



## Cabinet Agenda

Wyre Borough Council  
Date of Publication: 14 March 2017  
Please ask for : Duncan Jowitt  
Democratic Services and Councillor  
Development Officer  
Tel: 01253 887608

**Cabinet meeting on Wednesday, 22 March 2017 at 6.00 pm  
in the Committee Room 2, Civic Centre, Poulton-Le-Fylde**

**1. Apologies for absence**

**2. Declarations of interest**

Members will disclose any pecuniary and any other significant interests they may have in relation to the matters to be considered at this meeting.

**3. Confirmation of minutes**

(Pages 1 - 6)

To confirm as a correct record the minutes of the meeting of the Cabinet held on 15 February 2017.

**4. Public questions**

To receive and respond to any questions from members of the public.

Public questions can be delivered in writing to Democratic Services or sent by email to: [publicquestions@wyre.gov.uk](mailto:publicquestions@wyre.gov.uk). Public questions for this meeting must be received by noon on Thursday 16 March 2017. Questioners should provide their name and address and indicate to which Cabinet member the question is to be directed.

The total period of time allocated for public questions will not normally exceed 30 minutes.

**5. Food Hygiene Task Group - Final Report**

(Pages 7 - 30)

Report of the Chairman of the Food Hygiene task group and Service Director Performance and Innovation.

**6. Domestic Abuse Task Group - Final Report**

(Pages 31 - 64)

Report of the Chairman of the Domestic Abuse task group and Service Director Performance and Innovation.

- 7. Marine Hall Dome Restoration - Capital Overspend** (Pages 65 - 68)
- Report of the Resources Portfolio Holder and Service Director Performance and Innovation.
- 8. Treasury Management Policy Statement and Practices and Treasury Management and Annual Investment Strategy and Minimum Revenue Provision Policy Statement 2017/18** (Pages 69 - 126)
- Report of the Resources Portfolio Holder and Head of Finance.
- 9. Life in Wyre Survey Results 2016** (Pages 127 - 138)
- Report of the Leader of the Council and Chief Executive.
- 10. Exclusion of public and press**
- In accordance with Paragraph 11 of the Access to Information Rules in Part 4 of the Council's Constitution, the Chief Executive has determined that the report submitted under item 11 of this agenda is "Not for Publication" because it contains "exempt information", as defined in Schedule 12A of the Local Government Act 1972.
- If Cabinet agrees that the public and press should be excluded for this item, it will need to pass the following resolution:
- "That the public and press be excluded from the meeting whilst agenda item 11 is considered, on the grounds that their presence would involve the disclosure of exempt information as defined in category 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12(a) of the Local Government Act, 1972, as amended by the Local Government (Access to Information) Variation Order 2006 and, that the public interest in maintaining the exemption outweighs the public interest in disclosing the information".
- 11. Fleetwood to Knott End Ferry** (Pages 139 - 146)
- Report of the Planning and Economic Development Portfolio Holder and Service Director People and Places.



## Cabinet

The minutes of the Cabinet meeting of Wyre Borough Council held on Wednesday 15 February 2017 at the Civic Centre, Poulton-le-Fylde.

---

### **Cabinet members present:**

Councillor Peter Gibson (Leader of the Council)  
Councillor Alan Vincent (Resources Portfolio Holder and Deputy Leader)  
Councillor Roger Berry (Neighbourhood Services and Community Safety Portfolio Holder)  
Councillor Lynne Bowen (Leisure and Culture Portfolio Holder)  
Councillor David Henderson (Street Scene, Parks & Open Spaces Portfolio Holder)  
Councillor Pete Murphy (Planning and Economic Development Portfolio Holder)  
Councillor Vivien Taylor (Health and Community Engagement Portfolio Holder)

### **Apologies:**

None

### **Officers present:**

Mark Billington (Service Director People and Places)  
Marianne Hesketh (Service Director Performance and Innovation)  
Clare James (Head of Finance (s151 Officer))  
Stephanie Collinson (Senior Communications Officer)  
Duncan Jowitt (Democratic Services Officer)

### **Apologies:**

Garry Payne (Chief Executive)  
Mark Broadhurst (Service Director Health and Wellbeing)

### **Non-members of the Cabinet present:**

None

No members of the public or press attended the meeting.

---

### **CAB.30 Declarations of Interest**

None

### **CAB.31 Minutes**

The minutes of the Cabinet meeting held on 18 January 2017 were confirmed as a correct record.

### **CAB.32 Public Questions**

None.

### **CAB.33 Revenue Budget, Council Tax and Capital Programme**

The Head of Finance (s151 Officer) submitted a report asking Cabinet for confirmation of the Revenue Budget, Council Tax, Revised Capital Budget 2016/17 and Capital Programme 2017/18 onwards.

#### **Decision taken**

Cabinet agreed

1. that the following be approved:

- a The Revised Revenue Budget for the year 2016/17 and the Revenue Budget for 2017/18.
- b For the purpose of proposing an indicative Council Tax for 2018/19, 2019/20 and 2020/21, 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 2017/18 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 2017/18.
- 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 2016/17 and the Capital Programme for 2017/18 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 35,784.77 had been calculated as the 2017/18 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, has been calculated as indicated below.

Barnacre-with-Bonds	937.96
Bleasdale	64.67
Cabus	603.27
Catterall	816.51
Claughton-on-Brock	297.79
Fleetwood	6,375.85
Forton	517.28
Garstang	1,684.19
Great Eccleston	540.83
Hambleton	1,014.62
Inskip-with-Sowerby	319.13
Kirkland	136.58
Myerscough and Bilsborrow	410.92
Nateby	220.9
Nether Wyresdale	315.4
Out Rawcliffe	262.01
Pilling	796.48
Preesall	1,905.81
Stalmine-with-Staynall	541.06
Upper Rawcliffe-with-Tarnacre	286.3
Winmarleigh	129.83

3. The Council Tax requirement for the Council's own purposes for 2017/18 (excluding Parish precepts) is £6,738,630.

4. That the following amounts be calculated for the year 2017/18 in accordance with Sections 31 to 36 of the Act:

- a. £89,357,911 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. £81,974,512 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- c. . £7,383,399 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).
<b>d.</b> £ 206.33	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).
<b>e.</b> £644,769	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 of the report.
<b>f.</b> £188.31	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. That the Council's basic amount of Council Tax for 2017/18 is not considered excessive in accordance with principles approved under Section 52ZB of the Local Government Finance Act 1992.

Cabinet members thanked Wyre's officers for their support in the major achievement of a reasonable and affordable 2017/18 Revenue Budget, Council Tax and Capital Programme whilst acknowledging that difficult decisions remained to be made in future,

The Leader also thanked Cabinet as a whole and the Resources Portfolio Holder in particular for their guidance, adding that this result was a vindication of the policies that they had followed

**CAB.34** The Resources Portfolio Holder and the Head of Finance submitted a report asking Cabinet to consider the potential economic benefits to the Council of the pre-payment of the Local Government Pension Scheme (LGPS) employer pension contributions for the three years 2017/18 to 2019/20 and beyond.

**Decision taken**

Cabinet agreed in principle to the prepayment of pension contributions for the three years 2017/18 to 2019/20, and future triennial review periods, with the actual amount and profiling of any prepayment to be delegated to the Head of Finance (s.151 Officer), subject to a clear economic benefit to the Council.

### **CAB.35 Start times of future meetings**

With effect from the Council's Annual Meeting on 11 May 2017, subsequent Cabinet meetings were to start at the earlier time of 5.30pm.

The meeting started at 6pm and finished at 6.09pm.

---

**Date of Publication:** 16 February 2017

#### **Options considered but rejected**

Any alternative options that were considered but rejected, in addition to the reasons for the recommendations that were made, are included in the full reports.

#### **When will these decisions be implemented?**

All decisions will be put into effect five working days from the date of publication, unless a decision is "called-in" by any four Members of the council within that period. NOTE The decision taken at CAB.34 will not be implemented until 27 February 2017, which is 28 days after it appeared on the Schedule of Executive Decisions. The "call-in" procedure is set out in [Part 4 of the Council's Constitution](#) (Paragraph 16 of the Overview and Scrutiny Procedure Rules). If a decision is "called-in", the Overview and Scrutiny Committee may decide that the original decision should be upheld or ask Cabinet to reconsider the decision.

arm/ex/cab/mi/150217

This page is intentionally left blank





Report of:	Meeting	Date	Item no.
Cllr Jones, Chairman of the Food Hygiene task group and Marianne Hesketh, Service Director Performance and Innovation	Cabinet	22 March 2017	5

<b>Food Hygiene task group – final report</b>
-----------------------------------------------

## 1. Purpose of report

1.1 To report the work of the Food Hygiene task group to the Cabinet.

## 2. Outcomes

2.1 Improved food safety across the borough, as reflected by the achievement of higher Food Standards Agency (FSA) Food Hygiene Ratings by businesses selling food.

## 3. Recommendations

3.1 That the Food Hygiene Rating Scheme be promoted across the borough, using all methods that the council has at its disposal, to raise public awareness and interest, and to help raise food hygiene standards in commercial premises and in residential establishments.

3.2 That, recognising the positive effect of legislation in Wales, a letter be sent from the Leader of the Council and the Chief Executive to the Secretary of State in the Department for Environment, Food and Rural Affairs (copied to Wyre's three MPs) urging the Government to bring forward legislation at the earliest opportunity to introduce a mandatory Food Hygiene Rating Scheme.

3.3 That it be made a requirement:

- i. That for any festivals and events run by the council, any food business should have a Food Hygiene Rating of 3 or more to trade. The council should also endeavour to reflect the same terms, where possible, in new lease arrangements for any food business run from council premises.;

- ii. That for the Wyre Business Awards any food business taking part should have a Food Hygiene Rating of 4 or 5 (reflecting the fact that the Awards are an exhibition of excellence in the borough).

## **4. Background**

- 4.1 The Food Standards Agency (FSA) operates in partnership with local authorities to operate the Food Hygiene Rating Scheme (FHRS). The scheme encourages businesses to improve hygiene standards. The overarching aim is to reduce the incidence of foodborne illness. The scheme extends only to establishments supplying food direct to consumers. This includes restaurants, cafes, takeaways, sandwich shops and other places where people eat food prepared outside of the home, as well as food retailers. The scheme helps consumers choose where to eat out or shop for food by giving them information about the hygiene standards.
- 4.2 Food safety legislation has developed steadily over the last fifty years and been strengthened significantly over the last twenty-five years. Environmental Health Practitioners have a range of duties and powers to deal with non-compliance and employ a mixture of education and enforcement to secure these aims.
- 4.3 The Overview and Scrutiny Committee had noted local press reports about the Food Standards Agency website showing that there were four businesses in Wyre that scored a zero rating and a further sixty-seven that required improvement (April 2016). The Committee took the view that every effort should be made to encourage these businesses to improve their food hygiene ratings and they commissioned a task group to review current practices and to make recommendations about how ratings across the borough might be improved.

## **5. Key issues and conclusions**

- 5.1 The evidence gathered by the task group indicated that, although a high FHRS score does not eliminate the risk of an identified foodborne disease outbreak or unsatisfactory sample results, there is evidence from the FSA audit returns that premises with higher FHRS scores are less likely to have unsatisfactory results. Outbreaks are less likely to occur at broadly compliant premises making it important to try to drive up scores.
- 5.2 Wales has had a mandatory FHRS since legislation was passed in November 2013. There is some evidence that it is having a positive effect and similarly in Northern Ireland where they operate a similar scheme. Legislation will be needed if a mandatory scheme is to be implemented in England. Consequently, this is not something that is likely to happen quickly. The task group discussed the possibility of introducing a localised mandatory scheme but concluded that this was not workable or enforceable.

**5.3** The task group considered the specific requirements of care homes and other residential establishments where residents did not always choose to be. It was also noted that residents of care homes were usually older residents and often more vulnerable. Members accepted, however, that the FHRs applies equally to all businesses that supply food direct to consumers, and no special arrangements could be made although levels of public awareness could be raised.

**5.4** The task group found evidence that consumers were not always aware of the FHRs and they felt that by developing a more discerning public, businesses would be encouraged to do their best to raise standards, which would ultimately be of benefit to the residents of the borough.

**5.5** The task group drew the following conclusions from the evidence gathered:

1. The FHRs is effective at driving up standards of food hygiene.
2. Media coverage about food hygiene ratings generates local interest and is very powerful.
3. Action needs to be taken to reduce the number of businesses scoring 0 or 1.
4. The relevance of the FHRs to Care Homes should not be underestimated, especially as residents do not always have freedom of choice about whether they live there.
5. There is evidence that legislation passed in Wales in 2013 to make it mandatory for businesses to display their food hygiene ratings has had a positive effect.
6. Businesses that take part in festivals and events should have an agreed minimum rating in order to help drive up standards. The council should endeavour to incorporate minimum standards into any formal arrangements with food businesses operating from council owned assets.

<b>Financial and legal implications</b>	
Finance	There are no financial implications arising from this report.
Legal	If the recommendation at 3.3 is accepted it will be necessary to review tenants' contractual terms.

### **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.

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

<b>risks/implications</b>	<b>✓ / x</b>
asset management	<b>✓</b>
climate change	<b>x</b>
data protection	<b>x</b>

report author	telephone no.	email	date
Peter Foulsham	01253 887606	<a href="mailto:Peter.foulsham@wyre.gov.uk">Peter.foulsham@wyre.gov.uk</a>	20 February 2017

### **List of appendices**

Appendix A Food Hygiene Task Group – final report

arm/ex/cab/cr/17/2203pf



## **Food Hygiene Task Group**

### **- Final Report -**

#### **Chairman:**

Councillor Kerry Jones

#### **Task Group Members:**

Councillor Ian Amos  
Councillor Rita Amos  
Councillor Mike Barrowclough  
Councillor Rob Fail  
Councillor John Hodgkinson  
Councillor Tom Ingham  
Councillor Patsy Ormrod  
Councillor Julie Robinson  
Councillor Shaun Turner  
Councillor Lynn Walmsley  
Councillor Val Wilson

**Overview & Scrutiny Committee**  
**Chairman: Councillor Michael Vincent**

## Contents

• Introduction	Page 3
• Aims of review	Page 4
• The review process	Page 4
• Summary of evidence provided by Neil Greenwood (Head of Environmental Health and Community Safety) and Councillor Vivien Taylor (Health and Community Engagement Portfolio Holder)	Page 5
• Summary of evidence provided by Allan Watson, from the Relationship Management Team at the Food Standards Agency	Page 7
• Observation of food hygiene inspections	Page 9
• A personal perspective – Councillor Shaun Turner, as the owner of a business with a Food Hygiene Rating of 5	Page 10
• Premises risk rating trends	Page 11
• Conclusions	Page 12
• Recommendations	Page 13
• Councillors' attendances	Page 14
• List of appendices	Page 15
• Appendices	Page 16

## Introduction

The Overview and Scrutiny Committee had been aware of local press coverage in April 2016 regarding food hygiene ratings. Four businesses were reported as receiving 'zero' ratings with a further sixty-seven receiving a rating of '1' on a scale of 1-5.

Food safety enforcement in the UK operates at the local level through local authorities, overseen by the Food Standards Authority. Food safety legislation has developed steadily over the last fifty years and been strengthened significantly over the last twenty-five years. Environmental Health Practitioners have a range of duties and powers to deal with non-compliance and employ a mixture of education and enforcement to secure these aims.

The position in Wyre, as reported to the Overview and Scrutiny Committee on 6 June 2016, was that Wyre had 1149 food businesses of which 89% were broadly compliant (i.e. rated 3, 4 or 5).<sup>1</sup>

The food hygiene rating scheme extends only to establishments supplying food direct to consumers. This includes restaurants, cafes, takeaways, sandwich shops and other places where people eat food prepared outside of the home, as well as food retailers.

The aim of the scheme is to provide information on hygiene standards to consumers in circumstances where they are making a choice about eating or purchasing food.

The Overview and Scrutiny Committee took the view that residents should be as informed as possible about food hygiene in premises that they might consider using and that every effort should be made to raise food hygiene ratings particularly in those that have scored zero or one.

---

<sup>1</sup> There are 938 businesses in Wyre on the Food Standards Agency website at the time of writing (26 January 2017).

## **Aims of review**

The aims of the review, as specified in the scoping document (see Appendix 1), were as follows:

- To understand how the Food Standards Agency's Food Hygiene Rating Scheme (FHRS) operates
- To understand how the council operates the FHRS
- To identify any opportunities for improvement in the way that Wyre Council delivers the FHRS
- To identify actions that could be taken in order to improve ratings
- To identify ways in which the profile of the FHRS can be raised for businesses and consumers

## **The review process**

The task group has interviewed Councillor Vivien Taylor (Health and Community Engagement Portfolio Holder) and Neil Greenwood (Head of Environmental Health and Community Safety). A meeting was also held with Allan Watson from the Food Standards Agency.

Two members of the task group attended food hygiene inspections as observers and reported their findings back to the task group.

Throughout the review Neil Greenwood has been a constant source of information and expertise which has been very much to the benefit of the task group.



Summary of evidence provided by Neil Greenwood (Head of Environmental Health and Community Safety) and Councillor Vivien Taylor (Health and Community Engagement Portfolio Holder)

Councillors were given an overview of food safety in Wyre, which was reflected in a briefing paper provided for the task group (see Appendix 2).

Following questioning by councillors a number of additional points were made:

- A graduated approach to enforcement is followed, with a number of stages from an initial warning letter through to prosecution.
- Once inspected, food businesses are scored by officers using a scoring mechanism set out by the Food Standards Agency (FSA) which comprises (i) risk and (ii) hygiene, structure and cleanliness and management systems.
- Although coaching has been undertaken in the past using FSA grant money, there is no power at present to make businesses pay for such a service.
- Although the risks to residents of care homes are acknowledged, the food hygiene rating scheme is applied equally to all establishments supplying food direct to consumers.
- If a business is found to have an 'imminent risk' it will be closed immediately, either voluntarily or via court action.
- The food safety team currently has 3.8 full time equivalent posts with a vacancy of 0.5.
- Despite reductions in expenditure and resources devoted to food safety nationally and locally, Wyre has continued to deliver an effective food safety service.
- A new business should inform the council 28 days prior to opening.
- The owner/responsible person of a business is required to be adequately trained; adequate training can be demonstrated by attendance at a hygiene training course. Employees also need to be adequately trained; this can be achieved via on-line courses, although it is important that hygiene is managed from the top.
- Businesses are not required to display their ratings (unlike in Wales) but there is a strong view that they should be.
- The FSA is piloting an initiative whereby costs for revisits following an inspection are recovered from the businesses visited. (Fylde Council are one of the pilots.)
- The data on the Food Standards Agency's website is uploaded from Wyre's database every two weeks and can be accessed at <http://ratings.food.gov.uk/>

With regard to the 0.5 vacancy, some of the money has been used during 2016/17 to procure additional capacity. A procurement exercise was undertaken to carry out 100 programmed category D inspections which would probably not otherwise have been achievable. (Premises are rated A – E for risk, 'A' being those with the highest risk and 'E' being for those with the lowest risk).

An advantage of this approach is that the council has increased flexibility to allocate resources where and when they are most needed.

A disadvantage is that there is no guarantee that the agencies will be able to provide a consultant, food safety being a specialised area.

The use of consultants is a policy that will continue to be considered for as long as there is some budget provision; it gives increased flexibility especially as the team's focus is on increased enforcement work with the broadly non-compliant premises, which inevitably takes time away from undertaking routine inspections.

Summary of evidence provided by Allan Watson, from the Relationship Management Team at the Food Standards Agency

The task group received a detailed presentation about the role and responsibilities of the Food Standards Agency (FSA) and local authorities, the main points of which were:

- i. The FSA is a non-ministerial Government Department with a degree of independence, decisions being made on the basis of scientific evidence and the interests of consumers.
- ii. In two-tier structures the County Council is responsible for food standards and the District Council for food hygiene.
- iii. Out of 661,381 local authority interventions in 2014/15 only 286 resulted in prosecutions, demonstrating the effectiveness of a graduated approach to enforcement.
- iv. The FSA carries out a number of focused audits on particular aspects of enforcement work in a selection of local authorities. The authorities represent a cross-section of local authority types, geographical locations and level of enforcement activity.
- v. The Food Hygiene Rating Scheme (FHRS) includes three elements: hygiene, structure and management.
- vi. The FHRS ensures fairness to businesses as well as to consumers; if a business carries out all the legal requirements it will score a 5.
- vii. Businesses can request a re-visit when improvements have been made; Fylde Council is part of a pilot scheme which allows for local authorities to charge for a re-visit (approximately £150). It is likely that all local authorities will have the opportunity to charge for re-visits once any glitches in the process have been resolved. Local authorities need to start to prepare for this eventuality.
- viii. Media coverage for food hygiene ratings generates local interest and is very powerful. It is often supported by lots of social media activity as well as reports on national and local television.
- ix. Some insurance companies offer discounts to businesses with 4 and 5 ratings; some festivals/events make it a condition that food businesses must have a rating of 3 or better to trade.
- x. Although a high FHRS score does not eliminate the risk of an identified foodborne disease outbreak or unsatisfactory sample results, there is evidence from the FSA audit returns that premises with higher FHRS scores are less likely to have unsatisfactory results. Outbreaks are less likely to occur at broadly compliant premises.

