy, government or other societal institutions.
- Accusing Jews as a people of being responsible for real or imagined wrongdoing committed by a single Jewish person or group, or even for acts committed by non-Jews.
- Denying the fact, scope, mechanisms (e.g. gas chambers) or intentionality of the genocide of the Jewish people at the hands of National Socialist Germany and its supporters and accomplices during World War II (the Holocaust).
- Accusing the Jews as a people, or Israel as a state, of inventing or exaggerating the Holocaust.
- Accusing Jewish citizens of being more loyal to Israel, or to the alleged priorities of Jews worldwide, than to the interests of their own nations.
- Denying the Jewish people their right to self-determination, e.g., by claiming that the existence of a State of Israel is a racist endeavor.
- Applying double standards by requiring of it a behavior not expected or demanded of any other democratic nation.
- Using the symbols and images associated with classic antisemitism (e.g., claims of Jews killing Jesus or blood libel) to characterize Israel or Israelis.
- Drawing comparisons of contemporary Israeli policy to that of the Nazis.
- Holding Jews collectively responsible for actions of the state of Israel.

Antisemitic acts are criminal when they are so defined by law (for example, denial of the Holocaust or distribution of antisemitic materials in some countries).

Criminal acts are antisemitic when the targets of attacks, whether they are people or property – such as buildings, schools, places of worship and cemeteries – are selected because they are, or are perceived to be, Jewish or linked to Jews.

Antisemitic discrimination is the denial to Jews of opportunities or services available to others and is illegal in many countries.

Proposed amendment to Part 7.02/2 of the Council's Constitution

Executive Functions Delegated to the Chief Executive

1. To act as the head of paid service under section 4 of the Local Government and Housing Act 1989 and in this role:
 - (a) To exercise overall responsibility for corporate management and operational issues (including overall management responsibility for all staff);
 - (b) To give professional advice to all parties in the decision making process including the Council, Portfolio Holders, the Cabinet, Overview and Scrutiny and Regulatory Committees;
 - (c) Together with the Monitoring Officer, to be responsible for a system of record keeping for all the Authority's decisions;
 - (d) To represent the Authority on partnerships and external bodies as required by statute or by the Authority.
2. To carry out any function which is delegated to a Service Director or Head of Service subject to any limits or conditions attached to that delegation and statutory limitations.
3. To grant dispensations to Cabinet members prior to the taking of an executive decision in respect of which they have a conflict of interest pursuant to regulation 12 and 13 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.
4. To cancel or alter the time or the date of any meeting.
5. To take action within the Council's powers in cases of emergency or disaster and after consultation with the Chief Financial Officer (or his or her nominee) to incur expenditure (the Leader to be notified as soon as reasonably possible after the expenditure is incurred).

[Where Government guidance makes it clear that face to face meetings should not be held, meetings will be held remotely, under The Local Authorities and Police and Crime Panels \(Coronavirus\) \(Flexibility of Local Authority and Police and Crime Panel Meetings\) \(England and Wales\) Regulations 2020 \("the Flexibility Regulations"\). Dispensation for non-attendance at meetings will also apply until such time as the Flexibility Regulations cease to be in force.](#)

6. To take action within the Council's powers in cases of the absence or incapacity of the designated decision taker or in the failure of the Council in any year to agree executive arrangements by the statutory deadline for the holding of the Council's annual meeting.

7. To provide the necessary authorisations in respect of surveillance in accordance with the Regulation of Investigatory Powers Act 2000 where confidential information is involved or where authorisation is sought for employment of a juvenile or vulnerable covert human intelligence source (CHIS).
8. To exercise powers under the Civil Contingencies Act 2004 concerning emergency planning and response arrangements and to appoint a deputy officer for such purposes.
9. To receive and respond to expressions of interest under the Community Right to Challenge under Part 5 Chapter 2 Localism Act 2011

Non-Executive Functions Delegated to the Chief Executive

1. To determine following consultation with the Chief Financial Officer, the early release of any employees, except the Service Directors, provided that the proposals are cost neutral to the Council over a specific period of time in accordance with the Council's Policy and the Council's External Auditors advice. (Proposals for the early release of the Chief Executive or any of the Service Directors must be considered by the full Council).
2. To suspend a Service Director where their continued presence at work may prejudice an investigation or where there is a prima facie case of gross misconduct (the members of Cabinet to be notified as soon as possible after the action has been taken).
3. To approve changes to any document forming part of the Council's policy framework provided the proposed change:
 - (a) Is prescribed by legislation or statutory instrument;
 - (b) Merely corrects a typographical error or errors; or
 - (c) Is of a minor nature i.e. the proposed change does not affect the substance of the document or change Council policy.
4. In respect of community governance reviews, to comply with the Council's duties and responsibilities under Chapter 3 Part 4 of the Local Government and Public Involvement in Health Act 2007.
5. To act as Returning Officer for elections and as the Council's Electoral Registration Officer.
6. As Returning Officer, to approve an annual increase in the fees and disbursements paid for Borough and Parish Elections.