- xi. Although each analysis in isolation does not always yield statistically significant results, all results are in the right direction, and combine to provide an evidence base that indicates that higher food business compliance and food safety has a positive relationship.
- xii. Wales has had a mandatory FHRS since legislation was passed in November 2013. There is some evidence that it is having a positive effect, similarly in Northern Ireland. Legislation will be needed if a mandatory scheme is to be implemented in England. Consequently, this is not something that is likely to happen quickly.
- xiii. It is essential to maintain the support and commitment of local authorities to the scheme, despite the current climate of reducing resources.
- xiv. The FSA has agreed to the development of a new food system that works in the interests of consumers. The aim is to implement a new regulatory model for food businesses in England, Wales and Northern Ireland by 2020, while implementing improvements in the meantime where possible.

In answer to questions from councillors Allan Watson made the following additional points:

- 1) Within the Code of Practice there are eight elements that contribute to an overall score for a business, which in turn determines the frequency of inspection.
- 2) With reducing resources it is important that local authorities allocate their resources in the right places, particularly the highest risk businesses.
- 3) One option being considered currently is for businesses to increasingly bear the cost of compliance with legislation, including any interventions their business might require.
- 4) The FSA is involved in lots of campaigns aimed at increasing public knowledge and awareness. The FSA has also become much better at making use of social media.
- 5) The FSA is particularly interested to know (e.g. through audit) what action local authorities are taking to reduce the number of businesses scoring 0 and 1.

## Observation of food hygiene inspections

Councillors Ormrod and Walmsley each accompanied an Environmental Health Officer (EHO) on a food hygiene inspection, as observers.

The visits included observation of the following:

- Kitchen documentation
- Food deliveries
- Food storage
- Food preparation and storage equipment
- Food temperature control and cooking
- Use of colour-coded systems to help prevent cross-contamination
- Use of uniforms by staff
- Use of chemicals
- COSHH
- Waste disposal
- Satellite kitchens
- Training course information
- Completion of the written report
- Certification in food safety

The councillors were impressed with the polite and professional approach taken by the EHO and emphasized the importance of professional development, particularly in the businesses which were the highest risks.

A personal perspective – Councillor Shaun Turner, as the owner of a business with a Food Hygiene Rating of 5

Councillor Shaun Turner provided the task group with a personal view of the effectiveness of the Food Hygiene Rating Scheme. He made the following points:

- Businesses have become highly motivated to maintain their 5 rating.
- Businesses without the 5 rating have become increasingly motivated to achieve it. The public want to see it. It is a good marketing tool.
- High ratings are partly dependent upon how the premise is fitted out – if it is newly fitted it is easier to maintain.
- Good systems must be in place. The systems must be followed, without exception, even during busy periods (food rotation, temperature records, etc.)
- It is crucial that business owners train their staff thoroughly and ensure that they are playing their full part to help maintain a business's 5 rating. There can be no compromise on this even for businesses that experience high staff turnover, as is the case in many care homes.
- The scheme has driven improvements.
- The public are supporting the scheme (e.g. by checking ratings before going out for a meal), which adds strength to it.
- There still appear to be an unacceptable number of 0 and 1 rating premises.
- There should be a drive to make it a requirement that food premises display their rating, as is the case in Wales.
- Premises should be encouraged to display their staff's food hygiene and training certificates.

## Premises risk rating trends

It was noted (from the council's Commercial Safety Delivery Plan 2016/17) that the staffing allocation for food safety had reduced from 4.3 FTE posts in 2013/14 to 3.8 FTE posts (with a 0.5 FTE vacancy) in 2016/17.

Alongside those figures the task group considered the trend in premises risk ratings. During the same period (2013/14 to 2016/17) the percentage of premises in the two highest risk bands had remained constant. The percentage of premises in the two lowest risk bands had increased from 44% in 2013/14 to 73% in 2016/17.\*

Similar figures for businesses' food hygiene ratings are not available as the information is not kept in the same accessible format, so a comparison cannot be made. However, an identified foodborne disease outbreak or unsatisfactory sample results are less likely to occur at broadly compliant premises, as evidenced previously by Allan Watson from the Food Standards Agency.

\* **NOTE:**

Category A are the highest risk premises (e.g. food manufacturer or care home) and Category E are the lowest risk premises (e.g. newsagent). In 2014 the Code of Practice changed the band widths so prior to the change Wyre had 546 C-rated premises and 175 D-rated premises and after June 2016 Wyre had 296 C-rated premises and 425 D-rated premises.

## Conclusions

1. The FHRS is effective at driving up standards of food hygiene.
2. Media coverage about food hygiene ratings generates local interest and is very powerful.
3. Action needs to be taken to reduce the number of businesses scoring 0 or 1.
4. The relevance of the FHRS to Care Homes should not be underestimated, especially as residents do not always have freedom of choice about whether they live there.
5. There is evidence that legislation passed in Wales in 2013 to make it mandatory for businesses to display their food hygiene ratings has had a positive effect.
6. Businesses that take part in festivals and events should have an agreed minimum rating in order to help drive up standards. The council should endeavour to incorporate minimum standards into any formal arrangement with food businesses operating from council-owned assets.



## Recommendations

### RECOMMENDATION ONE

That the Food Hygiene Rating Scheme be promoted across the borough, using all methods that the council has at its disposal, to raise public awareness and interest, and to help raise food hygiene standards in commercial premises and in residential establishments.

### RECOMMENDATION TWO

That, recognising the positive effect of legislation in Wales, a letter be sent from the Leader of the Council and the Chief Executive to the Secretary of State in the Department for Environment, Food and Rural Affairs (copied to Wyre's three MPs) urging the Government to bring forward legislation at the earliest opportunity to introduce a mandatory Food Hygiene Rating Scheme.

### RECOMMENDATION THREE

That it be made a requirement:

- i. That for any festivals and events run by the council, any food business should have a Food Hygiene Rating of 3 or more to trade. The council should also endeavour to reflect the same terms, where possible, in new lease arrangements for any food business run from council premises.
- ii. That for the Wyre Business Awards any food business taking part should have a Food Hygiene Rating of 4 or 5 (reflecting the fact that the Awards are an exhibition of excellence in the borough).

## Councillors' attendances

There were four meetings of the task group.

Name	Meetings attended (maximum 4)
Councillor I Amos	4
Councillor R Amos	4
Councillor Barrowclough	3
Councillor Fail	3
Councillor Hodgkinson	4
Councillor Ingham	4
Councillor Jones	4
Councillor Ormrod	4
Councillor Robinson	4
Councillor S Turner	4
Councillor Walmsley	3
Councillor Wilson	3

In addition to the above, Councillors Ormrod and Walmsley each accompanied a Wyre officer on a food hygiene inspection, as observers.

## List of Appendices

- Appendix 1            Food Hygiene Task Group – Scoping Document - FINAL
- Appendix 2            Briefing paper for the Food Hygiene task group, provided by Neil Greenwood, Head of Environmental Health and Community Safety

14 February 2017

## Food Hygiene Task Group - Scoping Document - FINAL

<b>Review Topic</b>	Food hygiene	
<b>Chairman</b>	Councillor Kerry Jones	
<b>Group Membership</b>	Councillors I Amos, R Amos, Barrowclough, Fail, Hodgkinson, Ingham, Ormrod, Robinson, S Turner, Walmsley and Wilson	
<b>Officer Support</b>	Peter Foulsham, Scrutiny Officer	
<b>Purpose of the Review</b>	To review the way in which the Food Hygiene Rating Scheme is delivered in Wyre and to identify any actions that should be taken to improve ratings.	
<b>Role of Overview and Scrutiny in this Review (mark all that apply)</b>	Holding Executive to account – decisions	<input type="checkbox"/>
	Existing budget and policy framework	<input type="checkbox"/>
	Contribution to policy development (See also 'Scope of Review', below)	<input checked="" type="checkbox"/>
	Holding Executive to account – performance	<input type="checkbox"/>
	Community champion	<input checked="" type="checkbox"/>
	Statutory duties / compliance with codes of practice	<input checked="" type="checkbox"/>
<b>Aims of Review</b>	<ul style="list-style-type: none"> <li>○ To understand how the Food Standards Agency's Food Hygiene Rating Scheme (FHRS) operates</li> <li>○ To understand how the council operates the FHRS</li> <li>○ To identify any opportunities for improvement in the way that Wyre Council delivers the FHRS</li> <li>○ To identify actions that could be taken in order to improve ratings</li> <li>○ To identify ways in which the profile of the FHRS can be raised for businesses and consumers</li> </ul>	
<b>Methodology</b>	<ul style="list-style-type: none"> <li>○ Consideration of documents, reports and performance statistics</li> <li>○ Interviewing witnesses at meetings</li> <li>○ Site visits</li> </ul>	
<b>Scope of Review</b>	<p>The review is limited to the influence that Wyre Council has in helping the FSA carry out their statutory objective to protect public health and consumers' other interests in relation to food and drink.</p> <p>The focus of the review will be on statutory requirements.</p>	
<b>Potential Witnesses</b>	Wyre Council officers Health and Community Engagement Portfolio Holder Food Standards Agency	
<b>Documents to be considered</b>	FSA Code of Practice Wyre food safety work plan Wyre Council performance information	

	Your food hygiene rating – leaflet Recent press articles
<b>Risks</b>	Unnecessarily alarming food outlets and the public.
<b>Level of Publicity</b>	Medium
<b>Indicators of a Successful Review</b>	Improvement in Food Hygiene Ratings across Wyre. Public more aware of role and relevance of food hygiene ratings
<b>Intended Outcomes</b>	<ul style="list-style-type: none"> <li>• Food outlets better motivated to improve ratings</li> <li>• Consumers better informed about FHRS</li> <li>• Public health protected</li> </ul>
<b>Approximate Timeframe</b>	3 months
<b>Projected Start Date</b>	September 2016

Briefing paper for the Food Hygiene task group, written by Mandy Seddon (Environmental Health Officer) and presented to the task group by Neil Greenwood, (Head of Environmental Health and Community Safety) on 21 September 2016

This paper has previously been submitted to the Overview and Scrutiny Committee on 6 June 2016.

## **Food Safety Report**

Wyre has 1,149 food businesses of which 89% are broadly compliant (i.e. rated 3, 4 or 5).

The food hygiene rating scheme extends only to establishments supplying food direct to consumers. This includes restaurants, cafes, takeaways, sandwich shops and other places where people eat food prepared outside of the home, as well as food retailers. The aim of the scheme is to provide information on hygiene standards to consumers in circumstances where they are making a choice about eating or purchasing food.

The data on Food Standards Agency's website is uploaded from Wyre's database every 2 weeks so data is continually changing as officers carry out inspections, for example we now only have 3 zero rated premises.

When an officer carries out an inspection and identifies a business with a 0, 1 or 2 rating, correspondence i.e. a report of visit is left on site for priority work and then a letter or notices are sent with a revisit date and/or other enforcement action is taken at that time. An officer will ensure that the premises are broadly compliant (ie satisfactory) before it is left until the next programmed inspection or complaint. 0,1,2 businesses are more closely monitored as these businesses are inspected more frequently. The FSA require councils to tackle their broadly non-compliant premises through a range of enforcement strategies in addition to letter writing such as hygiene improvement notices, simple cautions, prohibition notices and prosecution. Businesses that don't comply are targeted with increased enforcement although we are encouraged by the Food standards agency to have a graduated approach to enforcement.

However the rating continues to be that given at the time of the initial inspection because those are the rules of the scheme as detailed in the Food Hygiene Rating Brand Standard, issued by the Food Standards Agency and agreed by the Council when we signed up to the scheme.

Food business operators have a right to request a re-visit for the purposes of re-rating if they have taken action to rectify the non-compliances identified at the time of inspection. This request for a revisit has to be made by the business and details about how to do this are sent out with every food hygiene letter. If a request for a revisit is received and businesses have provided sufficient evidence that the required improvements have been made, an unannounced inspection will occur between 3-6 months of the request and a new food hygiene rating will be given. It is the policy at Wyre that for all businesses that request a rerating a new inspection is carried out.

Ratings at this inspection however can go up or down. Businesses are only allowed one request for a re-rating visit per inspection period

The food hygiene rating scheme is only part of the inspection process. Food businesses once inspected are scored by officers using a scoring mechanism set out by the Food Standards Agency. The first part of the score is determined by the risk of a premises i.e. will be higher for businesses such as those cooking and preparing food and a lot lower for those selling prepacked food. The second part of the score i.e. hygiene, structure and cleanliness and management systems determines what food hygiene rating is given. The total score determines how often we carry out a programmed visit. Programmed visits can occur every 6 months, 12 months, 18 months, 24 months, or 36 months as determined by risk and compliance of the business.

If businesses choose not to request a revisit they will be inspected at their next programmed visit.

Since 2009 we have run two projects with poorly performing businesses with resources funded by the Food Standards Agency. The FSA provided coaching available for safer food better business pack training we invited 92 businesses to take part. 62 took part. In 2014 again with FSA funding coaching sessions of 2.5 hours were provided for 9 poorly performing takeaway businesses.

Some ideas as to how we can help poorly performing premises-

We are currently working with the website designer at Wyre to make our web page more easily accessible for food businesses to apply on line for a re-rating inspection as currently the correct forms are not easy to find, download or complete on line. We also feel it would be beneficial to have a web page as to 'how businesses can improve their rating'

The food team have recently had training in 'active communication' and it is our intention to change our written communication to food businesses to help promote improvements, once time and resources allow.

Mandy Seddon, Environmental Health Officer, and  
Neil Greenwood, Head of Environmental Health and Community Safety  
21 September 2016

arm/ex/cab/cr/17/2203pf App A/updated

This page is intentionally left blank





Report of:	Meeting	Date	Item no.
Cllr Reeves, Chairman of the Domestic Abuse task group and Marianne Hesketh, Service Director Performance and Innovation	Cabinet	22 March 2017	6

<b>Domestic Abuse task group – final report</b>
-------------------------------------------------

## 1. Purpose of report

1.1 To report the work of the Domestic Abuse task group to the Cabinet.

## 2. Outcomes

2.1 Provision of more effective domestic abuse services in Wyre.

## 3. Recommendations

3.1 That steps be taken by the council's representative on the Police and Crime Panel and/or the Portfolio Holder and officers of the council to make representations to the Office of the Police and Crime Commissioner to ensure that the views of Wyre Council, as a recognised stakeholder, are taken into account throughout the process of performance monitoring of the newly commissioned service.

3.2 That all councillors be offered and encouraged to take part in domestic abuse training, to be delivered by the end of March 2018.

3.3 That the Council continues to support and promote the annual White Ribbon Campaign.

3.4 That the Council appoints two councillors and two officers as Domestic Abuse Champions.

3.5 That the Overview and Scrutiny Committee receives a briefing report, preferably specific to the Wyre Council area, from the council's representative on the Police and Crime Panel or the Portfolio Holder about the newly commissioned service at the beginning of the 2018/19 Municipal Year.

- 3.6** That the report from the council's representative on the Police and Crime Panel or the Portfolio Holder's to the Overview and Scrutiny Committee at the beginning of the 2018/19 Municipal Year includes comments about the implementation of each of the task group's recommendations that has been supported by the Cabinet.

#### **4. Background**

- 4.1** Domestic abuse is a term that describes intentional, ongoing, controlling and coercive behaviours by one person, using emotional, financial, physical and sexual violence, stalking and harassment, to ensure power and control over another, with who they have, or have had, an intimate or family relationship.
- 4.2** Currently, there is a pan-Lancashire commissioned domestic abuse service operating in Wyre. Other partners include Lancashire County Council, District Councils across Lancashire and the Clinical Commissioning Groups. Wyre Council has, until 2016/17, paid £10,000 per annum towards this service. However, contributions were not requested from partners in 2016/17 because of an underspend in 2015/16.
- 4.3** On 1 April 2015 it became the statutory responsibility of the Office of the Police and Crime Commissioner (OPCC) to deliver victim services. The OPCC's contract with Victim Support and the various grant agreements with other service providers for Lancashire Victim Services are scheduled to end on 31 March 2017 with a need for services to be re-commissioned to continue the provision of support for victims of crime. LCC's contracts for domestic abuse services provided on behalf the County, District Authorities and the Police and Crime Commissioner for medium and high risk victims are also scheduled to end on 31 March 2017 with a clear need for a continued provision of services for victims.
- 4.4** Following a tendering process for the re-commissioning of Victim Services in Lancashire, a new integrated service, including domestic abuse services, will be delivered from 12 April 2017 by Victim Support. It will include domestic abuse services for the twelve Lancashire council areas (previously coordinated by LCC) as well as provision for adult victims of sexual abuse.
- 4.5** The victim abuse specification included:
- Integrated service
  - Dedicated domestic abuse helpline
  - Immediate risk management & safety plan within 48 hours
  - Must provide service for medium and high risk victims – standard risk optional
  - Requirement to work with all victims who come through MASH
  - Support to be provided to both victim and family

- Referrals to be accepted for children and young people affected by DA
  - Support for victims and former partners of perpetrators on LCC programme
- 4.6** The full victims' service will be delivered through four Multi-Crime Teams located across Lancashire to ensure that delivery is embedded in local communities. These Teams will include specialist workers for Domestic Abuse, Sexual Abuse and Hate Crime as well as Independent Victim Advocates who will provide 1-2-1 support for victims. Additional support will be provided for each Team through trained volunteers.
- 4.7** The service is on track to commence delivery on 1<sup>st</sup> April 2017, and both Victim Support and the OPCC are working on implementation and transition plans. The OPCC will work with colleagues in LCC and the District Councils to ensure the smooth transition of services for victims of domestic abuse.

## **5. Key issues and conclusions**

- 5.1** The task group drew the following conclusions from the evidence gathered:
1. The current provision of domestic abuse services in Wyre, and indeed across the whole of Lancashire, is complex with a large number of organisations involved, some commissioned by Lancashire County Council and some not.
  2. The newly commissioned domestic abuse service, which will be part of the Office of the Police and Crime Commissioner's statutory responsibility to deliver victim services with effect from 1 April 2015, will provide a fully integrated service that is streamlined and without duplication, which the task group welcomes.
  3. Although there are obvious limitations to the influence that any one district council can have, the task group is clear that the newly commissioned service provider must be accountable to all parties who contribute funding and there is an expectation that representation will be more effective than it has been hitherto.
  4. An effective domestic abuse service remains dependent on organisations working closely together. Working relationships with schools and GP practices in particular have the potential for further improvement. The police have explicitly said that these are two areas that they are seeking to improve and the evidence from the Clinical Commissioning Group indicates that this is a shared goal, which is encouraging.
  5. Increasing public awareness about domestic abuse remains the joint responsibility of all organisations involved in delivering services,

including Wyre Council.

6. The task group was surprised and disappointed that only one male councillor took part in this review, particularly as 54% of Wyre's councillors are men.
7. The role of councillors is especially relevant in the light of the part they will play in the new 'Together We Make a Difference' initiative, with the vision *"to be a Collaborative Council that works together with local communities and partners to make a difference and improve the lives of those who live in, work in or visit the Borough."*
8. The White Ribbon Campaign has been promoted with some effect, but there is more that Wyre can do, without cost, to increase awareness about domestic abuse issues both within the council and across the borough.
9. The newly commissioned service will commence on 1 April 2017. The task group takes the view that the council should actively monitor the effectiveness of the new arrangements over the first year in particular, making sure that the best interests of Wyre residents are achieved.

<b>Financial and legal implications</b>	
Finance	The recommendation that all councillors be offered domestic abuse training can be contained within the Councillor Training and Development budget. A budget has been provided to maintain our contribution of £10,000 in 2017/18 if required. There are no other financial implications arising from this report.
Legal	There are no legal implications arising from 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.

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

<b>risks/implications</b>	<b>✓ / x</b>
asset management	x
climate change	x
data protection	x

report author	telephone no.	email	date
Peter Foulsham	01253 887606	<a href="mailto:Peter.foulsham@wyre.gov.uk">Peter.foulsham@wyre.gov.uk</a>	21 February 2017

### **List of appendices**

Appendix A Domestic Abuse Task Group – final report

arm/ex/cab/cr/17/2203pf4



**Domestic Abuse  
Task Group**

**- Final Report -**

**Chairman:**

Councillor Natalie Reeves

**Task Group Members:**

Councillor Marge Anderton  
Councillor Lady Dulcie Atkins  
Councillor Barry Birch  
Councillor Julie Robinson  
Councillor Christine Smith  
Councillor Val Wilson

**Overview & Scrutiny Committee  
Chairman: Councillor Michael Vincent**

## Contents

Introduction	Page 3
Aims of Review	Page 5
The Review Process	Page 5
Summary of Evidence provided by:	
The Neighbourhood Services and Community Safety Portfolio Holder, Councillor Roger Berry and Neil Greenwood, Head of Environmental Health and Community Safety	Page 6
T/Detective Sergeant Ellie Gomerson and Peter Yates (Domestic Abuse Lead), Lancashire Constabulary	Page 8
Glenda Smith (Assistant Service Manager) Fylde Coast Women's Aid	Page 10
Emma Sylvester (Wyre Specialist Debt Caseworker) and Bridget Cheyne (Independent Domestic Violence Adviser/Service Manager), Citizens Advice Lancashire West	Page 12
Liz Canavan (Victims and Partnerships Officer) Office of the Police and Crime Commissioner	Page 14
Anne Rogers (Positive Impact Manager), Nicola Byrne (Service Manager) and Jo Wade (Team Leader), Letgo North Lancashire	Page 17
Mark Broadhurst (Service Director Health and Wellbeing) and Pamela Holroyd (Housing Options Team Leader)	Page 19
Fylde and Wyre Clinical Commissioning Group: Dr Kath Greenwood (Domestic Abuse Lead), Alison Taylor, (Named Professional Safeguarding Children & Primary Care) and Amanda Bate (Community Engagement Manager)	Page 21
Conclusions and Recommendations	Page 23
Councillors' Attendances	Page 25
List of Appendices	Page 26

## Introduction

### Definition

The Home Office defines domestic abuse as<sup>1</sup>:

“Any incident or pattern of incidents of controlling, coercive or threatening behaviour, violence or abuse between those aged 16 or over who are or have been intimate partners or family members regardless of gender or sexuality.

This can encompass but is not limited to the following types of abuse:

- psychological
- physical
- sexual
- financial
- emotional

Controlling behaviour is: a range of acts designed to make a person subordinate and/or dependent by isolating them from sources of support, exploiting their resources and capacities for personal gain, depriving them of the means needed for independence, resistance and escape and regulating their everyday behaviour.

Coercive behaviour is: an act or a pattern of acts of assault, threats, humiliation and intimidation or other abuse that is used to harm, punish, or frighten their victim.”

### Purpose

The stated purpose of the task group was to review the current provision for domestic abuse services in Wyre and to make recommendations for improvements that could affect Wyre residents.

### Context

The current contract with Victim Support and the various grant agreements with other service providers for Lancashire Victim Services are scheduled to end on 31 March 2017 with a need for services to be re-commissioned to continue the provision of support for victims of crime.

Lancashire County Council's (LCC) contracts for domestic abuse services provided on behalf the County, District Authorities and the Police and Crime Commissioner for medium and high risk victims are also scheduled to end on 31 March 2017 with a clear need for a continued provision of services for victims.

---

<sup>1</sup> <https://www.gov.uk/guidance/domestic-violence-and-abuse>



The early support service for children and young people who have been victims or witnesses of domestic abuse, commissioned by LCC, is also due to end on 31<sup>st</sup> March 2017.

The Office of the Police and Crime Commissioner has been working with NHS England reviewing the provision of support services for victims of rape and sexual assault. This has included mapping the current provision of Independent Sexual Violence Advisers and reviewing the provision of counselling and therapy services.

The task group was aware from the outset that from 1 April 2015 it became a statutory responsibility for the Police and Crime Commissioner to deliver victim services and that the re-commissioning process would take place during 2016 resulting in a new contract to run a fully integrated victim service from 1 April 2017. The review was carried out against this background.

### The new service

The re-commissioning process has recently been completed at the time of writing (January 2017) and, following an evaluation and interview process, the interview panel recommended to the Police and Crime Commissioner that a bid submitted by Victim Support represented the best value for money.

Whilst it is acknowledged that Victim Support is a national provider of services for victims of crime, including domestic abuse, sexual abuse and hate crime, their submission indicated an intention to work with a number of Lancashire based third sector organisations.

Victim Support have already developed relationships with Disability Equality North West, based in Preston, Renaissance, based in Blackpool, Aawaz Lancashire in Hyndburn and the Lancashire Council of Mosques and are looking to work with a number of third sector youth organisations to deliver NEST Lancashire, the young victims service.

The service will be delivered through four Multi-Crime Teams located across Lancashire to ensure that delivery is embedded in local communities. These Teams will include specialist workers for Domestic Abuse, Sexual Abuse and Hate Crime as well as Independent Victim Advocates who will provide 1-2-1 support for victims. Additional support will be provided for each Team through trained volunteers.

## **Aims of Review**

The aims of the review, as specified in the scoping document (see Appendix A), were as follows:

1. To understand the funding arrangements for domestic abuse in Lancashire and Wyre
2. To understand the use of domestic abuse services in Wyre
3. To identify gaps in services
4. To consider the impact of potential closures of services, including refuges on the residents of Wyre
5. To review the effectiveness of communication between partner agencies and to make recommendations

## **The Review Process**

The review has been wide-ranging. It was primarily carried out by interviewing 'witnesses' at task group meetings, including representatives from a wide range of organisations who, together, have been providing domestic abuse services in Wyre.

A representative from the Office of the Police and Crime Commissioner (OPCC) also attended one meeting and the OPCC's contribution by way of keeping the task group informed throughout the re-commissioning process has been very much appreciated by councillors.

**Summary of evidence provided by the Neighbourhood Services and Community Safety Portfolio Holder, Councillor Roger Berry and Neil Greenwood, Head of Environmental Health and Community Safety**

Councillor Roger Berry and Neil Greenwood provided a wealth of background information in order to detail the context within which the review was to take place.

They informed councillors about the current position regarding the provision of domestic abuse services in Wyre. The main points made by Mr Greenwood were:

- i. The Strategic Assessment for Community Safety was reviewed during 2015 as part of the 3 year cycle.
- ii. One of the key conclusions from that review was that domestic violence is a priority within Wyre.
- iii. Over the last 3 years 10% of all crime in Wyre has been related to domestic abuse, so the problem is significant.
- iv. There has been an increase in the number of Multi Agency Risk Assessment Conferences (MARAC) held in the Wyre area.
- v. Domestic abuse cases are serviced by a number of different agencies.
- vi. The main service to victims of domestic abuse is provided by Independent Domestic Violence Advocates, who work with the victim at crisis point.
- vii. There is a pan-Lancashire commissioned service operating in Wyre. Wyre Council has been paying £10,000 per annum (up to 2015/16) towards this service. No monies were requested for 2016/17 as there was adequate funding available for the service without the agreed annual contributions. Other partners include Lancashire County Council (LCC), other District Councils in Lancashire and the Clinical Commissioning Groups.
- viii. LCC is responsible for the procurement of this service and to that end a Pan-Lancashire Strategic Domestic Abuse Board was re-established in October 2014.
- ix. The current contract ends on 31 March 2017.
- x. The current provider of the pan-Lancashire service in Wyre is a company called LetGo, based in Lancaster. They provide services for high and medium risk victims.
- xi. Wyre also has access to a service provided by Fylde Coast Women's Aid which has operated in the area for a number of years.

- xii. Currently, Fylde Coast Women's Aid does not receive any funding from the pan-Lancashire commissioned service.
- xiii. Fylde Coast Women's Aid also run the Wyre Refuge for victims of domestic violence for which they receive some funding from Supporting People.
- xiv. Supporting People grant funding is facing significant cuts, which places the future of the refuge in some doubt.
- xv. The Fylde & Wyre Health & Wellbeing Partnership joint officers group discussed the likely implications of the potential loss of the Supporting People funding at their meeting on 1<sup>st</sup> July 2016.
- xvi. Key messages: (a) the non-statutory cuts planned by LCC are likely to have a big impact on statutory services; (b) there will be implications for clients, stakeholders and the community if services are lost.
- xvii. Wyre Council's housing advice section has a statutory duty to assist victims of domestic abuse under housing legislation. The Wyre refuge is partly funded by housing benefit. The absence of a refuge would have an impact on this statutory duty.
- xviii. Wyre's housing team also funds the Sanctuary Scheme, which provides advice on safety and installs minor security improvements for the victim.
- xix. The Community Safety Team run public health campaigns to raise awareness of the services available.
- xx. There are Specialist Domestic Violence Courts (SDVCs) whose aim is to increase the effectiveness of the criminal justice system. SDVCs represent a partnership approach to domestic violence by the police, prosecutors, court staff, the probation service and specialist support services for victims. Magistrates sitting in these courts are fully aware of the approach and have received additional training. These court systems provide a specialised way of dealing with domestic violence cases in magistrates' courts. They refer to the approach of a whole system, rather than simply a court building or jurisdiction. Agencies work together to identify, track and risk assess domestic violence cases, support victims of domestic violence and share information better so that more offenders are brought to justice.

## **Summary of Evidence provided by T/Detective Sergeant Ellie Gomerson and Peter Yates (Domestic Abuse Lead), Lancashire Constabulary**

T/Detective Sergeant Ellie Gomerson and Peter Yates made a powerpoint presentation to councillors. The presentation focused on the questions that had been raised in advance by members of the task group, but was supplemented by a more general discussion about the role that the Lancashire Constabulary plays in dealing with incidents of domestic abuse.

After a complaint has been made an officer makes an initial assessment of risk. In high risk cases the perpetrator is visited or interviewed the following day. Relevant information about the family and children, for example, is obtained and passed to Children's Services, if appropriate. High risk cases are referred to a Multi-Agency Risk Assessment Conference (MARAC). If a perpetrator makes it difficult to be interviewed (by disappearing, for example) the police have access to alarms and mobile phones which can be provided to the victim or a place in a refuge can be arranged.

Legislation on coercive control was introduced on 29 December 2015, for which officers require further specific training. The police are still learning about gathering evidence in such cases and what the CPS threshold for prosecution is. Coercive control is not usually a stand-alone offence; there is usually other evidence available. In years to come it is anticipated that prosecutions will be made for coercive control alone. The processes for coercive control remain the same as for any other form of domestic abuse.

T/Detective Sergeant Ellie Gomerson and Peter Yates made a number of other points in response to questions from members of the task group:

- There has been something of a plateau in the number of referrals over the past couple of years, but numbers are just beginning to show signs of increase again
- Police cautions are used to divert people from the court process where appropriate, but the more serious cases are prosecuted
- There is typically an under-reporting of abuse of men
- Abuse in care homes usually comes within vulnerable adults' safeguarding procedures
- Requests under Clare's Law are quite common although precise statistics are not yet available
- The police work in partnership with a wide range of other organisations
- The police are always seeking to develop working relationships, with schools and GPs in particular
- The police have their own screening procedures to ensure that everything that goes to MARAC is still high risk. It is understood that other organisations are also in the process of developing their own screening procedures in order to try to help manage the high numbers of cases that are being referred
- A perpetrator programme has been run in Blackpool, mainly for medium risk cases, the project having originally been run in prisons only. The bulk of referrals are made by Children's Social Care.

It was suggested that Wyre Council might get more involved with the White Ribbon

Campaign, an annual event which took place for sixteen days from 25 November 2016, in which men sought to end violence against women.

It was further suggested that it would be beneficial for the council to consider appointing Domestic Abuse Champions, whose responsibility would be to raise awareness in the workplace and to provide someone neutral to speak to.

## Summary of Evidence from Glenda Smith, Assistant Service Manager, Fylde Coast Women's Aid (FCWA)

Glenda Smith, Assistant Service Manager, Fylde Coast Women's Aid (FCWA) made a powerpoint presentation to councillors. The presentation focused on the questions that had been raised in advance by members of the task group, but was supplemented by a more general discussion about the role that the FCWA plays in providing a domestic abuse service across the Fylde Coast.

Funding is a major issue, all the Independent Domestic Abuse Advisor (IDVA) posts relying on external funding. Sources of funding include the Big Lottery, Children in Need, Comic Relief and Lloyds TSB. A second outreach worker is funded from reserves. FCWA also employs a part-time funding officer.

Councillors asked a number of additional questions, in response to which Ms Smith made the following points:

- FCWA works particularly closely with the police, social services and health services
- FCWA liaises with the Clinical Commissioning Groups where appropriate but has identified working closely with GP surgeries as a particular area that could be improved
- Working with Weeton Barracks is especially problematic as it is a closed military installation
- Having an Independent Domestic Abuse Advisor (IDVA) working at Blackpool Victoria Hospital has proved to be a "big success"
- FCWA is often asked to deal with disclosures under Clare's Law, even though it should be the responsibility of the commissioned service
- The breakdown of referrals by gender in Wyre shows that 21% are male, an unusually high figure that probably reflects the fact that an IDVA for men is in place
- Women stay at the refuge for anything from a few hours to a number of months
- The Wyre refuge has a 90% occupancy rate
- There are criteria that are applied to the refuge which could exclude some women. For example it would not be possible for a Schedule 1 offender to be accommodated, nor someone on drugs nor with certain mental health conditions (e.g schizophrenia)
- No male children over the age of sixteen are accepted at the refuge. For some refuges in other areas the upper age limit is as low as 12.
- If there are reasons why someone could not be accepted at a refuge other options are explored through [ukrefugesonline.org](http://ukrefugesonline.org). Other hostels or bed and breakfast accommodation are alternative options which are considered through the local housing department
- There appear to be some difficulties regarding the services provided by the commissioned service, gaps that FCWA are happy to fill, subject to their own resource capacity

FCWA enjoys a positive relationship with Wyre Council, with no geographical areas of the borough being particularly problematic.

It was suggested that Wyre Council might consider

- (i) Promoting International Women's Day (March 8), and
- (ii) Continuing to support the White Ribbon Campaign (25 November 2016)



## **Summary of Evidence from**

**(i) Emma Sylvester, Wyre Specialist Debt Caseworker, and**

**(ii) Bridget Cheyne, Independent Domestic Violence Adviser/Service Manager (Chorley/South Ribble), Citizens Advice Lancashire West**

Emma Sylvester, Wyre Specialist Debt Caseworker, and Bridget Cheyne, Independent Domestic Violence Adviser and Service Manager (Chorley/ South Ribble), both of whom worked for Citizens Advice Lancashire West (CALW), made a presentation about their respective roles and, in particular, their involvement in providing support for victims of domestic abuse.

### Emma Sylvester, Wyre Specialist Debt Caseworker

Ms Sylvester is a specialist money and debt adviser based at the CALW office in Fleetwood. Victims of domestic abuse are frequently faced with multiple problems, and sometimes initially seek help from CALW on financial issues. Ms Sylvester comes into contact with clients who have been subjected to some form of domestic abuse approximately 2-4 times a week.

She described two recent case studies which highlighted typical issues.

In the first case, the victim had been forced by her abusive husband to obtain various loans. He had then spent the money before leaving her with extensive debts. CALW eventually managed to persuade the lenders to write-off the debts.

In the second case, involving more direct and severe physical abuse, as well as financial coercion, a major bank and a well-known pay-day loan provider had both been persuaded to write off substantial debts when the circumstances of the victim had been presented to them. In that case the victim had also been provided with refuge by Fylde Women's Aid.

### Bridget Cheyne Independent Domestic Violence Adviser and Service Manager (Chorley/ South Ribble)

Citizens Advice Lancashire West is currently commissioned by Lancashire Council to provide medium and high risk domestic abuse support services in the Chorley and South Ribble area. Feedback from both clients and partner agencies indicates that the wide range of services provided by CALW and the ability for victims to simply walk in safely without drawing attention to themselves is a unique and very positive feature of the service they provide. Although most of their domestic abuse referrals (approximately 90%) are from the police, self-referrals are increasing, as are the total number of cases being dealt with. Ms Cheyne stressed that they work very closely with a range of other agencies, particularly housing associations, the probation service and the police.

Ms Cheyne provided details of two further harrowing cases to illustrate how CALW's services are operated and how they collaborate closely with other agencies. One involved severe physical abuse from a violent partner and the other the abuse of a terminally ill woman in her 40's by her alcohol-dependent son. In the first case the

perpetrator had been convicted and given a long prison sentence and in the second case the victim had been kept safe and free from abuse in the last months of her life.

Councillors asked a number of questions, in response to which the following additional evidence was provided:

- Extending the comprehensive, “wrap around” service currently available in Chorley and South Ribble to Wyre (and other parts of Lancashire) would help to fill some of the gaps in current provision.
- CALW work with Let Go and Fylde Women’s Aid, although the Fleetwood office currently has more regular dealings with Fylde Coast Women’s Aid.
- CALW are part of a collaborative tender for domestic abuse services in Lancashire, which would include provision for a specialist domestic abuse adviser in each of the 14 districts in Lancashire.
- A very close working relationship which had been developed with the police in Chorley and South Ribble was one of the main reasons why the service was more effective than in other areas, in Ms Cheyne’s opinion.
- Proactive coordination with the police enabled the Multi Agency Risk Assessment Committee (MARAC) for Chorley and South Ribble to take action more quickly and more effectively than in some areas.

## Summary of Evidence from Liz Canavan, Victims and Partnerships Officer, Office of the Police and Crime Commissioner (OPCC)

Liz Canavan, gave an overview of the work of the OPCC and the Office's role in the commissioning of domestic abuse services. Ms Canavan's presentation comprised four sections:

### 1 Lancashire Victim Services

- Statutory responsibility of the Police and Crime Commissioner to deliver victim services since April 1, 2015
- Lancashire Victim Services and Nest Lancashire are the over-arching names for the services commissioned by the OPCC
- Services are currently provided by:
  - Victim Support
  - Victim's Voice
  - Families, Health and Wellbeing Consortium
  - Trust House
  - The Birchall Trust

Lancashire Victim Services is the adult service, including specialist commissions. Nest Lancashire provides a bespoke service for young people

### 2 The Service deals with . . . . .

- Approximately 40,000 referrals a year into Victim Support – supporting all victims of crime
- Hate crime victims
- Child victims of sexual assault through counselling and play therapy
- Young victims (10-18) through the Nest Lancashire young person's service
- Restorative Justice referrals
- Standard-risk domestic abuse cases picked up through a Lancashire MASH pilot

A pilot project of the MASH involves a Victim Support worker sitting in the Lancashire MASH, picking up "standard risk" referrals for which there is no commission within Lancashire.

There is often a lengthy delay in these referrals being contacted, which results in many victims declining the support offered.

### 3 The future

- New contract will take effect from April 1, 2017
- Integrated service
- Now includes domestic abuse services for Lancashire-12 area, commissioned on behalf of LCC and district councils
- Also includes provision for adult victims of sexual abuse, through ISVA support, counselling and pre-trial therapy

The new integrated service would be either a lead provider or consortium model. Currently, quarterly performance reviews are held with all the different commissioned services. Under the new commission, the OPCC would deal with the lead provider. All services would either be provided by the lead, or they will commission other organisations to deliver elements of the specification on their behalf.

#### 4 Domestic abuse specification

- Integrated service
- Dedicated domestic abuse helpline
- Immediate risk management & safety plan within 48 hours
- Must provide service for medium and high risk victims – standard risk optional
- Requirement to work with all victims who come through MASH
- Support to be provided to both victim and family
- Referrals to be accepted for children and young people affected by DA
- Support for victims and former partners of perpetrators on LCC programme

The newly commissioned service would be streamlined with duplication avoided. The medium and high risk service and the early support service would be incorporated, having previously been run as separate contracts within the county council. The new arrangement would reduce duplication.

Support would be provided by an Independent Domestic Violence Adviser or Domestic Abuse worker, dependent on level of need, who would remain the point of contact throughout a client's journey through the service.

Ms Canavan made the following comments in response to questions from councillors:

- Hate crimes are dealt with by Victim's Voice.
- Restorative Justice is administered by Lancashire Constabulary.
- A Victim Support worker for standard referrals has been based in the Multi-Agency Safeguarding Hub (MASH) since May 2016. The original intention was to provide the service for the whole of Lancashire, but with numbers so high it was decided to limit the service to those four areas that did not have any other provision for standard referrals, namely Chorley, South Ribble, Lancaster and Morecambe. There is scope for this pilot to be extended through the new commission if it proves effective.
- An integrated service would help overcome some of the data-sharing difficulties that currently exist.
- An holistic service would be provided, which would reduce the feeling of competition between providers, facilitate information-sharing and protect the refuges.
- There had yet to be a domestic homicide review for a 'high risk' case, emphasizing the importance of allocating appropriate resources to 'standard risk' cases.
- All bidders had been asked to cost a standard risk package so that could be included in the new commissioned service.
- Bids would be evaluated during week commencing 7 November 2016, with interviews the following week. It was likely that the outcome would be made

- public before Christmas.
- The contract would be for three years initially, with an option for a further two years. A five-year term would provide greater consistency and security for the provider(s).
  - The police currently assess risk on the basis of the incident, not the victim. Negotiations with the police are on-going to see if the risk assessment could be changed to focus on the victim/couple instead.
  - A perpetrators' programme will continue to be managed by LCC (delivered by Relate) until the current contract expires. The arrangement by which the programme will be continued will be reviewed at that point, one option being to bring the programme within the whole specification.
  - The provision of a dedicated 24-hour domestic abuse help-line was part of the specification.
  - All districts have been asked to contribute the same money in 2017-18 as they contributed in 2015-16; no contributions had been necessary for 2016-17 because of a previous under-spend.

The task group expressed concern about the prospect of an outside agency providing the service unless they have sufficient bases in Lancashire to ensure face-to-face contact and support. The task group took the view that to use the phone as a primary means of contact with victims totally unacceptable. Ms Canavan confirmed that if an outside body won the contract one of the prerequisites would be that they had sufficient local bases.