Proposed Revised version of page 7.02/14, paragraph 1(a) of the Council's Constitution

Non-Executive Functions Delegated to the Head of Planning and Regeneration

1. To determine of all forms of applications for permission, approval, consent, certificates and prior approvals/notifications, consultations and other determinations made under Town and Country Planning legislation, including legislation relating to listed buildings, conservation areas and hazardous substances, unless:
 - (a) A ward councillor representing the ward within which the application site lies or a ward councillor representing an adjoining ward has requested that the application be considered by the Planning Committee, subject to the request being received by the Head of Planning Services within 10 working days of the date of the email providing members with a link to the weekly list of planning applications, which includes the planning application requested.

Note: this exception shall only apply to applications for Planning Permission or Advertisement Consent and does not apply to resubmitted applications where no substantial change has been made to the original application which was refused or withdrawn. Where the councillor requesting the determination by Planning Committee is unable to attend the meeting to speak, consideration of a letter from that councillor will be at the discretion of the Chairman of the Committee.
2. To determine any matter relating to fees arising on applications under the Town and Country Planning Act 1990 subject to compliance with statutory provisions and Council policy.
3. To decline to determine repetitive applications for planning permission under the Town and Country Planning Act 1990, Planning and Compensation Act 1991 and the Town and Country Planning (Control of Advertisements)(England) Regulations 2007.
4. To determine persons and agencies to be consulted and notified on the making of planning and other applications.
5. To determine whether planning or other applications should be subject to environmental impact assessment and if so, what information should be contained in assessments.
6. To revoke or modify planning permission following consultation with the Chairman or Vice Chairman of Planning Committee under Section 97 of the Town and Country Planning Act 1990.
7. To serve building preservation notices.

8. To issue discontinuance notices under the Town and Country Planning (Control of Advertisements) Regulations 2007.
9. To issue variation and withdrawal of enforcement notices for breach of planning control under the Town and Country Planning legislation.
10. In relation to listed buildings:
 - (a) To issue of listed building enforcement notices;
 - (b) To issue of repairs notices;
 - (c) To Execute urgent works including works in default.
11. To issue stop notices and temporary stop notices.
12. To issue breach of condition notices or planning contravention notices.
13. To Issue completion notices under S94 (2) of the Town and Country Planning Act 1990.
14. To authorise, make and confirm orders under S257 of the Town and Country Planning Act 1990 regarding the stopping up or diverting of footpaths/bridleways, subject to the applicant being responsible for the council's costs and to there being no outstanding objections.
15. To take steps to secure compliance with an enforcement notice either through prosecution, execution of works or by taking any other action under the Town and Country Planning Act 1990, Building Act 1984 and Planning Listed Buildings and Conservation Areas Act 1990 or any Regulation or orders made thereunder.
16. To apply for injunctions restraining a breach of planning control.
17. To take action, serve notices and enforce any notice served under section 215 Town and Country Planning Act 1990.
18. To authorise rights of entry on land under S196A of the Town and Country Planning Act 1990 in relation to potential breaches of planning control.
19. To issue and serve notices requiring information as to the ownership, occupation and use of any land and to authorise proceedings in the event on non-compliance with any such notice.
20. For the purposes of the Town and Country Planning (Enforcement Notices and Appeals) Procedure, to make a statement as to whether or not the Council would grant planning permission for the development alleged and, if so, on what conditions.
21. To approve, in consultation with the relevant Portfolio Holder, any update to the Local Development Scheme.
22. To comment whenever the Council is consulted by other public authorities or bodies on development proposals.

23. To make comments to the Planning Inspectorate relating to any proposed nationally significant infrastructure project, within or impacting on the Borough when responses are required to be submitted by the Council within 56 days.
24. In cases of urgency, and after consultation with the relevant Portfolio Holder, to authorise the making of a Direction under Article 4 of the Town and Country Planning (General Permitted Development) Order (1995) as amended.
25. To authorise the execution of works in accordance with Section 54(1) of the Planning (Listed Building and Conservation Areas) Act 1990.
26. To issue notices under Section 55 of the Planning (Listed Building and Conservation Areas) Act 1990.
27. To publish an Annual Monitoring Report.

Note: the Planning Development Manager is authorised to perform duties set out in paragraphs 1, 2,3,4,5 and 19 of the Non-Executive Functions above and the Senior Planning Officers (Development Management) are authorised to perform duties set out in paragraph 1 of the Non-Executive Functions above.

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