Key Performance Indicators will be monitored quarterly by the Office of the Police and Crime Commissioner to ensure quality of service provision. It is also likely that a new approach will be taken to ensure that district councils are represented effectively rather than continuing with the present arrangement whereby a number of district councils are represented by one person.

## Summary of Evidence from Anne Rogers, Nicola Byrne and Jo Wade, Letgo North Lancashire

The following three representatives of Letgo North Lancashire provided the task group with an overview of their work and respective roles before entering into a discussion with councillors and responding to questions:

Anne Rogers, Positive Impact Manager  
Nicola Byrne, Service Manager  
Jo Wade, Team Leader

Impact Housing Association started as a co-operative in 1975. Although it had grown significantly since then it still focused on vulnerable people. Since being awarded the contract for the delivery of domestic abuse services in North Lancashire, approximately 50% of referrals have come from Lancaster, 30% from Wyre and 20% from Fylde.

Referrals in Wyre over the past twelve months have included 515 in the medium risk and 138 in the high risk categories (total 653). 79% of referrals in 2015 came from the police and 67% so far in 2016 (information accurate on 3 November 2016).

In response to questions the following evidence was also given:

- Letgo deal with some standard risk cases despite only being contracted for medium and high risk. Standard risk cases are usually referred to Fylde Coast Women's Aid. Victim Support deal with standard risk referrals in Lancaster, Chorley and South Ribble.
- There is no formal route for standard risk cases; service provision would be improved if there was.
- The new commissioning approach will ensure that the service is comprehensive, holistic and integrated. It will also simplify and streamline processes which the Multi-Agency Safeguarding Hub (MASH) has sometimes struggled to deal with effectively.
- Letgo support victims through any criminal processes which involve the perpetrator.
- Letgo have run two Freedom Programmes in the past twelve months, with 24 women completing the course, and they are currently (November 2016) running the follow-on course, Recovery Toolkit, which is specific to Wyre.
- Letgo works with GPs and the Royal Lancaster Infirmary increasingly successfully.
- A Peer Mentoring Programme has been run for eight women.
- Letgo deal with all male victim referrals, although the numbers are small in comparison to females
- Letgo make contact with high risk referrals within 48 hours, according to the guidelines. Most of those contacts are by phone. There are many benefits of telephone rather than face-to-face contact including geography, safety, anonymity, it is less threatening and contacts can be made more frequently. Face-to-face meetings take place if necessary.
- For high risk cases the same worker remains involved in order to provide consistency, until such time as outreach or groupwork become more appropriate methods.
- Letgo do not receive many requests for a place in a refuge; most people who Letgo deal with want to move permanently if they move at all.

- Housing availability depends very much on the local allocation policy, which varies from authority to authority.

Regarding preventative initiatives it was agreed that greater focus on schools would be desirable. More preventative work has been undertaken in Cumbria than in Lancashire because it had been commissioned.

Developing awareness and skills in local communities is essential and key local figures are instrumental in successful prevention. Elected members could play a much more significant role; task group members highlighted the need for training to be offered to councillors.

## Summary of Evidence from Mark Broadhurst (Service Director Health and Wellbeing) and Pamela Holroyd (Housing Options Team Leader)

Mark Broadhurst (Service Director Health and Wellbeing) and Pamela Holroyd (Housing Options Team Leader) presented an overview of the council's homeless duty with particular reference to domestic abuse.

Local authorities must consider applicants for housing assistance under the Housing Act 1996. A person could be statutorily homeless if they had accommodation but it was not reasonable for them to continue to occupy the accommodation, even in the short-term, because of the probability of threats of domestic or other violence, including threatening behaviour or abuse, be it psychological, physical, sexual, financial or emotional.

Under the Homelessness Act 2002 a housing authority takes into account the following factors:

- The nature of the violence or threats of violence, and
- The impact and likely effects of the violence on the applicant's current and future wellbeing

In 2015-16 thirty-two households who were deemed to be homeless as a result of domestic abuse, approached the council. Of the thirty-two:

- 12 were single females; 1 was a single male
- 7 were provided with emergency accommodation by the council
- 4 of those accommodated utilised specialist domestic abuse accommodation
- 7 returned home or remained where they were or failed to engage
- 18 remained with family and friends until alternative accommodation was obtained within social or private sector housing, with the support or financial assistance of the Housing Options Team

The council refers households to other agencies in a number of different circumstances and can assist directly in certain cases:

- High risk cases are referred to the Multi-Agency Risk Assessment Conference (MARAC)
- Those in need of emotional or financial support are referred to other appropriate services
- Some people are referred to the Sanctuary Scheme for works to be conducted within their own home (locks, mobile phones, security, etc.)
- It is possible for the council to assist financially and with the removal and storage of furnishings in appropriate cases.
- Travel warrants can be provided to facilitate households moving to secure, safe accommodation within a refuge or with family.
- The council can provide and financially support placements in emergency accommodation and refer households to supported, private sector and social housing accommodation, with funding.
- Households can be allocated to Band A on the housing waiting list in order that they are rehoused as a priority.



The Housing Options Team ensure that a full wrap-around service is delivered.

In response to questions from councillors the following additional points were made:

- There is a budget for preventative work for people with a variety of needs, domestic abuse also coming under that heading
- Faith groups and third sector organisations often assist with the provision of furniture, fridges, etc.
- Integrated Care Co-ordinators promote links between different organisations; Wyre views them as a gateway to services
- A Fylde-wide bid is being made to the DCLG for provision for people with complex needs, the bid to be submitted by 16 December 2016

The task group concluded that the Housing Options Team provides an excellent service to customers.

## Summary of Evidence from Fylde and Wyre Clinical Commissioning Group

Councillor Wilson, on behalf of the task group, met with three members of the Fylde and Wyre Clinical Commissioning Group: Dr Kath Greenwood, Domestic Abuse Lead, Alison Taylor, Named Professional Safeguarding Children & Primary Care and Amanda Bate, Community Engagement Manager.

GPs do identify some domestic abuse cases and refer them on appropriately, although they probably do not identify as many as they would like. There are several reasons for this; appointments are short and generally relatively infrequent, so trust is difficult to build up on that basis. It is also often difficult to make a 'safe enquiry' as patients do not always attend appointments on their own.

Dr Greenwood referred to the Identification and Referral to Improve Safety (IRIS) initiative, a training project in which IDVAs work closely with GPs. Within the programme, which was implemented in Bristol and Hackney, appointments were offered to women who disclosed domestic abuse at GP practices. The women were encouraged to attend further appointments at the practice, rather than being referred to another organisation, as they felt safe returning to somewhere that they already knew rather than having to attend at a different office. There was evidence that in areas where IRIS was working the number of referrals had increased greatly.

Although an interesting initiative, IRIS is not currently commissioned in Fylde and Wyre. IRIS has not been fully costed to date, although it was likely that it would provide excellent value for money through savings in mental health, accident and emergency and other health services.

The following additional points were made by the CCG representatives:

- GPs often sign-post people to Fylde Coast Women's Aid
- The CCG ensures that any change to service provider is communicated to GPs (as will be the case with the newly commissioned service from 1 April 2017)
- The Safeguarding Leads Forum includes representatives from every GP practice and has discussed domestic abuse at one of its bi-monthly meetings
- Fylde & Wyre CCG is a very active member of the MARAC
- The CCG is developing a domestic abuse policy for all its GP practices
- The CCG's newsletters have included information on domestic abuse; they can be viewed on the CCG's website
- The CCG is undertaking a review of Child and Adolescent Mental Health Services (CAMHS) which includes input from schools; the Communications Team works increasingly with children and young people
- The CCG has been very active in care homes, through their adult safeguarding officer
- Champions from care homes meet regularly to share information and best practice

The task group invited all four of the Clinical Commissioning Groups that cover parts of the borough to contribute to the review.

Councillors appreciate the time given to the review by the Fylde and Wyre CCG, which covers the largest part of the borough.

Of the others, Blackpool CCG and Greater Preston CCG both responded to the invitation, but made the comment that, in their opinion, their views could very effectively be put forward by representatives from the Fylde and Wyre CCG as the issues were likely to be very similar. No response was received from the Lancashire North CCG.

## Conclusions and recommendations

1. The current provision of domestic abuse services in Wyre, and indeed across the whole of Lancashire, is complex with a large number of organisations involved, some commissioned by Lancashire County Council and some not.
2. The newly commissioned domestic abuse service, which will be part of the Office of the Police and Crime Commissioner's statutory responsibility to deliver victim services with effect from 1 April 2015, will provide a fully integrated service that is streamlined and without duplication, which the task group welcomes.
3. Although there are obvious limitations to the influence that any one district council can have, the task group is clear that the newly commissioned service provider must be accountable to all parties who contribute funding and there is an expectation that representation will be more effective than it has been hitherto.

### RECOMMENDATION ONE

**That steps be taken by the council's representative on the Police and Crime Panel and/or the Portfolio Holder and officers of the council to make representations to the Office of the Police and Crime Commissioner to ensure that the views of Wyre Council, as a recognised stakeholder, are taken into account throughout the process of performance monitoring of the newly commissioned service.**

4. Increasing public awareness about domestic abuse remains the joint responsibility of all organisations involved in delivering services, including Wyre Council.

The task group was surprised and disappointed that only one male councillor took part in this review, particularly as 54% of Wyre's councillors are men.

The role of councillors is especially relevant in the light of the part they will play in the new 'Together We Make a Difference' initiative, with the vision "*to be a Collaborative Council that works together with local communities and partners to make a difference and improve the lives of those who live in, work in or visit the Borough.*"

The White Ribbon Campaign has been promoted with some effect, but there is more that Wyre can do, without cost, to increase awareness about domestic abuse issues both within the council and across the borough.

## **RECOMMENDATION TWO**

**That all councillors be offered and encouraged to take part in domestic abuse training, to be delivered by the end of March 2018.**

## **RECOMMENDATION THREE**

**That the Council continues to support and promote the annual White Ribbon Campaign.**

## **RECOMMENDATION FOUR**

**That the Council appoints two councillors and two officers as Domestic Abuse Champions.**

5. The newly commissioned service will commence on 1 April 2017. The task group takes the view that the council should actively monitor the effectiveness of the new arrangements over the first year in particular, making sure that the best interests of Wyre residents are achieved.

## **RECOMMENDATION FIVE**

**That the Overview and Scrutiny Committee receives a briefing report, preferably specific to the Wyre Council area, from the council's representative on the Police and Crime Panel or the Portfolio Holder about the newly commissioned service at the beginning of the 2018/19 Municipal Year.**

## **RECOMMENDATION SIX**

**That the report from the council's representative on the Police and Crime Panel or the Portfolio Holder's to the Overview and Scrutiny Committee at the beginning of the 2018/19 Municipal Year includes comments about the implementation of each of the task group's recommendations that has been supported by the Cabinet.**

## Councillors' Attendances

There were nine full meetings of the task group.

Name	Meetings attended (maximum 9)
Councillor M Anderton	8
Councillor Lady Atkins	6
Councillor B Birch	7
Councillor Reeves	7
Councillor Robinson	6
Councillor Smith	7
Councillor Wilson	9

In addition to the above, Councillor Wilson represented the task group at a meeting with the Fylde and Wyre Clinical Commissioning Group on Tuesday 13 December 2016.

## List of Appendices

Appendix 1          Domestic Abuse Task Group – Scoping Document - FINAL

22 February 2017

## Domestic Abuse Task Group - Scoping Document - FINAL

<b>Review Topic</b>	Domestic abuse	
<b>Chairman</b>	Councillor Natalie Reeves	
<b>Group Membership</b>	Councillors Marge Anderton, Lady Dulcie Atkins, Howard Ballard, Barry Birch, Julie Robinson, Christine Smith and Val Wilson	
<b>Officer Support</b>	Peter Foulsham, Scrutiny Officer	
<b>Purpose of the Review</b>	To review the current provision for domestic abuse services in Wyre and to make recommendations for improvements that could affect Wyre residents.	
<b>Role of Overview and Scrutiny in this Review (mark all that apply)</b>	Holding Executive to account – decisions	<input type="checkbox"/>
	Existing budget and policy framework	<input type="checkbox"/>
	Contribution to policy development (See 'Scope of Review', below)	<input checked="" type="checkbox"/>
	Holding Executive to account – performance	<input type="checkbox"/>
	Community champion	<input type="checkbox"/>
	Statutory duties / compliance with codes of practice	<input type="checkbox"/>
<b>Aims of Review</b>	<ul style="list-style-type: none"> <li>○ To understand the funding arrangements for domestic abuse in Lancashire and Wyre</li> <li>○ To understand the use of domestic abuse services in Wyre</li> <li>○ To identify gaps in services</li> <li>○ To consider the impact of potential closures of services, including refuges on the residents of Wyre</li> <li>○ To review the effectiveness of communication between partner agencies and to make recommendations</li> </ul>	
<b>Methodology</b>	<ul style="list-style-type: none"> <li>○ Consideration of documents, reports and performance statistics</li> <li>○ Interviewing witnesses at meetings</li> <li>○ Considering anonymised case examples</li> </ul>	
<b>Scope of Review</b>	<p>Noting that services for domestic abuse are primarily the responsibility of Lancashire County Council and not Wyre Council, the review will not focus on other closely related services, including mental health, children's services or education, for example.</p> <p>The focus will be solely on the delivery of the primary domestic abuse service in Lancashire.</p>	



<b>Potential Witnesses</b>	<p>Wyre Council officers  Resources Portfolio Holder  Lancashire County Council officers  Fylde Women's Aid  Letgo  Lancashire Constabulary  Regenda  Citizens Advice Bureau</p> <p>The task group also needs to cover the following:</p> <ul style="list-style-type: none"> <li>(i) Wyre's housing responsibilities, and</li> <li>(ii) CCG's view</li> </ul>
<b>Documents to be considered</b>	<ul style="list-style-type: none"> <li>• Draft Pan-Lancashire Domestic Abuse Strategy</li> <li>• Domestic Abuse Strategy and Pan-Lancashire Strategic Domestic Abuse Board – report to Lancashire Chief Executives meeting, 20 May 2016</li> <li>• Overview of domestic abuse/violence services within Wyre District – 2 February 2016 – Jane Murray (Community Safety Officer)</li> </ul>
<b>Risks</b>	
<b>Level of Publicity</b>	Low
<b>Indicators of a Successful Review</b>	
<b>Intended Outcomes</b>	<ul style="list-style-type: none"> <li>• Improvement to services</li> <li>• More efficient use of domestic abuse funding</li> <li>• Wyre councillors having better understanding of domestic abuse arrangements in Lancashire</li> <li>• Improved communication between partners</li> <li>• Identification of alternative solutions within the context of the current funding cuts</li> </ul>
<b>Approximate Timeframe</b>	Aim to complete by end of October 2016.
<b>Projected Start Date</b>	July 2016

This page is intentionally left blank



Report of:	Meeting	Date	Item no.
Cllr Alan Vincent, Resources Portfolio Holder, and Marianne Hesketh, Service Director Performance and Innovation	Cabinet	22 March 2017	7

<b>Marine Hall Dome Restoration – Capital Overspend</b>
---------------------------------------------------------

**1. Purpose of report**

1.1 To report on the capital overspend in relation to restoration of the dome at the Marine Hall, Fleetwood.

**2. Outcomes**

2.1 Compliance with the Council’s Financial Regulations and Financial Procedure Rules in respect of contracts where the final expenditure exceeds the approved budget and/or contract sum by either 10% or £20,000 whichever is the lesser.

**3. Recommendation/s**

3.1 That the explanation of the variations to the budget is noted.

3.2 That the most recently reported 2016/17 Capital Budget and its funding be updated to reflect an overspend of £19,389.

**4. Background**

4.1 Budget provision for the dome restoration was included in the 2015/16 Capital Programme as part of the third quarter Capital Review Report and reported to the Cabinet on 20 January 2016.

4.2 The original budget of £72,000 was made from £50,000 granted from the Coastal Revival Fund and £22,000 from the Coastal Community Fund.

4.3 The proposal included the following allocations:

- £18,000 – for the stripping off paint to dome and replacing damaged glass;

- £19,000 – for installing new lighting;
- £25,000 – for new blackout blinds;
- £10,000 – for carrying out the art deco plasterwork redecorations including £3,600 for scaffolding.

## 5. Key issues and proposals

- 5.1** Owing to difficulty accessing the dome, the decision was made to erect specialist scaffolding within and above the dome that could be used by all tradespeople. The overall cost including the design came to £15,530.
- 5.2** The stripping of the paint internally and externally to the higher dome amounted to a cost of £10,420. Consideration was given to total glass replacement but the cost could not be contained within the existing budget.
- 5.3** On inspection it became apparent that 16 pieces of glass needed to be replaced to the higher dome instead of the 11 that were quoted for. Also the original quote did not include any repairs to the coloured glass in the lower dome which totalled £1,130. The overall cost of glass replacement and repairs was £23,675.
- 5.4** The installation of colour changing interactive LED lighting cost £23,043. The work included essential electrical repairs that were not allowed for in the original quote.
- 5.5** The cost of the blackout blinds came to £18,721 showing a saving on the quote.
- 5.6** As it became apparent that the original budget was going to be overspent, a decision was made not to proceed with the redecoration of the art deco plasterwork. Any future redecoration and the removal of the nicotine stains from the coloured dome will be met from the Building Maintenance revenue budget.

<b>Financial and legal implications</b>	
Finance	The total cost of the restoration of the dome is £91,389. This is £19,389 more than the original approved 2015/16 budget. The overspend will be funded from the Capital Investment Reserve resulting in a reduced amount available to spend on the estimated £3.3m backlog of repairs and maintenance.
Legal	Compliance with the Council's Financial Regulations and Financial Procedure Rules

### **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.

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

<b>risks/implications</b>	<b>✓ / x</b>
asset management	<b>✓</b>
climate change	<b>x</b>
data protection	<b>x</b>

<b>report author</b>	<b>telephone no.</b>	<b>email</b>	<b>date</b>
Maria Blundy	01253 887246	Maria.blundy@wyre.gov.uk	13.01.2017

<b>List of background papers:</b>		
<b>name of document</b>	<b>date</b>	<b>where available for inspection</b>

### **List of appendices**

arm/ex/cab/cr/17/2203mb1

This page is intentionally left blank



Report of:	Meeting	Date	Item no.
Cllr Alan Vincent, Resources Portfolio Holder and Clare James, Head of Finance	Cabinet	22 March 2017	8

<b>Treasury Management Policy Statement and Practices and Treasury Management and Annual Investment Strategy and Minimum Revenue Provision Policy Statement 2017/18</b>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

## 1. Purpose of report

- 1.1 To set out the policies and objectives of the Council in respect of Treasury Management activities, to explain how the Council seeks to achieve the objectives and manage and control the activities, and to agree a strategy for 2017/18.

## 2. Outcomes

- 2.1 A Policy Statement, Statement of Treasury Management Practices, Treasury Management and Annual Investment Strategy and a Minimum Revenue Provision (MRP) Policy Statement.

## 3. Recommendation/s

- 3.1 To approve the Treasury Management Policy Statement 2017/18 and formally adopt clauses 4 to 7.
- 3.2 To approve the revised Treasury Management Practices 2017/18.
- 3.3 To agree the Treasury Management and Annual Investment Strategy 2017/18.
- 3.4 To approve the MRP Policy Statement 2017/18.

## 4. Background

- 4.1 The report has been prepared in accordance with the Revised CIPFA Code of Practice for Treasury Management 2011 with the 2009 version previously adopted by the Council on 22 April 2010.

**5. Key issues and proposals**

- 5.1 The Local Government Act 2003 requires the Council to have regard to the Prudential Code and to set Prudential Indicators for the next three years. The 2017/18 Prudential Indicators were considered by Cabinet at their meeting on 15 February 2017, and approved at the Council meeting on 2 March 2017.
- 5.2 The key objective of the Prudential Code is to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. In exceptional cases, its purpose may be to demonstrate that there is a danger of not ensuring this, so that the authority concerned can take remedial action.
- 5.3 In order to demonstrate compliance with the CIPFA Code of Practice for Treasury Management, the Council must approve a Policy Statement, Treasury Management Practices, a Treasury Management and Investment Strategy and a MRP Policy Statement setting out how the Council will seek to achieve its Treasury Management policies, together with details of how these activities are managed and controlled.
- 5.4 It is also a requirement of the Code of Practice that the full Council agrees the Treasury Management and Annual Investment Strategy and the MRP Policy Statement for the forthcoming financial year. The 2017/18 Strategy and MRP Policy Statement are attached at Appendix 3 and 4 respectively.

<b>Financial and legal implications</b>	
Finance	There are no direct financial implications arising from the adoption of the Treasury Management Policy Statement and Treasury Management Practices. The Prudential Code allows capital investment to proceed within prudent limits where the Council can fund it from its own resources and external revenue streams.
Legal	Compliance with the Codes of Practice and Local Government Act 2003.

**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
data protection	x

report author	telephone no.	email	date
Julie Woods	01253 887601	Julie.woods@wyre.gov.uk	21/02/17

List of background papers:		
name of document	date	where available for inspection

### **List of appendices**

Appendix 1 - Treasury Management Policy Statement 2017/18

Appendix 2 - Treasury Management Practices 2017/18

Appendix 3 - Treasury Management and Annual Investment Strategy 2017/18

Appendix 4 – Minimum Revenue Provision Policy Statement 2017/18

arm/ex/cab/cr/17/2203jw

## **TREASURY MANAGEMENT POLICY STATEMENT 2017/18**

Wyre Council defines its treasury management activities as follows: -

1. The management of the authority's 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
  - 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 Head of Finance, 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.

arm/ex/cab/cr/17/2203jw

**TREASURY MANAGEMENT  
PRACTICES**

***2017/18***

## TREASURY MANAGEMENT PRACTICES

This section contains the schedules, which set out the details of how the Treasury Management Practices (TMPs) are put into effect by this organisation.

	<b>Paragraph</b>
<b>TMP 1 Treasury risk management</b>	<b>1.1 - 1.8</b>
<b>TMP 2 Performance measurement</b>	<b>2.1 - 2.3</b>
<b>TMP 3 Decision-making and analysis</b>	<b>3.1</b>
<b>TMP 4 Approved instruments, methods and techniques</b>	<b>4.1 - 4.6</b>
<b>TMP 5 Organisation, clarity and segregation of responsibilities, and dealing arrangements</b>	<b>5.1 - 5.13</b>
<b>TMP 6 Reporting requirements and management information arrangements</b>	<b>6.1 - 6.9</b>
<b>TMP 7 Budgeting, accounting and audit arrangements</b>	<b>7.1 - 7.4</b>
<b>TMP 8 Cash and cash flow management</b>	<b>8.1 - 8.6</b>
<b>TMP 9 Money laundering</b>	<b>9.1 - 9.6</b>
<b>TMP 10 Training and qualifications</b>	<b>10.1 - 10.7</b>
<b>TMP 11 Use of external service providers</b>	<b>11.1 - 11.2</b>
<b>TMP 12 Corporate governance</b>	<b>12.1</b>

## **TMP1 TREASURY RISK MANAGEMENT**

The responsible officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting Requirements and Management Information Arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out below.

### **1.1 Credit and Counterparty Risk Management**

Credit and counterparty risk is the risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.

This organisation regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments Methods And Techniques. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

#### **1.1.1 Policy on the use of credit risk analysis techniques**

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

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS) spreads to 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, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product 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 5years for Enhanced Cash Funds with a credit score of 1.25

- Light Pink 5 years for Enhanced Cash Funds with a credit score of 1.5
  - Purple 2 years
  - Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
  - Orange 1 year
  - Red 6 months
  - Green 100 days
  - No colour Not to be used
1. A weekly colour coded Credit Listing is provided by email from our Treasury Management Consultants and this is supplemented with emails regarding all changes in credit ratings as and when they occur. These documents are saved within the Cashflow folder.
  2. These documents will be reviewed by treasury management staff in line with the policy on criteria for selection of counterparties for use by the responsible officer making investments on a daily basis.
  3. Ratings will not be the sole determinant of the quality of an institution. In addition to the credit ratings the assessment will also take account of information that reflects the opinion of the markets. Other information sources will include: -
    - The financial press
    - Share price
    - Information pertaining to the banking sector
    - Sole reliance will not be placed on the use of this external source. The Council will also use market data and market information, information on sovereign support for banks and the credit ratings of that supporting government.
  4. Diversification: this organisation will avoid concentrations of lending and borrowing by adopting a policy of diversification. It will therefore use the following: -
    - Maximum amount to be placed with any one institution - £6m
    - Group limits where a number of institutions are under one ownership – maximum of £6m
    - Country limits – excluding UK institutions, a minimum sovereign rating of AA- from Fitch (or equivalent) is required.
  5. Investments will not be made with counterparties that do not have a credit rating in their own right, except for Local Authorities. As part of our Treasury Management Consultants credit methodology UK Local Authorities are assigned a colour band 'yellow' (5 years).
  6. Maximum maturity periods and amounts to be placed in different types of institutions are in Schedule 1 as follows:-

## TMP 1 SCHEDULE 1 – SPECIFIED AND NON SPECIFIED INVESTMENTS

The Guidance and CIPFA TM Code distinguishes between specified and non-specified investments, as follows:-

- **Specified Investments:** All such investments will be sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' quality criteria (organisations included with the following colour codings on Capita's weekly Credit List) where applicable.
- **Non-Specified Investments:** These are investments which do not meet the Specified Investment criteria.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

Organisation	Minimum credit criteria / colour band	Specified or Non-Specified Investment	Max Amount per institution	Max. maturity Period
Term deposits with UK Clearing Banks and UK Building Societies	Purple Blue Orange Red Green	Non-Spec Specified Specified Specified Specified	£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
CD's with UK Clearing Banks and UK Building Societies	Purple Blue Orange Red Green	Non-Spec Specified Specified Specified Specified	£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	Non-Spec Specified	£6m £6m	Up to 5 years Up to 1 year
Enhanced Cash Funds with credit score of 1.25	Dark pink / AAA	Specified	£6m	liquid
Enhanced Cash Funds with credit score of 1.5	Light pink / AAA	Specified	£6m	liquid
Money Market Funds	AAA	Specified	£6m	liquid



\* Part Nationalised banks (Per 1.1.1)

## **1.2 Liquidity Risk Management**

This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation's business/service objectives will therefore be compromised.

The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives. This organisation will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

### **1.2.1. Amounts of approved minimum cash balances and short-term investments**

The Treasury Management section shall seek to minimise the balance held in the Council's main bank accounts at the close of each working day. Borrowing or lending shall be arranged in order to achieve this aim.

### **1.2.2. Details of:**

#### **a) Standby facilities**

The Council's bank (Natwest) has a facility whereby at the end of each day any surplus funds are transferred to an Investment Account/ call account. This is currently being investigated. Until this is established, a balance of £15,000 remains in the current account after the daily investments have been made.

#### **b) Bank overdraft arrangements**

The Council has reviewed the cost effectiveness of operating an agreed overdraft and has decided not to have such an arrangement in place. If the group bank account does become overdrawn there will be a charge of 4% over base rate.

#### **c) Short-term borrowing facilities**

The Council accesses temporary loans through approved brokers on the London money market. The approved borrowing limit for short term debt is £13.643m.

#### **d) Insurance/guarantee facilities**

There are no specific insurance or guarantee facilities as the above arrangements are regarded as being adequate to cover all unforeseen occurrences.

### **1.3 Interest Rate Risk Management**

There is a risk that fluctuations in the levels of interest rates would create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as in accordance with TMP6 Reporting Requirements and Management Information Arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates.

#### **1.3.1. Details of approved interest rate exposure limits**

The Treasury Indicators for 2017/18 include a figure of £24 million for External Debt – Authorised Limit.

#### **1.3.2 Trigger points and other guidelines for managing changes to interest rate levels**

The Treasury Indicators for 2017/18 include a figure of £13.643 million for External Debt – Operational Boundary.

#### **1.3.3 Upper limit for fixed interest rate exposure**

The Prudential Indicators for 2017/18 include an estimated exposure of 100% of principal sums outstanding in respect of borrowing at fixed interest rates, and 25% in respect of investments that are fixed rate investments.

#### **1.3.4. Upper limit for variable interest rate exposure**

The Prudential Indicators for 2017/18 include an estimated exposure of 25% of principal sums outstanding in respect of borrowing at variable interest rates, and 100% in respect of investments that are variable rate investments.

#### **1.3.5 Policies concerning the use of instruments for interest rate management**

- a) Forward dealing:  
Consideration will be given to dealing from forward periods dependent upon market conditions. Forward dealing requires the approval of the Head of Finance.
- b) Callable deposits:  
The Council will not use callable deposits as part of its Annual Investment Strategy.
- c) LOBO's (borrowing under lender's option/borrowers option):  
Use of LOBO's are not considered as part of the annual borrowing strategy. All borrowing for periods in excess of 364 days requires the approval of the Head of Finance.

## **1.4 Exchange Rate Risk Management**

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

### **1.4.1 Approved criteria for managing changes in exchange rate levels**

- a) As a result of the nature of the Council's business, the Council may have an exposure to exchange rate risk from time to time. This will mainly arise from the receipt of income or the incurring of expenditure in a currency other than sterling. The Council will eliminate all foreign exchange exposures as soon as they are identified.
- b) Where there is a contractual obligation to receive income or make a payment in a currency other than sterling at a date in the future, forward foreign exchange transactions will be considered after taking professional advice. Unexpected receipt of foreign currency income will be converted to sterling at the day's rate on which the currency was received. Where the Council has a contractual obligation to make a payment in the same currency at a date in the future, then the currency may be held on deposit to meet this expenditure commitment.

## **1.5 Refinancing Risk Management**

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for such refinancing, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

### **1.5.1. Debt/Other Capital Financing, Maturity Profiling, Policies and Practices**

The Council will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the

situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

- a) the generation of cash savings at minimum risk;
- b) to reduce the average interest rate;
- c) to amend the maturity profile and /or the balance of volatility of the debt portfolio.

All rescheduling will be reported to Cabinet as soon as possible after the debt rescheduling exercise.

### **1.5.2. Projected Capital Investment Requirements**

The responsible officer will prepare a four year plan for capital expenditure for the Council. The capital plan will be used to prepare a four year revenue budget for all forms of financing charges.

The definition of capital expenditure and long term liabilities used in the Code will follow recommended accounting practice as per the Code of Practice on Local Authority Accounting.

### **1.5.3. Policy Concerning Limits on Affordability and Revenue Consequences of Capital Financing**

In considering the affordability of its capital plans, the Council will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax. It will also take into account affordability in the longer term beyond this four year period. (Paragraph 31 of the Prudential Code gives examples of matters relevant to the consideration of affordability, although this is not an exhaustive list.)

The Council will use the definitions provided in the Prudential Code for borrowing (65), capital expenditure (66), capital financing requirement (67), debt (68), financing costs (69), investments (70), net borrowing (71), net revenue stream (72), other long term liabilities (73).

### **1.5.4 Set Aside Capital Receipts**

As the final mortgage was redeemed during 2013/14, the Council no longer has any requirement to set aside a proportion of its receipts. All of the authority's capital receipts may now be used for either the redemption of debt or financing new capital expenditure as an alternative to new borrowing.

## **1.6 Legal and Regulatory Risk Management**

The risk that the council itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

The council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] Treasury Risk Management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

The council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

### **1.6.1 References to Relevant Statutes and Regulations**

The treasury management activities of the Council shall comply fully with legal statute, guidance, Codes of Practice and the regulations of the Council. These are as follows:

#### ***Statutes***

- Local Government Finance Act 1988 section 114 – duty on the responsible officer to issue a report if the Council is likely to get into a financially unviable position.
- Requirement to set a balanced budget - Local Government Finance Act 1992 section 32 for billing authorities and section 43 for major precepting authorities.
- Local Government Act 2003
- S.I. 2003 No.2938 Local Government Act 2003 (Commencement No.1 and Transitional Provisions and Savings) Order 2003 13.11.03
- S.I. 2003 No.3146 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and associated commentary 10.12.03
- S.I. 2004 No.533 Local Authorities (Capital Finance) (Consequential, Transitional and Savings Provisions) Order 2004 8.3.04
- S.I. 2004 No.534 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 8.3.04
- S.I. 2004 no. 3055 The Local Authorities (Capital Finance and Accounting) (Amendment) (England) (No. 2) Regulations 2004
- S.I. 2006 no. 521 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006
- S.I. 2007 no. 573 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007
- Local Government and Public Involvement in Health Act 2007 s238(2) – power to issue guidance; to be used re: MRP
- S.I. 2008 no. 414 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2008
- S.I. 2009 no. 321 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2009
- S.I. 2009 no. 2272 The Local Authorities (Capital Finance And Accounting) (England) (Amendment) (No.2) Regulations 2009
- S.I. 2009 no. 3093 The Local Government Pension Fund Scheme (Management and Investment of Funds) Regulations 2009

S.I. 2010 no. 454 (Capital Finance and Accounting) (Amendment) (England) Regulations 2010

Localism Act 2011

S.I. 2012 no. 265 Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2012

S.I. 2012 No. 711 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2012

S.I. 2012 No. 1324 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.3) Regulations 2012

S.I. 2012 No. 2269 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 4) Regulations 2012

S.I. 2013 no. 476 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2013

S.I. 2015 no. 234 Accounts and Audit Regulations 2015

### ***Guidance and codes of practice***

CLG Revised Guidance on Investments 1.4.2010

CLG guidance on minimum revenue provision – Feb 2012

CIPFA's Treasury Management Codes of Practice and Guidance Notes 2011,

CIPFA Prudential Code for Capital Finance in Local Authorities revised 2011

CIPFA Prudential Code for Capital Finance in Local Authorities – guidance notes for practitioners 2013

CIPFA Local Authority Capital Accounting - a reference manual for practitioners 2014 Edition

CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities 1996

CIPFA Standard of Professional Practice on Treasury Management 2002

CIPFA Standard of Professional Practice on Continuous professional Development 2005

CIPFA Standard of Professional Practice on Ethics 2006

The Good Governance Standard for Public Services 2004

LAAP Bulletins

IFRS - Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of recommended Practice

PWLB circulars on Lending Policy

The Non Investment Products Code (NIPS) - (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

Financial Conduct Authority's Code of Market Conduct

The Council's Standing Orders relating to Contracts

The Council's Financial Regulations

The Council's Scheme of Delegated Functions

## **1.6.2 Procedures for Evidencing the Council's Powers/Authorities to Counterparties**

The Council's powers to borrow and invest are contained in legislation.

Investing: Local Government Act 2003, section 12

Borrowing: Local Government Act 2003, section 1

In addition, it will make available on request the following: -

- i. the responsibilities and dealing arrangements in relation to treasury management activities which are contained in TMP5
- ii. the document that states which officers are the authorised signatories.

### **Required Information on Counterparties**

Lending shall only be made to counterparties that comply with the Council's Credit Worthiness Policy that is based upon the Capita colour coded creditworthiness list and consideration of other market information including Country Sovereign ratings etc.

### **1.6.3 Statement on the Council's Political Risks and Management of Same**

The Head of Finance shall take appropriate action with the Council, the Chief Executive and the Leader of the Council to respond to and manage political risks such as change of majority group, leadership in the Council, change of Government etc.

### **1.6.4 Monitoring Officer**

The monitoring officer is the Head of Business Support; the duty of this officer is to ensure that the treasury management activities of the Council are lawful.

### **1.6.5. Chief Financial Officer**

The Chief Financial Officer is the Head of Finance; the duty of this officer is to ensure that the financial affairs of the Council are conducted in a prudent manner and to make a report to the Council if they have concerns as to the financial prudence of its actions or its expected financial position.

### **1.7 Fraud, Error and Corruption, and Contingency Management**

There is a risk that an organisation could fail to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fail to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. This is commonly referred to as operational risk.

This organisation will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

The Council will therefore:-

- a) Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- b) Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.

- c) Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- d) Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

### **1.7.1. Details of Systems and Procedures to be followed, including Internet Services**

#### **Authority**

- Loan and Investment procedures are defined in the Council's Financial Regulations and Financial Procedure Rules.
- The Scheme of Delegation to Officers sets out the authority given to the Head of Finance in relation to arranging the borrowing and investments of the authority. All loans and investments are negotiated by the Head of Finance or nominated Officers.

#### **Procedures**

- A password and PIN number is required to access the Bankline system, which is used to make electronic payments.
- A username and password is required to access the SunGard Money Market Portal.
- Payments can only be authorised by agreed officers having previously been notified to the current provider of our banking services and Money Market Portal.

#### **Investment and borrowing transactions**

- A detailed spreadsheet of loans and investments is maintained within the Financial Services team. This is regularly reconciled to the ledger.
- The loans spreadsheet is updated to record all lending and borrowing. This includes the date of the transaction, brokerage fees etc.
- Adequate and effective cash flow forecasting records are maintained on spreadsheets to support the decision to lend or borrow.
- Money borrowed or lent that is due to be repaid is recorded in the cashflow forecast.
- Written confirmation of deals is faxed/emailed promptly by the lending or borrowing institution.
- A broker note showing details of the loan arranged confirms all transactions placed through the brokers.
- The SunGard Portal, with emailed acknowledgements, confirms all money market transactions.
- Email acknowledgements confirm all fixed term deposits with banking institutions.

#### **Regularity and security**

- All lending is only made to institutions on the Approved List.
- All loans raised and repayments made go directly to and from the institution's bank account.



- Authorisation limits are set for every institution.
- Brokers have a list of named officials authorised to perform loan transactions.
- There is adequate insurance cover for employees involved in loan management and accounting.
- The control totals for borrowing and lending are regularly reconciled with the ledger balance sheet codes by the Financial Services team.
- There is a separation of duties in the Section between the recall of MMF's and its checking and authorisation.
- The Council's bank holds a list of Council officials who are authorised signatories.
- No member of the Treasury Management team, responsible for borrowing and lending, is an authorised signatory.

### **Checks**

- The bank reconciliation is carried out regularly from the bank statement to the financial ledger.
- Balance Sheet ledger codes are reconciled monthly. Working papers are retained for audit inspection.
- A debt charge/investment income listing is produced every time the debt charge/investment income is recalculated for budget monitoring purposes. A debt charge/investment listing is also produced at the financial year-end and this document is retained for audit inspection.
- The method of accounting for unrealised losses or gains on the valuation of assets within the funds will comply with Accounting Codes of Practice by reflecting the market value of the fund in the balance sheet. This will be agreed with Council's external auditors.
- We have complied with the requirements of the Code of Practice on Local Authority Accounting and will account for the funds at Fair Value through Profit or Loss. As a result, all gains and losses and interest (accrued and received) will be taken to the Comprehensive Income and Expenditure Statement.

### **Calculations**

- The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy against the amount calculated by the Financial Services team.

## **1.7.2 Emergency and Contingency Planning Arrangements Disaster Recovery Plan.**

Treasury Management related files (word and excel) are stored on the Council's 'J' Drive with arrangements for contingency/back-up. Back up facilities can be accessed off site.

In the event of a 'Bankline System' failure, manual procedures would be followed with information being provided from the Council's Bankers by telephone.

All members of the treasury management team are familiar with this plan and new members will be briefed on it.

### **1.7.3 Insurance Cover Details**

The Council has 'Fidelity' insurance cover with Zurich Municipal (ZM). This covers the loss of cash by fraud or dishonesty of employees. This cover is limited per transaction as follows:

- 13 designated officers (Head of Finance, Head of Contact Centre, Head of Governance, Head of Business Support, Senior Solicitor, Deputy Head of Finance, Senior Accountant (systems), Senior Account Manager x 3, Systems Administrator/Customer Focus Officer and Account Manager x 2 are indemnified for £3m.
- All other employees are indemnified for £250,000.

### **Officials Indemnity Insurance**

The Council also has an 'Officials Indemnity' insurance policy with ZM which covers the loss to the Council from any actions and advice of its officers, excluding professional services provided under a written contract or agreement, that are negligent and without due care. This cover is currently limited to £1m for any one event with nil excess.

### **Public Liability Insurance**

The Council also has 'Public Liability cover with ZM which covers the loss to the Council from any actions or omissions which could give rise to a claim of negligence as a result of third party financial loss. This cover is currently limited to £10m for any one event with a £10,000 excess.

## **1.8 Market Risk Management**

There is a risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

The council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

## **TMP 2 PERFORMANCE MEASUREMENT**

### **2.1 Evaluation and Review of Treasury Management Decisions**

The Council has a number of approaches to evaluating treasury management decisions:

- a) reviews with our treasury management consultants;
- b) annual review after the end of the year as reported to Council;
- c) half yearly monitoring reports to Council.

#### **2.1.1 Reviews with our treasury management consultants**

The treasury management team holds reviews with the Treasury Management consultants every 12 months to review the performance of the investment and debt portfolios.

### **2.1.2 Annual Review after the end of the financial year**

An Annual Report on Treasury Management Activity is submitted to Council each year after the close of the financial year which reviews the performance of the debt and investment portfolios. This report contains the following: -

- a) total debt and investments at the beginning and close of the financial year and average interest rates
- b) borrowing strategy for the year compared to actual strategy
- c) investment strategy for the year compared to actual strategy
- d) explanations for variance between original strategies and actual
- e) debt rescheduling done in the year
- f) actual borrowing and investment rates achieved through the year
- g) comparison of return on investments to the investment benchmark
- h) compliance with Prudential and Treasury Indicators

### **2.1.3 Half Yearly Monitoring Reports**

A half yearly Report on Treasury Management is submitted to Council in December which reviews the performance of the debt and investment portfolios. This report contains the same information as the annual report but only includes information for the first 6 months of the year.

## **2.2 Benchmarks and Calculation Methodology:**

### **2.2.1 Debt management**

Average rate on all external debt.

Average rate on external debt borrowed in previous financial year.

### **2.2.2 Investment**

The performance of in house investment earnings will be measured against the 7 day LIBID rate (London Interbank Bid Rate).

## **2.3 Policy Concerning Methods for Testing Value For Money in Treasury Management**

### **2.3.1 Frequency and processes for tendering**

Following the loss of the Council's debt free status during 2007/08, Capita Asset Services (formerly Sector Treasury Services) were engaged as the Council's treasury advisor. The initial appointment was for one year and was considered to be value for money having sought other quotations. The service has recently been benchmarked and further benchmarking exercises will be conducted every three years to ensure value for money is maintained.

### **2.3.2 Banking services**

Whilst the Council has been with NatWest for over 25 years, banking services have traditionally been re-tendered or renegotiated every 3 years to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing.

In early 2016 a procurement exercise for banking services was conducted on a Government Framework which resulted in NatWest being the preferred supplier. The banking service contract commenced on 1 April 2016 for 3 years with an option to extend for a further 3 years realising significant savings over the life of the contract.

### **2.3.3 Money-broking services**

The Council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them. An approved list of brokers will be established which takes account of both price and quality of service.

### **2.3.4 Consultants'/advisers' services**

The Council's current policy is to appoint professional treasury management consultants (Capita), a benchmarking exercise is conducted prior to the end of the contract to ensure value for money. Separate leasing advisory consultants will be appointed where necessary.

### **2.3.5 Policy on External Managers (other than relating to Superannuation Funds)**

The Council's policy is not to appoint external investment fund managers.

## **TMP 3 DECISION-MAKING AND ANALYSIS**

### **3.1 Funding, Borrowing, Lending, And New Instruments And Techniques:**

#### **3.1.1 Records to be kept**

All loan transactions are recorded on a spreadsheet within the Cashflow folder on the J drive.

The following records will be used as relative to each loan or investment:

- Daily cash projections
- Money market rates obtained by telephone from brokers
- Sunguard emails detailing each net trade and authorisation
- Copies of Natwest CHAPS payment transactions
- Dealing slips for all money market transactions
- Brokers' confirmations for investment and temporary borrowing transactions
- Confirmations from borrowing/lending institutions where deals are done directly
- Temporary Lending Authorisation forms
- PWLB loan confirmations
- PWLB debt portfolio schedules

#### **3.1.2 Processes to be pursued**

Cash flow analysis

Ledger reconciliations

Review of long-term borrowing requirement as applicable

Debt and investment maturity analysis

Monitoring of projected loan charges interest and expenses costs

Review of opportunities for debt rescheduling, as applicable

Collation of a monthly borrowing and lending return

### **3.1.3 Issues to be addressed**

#### ***3.1.3.1. In respect of every treasury management decision made the Council will:***

- a) Above all be clear about the nature and extent of the risks to which the Council may become exposed.
- b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained.
- c) Be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interests, and to deliver good housekeeping.
- d) Ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded.
- e) Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

#### ***3.1.3.2 In respect of borrowing and other funding decisions, the Council will:***

- a) Consider the ongoing revenue liabilities created and the implications for the organisation's future plans and budgets.
- b) Evaluate the economic and market factors that might influence the manner and timing of any decision to finance capital schemes.
- c) Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and external grant providers.
- d) Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

#### ***3.1.3.3 In respect of investment decisions, the Council will:***

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions.
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the organisation to changes in the value of its capital.

## **TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES**

### **4.1 Approved Activities of the Treasury Management Operation**

- borrowing;
- lending;

- debt repayment and rescheduling;
- consideration, approval and use of new financial instruments and treasury management techniques;
- managing the underlying risk associated with the Council's capital financing and surplus funds activities;
- managing cash flow;
- banking activities; and
- leasing.

#### **4.2 Approved Instruments for Investments**

Please see the Annual Investment Strategy.

#### **4.3 Approved Techniques**

Forward dealing up to 364 days.

#### **4.4 Approved Methods and Sources of Raising Capital Finance**

Finance will only be raised in accordance with the Local Government Act 2003, and within this limit the Council has a number of approved methods and sources of raising capital finance. These are:

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
PWLB	●	●
Market (long-term) (Not currently)	●	●
Market (temporary)	●	●
Internal (capital receipts & revenue balances)	●	●
Leasing (finance leases) (Not currently)	●	●
<b>Other Methods of Financing</b>		
Government and EU Capital Grants		
Lottery monies		
Donations and contributions		
Operating leases (Not currently)		

Borrowing will only be done in Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Head of Finance has delegated powers in accordance with Financial Regulations and Financial Procedure Rules, the Scheme of Delegation to Officers and the Treasury Management Strategy to take the most appropriate form of borrowing from the approved sources.

#### **4.5 Investment Limits**

The Annual Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument.

#### **4.6 Borrowing Limits**

See the Treasury Management and Annual Investment Strategy and Prudential and Treasury Indicators.

**TMP 5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS**

**5.1 Allocation of responsibilities**

- (i) Full Council**
  - approval of annual strategy
  - approval of MRP Policy Statement
  - budget consideration and approval
  - receive and review the mid year and annual monitoring reports
  
- (ii) Cabinet**
  - receiving and reviewing reports on treasury management policies, practices and activities
  - budget consideration and approval
  - approval of the division of responsibilities as reflected in TMP5
  - approving the selection of external service providers and agreeing terms of appointment
  
- (iii) Overview and Scrutiny**
  - effective scrutiny of the treasury management strategy and policies

**5.2 Principles and Practices Concerning Segregation Of Duties**

The Head of Finance authorises all new long-term borrowing.

Transactions relating to pre-existing agreements are delegated to nominated officers within the Finance team.

Short-term borrowing and investment is authorised by the Head of Finance, Deputy Head of Finance, Head of Business Support, Senior Solicitor, Head of Contact Centre and Head of Governance.

The following duties are undertaken by separate officers:

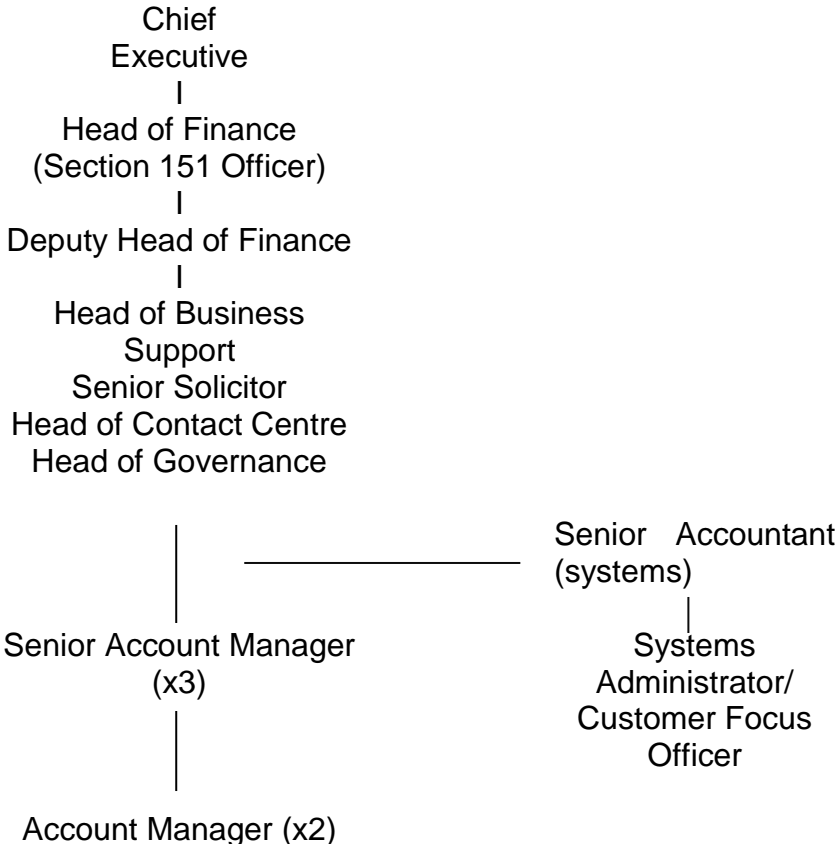
- Dealing
  - negotiating deals
  - receipt and checking of broker’s confirmation against loans spreadsheet
  - reconciliation of control accounts
  - bank reconciliation
  
- Accounting Entry
  - processing the expenditure or income i.e., posting the entries into the accounting system
  
- Authorising
  - approval and payment
  - approval of deals

The table overleaf identifies who performs particular roles within the team.

<b>Function</b>	Chief Executive	Section 151 Officer (Head of Finance)	Deputy Head of Finance	Head of Contact Centre/ Head of Governance/ Head of Business Support / Senior Solicitor	Systems Administrator/ Customer Focus Officer	Senior Accountant (systems)	Senior Account Manager (x3)	Account Manager (x2)
Adherence to TM Practices, Policies and Strategies	•	•	•					
Ensure regular reports submitted to Cabinet on Treasury Policy, activity and performance	•	•	•					
Revisions of treasury management policy statement, policies and practices		•	•					
Approval of external service providers and agreeing terms of appointment		•	•					
Establishing new banking facilities (e.g. Base Tracker Accounts)		•	•					
Authorisation of Long term borrowing and investing		•	•					
Amending bank mandate		•	•					
Authorisation of short term borrowing and investing		•	•	•				
Bankline - Authorising payments		•	•	•				
Bankline - Creating payments							•	•
SunGard – Authorising transfers		•	•	•				
SunGard – Creating transfers							•	•
Day to day dealing							•	•
Cashflow projections							•	•
Maintenance of loans and investment spreadsheets							•	•
System Administrator (e.g. setting limits, new users)					•	•		
Responsibility for ensuring Bank Reconciliation performed					•			



**5.3 Treasury Management Organisation Chart**



**5.4 Statement of Treasury Management Duties/Responsibilities of Each Treasury Post**

**5.4.1** The responsible officer is the person charged with professional responsibilities for the Treasury Management function and in this Council this is the S151 Officer/Head of Finance or the Deputy Head of Finance in their absence, who will carry out the following duties:

- a) Recommend clauses, treasury management policy / practices for approval, reviewing the same on a regular basis, and monitoring compliance.
- b) Submit treasury management policy reports as required.
- c) Submit budgets and budget variations in accordance with the Financial Regulations and Financial Procedure rules.
- d) Receive and review management information reports.
- e) Review the performance of the treasury management function and promote efficiency reviews.
- f) Ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- g) Ensure the adequacy of internal audit, and liaise with external audit.

- h) Recommend the appointment of external service providers, where applicable, in accordance with the Council's Financial Regulations and Financial Procedure Rules.
- i) The Head of Finance has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
- j) The Head of Finance may delegate this power to borrow and invest to certain members of staff as indicated in TMP 5.3 above. All transactions must be authorised by one of the named officers below:
  - Head of Finance (Section 151 Officer)
  - Deputy Head of Finance
  - Head of Business Support
  - Senior Solicitor
  - Head of Contact Centre
  - Head of Governance
- k) The Head of Finance will ensure that the Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.
- l) Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Head of Finance to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations and Financial Procedure Rules.
- m) It is also the responsibility of the Head of Finance to ensure that the Council complies with the requirements of 'The Non-Investment Products Code' for principals and broking firms in the wholesale markets.

#### **5.4.2 Deputy Head of Finance (or delegated officer)**

The responsibilities of this post will be: -

- a) Execution of transactions.
- b) Adherence to agreed policies and practices on a day-to-day basis.
- c) Maintaining relationships with third parties and external service providers.
- d) Supervising treasury management staff.
- e) Monitoring performance on a day-to-day basis.
- f) Receives management information reports from the responsible officer.
- g) Identifying and recommending opportunities for improved practices.

#### **5.4.3 Chief Executive**

The responsibilities of this post will be: -

- a) Ensuring that the Head of Finance reports regularly to the Cabinet on treasury policy, activity and performance.

#### **5.4.4 The Monitoring Officer (Head of Business Support) or Deputy Monitoring Officer (Senior Solicitor)**

The responsibilities of this post will be: -

- a) Ensuring compliance by the Head of Finance with the treasury management policy statement and treasury management practices and that they comply with the law.
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- c) Giving advice to the Head of Finance when advice is sought.

#### **5.4.5 Internal Audit**

The responsibilities of Internal Audit will be: -

- a) Reviewing compliance with approved policy and procedures.
- b) Reviewing division of duties and operational practice.
- c) Undertaking probity audit of the treasury function (sampling transactions).

#### **5.5 Absence Cover Arrangements**

Refer to the organisation chart at TMP 5.3 above and role responsibilities at TMP 5.4 above.

#### **5.6 Dealing Limits**

Persons authorised to deal are identified at TMP 5.3 above and dealing limits are set out in TMP 1.1.1.

#### **5.7 List Of Approved Brokers**

A list of approved brokers is maintained within the Financial Services team (see TMP 11.1.2) and a record of all transactions recorded against them.

#### **5.8 Policy On Brokers' Services**

It is the Council's policy to rotate business between brokers in accordance with best practice.

#### **5.9 Policy On Taping Of Conversations**

It is not Council Policy to tape broker's conversations.

#### **5.10 Direct Dealing Practices**

The Council will consider dealing direct with counterparties if it is appropriate and the Council believes that better terms will be available. There are certain types of accounts and facilities where direct dealing is required as follows:-

- National Westminster Call Account and 95 day Notice Account
- Santander Call Account and Fixed Term Deposit
- Handelsbanken 10 and 35 day Notice Account
- Goldman Sachs International Bank via Capita Asset Services to access Tranche rates
- Bank of Scotland 32 day Notice Account and Overnight Account
- Qatar National Bank via Capita Asset Services to access rates
- National Bank of Abu Dhabi via Capita Asset Services to access rates
- Nationwide Building Society
- SunGard Money Market Portal – currently authorised to deal with: -
  - Deutsche Managed Sterling Fund
  - Prime Rate Sterling Liquidity Fund
  - IGNIS Liquidity Fund

- Blackrock Liquidity Fund
- Goldman Sachs Sterling Reserves Fund
- LGIM Sterling Liquidity Fund
- Insight Sterling Liquidity Fund

#### **5.11 Settlement Transmission Procedures**

Instructions are given by email with payments being transferred by 3.30pm on the same day. In the case of SunGard Money Market transactions, instructions are given via the internet and payments are made by 12.30pm for the Deutsche Managed Sterling Fund, 1.30pm for the Prime Rate Sterling Liquid Fund and 1.00pm for all other funds.

#### **5.12 Documentation Requirements**

For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s) and broker.

#### **5.13 Arrangements Concerning the Management of Third-Party Funds**

The Authority administers a number of third party funds totaling £50,436 at 31 March 2016. The largest being the North West District Surveyors Association with a balance held of £26,663 and several smaller funds including the Fielden Trust with a balance held of £7,872 at 31 March 2016.

The Fielden Trust balance is invested as part of the Council's surplus funds and interest is calculated monthly at 0.25%.

### **TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS**

#### **6.1 Annual Programme of Reporting**

- a) Annual reporting requirements before the start of the year:-
  - (i) review of the organisation's approved clauses, treasury management policy statement and practices;
  - (ii) strategy report on proposed treasury management activities for the year comprising of the Treasury Management and Annual Investment Strategy and MRP Policy Statement.
- b) Mid-year review.
- c) Annual review report after the end of the year.

#### **6.2 Annual Treasury Management Strategy**

**6.2.1** The Treasury Management Strategy sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Cabinet and then full Council for approval before the commencement of each financial year.

**6.2.2** The formulation of the annual Treasury Management Strategy involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, the Council may decide to postpone borrowing if fixed

interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.

**6.2.3** The Treasury Management Strategy is concerned with the following elements:

- Prudential and Treasury Indicators
- current Treasury portfolio position
- borrowing requirement
- prospects for interest rates
- borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- investment strategy
- creditworthiness policy
- policy on the use of external service providers
- any extraordinary treasury issue (as necessary)
- the MRP policy statement

**6.2.4** The Treasury Management Strategy will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable), and highlight sensitivities to different scenarios.

**6.3 The Annual Investment Strategy Statement**

At the same time as the Council receives the Treasury Management Strategy it will also receive a report on the Annual Investment Strategy which will set out the following: -

- a) The Council's risk appetite in respect of security, liquidity and optimum performance
- b) The definition of high credit quality to determine what are specified investments as distinct from non-specified investments
- c) Which specified and non-specified instruments the Council will use
- d) Whether they will be used by the in house team, external managers or both (if applicable)
- e) The Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties.
- f) Which credit rating agencies the Council will use
- g) How the Council will deal with changes in ratings, rating watches and rating outlooks
- h) Limits for individual counterparties and group limits
- i) Country limits
- j) Interest rate outlook
- k) Budgeted investment return
- l) Use of a cash fund manager (if applicable)
- m) Policy on the use of external service providers (if applicable)

**6.4 The Annual Minimum Revenue Provision Statement**

This statement will set out how the Council will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted at the same time as the Treasury Management and Annual Investment Strategy.

## **6.5 Policy On Prudential and Treasury Indicators**

**6.5.1** The Council approves before the beginning of each financial year a number of treasury limits referred to as the Prudential and Treasury Indicators.

**6.5.2** The Head of Finance is responsible for incorporating these limits into the Annual Treasury Management Strategy and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the Head of Finance shall submit the changes for approval to the full Council.

## **6.6 Mid Year Review**

The Council will review its treasury management activities on a six monthly basis. This review will consider the following: -

- a) activities undertaken
- b) variations (if any) from agreed policies/practices
- c) interim performance report
- d) regular monitoring
- e) monitoring of treasury management indicators for local authorities.

## **6.7 Annual Report on Treasury Management Activity**

An annual report will be presented to Council at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following: -

- a) Transactions executed and their revenue effects;
- b) Report on risk implications of decisions taken and transactions executed;
- c) Compliance report on agreed policies and practices and all statutory/regulatory requirements;
- d) Performance Report;
- e) Report on compliance with CIPFA Treasury Management Code; and
- f) Monitoring of treasury management indicators.

## **6.8 Management Information Reports**

Management information reports are prepared quarterly and contain the following information:-

- a) A summary of transactions executed, brokers used and fees paid and their revenue effect; and
- b) Measurements of performance such as loan charges/investment income.

## **6.9 Publication of Treasury Management Reports**

Reports presented to Council are available to view on the Council's website [www.wyre.gov.uk](http://www.wyre.gov.uk).

## **TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

### **7.1 Statutory/Regulatory Requirements**

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting which is recognised by statute as representing proper accounting practices.

The Council has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

### **7.2 Sample Budgets / Accounts/ Prudential and Treasury Indicators**

The Head of Finance will prepare a four year medium term financial plan with Prudential and Treasury Management Indicators reflecting the overall budget for the forthcoming year and provisional estimates for the following three years. This will include the costs involved in running the function and any associated income. The Deputy Head of Finance will exercise effective controls over this budget and monitor performance against Prudential and Treasury Indicators, and will report upon and recommend any changes required in accordance with TMP6.

### **7.3 List of Information Requirements of External Auditors**

- Reconciliation of loans outstanding in the financial ledger to Treasury Management records
- Maturity analysis of loans outstanding
- Certificates for new long term loans taken out in the year
- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances where applicable
- Interest accrual calculation
- Principal and interest charges reports from Civica
- Analysis of any deferred charges where applicable
- Annual Treasury Report
- Treasury Management and Annual Investment Strategy and Prudential and Treasury Indicators
- Review of observance of limits set by Prudential and Treasury Indicators
- Calculation of the MRP

### **7.4 Budget Monitoring Report**

Year to date and forecast outturn against budget, with variances, are examined in terms of interest and treasury management expenses as part of the Council's monthly budget monitoring.

## **TMP 8 CASH AND CASH FLOW MANAGEMENT**

### **8.1 Arrangements for Preparing/Submitting Cash Flow Statements**

Cash flow projections are prepared annually and daily. The annual cash flow projections are prepared from the previous years' cash flow records, adjusted for known changes in levels of income and expenditure and also changes in payment and receipt dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

### **8.2 Bank Statement Procedures**

The Council downloads data daily from its bank. All amounts on the downloads are checked to source data from payroll, creditors etc. A formal bank reconciliation is undertaken on a monthly basis.

### **8.3 Payment Scheduling and Agreed Terms of Trade with Creditors**

In the present economic climate and in line with a request from the Government, we have committed to paying 80% of invoices within 10 days (local performance indicator RES23). In the 2015/16 financial year 74.94% of invoices were paid within 10 days. However payments to individuals, in relation to refunds are immediate.

### **8.4 Arrangements for Monitoring Debtor/Creditor levels**

Details are passed to the treasury team on a regular basis to assist in updating the cash flow model.

### **8.5 Procedures for Banking of Funds**

All money received by an Officer on behalf of the Council will without unreasonable delay be paid into the Council's bank accounts via the Financial Services team. The cashier will notify the Account Manager each day of cash and cheques banked the previous day so that the figures can be taken into account in the daily cash flow.

### **8.6 Practices Concerning Prepayments to Obtain Benefits**

The Council has no formal arrangements in place. Where such opportunities arise (for example whereby a payment in advance would secure a further discount) the prepayment would be authorised by the responsible officer. A report went to Cabinet on 15 February 2017 agreeing prepayment of pension contributions in principle and delegating ultimate authority to the Head of Finance to make the final decision.

## **TMP 9 MONEY LAUNDERING**

### **9.1 Proceeds of Crime Act 2002**

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:



- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property.

These apply to any person in the UK in a personal or professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences
- tipping off a suspect, either directly or indirectly
- doing something that might prejudice an investigation – for example, falsifying a document.

## **9.2 The Terrorism Act 2000**

This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment.

## **9.3 The Money Laundering Regulations 2007**

Organisations pursuing relevant business (especially those in the financial services industry regulated by the FCA) are required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions. In December 2007 the UK Government published the Money Laundering Regulations 2007, which replaced the Money Laundering Regulations 2003.

## **9.4 Local Authorities**

Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and may commit most of the principal offences under the POCA, but are not legally obliged to apply the provisions of the Money Laundering Regulations 2007. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly, this Council comply and have an Anti Money Laundering Policy which is reviewed annually by Audit Committee and most recently 8 November 2016.

## **9.5 Procedures for Establishing Identity / Authenticity Of Lenders**

It is not a requirement under POCA for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, there is a need for due diligence and this will be effected by following the procedures below.

- The Council does not accept loans from individuals. All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the Financial Conduct Authority website on [www.fca.org.uk](http://www.fca.org.uk).

### **9.6 Methodologies for Identifying Sources of Deposits**

In the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. (The Financial Services register can be accessed through the FCA website on [www.fca.org.uk](http://www.fca.org.uk)).

All transactions will normally be carried out by BACS/CHAPS for making deposits or repaying loans.

## **TMP 10 TRAINING AND QUALIFICATIONS**

**10.1** The Council recognises that relevant individuals will need appropriate levels of training in treasury management due to its increasing complexity. There are two categories of relevant individuals: -

a) Treasury management staff employed by the Council.

All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Performance Appraisal Scheme which identifies the training requirements of individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job and it will be the responsibility of the Deputy Head of Finance to ensure that all staff under his / her authority receive the level of training appropriate to their duties. This will also apply to those staff who, from time to time cover for absences from the treasury management team.

b) Members charged with governance of the treasury management function.

All members responsible for scrutiny were invited to attend a Treasury Management training session delivered by our Head of Finance at the Overview and Scrutiny meeting 9 January 2017 and further training will be arranged as required.

### **10.2 Details of Approved Training Courses**

Treasury management staff will attend courses provided by our treasury management consultants, CIPFA, etc.

### **10.3 Records of Training Received by Treasury Staff**

Records are maintained within the HR21 system and on individual officers' Personal Development Plans.

#### **10.4 Approved Qualifications for Treasury Staff**

Staff involved with the day to day treasury management function, have the following incorporated within their job description:

- To manage the Council's day to day investment and borrowing requirements in accordance with the Treasury Management Strategy.
- To assist with the drafting of the Treasury Management Strategy and associated Member reports.

#### **10.5 Statement of Professional Practice (SOPP)**

1. Where the Chief Financial Officer is a member of CIPFA, there is a professional need for the CFO to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.
2. Other staff involved in treasury management activities who are members of CIPFA must also comply with the SOPP.

#### **10.6 Member training records**

Records will be kept by Democratic Services of all training in treasury management provided to members.

#### **10.7 Members charged with governance**

The Overview and Scrutiny Committee has been nominated as the responsible body for ensuring scrutiny of the treasury management strategy and policies. Members charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

### **TMP 11 USE OF EXTERNAL SERVICE PROVIDERS**

#### **11.1 Details of Contracts with Service Providers, Including Bankers, Brokers, Consultants, Advisers**

This Council will employ the services of other organisations to assist it in the field of treasury management. In particular, it will use external consultants to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this organisation, especially in terms of being objective and free from conflicts of interest.

It will also ensure that the skills of the in house treasury management team are maintained to a high enough level whereby they can provide appropriate challenge to external advice and can avoid undue reliance on such advice.

Treasury management staff and their senior management will therefore be required to allocate appropriate levels of time to using the following sources of information so that they are able to develop suitable levels of understanding to carry out their duties, especially in challenge and avoiding undue reliance.

- The quality financial press
- Market data

- Information on government support for banks and
- The credit ratings of that government support

### 11.1.1 Banking services

- Name of supplier of service: National Westminster Bank.  
The branch address is:  
Church Street,  
Fleetwood  
FY7 6HY  
Tel: - 0845 3021590
- Regulatory status – banking institution authorised to undertake banking activities by the FCA
- 3 year contract commencing 1/4/16
- Cost of service is variable depending on schedule of tariffs and volumes.
- Payments due quarterly.

### 11.1.2 Money-broking services

The Council will use money brokers for temporary borrowing and investment and long term borrowing. It will seek to give an even spread of business amongst the following approved brokers.

Name of supplier of service:

- RP Martin Brokers (UK) plc  
Cannon Bridge House  
25 Dowgate Hill  
London  
EC4R 2BB  
Tel: 0207 469 9000  
Regulatory Status: FCA registered counterparty 187916
- Tullett Prebon Europe Ltd  
Tullett Prebon Group Ltd  
155 Bishopsgate,  
London,  
EC2M 3TQ  
Tel: 020 7200 7000  
Regulatory Status: FCA Authorised 146880
- Tradition UK Ltd  
Beaufort House  
15 St. Botolph Street  
London  
EC3A 7QX  
Tel: 0207 377 0050  
Regulatory Status: FCA Authorised 139200

When undertaking temporary borrowing, the brokers currently charge commission at 1% of interest due. There is no commission charge for undertaking investment transactions.

### **11.1.3 Consultants'/advisers' services**

#### Treasury Consultancy Services

The Council will seek to take expert advice on interest rate forecasts, annual treasury management strategy, timing for borrowing and lending, debt rescheduling, use of various borrowing and investment instruments, how to select credit worthy counterparties to put on its approved lending list etc.

- a) Name of supplier of service is: Capita Asset Services Limited.  
Their address is:  
40 Dukes Place  
London  
EC3A 7NH  
Tel: 0871 664 6800
- b) Regulatory Status: Investment Advisor authorised by the FCA
- c) Contract commenced 01.04.07 and was renewed for a 3yr period commencing 1/4/14.
- d) Cost of the service is £7,750 per year.
- e) Payments due in two instalments in September and March

### **11.1.4 Leasing Consultancy Services**

The council currently has no requirement for leasing consultancy but previously used Chrystal Consulting.  
Other Consultancy services may be employed on short-term contracts as and when required.

### **11.1.5 Custodian Facility**

The council will use a Custodian Facility as required when it invests in Certificates of Deposit (CD's).

### **11.1.6 Credit Rating Agency**

The Council receives a credit rating service through its treasury management consultants, the cost of which is included in the consultant's annual fee.

## **11.2 Procedures and Frequency for Tendering Services**

The banking contract was recently retendered and a new 3 year contract commenced 1/4/16. The treasury consultancy service was renewed for a 3yr period commencing 1/4/14 and a benchmarking exercise is currently underway. The process for advertising and awarding contracts will be in line with the Council's Financial Regulations and Financial Procedure Rules.

## **TMP 12 CORPORATE GOVERNANCE**

### **12.1 List of Documents to be Made Available for Public Inspection**

- a) The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions.
- b) It has adopted the CIPFA Code of Practice on Treasury management and implemented key recommendations on developing Treasury

Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.

c) The following documents are available for public inspection: -

- Statement of Accounts
- Revenue Estimates and Capital Programme
- Medium Term Financial Plan
- Treasury Management Policy Statement and Practices
- Treasury Management and Annual Investment Strategy
- MRP Policy Statement
- Annual Treasury Management Report
- Half Yearly Treasury Management Report
- Minutes of Council/Cabinet/Overview and Scrutiny Committee Meetings

arm/ex/cab/cr/17/2203jw

## **TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2017/18**

### **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 any debt previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

*"The management of the local authority's 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."*

#### **1.2 Reporting requirements**

The Council receives and approves, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

##### **Prudential and Treasury Indicators and Treasury Strategy** (this report) -

The first, and most important report covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision 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).

**An Annual Treasury Report** – This provides details of compliance with prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

**A Mid Year Treasury Management Report** – This will provide members with the activities undertaken, any variation from agreed policies, amending prudential indicators as necessary, and whether any policies require revision.

### **Scrutiny**

The Overview and Scrutiny Committee are responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies and their annual work programme reflects this requirement.

## **1.3 Treasury Management Strategy for 2017/18**

The strategy for 2017/18 covers two main areas:

### **Capital Issues**

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

### **Treasury Management Issues**

- the current treasury position;
- treasury indicators which will 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
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CLG MRP Guidance, the CIPFA Treasury Management Code and the CLG 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 responsible for scrutiny were invited to attend a Treasury Management training session delivered by our Head of Finance at the Overview and Scrutiny meeting 9 January 2017 and further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.



## 1.5 Treasury management Consultants

The Council uses Capita Asset Services, Treasury solutions 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 our external providers.

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 2017/18 to 2020/21

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 Cabinet at its meeting on 15 February 2017 approved the list of Prudential indicators which is set out at Annex 1.

### 2.1 Capital Expenditure

Capital expenditure plans and how these plans are being financed by capital or revenues resources were approved by Cabinet on 15 February 2017.

Prudential indicator number 1 summarises the Councils capital expenditure plans. The table below illustrates how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a need to borrow.

	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Capital expenditure	24.253	22.810	1.735	1.863	1.945
Financed by:					
Capital receipts	0.371	0.144	0	0	0
Capital grants and Contributions	23.002	22.405	1.518	1.518	1.518
Revenue/Reserves	0.880	0.261	0.217	0.345	0.427
Net financing need for the year	0	0	0	0	0

### 2.2 The Council's Borrowing Need (the Capital Financing Requirement)

The Capital Financing Requirement (CFR) is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital sources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure, which has not immediately been paid for, 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 borrowing need in line with each asset's life.

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 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.

Prudential indicator number 3 at Annex 1 summarises the Council's Capital Financing Requirement. This 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 Minimum Revenue Provision (MRP) 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).

CLG 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 Policy Statement at Appendix 4.

### **2.4 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. The indicators at Annex 1, provide an indication of the impact of the capital investment plans on the Council's overall finances.

Prudential indicator number 2 identifies the trend in the cost of capital (borrowing costs net of investment income) against the net revenue stream. Prudential indicator number 4 identifies the revenue cost associated with proposed changes to the capital programme approved by Cabinet on 15 February 2017 compared to previous approved commitments and current plans. As there is no new borrowing planned for 2017/18 or beyond, the increased costs reflect income foregone by using reserves and balances to finance the capital programme. The assumptions are based on the budget and therefore include some estimates.

## **3. Borrowing**

The capital expenditure plans set out in Prudential indicator number 1 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. This will involve both the organisation of the cashflow 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. Current portfolio position

The Council's treasury portfolio position at 31 March 2016, with forward projections are summarised on the following table. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR) highlighting any over or under borrowing.

£000	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
<b>External Debt</b>						
Debt at 1 April	1,552	1,552	1,552	1,552	1,552	1,552
Expected change in Debt	0	0	0	0	0	0
Other Long Term Liabilities (OLTL)	9	9	9	9	9	9
Expected change in OLTL	0	0	0	0	0	0
<b>Actual Gross Debt at 31 March</b>	<b>1,561</b>	<b>1,561</b>	<b>1,561</b>	<b>1,561</b>	<b>1,561</b>	<b>1,561</b>
<b>Capital Financing Requirement</b>	<b>11,643</b>	<b>11,547</b>	<b>11,451</b>	<b>11,355</b>	<b>11,259</b>	<b>11,163</b>
<b>Under/(over) borrowing</b>	<b>10,082</b>	<b>9,986</b>	<b>9,890</b>	<b>9,794</b>	<b>9,698</b>	<b>9,602</b>

Within the 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 2016/17 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 purposes.

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 Treasury Management indicators at Annex 2 were approved by the Cabinet at its meeting on 15 February 2017.

The Authorised Limit (Treasury management indicator number 1) represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited. 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.

The Operational Boundary (Treasury management indicator number 2) 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.

### 3.3. Prospects for Interest Rates

The Council has appointed Capita Asset Services as its treasury advisor and part

of their service is to assist the Council to formulate a view on interest rates and provide an economic commentary as follows:-

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
March 2017	0.25	1.60	2.90	2.54
June 2017	0.25	1.60	2.90	2.70
Sept 2017	0.25	1.60	2.90	2.70
Dec 2017	0.25	1.60	3.00	2.70
March 2018	0.25	1.70	3.00	2.80
June 2018	0.25	1.70	3.00	2.80
Sept 2018	0.25	1.70	3.10	2.90
Dec 2018	0.25	1.80	3.10	2.90
March 2019	0.25	1.80	3.20	3.00
June 2019	0.50	1.90	3.20	3.00
Sept 2019	0.50	1.90	3.30	3.10
Dec 2019	0.75	2.00	3.30	3.10
March 2020	0.75	2.00	3.40	3.20

The Monetary Policy Committee, (MPC), cut the Bank Rate from 0.50% to 0.25% on 4th August in order to counteract what it forecast was going to be a sharp slowdown in growth in the second half of 2016. It also gave a strong steer that it was likely to cut the Bank Rate again by the end of the year. However, economic data since August has indicated much stronger growth in the second half of 2016 than that forecast; also, inflation forecasts have risen substantially as a result of a continuation of the sharp fall in the value of sterling since early August. Consequently, the Bank Rate was not cut again in November or December and, on current trends, it now appears unlikely that there will be another cut, although that cannot be completely ruled out if there was a significant dip downwards in economic growth. During the two-year period 2017 – 2019, when the UK is negotiating the terms for withdrawal from the EU, it is likely that the MPC will do nothing to dampen growth prospects, (i.e. by raising the Bank Rate), which will already be adversely impacted by the uncertainties of what form Brexit will eventually take. Accordingly, a first increase to 0.50% is not tentatively pencilled in, as in the table above, until quarter 2 2019, after those negotiations have been concluded (though the period for negotiations could be extended). However, if strong domestically generated inflation (e.g. from wage increases within the UK) were to emerge, then the pace and timing of increases in the Bank Rate could be brought forward.

Therefore economic and interest rate forecasting remains difficult, with so many external influences weighing on the UK. 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.

PWLB rates and gilt yields have been experiencing exceptional levels of volatility that have been highly correlated to geo-political, sovereign debt crisis and emerging market developments. It is likely that these exceptional levels of volatility could continue to occur for the foreseeable future.

Investment rates are likely to remain low during 2017/18 and beyond. Borrowing interest rates have been on a generally downward trend during most of 2016 up to mid-August; they fell sharply to historically low levels after the referendum and then even further after the MPC meeting of 4<sup>th</sup> August when a new package of quantitative easing purchasing of gilts was announced. Gilt yields have since risen sharply due to a rise in concerns around a 'hard Brexit', the fall in the value of sterling and an increase in inflation expectations. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times when authorities will not be able to avoid new borrowing to finance capital expenditure and/or to refinance maturing debt. There will remain a 'cost of carry' to any new long-term borrowing that causes a temporary increase in cash balances, as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

### **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 2017/18 treasury operations. The Head of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- **if it were felt that there was a significant risk of a sharp FALL in long and short term rates**, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
  - **if it were felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast**, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.
- Any decisions will be reported to Council at the next available opportunity.

#### **Treasury Management limits on activity**

There are three debt related treasury activity limits, the purpose of which are to restrain the activity of the treasury function within certain limits, thereby managing

risk and reducing the impact of any adverse movements in interest rates. These can be found at Annex 2 Treasury Indicators numbers 4 to 6 which were approved by Cabinet on 15 February 2017.

### **3.5 Policy in 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 value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

### **3.6 Debt Rescheduling**

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- a) The generation of cash savings and/or discounted cash flow savings;
- b) Helping to fulfil the treasury strategy;
- c) Enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investment are likely to be lower than rates paid on current debts.

All rescheduling will be reported as soon as possible after completion of the exercise to Council.

## **4. Annual Investment Strategy**

### **4.1 Investment policy**

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second and then return.

In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

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 opinions of the markets. To this end 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.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in TMP 1 Schedule 1 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

### **4.2 Creditworthiness Policy**

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

- credit watches and credit outlooks from credit rating agencies
- Credit Default Swaps (CDS) spreads to 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, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product 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 Enhanced Cash Funds with a credit score of 1.25
- Light Pink 5 years for Enhanced Cash Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- 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 Orange Blue 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
Certificates of Deposit with UK Clearing Banks and UK Building Societies	Purple Orange Blue 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
Enhanced Cash Funds with credit score of 1.25	Dark pink / AAA	£6m	liquid
Enhanced Cash Funds with credit score of 1.5	Light pink / AAA	£6m	liquid
Money Market Funds	AAA	£6m	liquid



\* Part nationalised banks

Capita Asset Services creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just once 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 but the Council is alerted to changes to ratings of all three agencies through the use of Capita 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 benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Capita Asset Services. Extreme market movements may result in the 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 the Council will also use market data and market information, information on any external support for banks to help support its decision making process.

#### **4.3 Country Limits**

Due care will be taken to consider the country, group and sector exposure of the Council's investments.

The Council has determined that it will only use approved counterparties from countries, other than the UK, with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at 16 December 2016 are shown in Annex 3. This list will be updated prior to any investments being made outside of the UK.

#### **4.4 Investment Strategy**

##### **In-House Funds**

Investments will be made with reference to the level of earmarked reserves and cashflow requirements and the outlook for short term interest rates (i.e. rates for Investments up to 12 months).

##### **Investment returns expectations**

The Bank Rate is forecast to remain unchanged at 0.25% until quarter 2 2019

and not to rise above 0.75% by quarter 1 2020. Bank Rate forecasts for financial year ends (March) are as follows: -

- 2016/2017 0.25%
- 2017/2018 0.25%
- 2018/2019 0.25%
- 2019/2020 0.75%

The suggested budgeted investment earnings rates for returns on investments placed for periods of up to 100 days during each financial year for the next eight years are as follows:

- 2016/2017 0.25%
- 2017/2018 0.25%
- 2018/2019 0.25%
- 2019/2020 0.50%
- 2020/2021 0.75%
- 2021/2022 1.00%
- 2022/2023 1.50%
- 2023/2024 1.75%
- Later years 2.75%

The overall balance of risks to these forecasts is currently probably slightly skewed to the downside (i.e. start of increases in Bank Rate occurs later) in view of the uncertainty over the final terms of Brexit. If growth expectations disappoint and inflationary pressures are minimal, the start of increases in Bank Rate could be pushed back. However, should pace of growth quicken and/or forecasts for increases in inflation rise, there could be an upside risk i.e. Bank Rate increases occur earlier and/or at a quicker pace. The Council has determined the budget for investment returns at 0.35% on investments placed during the 2017/18 financial year. This was based on the current investment profile.

#### **4.5 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 rated deposits (overnight to 100 days) and 6 month deposits in order to benefit from compounding of interest.

#### **4.6 Investment Risk benchmarking**

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.

## Prudential Indicators

Indicator No.

1. The actual capital expenditure incurred in 2015/16 and the estimates of capital expenditure for the current and future years that are recommended for approval are:

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Housing	957	1,500	1,515	1,498	1,498	1,498
Environmental Protective and Cultural Services	18,496	22,753	21,295	237	365	447
<b>Total</b>	<b>19,453</b>	<b>24,253</b>	<b>22,810</b>	<b>1,735</b>	<b>1,863</b>	<b>1,945</b>

2. Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2015/16 are:

Ratio	0.00%	0.58%	0.85%	0.96%	0.55%	0.53%
-------	-------	-------	-------	-------	-------	-------

The estimates of financing costs include current commitments and the proposals in the budget report.

3. Estimates of the end of year capital financing requirement for the authority for the current and future years and the actual capital financing requirement at 31<sup>st</sup> March 2016 are:

	31/3/16	31/3/17	31/3/18	31/3/19	31/3/20	31/3/21
	£000	£000	£000	£000	£000	£000
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Total Capital Financing Requirement (Expenditure less capital grants and use of usable/setaside receipts)	11,643	11,547	11,451	11,355	11,259	11,163

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose.

To ensure that debt over the medium term is only for capital purposes, debt should not except in the short term exceed the Capital Financing Requirement for the previous, current and next two financial years.

4. Estimates of Impact of Capital Investment Decisions on the Band D Council Tax

	2016/17	2017/18	2018/19	2019/20	2020/21
	£	£	£	£	£
	Estimate	Estimate	Estimate	Estimate	Estimate
Wyre Council Band D Council Tax	183.36	183.37	183.40	183.45	183.51

These forward estimates reflect the impact of future capital programmes, are not fixed and do not commit the Council.

## Prudential and Treasury Management Indicators

### Treasury Management

Wyre Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services.

Indicator  
No.

#### 1. External Debt - Authorised Limit (Old Section 45 Limit/New Section 3 Limit)

	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000
	Estimate	Estimate	Estimate	Estimate	Estimate
Borrowing	24,000	24,000	24,000	24,000	24,000
Other Long Term Liabilities	0	0	0	0	0
Total Authorised Limit	24,000	24,000	24,000	24,000	24,000

Limit for total external debt (gross of investments).

#### 2. External Debt - Operational Boundary (Reasonable Limit-day to day)

	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000
	Estimate	Estimate	Estimate	Estimate	Estimate
Borrowing	13,643	13,643	13,643	13,643	13,643
Other Long Term Liabilities (Deferred Liabilities)	9	9	9	9	9
Total Operational Boundary	13,652	13,652	13,652	13,652	13,652

Limit for total external debt (gross of investments).

#### 3. Actual External Debt

	31/03/16
	£000
	Actual
External Debt-Temporary Borrowing	0
External Debt-PWLB	1,552
Other Long Term Liabilities	9
Total Actual External Debt	1,561

It should be noted that actual external debt is not directly comparable to the authorised limit or operational boundary, since the actual external debt reflects the position at one point in time.

## 4. Fixed Interest Rate Exposures

	2016/17	2017/18	2018/19
	%	%	%
	Estimate	Estimate	Estimate
Principal sums outstanding in respect of borrowing at fixed rates	100	100	100
Principal sums outstanding in respect of investments that are fixed rate investments	25	25	25

## 5. Variable Interest Rate Exposures

	2016/17	2017/18	2018/19
	%	%	%
	Estimate	Estimate	Estimate
Principal sums outstanding in respect of borrowing at variable rates	25	25	25
Principal sums outstanding in respect of investments that are variable rate investments	100	100	100

## 6. Maturity Structure of Borrowing

It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowing as follows.

Amount of projected borrowing that is fixed rate maturing in each period as a % of total projected borrowing that is fixed rate at the start of the period.

	Upper Limit	Lower Limit
Under 12 months	100	0
12 months and within 24 months	45	0
24 months and within 5 years	75	0
5 years and within 10 years	75	0
10 years and above	100	0

## 7. Total principal sums invested for periods longer than 364 days

	2014/15	2015/16	2016/17
	£000	£000	£000
	Estimate	Estimate	Estimate
Total principal sum invested to final maturities beyond the period end	0	0	0

**Approved Countries for Investment (as at 16/12/16)**

Countries listed by sovereign ratings of AA- or higher and also (except Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Capita Asset Services credit worthiness service.

## AAA

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

## AA+

- Finland
- Hong Kong
- U.S.A.

## AA

- Abu Dhabi (UAE)
- France
- Qatar
- U.K.

## AA-

- Belgium

## MINIMUM REVENUE PROVISION POLICY STATEMENT 2017/18 (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 2017/18 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.

All expenditure reflected within the debt liability at 31 March 2008 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

arm/ex/cab/cr/17/2203jw

This page is intentionally left blank





Report of:	Meeting	Date	Item No.
Councillor Peter Gibson, Leader of the Council and Garry Payne, Chief Executive	Cabinet	22 March 2017	9

<b>Life In Wyre Survey Results 2016</b>
-----------------------------------------

## 1. Purpose of Report

1.1 To provide the Cabinet with a summary of the findings from the Life In Wyre Survey.

## 2. Outcomes

2.1 Representative survey data will help the council, partners and elected members tailor services effectively.

## 3. Recommendation/s

3.1 That members note the findings and ensure that the survey data is used to shape future service provision.

## 4. Background

4.1 The council is committed to engaging with residents and working together with local communities and partners to make a difference as is set out in our business plan.

4.2 The biennial Life In Wyre Survey was conducted from 3 October to 13 November, 2016 and captures residents' perceptions about the local area, services provided by the council, and their health. Elements of the survey are used as measures of performance for actions contained within the council's business plan.

4.3 The 2016 survey was posted out to a representative sample of 3,500 randomly selected residents and in addition was actively promoted online, via the council's consultation portal, and social media sites e.g. Twitter, Facebook, the council's e-newsletter and the engagement network. This resulted in an excellent response rate of 41%, that is, 1,429 responses received (23% of which were online) which is an increase on

the 1,395 responses received in 2014. Appendix 1 shows the weighted number of respondents by ward.

- 4.4** The survey includes an increased number of questions, some are previously used survey questions and where possible these have been compared to 2014 survey data in appendix 2.
- 4.5** The 2016 survey included a section dedicated to community based health services. A financial contribution was made by the NHS Fylde and Wyre Clinical Commissioning Group (CCG) towards the cost of the survey and the results have been provided to them.

## **5. Key Issues and Proposals**

- 5.1** Around eight in ten residents (82%) are satisfied with their local area as a place to live, remaining at the same level as it was two years ago, with older residents more likely to be very satisfied than other age groups. Satisfaction was highest in Poulton (90%) and lowest in Fleetwood (71%). Available results from other comparator councils in Lancashire showed that for the same question the responses ranged from 66% to 94%.
- 5.2** The top factors identified as making somewhere a good place to live in order of importance are low crime rates, health services, safe roads and pavements, and clean streets. Wyre Council does not have sole statutory responsibility for the first three factors identified however where possible the council works with the statutory organisations responsible for the delivery of crime prevention, health services and highways. The council does have responsibility for clean streets which is also identified as the fourth factor most in need of improvement, with litter and fly-tipping being the third biggest anti-social behaviour problem. By contrast, across Wyre, keeping the streets clear of rubbish and fly-tipping is in the top three council services that respondents' are most satisfied with. This may indicate that other issues are affecting peoples' perceptions. It is possible that the need for improvement of street cleanliness is in regard to more specific issues, for example dog fouling/irresponsible dog owners, which is the biggest anti-social problem identified by residents (51%). This is further highlighted in the area analysis for Fleetwood where cleanliness of the streets is identified as the factor most in need of improvement along with litter and dog fouling/irresponsible owners being the principal anti-social behaviour problems.
- 5.3** As in 2014 the conditions of roads/pavements, traffic, health services and clean streets are the features most in need of improvement. From the options presented in the survey, shopping facilities is the only feature that has seen an increase in the proportion of residents identifying it as an area in need of improvement, rising from 15% to 26% over the past two years.

- 5.4** Satisfaction with Wyre Council services is highest for parks and open spaces (76%), followed by promenade and beach maintenance (74%) and keeping public land/streets clear of litter rubbish and fly-tipping (70%).
- 5.5** In terms of problem issues, dog fouling/irresponsible dog owners are again the highest at 49% with road safety becoming an increasing problem at 45% compared to 40% in 2014.
- 5.6** When asked if people agree or disagree that 50p a day for the council's services and facilities is value for money, over half the respondents (55%) agree that it is, which is an increase on the results of a similar question asked in 2014 (46%). A quarter of the respondents feel unable to give an opinion either way. The urban areas of Wyre are more inclined to agree with the value for money statement than rural areas.
- 5.7** There has been no significant change with the opinion that the council 'responds to its residents' needs' with 52% saying it does, and similarly to the value for money result almost a quarter of respondents gave a 'don't know' response. The area analysis shows that Fleetwood residents were most likely to feel that the council responds to its residents' needs (59%) and Rural East least likely (46%).
- 5.8** Since 2014 there has been an increase of respondents, from 59% to 63%, who think the council keeps its residents well informed about the services it provides. When asked how well informed people are about council services through various communication channels, Wyre Voice residents' magazine is the most effective channel (81%) closely followed by social media (77%) and the council website (73%). Residents feel least well informed by the local media (59%). Along with the Wyre Voice publication the council e-newsletter are the two most preferred methods for people to receive information about council services. From the survey 478 people opted to receive the council's e-newsletters.
- 5.9** The section of the survey dedicated to 'contact with the council' highlights respondents' experience of contact with the council over the last 12 months, 55% of contact has been categorised as positive and just under a third described it as mixed or neutral. The survey also highlighted the council's volunteering opportunities, generating 219 expressions of interest for more information.
- 5.10** The proportion of Wyre residents who use the internet at least weekly has continued to increase, from 85% in 2014 to 88% in 2016. More residents access the internet on a daily basis using a smartphone (66%) than on a computer or laptop (58%) and the majority are doing so at home (96%) followed by 46% at work and 39% whilst out and about. There is variance by area in the different technology used to access the internet with rural areas and Poulton residents more likely to use a laptop/computer to access the internet and residents from Fleetwood and Thornton-Cleveleys more likely to use a smartphone.

- 5.11** Of the 12% of respondents that rarely or don't use the internet, 71% said they prefer to speak to someone in person, and 34% reported that they have no interest in using a computer or the internet. When asked what might encourage this group to use the internet, the majority (37%) selected 'Nothing, I am still not interested' and 30% wanted more free Wi-Fi hotspots locally.
- 5.12** The proportion of residents' aware of who their local borough councillor/s is/are is lower in 2016 (28%) when compared to 2014 (38%). Awareness is lowest in Thornton-Cleveleys (22%) and highest in Rural West (32%). For the first time in the history of the survey parish/town councillors were included, which resulted in 21% of residents knowing who their town/parish councillor is/are. Awareness is lowest amongst the 44 or under age group.
- 5.13** Of the respondents who have contacted their local councillor/s, 62% said that they had received a response from their borough councillor and 53% from their town/parish councillor.
- 5.14** The feedback to the health based questions has been provided to the NHS Fylde and Wyre Clinical Commissioning Group who will undertake further analysis before reporting in 2017.
- 5.15** There has been no change with the factors cited as having the biggest negative impacts on residents' health and wellbeing with stress being the biggest (54%) followed by lack of physical activity (30%).
- 5.16** The full results are published on the website <http://consult.wyre.gov.uk/portal/> under Life In Wyre Survey 2016. This includes a further report broken down by five areas Fleetwood, Thornton-Cleveleys, Poulton, Rural West and Rural east.

Commentary and information arising from the survey is being further analysed with relevant services in order to shape future provision and engagement.

<b>Financial and legal implications</b>	
Finance	The survey findings will assist in the allocation of resources through service priorities being identified. The cost of the survey was £8,250 with a contribution of £1,600 being received from the NHS Fylde and Wyre CCG.
Legal	There are no specific legal implications to 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 an 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
data protection	x

report author	telephone No.	email	date
Sara Ordonez	01253 887267	Sara.ordonez@wyre.gov.uk	14 February 2017

<b>List of background papers:</b>		
Name of document	date	where available for inspection
Life In Wyre 2014 results	January 2014	<a href="http://www.wyre.gov.uk/downloads/file/2667/life_in_wyre_survey_2014_report">http://www.wyre.gov.uk/downloads/file/2667/life_in_wyre_survey_2014_report</a> Engagement Team, Wyre Council

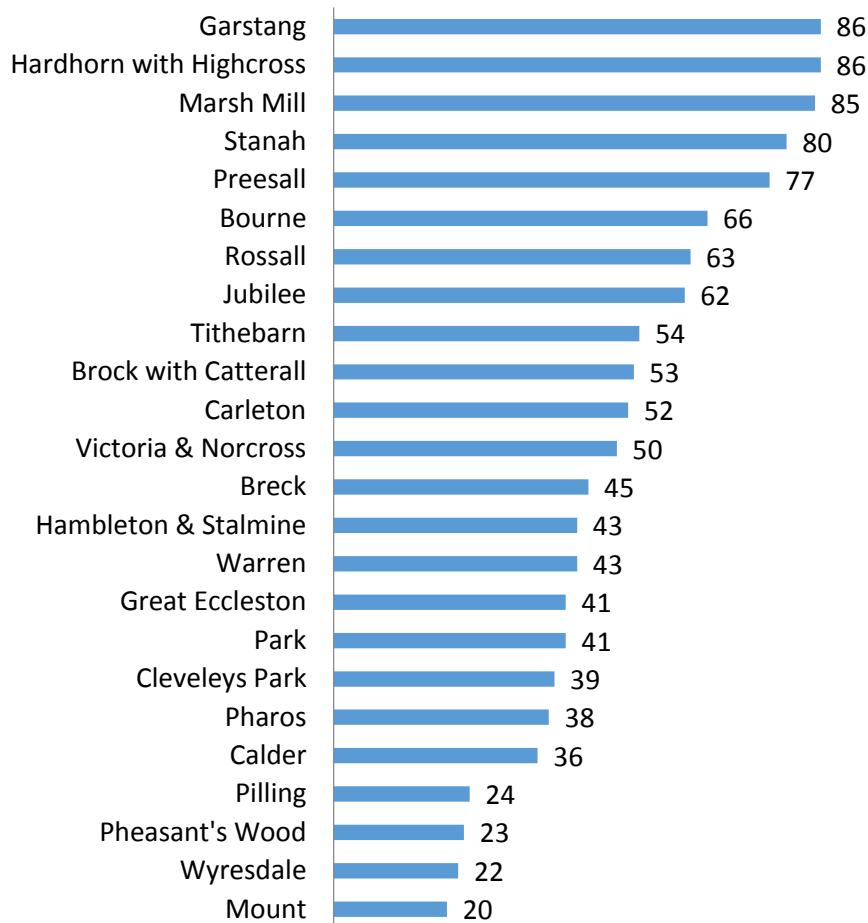
### **List of appendices**

- Appendix 1: Number of respondents by ward location
- Appendix 2: Life In Wyre Survey 2016 headline comparator data
- Appendix 3: Headline comparator data by area

arm/ex/cab/cr/17/2203so

## Appendix 1: Number of respondents per ward location

**Figure: Ward populations, weighted**



Responses were received from residents across the borough. The greatest number of responses came in the wards of Garstang, Hardhorn with Highcross, Marsh Mill and Stanah, whilst the lowest number of responses came in Mount, Wyresdale, Pheasant's Wood and Pilling. A small number of respondents provided a partial postcode or refused to provide one at all.

arm/ex/cab/cr/17/2203so App1

## Appendix 2: Life In Wyre Survey 2016- Biennial comparator data

(not all data in the 2016 survey can be compared, the following are questions and responses that have some level of comparability)

### Key

- ➡ Not significantly different
- ⬆ Increasing
- ⬇ Decreasing

Ref	Questions	2016	2014	Direction
1	Satisfaction with local area as a place to live (Question 2)	82%	82%	➡
2	How important, if at all, are each of the following in making where you live a good place? (Question 1)	2016 Rank	2014 Rank	
	Low crime levels	1	3	⬆
	Health services	2	2	➡
	Clean streets	3	1	⬇
	Safe roads and pavements	4	4	➡
	Level of traffic congestion	5	6	⬆
	Access to countryside and green spaces	6	Altered format	-
	Shopping facilities	7	7	➡
	Wage levels and local cost of living	8	8	➡
	Education provision	9	10	⬆
	Job opportunities	10	11	⬆
	Availability of public transport	10	12	⬆
	Pubs/restaurants/cafes	10	14	⬆
	Feeling part of your community	13	Not asked	-
	Activities for young people	14	9	⬇
	Activities for older people	15	13	⬇
	Sport & leisure facilities	16	15	⬇
	Access to parks and playgrounds	17	Altered format	-
	Access to promenades and beaches	18	Not asked	-
	Decent affordable housing	19	16	⬇
	Cultural facilities (such as theatres, community	19	17	➡
	Designated cycling pathways	21	Not asked	-

Ref	Questions	2016	2014	Direction
3	And which of these, if any, do you feel most needs improving where you live? (Question 3)			
	Good Roads/Pavements	1	1	→
	Level of traffic Congestion	2	4	↻
	Health Services	3	2	↻
	Clean Streets	4	3	-
	Low Crime Levels	5	6	↻
	Activities for Young People	6	7	↻
	Availability of public Transport	6	8	↻
	Shopping Facilities	8	12	↻
	Job Opportunities	9	5	↻
	Activities for older people	10	10	-
	Decent affordable Housing	11	11	-
	Designated cycling pathways	11	Not asked	-
	Wage Levels/Cost of living Housing	13	9	↻
	Access to Countryside and green spaces (previously access to countryside, parks and open spaces)	14	5	-
	Cultural Facilities	14	16	↻
	Education Provision	16	14	↻
	Pubs/ Restaurants/Cafes	16	15	↻
	Sport & Leisure Facilities	18	17	↻
	Access to promenades and beaches	19	Not asked	-
	Access to parks and playgrounds	19	Not asked	-
	Feeling part of your community	21	Not asked	-
4	Thinking about where you live, how much of a problem, if at all, do you think each of the following are? (Question 5)			
	Dog fouling/ irresponsible dog owners	49%	51%	→
	Road Safety (previously irresponsible drivers)	45%	40%	↻
	Litter and fly-tipping (previously rubbish or litter lying around)	35%	35%	→
	People using or dealing drugs	16%	17%	→
	Alcohol-related anti-social behaviour	16%	16%	→
	Noisy/ inconsiderate neighbours	12%	10%	→
	Nuisance and rowdy behaviour	11%	11%	→
	Empty homes/ derelict sites	9%	13%	↻
	Vandalism and graffiti	8%	9%	→



Ref	Questions	2016	2014	Direction
5	How satisfied are you with each of the following services/facilities provided by Wyre Borough Council? (Users only) (Question 7)			
	Parks and open spaces	76%	82%	⬇️
	Promenade and beach maintenance	74%	Not asked	-
	Keeping public land/streets clear of litter, rubbish and fly-tipping (previously asked as separate services)	70%	72%	➡️
	Waste & recycling collection	67%	83%	⬇️
	Playgrounds	65%	Not asked	-
	Sport and leisure facilities	63%	66%	⬇️
	Countryside activities	62%	Not asked	-
	Local markets	60%	65%	⬇️
	Marine Hall and Thornton Little Theatre (previously itemised as separate venues)	58%	67%	⬇️
	Online Services	57%	61%	⬇️
	Response from our customer contact centre	43%	Not asked	-
	Tackling Dog Fouling	43%	56%	⬇️
			44%	➡️
6	To what extent do you agree or disagree that 50p a day for the services and facilities, including the above, is value for money? (Question 8)	55%	46%	⬆️
7	Would you say that the council responds to its residents' needs? (Question 9)	52%	55%	⬇️
8	Overall, how well informed do you think Wyre Council keeps residents about the services and the positive impacts that these services provide? (Question 10)	63%	59%	⬆️
9	Do you know who your... (Question 15)			
	...local Wyre borough councillor/s is/are?	28%	38%	⬇️
	...local parish/town councillor/s is/are?	21%	Not	-

Ref	Questions	2016	2014	Direction
11	Use the internet weekly (Question 29)	88%	85%	↔
12	If any, which of the following have the biggest negative impact on your health and wellbeing? (Question 19)			
	Stress	54%	52%	↔
	Lack of Physical activity	30%	31%	↔

*Please note: percentages may have been rounded up/down.*

Arm/ex/cab/cr/17/2203so appendix 2

## Appendix 3: Headline comparator data by area

### Local Area

	Wyre	Fleetwood	Poulton	Rural East	Rural West	Thornton-Cleveleys
Satisfaction with where they live	82%	71%	90%	87%	86%	86%
Dog fouling is an ASB problem	49%	65%	39%	37%	46%	54%
Litter is an ASB problem	35%	57%	31%	29%	38%	28%
Road safety is an ASB problem	45%	55%	46%	42%	44%	43%
Most needs improving (top 3 in ranked order)	Safe roads and pavements, Level of traffic congestion, Health services	Cleanliness of the streets, Safe roads and pavements, Shopping facilities	Safe roads and pavements, Level of traffic congestion, cleanliness of the streets	Health Services, Safe roads and pavements, Activities for young people	Public transport, Safe roads and pavements, Health services	Level of traffic congestion, Safe roads and pavements, Cleanliness of the streets

### Wyre Council

	Wyre	Fleetwood	Poulton	Rural East	Rural West	Thornton-Cleveleys
Satisfaction with waste and recycling collection	68%	57%	74%	69%	68%	71%
Satisfaction with parks and open spaces	76%	76%	84%	73%	70%	72%
Agreement that 50p a day for council services and facilities is VFM	55%	59%	61%	51%	52%	57%
Overall agreement that the council keeps them informed	63%	61%	70%	59%	59%	67%
Know who their local borough councillor is/are	28%	25%	30%	31%	32%	22%

## Appendix 3: Headline comparator data by area

### Online Access

	Wyre	Fleetwood	Poulton	Rural East	Rural West	Thornton-Cleveleys
Use a computer/ laptop to access the internet at least weekly	78%	68%	80%	84%	79%	73%
Use a smartphone to access the internet at least weekly	74%	72%	78%	76%	70%	74%
Use a tablet to access the internet at least weekly	60%	53%	66%	55%	65%	57%

### Receiving Information

	Wyre	Fleetwood	Poulton	Rural East	Rural West	Thornton-Cleveleys
Prefer to receive information through Wyre Voice residents' magazine	56%	56%	65%	45%	55%	58%
Prefer to receive information through Council e-newsletter	36%	31%	40%	43%	28%	38%
Prefer to receive information through Council website	31%	31%	35%	27%	29%	32%

### Impact on health

	Wyre	Fleetwood	Poulton	Rural East	Rural West	Thornton-Cleveleys
Stress having a negative impact on health/ wellbeing	54%	52%	54%	50%	46%	60%
Lack of physical activity having a negative impact on health/ wellbeing	25%	30%	29%	34%	28%	34%

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank