Public Document Pack

NEWCASTLE
UNDER LYME
BOROUGH COUNCIL

> **PLEASE NOTE THAT PRAYERS WILL BE HELD AT 6.50PM BEFORE THE COMMENCEMENT OF THE BUSINESS OF THE COUNCIL.**
>
> **THE MAYOR REQUESTS THAT ANY MEMBER WISHING TO PARTICIPATE IN PRAYERS BE IN ATTENDANCE IN THE COUNCIL CHAMBER BY NO LATER THAN 6.45PM.**

Dear Sir/Madam,

You are summoned to attend the meeting of the Borough Council of Newcastle-under-Lyme to be held in the *Council Chamber, Civic Offices, Merrial Street, Newcastle-under-Lyme, Staffordshire, ST5 2AG* on *Wednesday, 13th July, 2016* at *7.00 pm*.

B U S I N E S S

1   **Apologies**

2   **MINUTES**   **(Pages 5 - 16)**

    To consider the minutes of the previous meeting(s)

3   **DECLARATIONS OF INTEREST**

    To receive declarations of interest from Members on items contained within this agenda.

4   **Mayors Announcements**

5   **Treasury Management Annual Report 2015-16**   **(Pages 17 - 24)**

6   **Appointment of Chair - Public Protection Committee**

7   **Appointment of representative to Outside Bodies - United Charities**

8   **The Constitution - Consequential Changes to Officer Scheme of Delegations**   **(Pages 25 - 26)**

9   **Arrangements for Member meetings**   **(Pages 27 - 52)**

10   **STATEMENT OF THE LEADER OF THE COUNCIL**   **(Pages 53 - 54)**

    To receive a statement by the Leader of the Council on the activities and decisions of Cabinet and items included on the Forward Plan.

11   **REPORTS OF THE CHAIRS OF SCRUTINY COMMITTEES**

      (a)   Active and Cohesive Scrutiny Committee
      (b)   Finance, Resources and Partnerships Scrutiny Committee
      (c)   Economic Development and Enterprise Scrutiny Committee
      (d)   Cleaner, Greener and Safer Scrutiny Committee
      (e)   Health and Wellbeing Scrutiny Committee

12   REPORTS OF THE CHAIRS OF THE REGULATORY COMMITTEES   (Pages 55 - 58)

      (a)   Audit and Risk Committee
      (b)   Planning Committee
      (c)   Licensing Committee
      (d)   Public Protection Committee

13   NOTICE OF MOTION   (Pages 59 - 60)

A notice of motion other than those listed in Standing Order 19 must reach the Chief Executive ten clear days before the relevant meeting of the Council.

14   RECEIPT OF PETITIONS

To receive from Members any petitions which they wish to present to the Council.

15   Update on previous petitions

16   STANDING ORDER 18 - URGENT BUSINESS

To consider any communications which pursuant to Standing Order No18 are, in the opinion of the Mayor, of an urgent nature and to pass thereon such resolutions as may be deemed necessary.

Yours faithfully

Chief Executive

NOTICE FOR COUNCILLORS

1. **Fire/Bomb Alerts**

    In the event of the fire alarm sounding, leave the building immediately, following the fire exit signs. Do not stop to collect personal belongings, do not use the lifts.

    Fire exits are to be found either side of the rear of the Council Chamber and at the rear of the Public Gallery.

    On exiting the building Members, Officers and the Public must assemble at the car park at the rear of the Aspire Housing Office opposite to the Civic Offices. DO NOT re-enter the building until advised to by the Controlling Officer.

2. **Attendance Record**

    Please sign the Attendance Record sheet, which will be circulating around the Council Chamber. Please ensure that the sheet is signed before leaving the meeting.
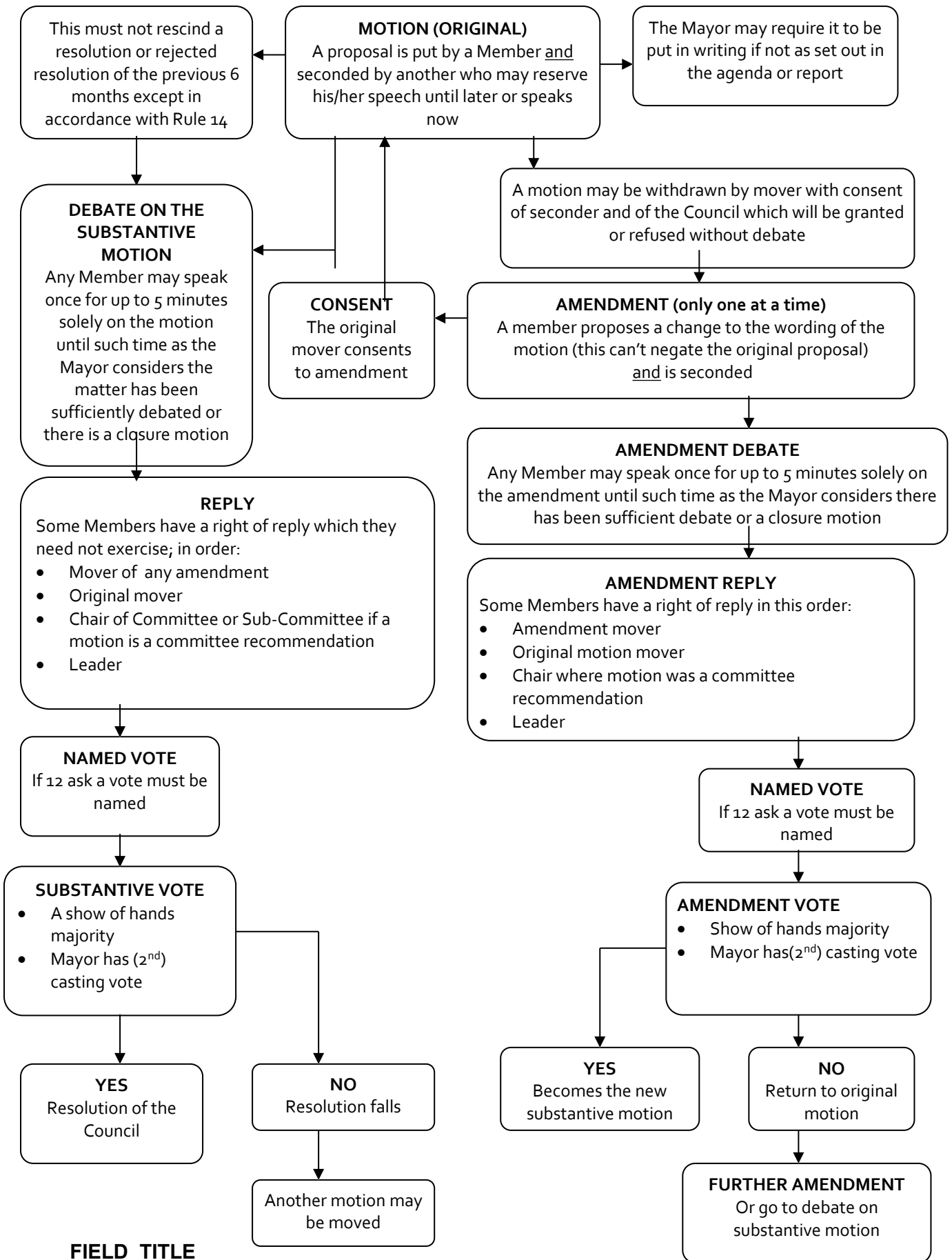
3. **Mobile Phones**

    Please switch off all mobile phones before entering the Council Chamber.

4. **Tea/Coffee**

    Refreshments will be available at the conclusion of the meeting, or in the event of a break occurring, during that break.

5. **Notice of Motion**

    A Notice of Motion other than those listed in Standing Order 19 must reach the Chief Executive ten clear days before the relevant Meeting of the Council. Further information on Notices of Motion can be found in Section 5, Standing Order 20 of the Constitution of the Council.

MOTION (ORIGINAL)
A proposal is put by a Member and seconded by another who may reserve his/her speech until later or speaks now

This must not rescind a resolution or rejected resolution of the previous 6 months except in accordance with Rule 14

The Mayor may require it to be put in writing if not as set out in the agenda or report

A motion may be withdrawn by mover with consent of seconder and of the Council which will be granted or refused without debate

DEBATE ON THE SUBSTANTIVE MOTION
Any Member may speak once for up to 5 minutes solely on the motion until such time as the Mayor considers the matter has been sufficiently debated or there is a closure motion

CONSENT
The original mover consents to amendment

AMENDMENT (only one at a time)
A member proposes a change to the wording of the motion (this can't negate the original proposal) and is seconded

AMENDMENT DEBATE
Any Member may speak once for up to 5 minutes solely on the amendment until such time as the Mayor considers there has been sufficient debate or a closure motion

REPLY
Some Members have a right of reply which they need not exercise; in order:
- Mover of any amendment
- Original mover
- Chair of Committee or Sub-Committee if a motion is a committee recommendation
- Leader

AMENDMENT REPLY
Some Members have a right of reply in this order:
- Amendment mover
- Original motion mover
- Chair where motion was a committee recommendation
- Leader

NAMED VOTE
If 12 ask a vote must be named

NAMED VOTE
If 12 ask a vote must be named

SUBSTANTIVE VOTE
- A show of hands majority
- Mayor has (2nd) casting vote

AMENDMENT VOTE
- Show of hands majority
- Mayor has (2nd) casting vote

YES
Resolution of the Council

NO
Resolution falls

YES
Becomes the new substantive motion

NO
Return to original motion

Another motion may be moved

FURTHER AMENDMENT
Or go to debate on substantive motion

FIELD_TITLE

COUNCIL

Wednesday, 18th May, 2016

Present:-	Councillor Sandra Hambleton – in the Chair
Councillors	Allport, Astle, Bailey, Beech, Bloor, Braithwaite, Burch, Burgess, Cooper, Cooper, Dillon, Dymond, Eagles, Fear, Frankish, Gardner, Hailstones, Hailstones, Hambleton, Harper, Heesom, Holland, Huckfield, Jones, Kearon, Loades, Mancey, Matthews, Naylon, Northcott, Olszewski, Owen, Panter, Parker, Pickup, Proctor, Reddish, Robinson, Rout, Shenton, Simpson, Spence, Stubbs, Sweeney, Tagg, J Tagg, Turner, Walklate, Waring, Welsh, White, Wilkes, Williams, Williams, Winfield, Wing, Woolley and Wright

1. **APOLOGIES**

Apologies were received from Councillor Johnson.

2. **MINUTES**

Resolved:	That the minutes of the meeting held on 24 February, 2016 be agreed as a correct record.

3. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

4. **ELECTION OF MAYOR 2016/17**

The Mayor requested that the Council place on record appreciation of the service given by former Councillors who had not sought re-election or had been unsuccessful at the recent elections. Their dedicated service to the Council was greatly valued.

Councillor Reddish proposed Councillor Wilkes as Mayor for the next municipal year.

Councillor Walklate seconded this nomination.

Resolved:

That Councillor Wilkes is appointed as Mayor for the municipal year 2016 to 2017.

(Councillor Wilkes in the Chair)

5. **APPOINTMENT OF DEPUTY MAYOR 2016/17**

Councillor Proctor proposed Councillor White as Deputy Mayor, this was seconded by Councillor Shenton

Councillor Sweeney proposed Councillor Heesom, this was seconded by Councillor J Cooper

Following a vote that was in favour of Councillor White it was:-

Resolved: That Councillor Simon White be appointed as Deputy Mayor for the municipal year 2016 to 2017.

6. **MAYORAL APPOINTMENTS**

The Mayor made the following appointments:

Mayoress	Mrs Anne Patricia Wilkes
High Constable	Thomas Ian Wilkes
Chaplain	Reverend Philip Silk
Mace-Bearers	Laurence Tagg and James Worgan

7. **MAYORAL ADDRESS**

The Mayor welcomed Councillors and stated that the following would be his charities for the municipal year:

Diabetes UK (North Staffs Voluntary Group
Canine Partners

8. **VOTE OF THANKS TO THE RETIRING MAYOR AND CONSORT**

Councillor Shenton proposed a vote of thanks to the retiring Mayor and Consort. Councillors said that it had been a privilege to work with the retiring Mayor and that both she and the Consort had brought compassion and both great spirit and humility to the role whilst continuously promoting the interests of the Borough and the Council.

9. **RESPONSE OF THE RETIRING MAYOR AND SUMMARY OF THE MAYORAL YEAR**

Councillor Mrs Hambleton thanked members and highlighted how the work undertaken had helped to raise the profiles of her charities in the public eye and that approximately £10,000 had been raised for the Mayor's chosen charities throughout the year.

Councillor Mrs Hambleton thanked all those who had supported both her and her Consort during the year and said that it had been both a pleasure and a privilege to serve as Mayor. Councillor Mrs Hambleton wished the new Mayor every success for the forthcoming year

10. **MAYOR'S ANNOUNCEMENTS**

The Mayor announced that the Annual Civic Church Service would be held at St. Giles Church on the morning of Sunday 3 July and that those able to attend were invited to join him.

11. **APPOINTMENT OF DEPUTY LEADER AND CABINET**

The Leader confirmed Councillor Turner as Deputy Leader and the following as members of the Cabinet:-

Councillor Rout

Councillor Williams
Councillor Beech
Councillor Kearon

12. APPOINTMENT OF COMMITTEES, CHAIRS AND VICE-CHAIRS 2016/2017

		LABOUR	CONSERVATIVE	LIB DEM	UKIP	NEWCASTLE INDEPENDENT GROUP	BOROUGH INDEPENDENT GROUP
Audit & Risk	7	3	2	1	0	0	1
		S Dymond	John Cooper	J Walklate			S White
		S Pickup	P Waring				
		M Stubbs					
Substitutes		3	2	1	0	0	0
		T Hambleton	M Holland	M Reddish			
			S Sweeney				
Independent Member				PHILL BUTTERS			
Employees Consultative	7	3	2	0	0	1	1
		A Beech	John Cooper			D Huckfield	B Proctor
		E Shenton	S Sweeney				
		R Wright					
Substitutes		3	2	0	0	1	1
		T Turner	T Johnson				
			D Loades				
Staffing Committee	11	5	4	0	0	1	1
		L Burch	John Cooper			D Woolley	B Welsh
		T Eagles	A Frankish				
		S Hambleton	M Holland				
		T Kearon	S Sweeney				
		K Robinson					
Substitutes	11	5	4	0	0	1	1
		T Turner	D Loades				
			C Mancey				

Grants Assessment	9	4	3	1	0	0	1
		M Astle	Julie Cooper	J Walklate			B Welsh
		S Burgess	A Parker				
		A Rout	L Wing				
		J Winfield					
Substitutes	9	4	3	1	0	0	1
		A Beech	D Loades	I Wilkes			
			G Heesom				
Licensing	15	7	5	1	0	1	1
		R Bailey	A Frankish	M Reddish			S White
		D Jones	T Johnson				
		T Hambleton	C Mancey				
		S Simpson	A Parker				
		C Spence	S Tagg				
		J Williams					
		J Winfield					
Substitutes	15	7	5	1	0	1	1
		T Kearon	John Cooper	I Wilkes			
		G Williams	D Loades				
			I Matthews				
			P Northcott				
			S Sweeney				
Member Development	9	4	3	1	0	0	1
		L Dillon	T Johnson	I Wilkes			B Proctor
		T Kearon	B Panter				
		A Rout	P Waring				
		T Turner					
Substitutes	9	4	3	1	0	0	1
		A Gardner	G Heesom	J Walklate			
			M Holland				
			I Matthews				
Conservation Advisory	5	2	2	0	0	0	1
		S Hambleton	Julie Cooper				W Naylon
		R Wright	T Johnson				
Substitutes	5	2	2	0	0	0	1
		D Allport	S Sweeney				

Council - 18/05/16

Planning	16	7	5	1	1	1	1
		S Burgess	A Fear	M Reddish	K Owen	E Braithwaite	B Proctor
		S Hambleton	C Mancey				
		S Pickup	P Northcott				
		S Simpson	B Panter				
		M Stubbs					
		G Williams					
		J Williams					
Substitutes	16	7	5	1	1	1	1
		T Turner	M Holland	I Wilkes	D Harper		
		J Winfield	D Loades				
			S Sweeney				
Public Protection	13	6	5	0	0	1	1
		D Allport	L Bloor			E Braithwaite	B Welsh
		L Burch	L Hailstones				
		S Dymond	P Hailstones				
		D Jones	I Matthews				
		M Olszewski	J Tagg				
		K Robinson					
Substitutes	13	6	5	0	0	1	1
		T Hambleton	G Heesom				
		J Williams	T Johnson				
		J Winfield	P Waring				
			L Wing				
Standards Committee	8	4	3	0	0	0	1
		A Beech	G Heesom				B Welsh
		S Burgess	T Johnson				
		S Hambleton	C Mancey				
		J Winfield					
Substitutes	8	4	3	0	0	0	1
		R Bailey	John Cooper				
		T Hambleton	P Northcott				
			S Sweeney				
Health & Well Being Scrutiny	11	5	4	1	0	0	1
		R Bailey	L Bloor	J Walklate			W Naylon
		A Gardner	L Hailstones				
		D Jones	D Loades				
		C Spence	P Northcott				
		R Wright					
Substitutes	11	5	4	1	0	0	1
		S Hambleton	M Holland	I Wilkes			
			S Sweeney				
Active & Cohesive Scrutiny	11	5	4	0	0	1	1
		D Allport	Julie Cooper			E Braithwaite	S White
		L Burch	A Frankish				
		S Dymond	G Heesom				
		K Robinson	J Tagg				
		G Williams					
Substitutes	11	5	4	0	0	1	1
		S Burgess	I Matthews				
		M Olszewski	P Waring				
			L Wing				
Economic Development Scrutiny Committee	11	5	4	0	0	1	1
		R Bailey	M Holland			D Huckfield	B Proctor
		S Dymond	D Loades				
		A Gardner	I Matthews				
		T Hambleton	P Northcott				
		G Williams					
Substitutes	11	5	4	0	0	1	1
		S Hambleton	A Fear				
			A Frankish				
			S Sweeney				
			L Wing				

Committee							
Cleaner, Greener & Safer Scrutiny Committee	11	5	4	1	0	0	1
		A Cooper	P Cooper	M Reddish			W Naylon
		S Burgess	P Hailstones				
		L Dillon	C Mancey				
		M Olszewski	B Panter				
		G Williams					
Substitutes	11	5	4	1	0	0	1
		J Winfield	Julie Cooper	J Walklate			
			T Johnson				
			D Loades				
Finance, Resources and Partnerships Scrutiny	11	5	4	1	0	0	1
		T Hambleton	A Fear	I Wilkes			B Proctor
		S Pickup	A Frankish				
		C Spence	D Loades				
		M Stubbs	P Waring				
		J Winfield					
Substitutes	11	5	4	1	0	0	1
		T Eagles	M Holland	M Reddish			
			I Matthews				
			P Northcott				
			S Sweeney				
Governance Review Sub Committee	5	2	2	0			1
		E Shenton	M Holland				B Proctor
		T Turner	T Johnson				

Resolved: That the above appointments to committees be agreed:

COMMITTEE	CHAIR	VICE-CHAIR
Audit & Risk	S Pickup	S Dymond
Conservation Advisory	W Naylon	R Wright
Employees Consultative	**PORTFOLIO HOLDER**	**NO NOMINATION REQUIRED**
Grants Assessment	**PORTFOLIO HOLDER**	**NO NOMINATION REQUIRED**
Licensing	T Hambleton	S White
Member Development	T Turner	**NO NOMINATION REQUIRED**
Planning	B Proctor	S Pickup
Public Protection	K Robinson	B Welsh
Staffing Committee	S Hambleton	**NO NOMINATION REQUIRED**
Standards Committee	S Hambleton	J Winfield
Health & Well Being Scrutiny	D Jones	R Wright
Active & Cohesive Communities SC	G Williams	D Allport
Cleaner, Greener & Safer Communities SC	W Naylon	S Burgess
Economic Development & Enterprise SC	A Gardner	G Williams

Finance, Resources and Partnerships SC	J Winfield	C Spence

Resolved: That the above Chair and Vice-Chair appointments be agreed.

13. **APPOINTMENT OF REPRESENTATIVES ON OUTSIDE BODIES 2016/2017**

Resolved: That the following members be appointed to Outside Bodies:-

Outside Bodies – Community Groups

Organisation/Partnership	Number of places	Status of Body	Current Representatives	Nominations 2016/17
Community Centres Management Committees: Audley Bradwell Lodge Community Centre * Butt Lane Chesterton Clayton Crackley Harriet Higgins Holly Road Knutton Marsh Hall Red Street Silverdale, Park Road Silverdale, Social Centre Whitfield Wye Road • CIC – Community Interest Group (Appoints own Directors)	Up to 3 on each	Community		Ward members automatically become the Council's nominated representatives for community centres situated within their wards for the period of their office, negating the need to make specific nominations each year Ward Members do not have voting rights unless co-opted or elected to the Management Commitee

Outside Bodies – Third Sector

Organisation/Partnership	Number of places	Status of Body	Current Representatives	Nominations 2016/17
Community Council for Staffordshire	1	Third Sector	Simon White	Simon White
Go Kidsgrove	1	Third Sector	Portfolio Owner for Regeneration/Assets	Portfolio Holder for Town Centres, Business and Assets

North Staffs Victim Support	1	Third Sector		Portfolio Holder for Safer Communities
Stoke-on-Trent and North Staffordshire Theatre Trust Limited (New Victoria Theatre)	1	Third Sector		Leader
The United Charities Trust	4	Third Sector	Mrs Walklate 2/11/17 Mrs Williams 30/11/17 Mrs Winfield 30/11/16 Vacancy	As existing
Aspire Board This parent company ceases with effect from 1st July 2016 therefore there is no need to nominate a replacement representative to this Board. Aspire Housing Board will in effect revert back to the parent company having two direct subsidiaries, PM Training and The Realise Foundation.	1	Local Body	MRS HAMBLETON	
Campaign to Protect Rural England - County Branch	1	Regional Body	Councillor Loades Councillor Naylon	Wenslie Naylon
Local Government Association – General Assembly	1	National Body		Leader
Local Enterprise Partnership	1	Regional Body	Leader	Leader or relevant portfolio holder

Locality Action Partnerships: Audley Butt Lane Betley, Keele and Madeley Clayton Poolfields, Thistleberry and Town East Newcastle Greater Chesterton Kidsgrove Newcastle Rural Partnership of Western Communities	N/A	Local body		The LAP constitutions state that membership is open to "Any County or District Councillor representing any part of the area" - this negates the need to make specific nominations annually.
Business Improvement District	1	Local Body		Portfolio Holder for Regeneration Assets
Newcastle-under-Lyme Partnership (Local Strategic Partnership) (Strategic Board)	1 + sub	Local Body		Leader (substitute Deputy Leader)
"Enjoy Staffordshire" Destination Management Partnership	1	Local Body	Current representative is the Portfolio Holder for Town Centres, Business and Assets	The Portfolio Holder – Leisure, Culture and Localism may be more appropriate
Staffordshire County Council Health Scrutiny Committee	1	Local body		Chair of Health Scrutiny
Staffordshire Health and Wellbeing Board	1	Local body		Leader or relevant portfolio holder (if required)
Staffordshire LGA – Waste Board	1	Local Body		Portfolio Holder for Environment and Recycling
Staffordshire Playing Fields Association	1	Local Body	Portfolio Holder for Environment and Recycling	As existing
Staffordshire Police and Crime Panel	1+ sub	Local Body		Portfolio Holder for Safer Communities

Stoke-on-Trent and Staffordshire Strategic Partnership	1	Local Body		Leader
Waste and Mineral Site Liaison Committee – Acton	1	Local Body		**David Loades**
Waste and Mineral Site Liaison Committee – Knutton	2	Local Body		**Tony Eagles Amelia Rout**
Waste and Mineral Site Liaison Committee – Madeley	2	Local Body		**Billy Welsh Simon White**
Waste and Mineral Site Liaison Committee –Holditch House	1	Local Body		**Chris Spence**
Waste and Mineral Site Liaison Committee –Walleys	6	Local Body		**Tony Eagles Amelia Rout Derrick Huckfield Eileen Braithwaite Marion Reddish June Walklate**
West Midland Reserve Forces and Cadets Association	1	Regional Body	MIKE STUBBS	**Mike Stubbs**
West Midlands Employers	1 + sub	Regional Body		Leader (Substitute – Portfolio Holder for Finance & Resources)
District Councils Network	1	National Body		Leader
LGiU Assembly	1	National Body		Kyle Robinson

14. **REVIEW OF THE CONSTITUTION FOR THE 2016/17 MUNICIPAL YEAR**

In accordance with the requirement for Council to formally adopt the Constitution for the forthcoming municipal year the Monitoring Officer

submitted a report which updated members on the changes since the last meeting of Annual Council. These changes included:-

(i)   Approval to delegate responsibility for the calculation of the Council Tax Base to the Executive Director (Resources and Support Services)

(ii)   Amendments to the Scheme of Delegation for the Environmental Health function and the Licensing function as a consequence of legislative changes.

(iii) A revised Appendix 21 – Protocol on Planning Matters. The Protocol to be reviewed in six months' time (i.e. August 2016)

Resolved: That the Constitution as now amended be adopted.

15.   **REPORT - MEMBERS ALLOWANCES**

Resolved: That the scheme of allowances as set out in the report be retained for the Municipal Year 2016/17.

16.   **CALENDAR OF MEETINGS 2016/17**

Resolved: That Council agree the dates/times of the meetings as listed at Appendix A in the report now submitted.

17.   **STANDING ORDER 18 - URGENT BUSINESS**

There was no urgent business.

COUNCILLOR SANDRA HAMBLETON
Chair

COUNCILLOR IAN WILKES
Chair

This page is intentionally left blank

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO COUNCIL

13 July 2016

1.   **TREASURY MANAGEMENT ANNUAL REPORT 2015/16**

Submitted by: Head of Finance

Portfolio: Finance, ICT and Customer

Ward(s) affected: All Indirectly

Purpose of the Report

To receive the Treasury Management Annual Report for 2015/16.

Recommendations

    (a) **That the Treasury Management Annual Report for 2015/16 be received.**

    (b) **That the actual Prudential Indicators contained within the report be approved.**

Reasons

It is a requirement of the CIPFA Treasury Management Code of Practice and its Prudential Code for Capital Finance that an Annual Report is made to the Council in respect of each year's Treasury Management activities.

---

1.   **Background**

1.1   The CIPFA Code of Practice on Treasury Management (revised in November 2011) recommends that Members should be informed on Treasury Management activities at least twice a year.

1.2   This report therefore ensures that this Council is embracing Best Practice in accordance with CIPFA's recommendations in the CIPFA Code of Practice.

1.3   The Audit and Risk Committee monitor and oversee the delivery of the Treasury Management Strategy. The Treasury Management Annual Report for 2015/16 has already been reviewed by the Audit and Risk Committee at their meeting on 04 July 2016. Any feedback from this meeting shall be provided if necessary.

1.4   Treasury Management operations are carried out in accordance with policies laid down in the currently approved Treasury Management Policy Statement, backed up by approved Treasury Management Practices and Schedules thereto, and the Annual Treasury Management Strategy Report for 2015/16 approved by Council on 25 February 2015.

2. **Issues**

2.1 The Treasury Management Annual Report for 2015/16 is attached at Appendix 1. The economic background and economic forecast included in the report has been provided by the Council's Treasury Management Advisors, Sector Treasury Services Ltd.

2.2 **Heritable Bank**

The original investment with Heritable Bank was £2,500,000. Fifteen dividends have been received so far from administrators Ernst and Young representing a return of 98%, compared to their estimated base case return of between 86% and 90%.

3. **Legal and Statutory Implications**

3.1 See Background for details.

4. **Financial and Resource Implications**

4.1 There are no specific financial implications arising from the report.

5. **Major Risks**

5.1 Treasury management is a major area of risk for the Council in that large amounts of money are dealt with on a daily basis and there are a number of limits and indicators, which must be complied with.

5.2 The overriding consideration in determining where to place the Council's surplus funds is to safeguard the Council's capital. Within this constraint the aim is to maximise the return on capital.

5.3 Operational procedures, coupled with monitoring arrangements, are in place to minimise the risk of departures from the approved strategy.

6. **List of Appendices**

6.1 Appendix 1, Treasury Management Annual Report 2015/16.

7. **Background Papers**

- CIPFA Treasury Management Code of Practice (revised November 2011),
- Council's Treasury Management Policy Statement,
- Council's Treasury Management Strategy,
- Local Government Act 2003,
- Local Authorities (Capital Finance and Accounting) (England) Regulations 2003,
- Guidance on Local Authority Investments issued by the Department for Communities and Local Government (revised March 2010),
- Ernst & Young Progress Report (10 March 2016),
- Sector Treasury Services Ltd Treasury Management Annual Report template (updated 18 April 2016)

TREASURY MANAGEMENT ANNUAL REPORT 2015/16

1. INTRODUCTION AND BACKGROUND

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for the financial year 2015/16. This report meets the requirements of both the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

The CIPFA Code of Practice on Treasury Management 2009 was adopted by this Council on 24 February 2010; this was updated in November 2011.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.

2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.

3. Receipt by the Full Council of an annual treasury management strategy report (including the annual investment strategy) for the year ahead and an annual review report of the previous year.

4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

5. Delegation by the Council of the role of scrutiny of the treasury management strategy to a specific named body which in this Council is the Finance, Resources and Partnerships Scrutiny Committee.

6. Delegation by the Council of the role of scrutiny of treasury management performance to a specific named body which in this Council is the Audit and Risk Committee, a midyear and year-end review report is received by this Committee.

Treasury management in this context is defined 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. "

The purpose of this report is to meet one of the above requirements of the CIPFA Code, namely the annual review report of treasury management activities, for the financial year 2015/16.

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

This Council has complied with the requirement under the Code to give prior scrutiny to the annual review report by reporting this to the Audit and Risk Committee prior to it being reported to Full Council.

2. THIS ANNUAL TREASURY REPORT COVERS

❖ The Council's treasury position as at 31 March 2016;
❖ The strategy for 2015/16;
❖ The economy in 2015/16;

- ❖ Investment rates in 2015/16;
- ❖ Compliance with treasury limits and Prudential Indicators;
- ❖ Investment outturn for 2015/16;
- ❖ Involvement of Elected Members;
- ❖ Other issues.

3. TREASURY POSITION AS AT 31 MARCH 2016

The Council's investment position at the beginning and the end of the year was as follows:

	At 31/03/16	Return	Average Life (Days)	At 31/03/15	Return	Average Life (Days)
Total Debt	*£0m*	*N/A*	*N/A*	*£0m*	*N/A*	*N/A*
Total Investments	*£7.5m*	*0.68%*	*11*	*£8.8m*	*0.46%*	*7*

It should be noted that the above table is only a snapshot of the Total Investments as at 31 March. Large fluctuations in cash inflows and outflows that occur throughout the month can have an impact on the figure reported. The high figure for investments for 31 March 2016 is due to an underspend on the capital programme.

4. THE STRATEGY FOR 2015/16

The strategy agreed by Council on 25 February 2015 was that:

- The Council's Borrowing Need (Capital Financing Requirement) for 2015/16 was estimated at £360,000 due to the Council expecting to have funds available and no borrowing requirement, rising to £1m in future years, to allow for the possibility that the Council may need to borrow to finance capital expenditure which cannot be funded from other revenue or capital resources;

- Short term external loans (i.e. repayable on demand or within 12 months) can be taken to fund any temporary capital or revenue borrowing requirement. The amounts involved would fluctuate according to the cash flow position at any one time;

- All borrowing would be kept absolutely within the Authorised Limit of £15m and would not normally exceed the Operational Boundary of £5m (although it could for short periods of time be permitted to rise to a figure between £5m and £15m due to variations in cash flow);

- Temporary surpluses which might arise would be invested, either in short term deposits with the Council's various deposit accounts or in money market investments (cash deposits) if the size warranted this and for an appropriate period in order that these sums would be available for use when required;

- The proportions of loans and investments to be at fixed or variable rates were: fixed rate loans to be between 0% and 100% of the total and variable rate to be between 0% and 100% of the total, thus enabling maximum flexibility to take advantage of interest rate trends;

- Long term investments to be permitted as follows: maturing beyond 31/03/16 £5m, maturing beyond 31/03/17 £5m, maturing beyond 31/03/18, £5m;

- The overriding consideration is safeguarding the Council's capital. At all times the risk to the Council will be minimised. Within these constraints, the aim will be to maximise the return on investments; and,

- Forward commitment of funds for investment is permitted in respect of in house investments, in instances where market conditions warrant it.

Changes in strategy and credit Policy during the year

There have been no changes to the Treasury Management Strategy during the year. As approved by Council on 25 February 2015 the Council used the creditworthiness service provided by the Council's treasury management advisors, Sector Treasury Services which uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors, forming the core element, supplemented by additional data (credit watches and outlooks, Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings and Sovereign ratings to select counterparties from only the most creditworthy countries). This modelling approach results in a weighted scoring system providing a series of colour coded bands which indicate the relative creditworthiness of counterparties and a suggested maximum investment duration.

5. THE ECONOMY AND INTEREST RATES - narrative supplied by the Council's Treasury Management Advisors – Sector Treasury Services Limited

Market expectations for the first increase in Bank Rate moved considerably during 2015/16, starting at quarter 3 2015 but soon moving back to quarter 1 2016. However, by the end of the year, market expectations had moved back radically to quarter 2 2018 due to many fears including concerns that China's economic growth could be heading towards a hard landing; the potential destabilisation of some emerging market countries particularly exposed to the Chinese economic slowdown; and the continuation of the collapse in oil prices during 2015 together with continuing Eurozone growth uncertainties.

These concerns have caused sharp market volatility in equity prices during the year with corresponding impacts on bond prices and bond yields due to safe haven flows. Bank Rate, therefore, remained unchanged at 0.5% for the seventh successive year. Economic growth (GDP) in 2015/16 has been disappointing with growth falling steadily from an annual rate of 2.9% in quarter 1 2015 to 2.1% in quarter 4.

The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields. However, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central rates have been pushed back. In addition, a notable trend in the year was that several central banks introduced negative interest rates as a measure to stimulate the creation of credit and hence economic growth.

6. INVESTMENT RATES IN 2015/16 – narrative supplied by the Council's Treasury Management Advisors – Sector Treasury Services Limited

Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for seven years. Market expectations as to the timing of the start of monetary tightening started the year at quarter 1 2016 but then moved back to around quarter 2 2018 by the end of the year. Deposit rates remained depressed during the whole of the year, primarily due to the effects of the Funding for Lending Scheme and due to the continuing weak expectations as to when Bank Rate would start rising.

7. COMPLIANCE WITH TREASURY LIMITS

During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's annual Treasury Strategy Statement. The outturn for the Prudential Indicators is shown in Annex 1.

8. INVESTMENT OUTTURN FOR 2015/16

Internally Managed Investments

The Council manages its investments in-house and invests with institutions in compliance with Sector Treasury Services credit worthiness service. The Council invested for a range of periods from overnight to up to six months during 2015/16, dependent on the Council's cash flows, its interest rate view and the interest rates on offer. Seven of the fourteen fixed investments (excluding use of the Government's Debt Management Office Debt Management Account Deposit Facility) made in 2015/16 were for a period of three months or less. Six fixed investments were for six months. The remaining investment was a twelve month investment that was carried over from 2014/15.

The Council used the Government's Debt Management Office (DMO) Debt Management Account Deposit Facility (DMADF) on ten occasions during the year with the longest deposit being made for sixteen days.

Aside from fixed investments and use of the DMO DMADF, the Council used its various deposit accounts. This included two deposits in a 32 day notice account, four deposits in a 95 day notice account and one deposit in a 180 day notice account. On four occasions funds were also deposited in the Council's business reserve account. Funds in the general fund account that the Council has with Lloyds Bank also earns interest on a daily basis.

Investment Outturn for 2015/16

During 2015/16 an average rate of return of 0.68% was achieved on an average individual investment of £2.11m. This compared with the target of 0.45% included in the departmental service plan.

9. INVOLVEMENT OF ELECTED MEMBERS

Elected members have been involved in the treasury management process during 2015/16 including:

- Scrutiny of the treasury management strategy by the Finance, Resources and Partnerships Committee prior to being submitted for approval by the Full Council.
- Scrutiny of treasury management performance by the Audit and Risk Committee through the receipt of a half yearly treasury management report.
- A quarterly budget monitoring and performance report is reported to Cabinet, this contains details of Treasury Management activity undertaken during the quarter.

10. HERITABLE BANK DEFAULTS

This authority currently has the following investment frozen in the Heritable Bank:

- Investment 5092, £2.5m, maturity date 14 September 2009.

Payments up to 31 March 2016 totalled £2,457,623 (98% return of principal invested).

ANNEX 1: PRUDENTIAL INDICATORS

	Position/Prudential Indicator	2014/15 Actual	2015/16 Original Indicator	2015/16 Actual
1	Capital Expenditure	£2.061m	N/A	£2.543m
2	Capital Financing Requirement at 31st March	(£0.503m)	(£0.360m)	(£0.895m)
3	Treasury Position at 31st March: Borrowing Other long term liabilities Total Debt Investments Net Borrowing	£0 £0.155m £0.155m (£8.808m) (£8.653m)	N/A N/A N/A N/A N/A	£0 £0m £0m (£7.549m) (£7.549m)
4	Authorised Limit (against maximum position)	£0	£15.0m	£0
5	Operational Boundary (against maximum position)	£0	£5.0m	£0
6	Ratio of Financing Costs to Net Revenue Stream	(1.48%)	(0.37%)	(1.92%)
7	Upper Limits on Variable Interest Rates (against maximum position) Loans Investments	 0 0	 100% 100%	 0 0
8	Actual External Debt	0	N/A	0
9	Principal Funds Invested for Periods Longer than 364 days (against maximum position)	0	£5.0m	0

GLOSSARY

CPI – Consumer Price Index

The Consumer Price Index (CPI) is the main UK measure of inflation for macroeconomic purposes and forms the basis for the Government's inflation target. It is also used for international comparisons.

DMO and DMADF - Debt Management Office and Debt Management Account Deposit Facility

The DMO is an Executive Agency of Her Majesty's Treasury. The DMO provides the DMADF to support local authorities' cash management by providing a flexible and secure facility to supplement their existing range of investment options whilst saving interest costs for Central Government.

ECB – European Central Bank

The European Central Bank (ECB) is the central bank for the euro and administers the monetary policy of the EU member states which constitute the Eurozone, one of the largest currency areas in the world.

MPC – Monetary Policy Committee

Interest rates are set by the Bank's Monetary Policy Committee (MPC). The MPC sets an interest rate it judges will enable the inflation target to be met. The Bank's MPC is made up of nine members – the Governor, the two Deputy Governors, the Bank's Chief Economist, the Executive Director for Markets and four external members appointed directly by the Chancellor. The appointment of external members is designed to ensure that the MPC benefits from thinking and expertise in addition to that gained inside the Bank of England.

PWLB – Public Works Loan Board

The Public Works Loan Board (PWLB) is a statutory body operating within the Debt Management Office and is responsible for lending money to local authorities and other prescribed bodies, as well as for collecting the repayments.

QE – Quantitative Easing

Quantitative Easing is an unconventional monetary policy used by central banks to stimulate the national economy when standard monetary policy has become ineffective. A central bank implements quantitative easing by buying financial assets from commercial banks and other private institutions, thus increasing the money supply by flooding financial institutions with capital, in an effort to promote increased lending and liquidity.

Report Title	**THE CONSTITUTION – CONSEQUENTIAL CHANGES TO OFFICER SCHEME OF DELEGATIONS**
Committee/Meeting	**COUNCIL**
Date	**13th JULY 2016**
Submitted By	**MONITORING OFFICER**
Ward (s) Affected	**ALL**
Portfolio (Delete as appropriate)	Finance and Resources Environment and Recycling Economic Development, regeneration and town Centres Culture and Leisure Communications, Policy and Partnerships Stronger and Healthier Neighbourhoods Safer Communities
Is this a Key Decision	NO
Purpose of the Report	To advise Council of revisions which have been made to the Officer Scheme of Delegation in relation to the Leisure and Amenity, Licensing and Environmental Health functions in consequence of legislative changes
Recommendations (In Bold)	**That the revised Schemes of Delegation be noted.**

Reasons

Part 2, paragraph 15.2 of the Constitution authorises the Monitoring Officer to make consequential changes to the Constitution to reflect resolutions of the Council or Cabinet, decisions properly made under delegated powers and changes of fact and law, subject to regular notification of Members to such changes.

Revising the Constitution is necessary to ensure that the Council is efficient and effective in making and implementing decisions and is properly accountable. Changes may become necessary where the law has changed or where the Council decides to change the way it operates, for example if the management structure changes and/or services move from one directorate to another.   The Scheme of Officer Delegation must be updated and revised where necessary to allow officers to continue to act lawfully.

Background

The Constitution is the set of rules that describe and constrain how the Council operates, how its decisions are made and the procedures to be followed. The Council adopted a new formal Constitution in 2001 and this has been updated and reviewed since that date. The Constitution provides a framework for Council decision making through which the Council delivers its strategic objectives.

Outcomes to support Corporate Priorities as set out in the Council Plan and/or the Newcastle Partnership priorities

The objective of the Constitution is to support the intentions of the Corporate Plan in the most efficient, effective, inclusive, open and accountable manner.

The Constitution governs the way the Council works. The amended Schemes of Delegation will enable the public, Council Members and officers to engage more effectively with the decision making processes of the Council and also ensure that processes are lawful.

An effective Constitution contributes to the overall ethical wellbeing of the Council, and helps to ensure a culture of high ethical standards, which the public and the Council's partners can have confidence in.

Financial and Resource Implications There are no financial or resource implications flowing from this report.

Legal, Statutory and Policy Implications The Constitution is the legal framework set by the Council and which governs the way it conducts its business. The powers of the Council to delegate the exercise of functions are set out in Section 101 of the Local Government Act 1972.

Major Risks If the Schemes of Delegation for the Council's various functions are not kept up to date, it could expose the Council to legal risk, frustrate aspects of legal enforcement and may prevent the full implementation of Council decisions.

Classification: NULBC **PROTECT** Organisational

COUNCIL – 13 JULY 2016

1. **ARRANGEMENTS FOR MEMBER MEETINGS**

   Submitted by: **Chief Executive**

   Recommendations

   1.   Disband the following committees:

          a.   Joint Parking Committee - immediately
          b.   Member Development Panel - immediately
          c.   Asset Policy Committee - immediately
          d.   Governance Committee - on completion of its current work programme

   2.   Merge the Audit and Risk Committee and Standards Committee.

   3.   Create common membership of the Public Protection Committee and the Licencing Committee with both Committees having 15 Members.

   4.   Disband the Staffing Committee and Employee Consultative Committee. Create a Joint Negotiating and Consultation Committee to fulfil the functions set out in the Joint Recognition Agreement. That the Joint Negotiating and Consultation Committee be given the remit for adoption and amendment of all employment policies. That a Member Appeal Panel be established to hear employee appeals in accordance with the appropriate policies.

   5.   Establish the following as Member / officer working groups under the support of the relevant Executive Director or Head of Service:

          a.   Kidsgrove Leisure Centre Working Group
          b.   Newcastle Almshouse Charity
          c.   Parish Councils Forum

   6.   Retain the Conservation Advisory Working Group in its current form.

   7.   Retain the Constitution Working Group as a Member / officer working Group comprising a Member from each Group and add to its remit a role to keep under review member support and development. The working group be retitled the Constitution and Member Support Working Group.

   8.   That the Constitution be amended to reflect these changes.

   9.   That the Group Leaders with the Chief Executive keep under review the arrangements for scrutiny to ensure that these are efficient and effective in line with the comments made in this report.

   10.   That the Constitution and Member Support Working Group gives consideration and makes recommendation on the scheduling of meetings to make best use of Member and officer time.

1.   **Context**

1.1   In December 2014 the Council invited an LGA Peer Review team to conduct a review of its democratic decision making structures. The review reported in January 2015 and a copy of the report is contained in full at Appendix 1 of this report.

1.2   The review was commissioned as part of a wider organisational review of the Council's democratic arrangements which also included consideration of the Council's election cycle and the overall size of the council (i.e. the number of elected Members). It was considered that due to the fact the Council had triggered an electoral review by the Boundary Commission that priority should be given to consideration of the future size of the Council and to the related matter of the cycle of elections. It was agreed therefore to hold over progressing the consideration of committee arrangements until the first two issues had been addressed, but in the meantime to invite all committees to consider the findings of the LGA Peer Review and to ask for their comments.

1.3   At meetings of the Council held on 25 November 2015 the Council agreed to adopt a four year cycle of council elections and to ask the Boundary Committee to consider a future size of Council in the range of 42 to 48 members. These changes would be implemented with effect from the local elections in May 2018. These issues having been addressed, it is appropriate for consideration to return to the matter of the council's committee arrangements.

2.   **Findings of the Peer Review**

2.1   The LGA Peer Review team noted that the current democratic decision making arrangements demand a lot of time from both Members and officers. This arises from the extensive array of formally constituted committees and panels. The review team noted that the number of committees and committee positions is very large when compared with similar district and borough councils benchmarked by the team. They noted that the number of meetings (well over 100 per year) is amongst the highest of the benchmark authorities. Similarly, the number of committee positions is 3.6 per councillor compared to an average of 2.6 amongst the comparator councils.

2.2   The approach taken by the Peer Review Team to dealing with the current demands of the council's committee arrangements is to propose a number of mergers and in some cases to suggest the disbanding of some committees. These proposals have been reviewed by all committees and the feedback is helpful in informing the response made to these recommendations.

2.3   Whilst proposing certain changes to the current committee arrangements, the Peer Review Team also recognise the need to address the issue of informing members.

2.4   The Peer Review recognised and made recommendations for actions to improve the business practices of committees which included the format of reports and circulation of the agendas. The review recognised the actions which were already in hand in the council and this has been further progressed since the review reported with changes to agenda circulation and ongoing work on agenda formats using modern gov. This will need to continue and will assist the situation but cannot be seen as a total solution without addressing the more fundamental matter of the number of meetings.

2.5   The Peer Review also identifies and makes recommendations in respect of the scheme of delegations. A theme which runs through their report and one which is picked up as a recommendation is that there would be scope to extend the

delegations which would bring the council more into line with practice in other councils and that this would of itself lighten the load of decisions which need to be brought through a formal committee process.

3.   Peer Review Recommendations

3.1   The Peer Review Report makes recommendations for a number of committees to be merged, combined or disbanded. The specific recommendations are as follows:

- Merge/amalgamate the Public Protection Committee and Licensing Committees
- Merge/amalgamate the Audit and Risk and Standards Committees
- Merge/amalgamate the Active and Cohesive Communities and Health and Well Being Scrutiny Committees
- Review the continued needs for the Staffing Committee
- Review some of the historical / legacy arrangements, such as the Joint Parking Committee and Conservation Advisory Working Party, and whether the Council should continue to service these bodies

3.2   The Finance, Resources and Partnerships Scrutiny Committee (FRAPS) has coordinate responses from each Committee to the recommendations of the Peer Review. FRAPS discussed the comments at its meeting on 4 November 2015. The Committee resolved the following:

i)   That the Audit and Risk and Standards Committees be merged
ii)   That the Staffing Committee be disbanded
iii)   That the Joint Parking Committee be disbanded
Iv)   That the Member Development Committee be disbanded

3.3   The Scrutiny Committee did not support the recommendation to make the Constitution Working Group a Committee of Council. The reason for this was that it is considered desirable to maintain the all-party representation through a single member for each Group, creating the Constitution Working Group as a Committee of Council would require it to be politically proportional in its membership which is considered to be at odds with the way the Working Group has and wishes to function.

3.4   The Scrutiny Committee also supported the notion of having 'mirror image' membership of the Licencing Committee and the Public Protection Committee with both Committees being sized at 15 Members.

4.   Implications of other governance changes

4.1   The Council has resolved that in future the number of councillors making up the Council should be in the range of 42 to 48. Such a change will be the subject of an electoral review to be undertaken by the Boundary Committee for England. This work will commence in August 2016 and is expected to report in May 2017 with any changes being implemented at the date of the council elections in May 2018.

4.2   It is reasonable to assume based upon the experience of other councils that the Boundary Commission is likely to endorse the Council's own view about the number of councillors making up the Council. This being the case, it would be advisable to plan at an early stage for future committee arrangements which are likely to be sustainable when the number of councillors is considerably less. The LGA Peer Review has confirmed that the council is already at the top of the comparator range in terms of the number of meetings and the number of committee positions which it is

required to service. This situation will become even more extreme when the number of councillors is reduced.

5.   The Council's governance arrangements

5.1   The Borough Council operates a Leader and Cabinet governance model. This was adopted by the Council in 2000 and has been operating since that time. The Cabinet and Leader model replaced the Committee system which is an alternative governance model.   In the Peer Review report it states that Newcastle is "…………….. operating a de facto committee system alongside a Leader and Cabinet model of executive arrangements with all the additional demands on officer time that this implies. Some of the Overview and Scrutiny Committees appear to operate like services committees …………….. and the existence of others, such as the Staffing Committee, are out of kilter with current practice in other authorities and seem focussed on operational matters that are usually in the domain of officers." The report goes on to state that the current arrangements "puts an unnecessary and unsustainable demand on the organisation and its capacity and resources, which due to the financial challenges facing local government are continuing to decrease."

6.   The meetings culture

6.1   The Peer Review team carried out a detailed survey of councillors to inform their work in addition to the detailed interviews which they undertook whilst on site. They noted that "councillors highly value the principles of all debates and decision making being carried out in formally constituted committee meetings which meet in public and supported by formal agendas and minutes". However, the Peer Review team considered that "given the important role councillors have in the overall relationship between Council and community, lessening the demands of meeting attendance will allow these roles and relationships to develop further and crucially 'free up' reducing officer resources to focus on service delivery."

6.2   The Peer Review also noted the impact which the meetings culture has in terms of the resources which these processes consume. "The time and resource required to service and support these mean officers are stretched and are focused on 'feeding the machine' rather than 'doing the day job'."

6.3   The Peer Review team summarised the combined impact on both Members and officers of sustaining such a high volume of formal meetings as follows: "The sheer volume may also be compromising the quality of committee servicing and support, evidenced by the high number of supplementary papers and replacement reports correcting errors. This in turn puts additional pressure on those trying to read the reports in advance of meetings, and arguably diminished the quality of discussion and debate."

6.4   In the period 2008/9 to 2016/17 the Council's resource base has reduced by 46%. In the comparative period, the number of formal meetings of the Council has increased with an array of panels and working groups being added to the existing formal structures of Council, Cabinet, statutory committees and overview and scrutiny committees. The Peer Review has provided very sound evidence that the current position is unsustainable from both an officer and a Member perspective.   In summary, with significantly reduced resources officers are finding it increasingly difficult to service the demands of the current committee arrangements; further this very process is demanding more time from Members. The Peer Review team is of the view that the Council may be substituting quantity of activity for quality.

7.   The nature of the problem

7.1   The Council has adopted a Leader and Cabinet model of governance. In this model the majority of routine decisions lie in the hands of the Members making up the Cabinet. Whilst this arrangement was put forward in the Local Government Act 2000 as a model which can speed decision making, which indeed it does, most councils have had to address one of the attendant challenges which is how to ensure that other members of the council feel part of the decision making process. It would be argued that this is something which needs to be addressed through the operation of the political groups. However, in most councils other mechanisms have had to be found for dealing with the information needs of members not in the Cabinet.

7.2   This issue was picked up by the Peer Review team. They noted that "the current arrangements appear to be seen by non-executive members as a range of opportunities to feel involved and informed, rather than part of a decision-making system." This is reinforced by their desktop analysis which indicated that 40% of reports on agenda for meetings in the period they considered were 'for information'. This provides evidence of the fact that in this council's case the existence of committees is in a number of situations providing routes for members to be informed or to feel involved with the work of the council rather than actually taking decisions. In summary the Peer Review notes that "councillors appear to rely heavily on committee meetings and agendas/reports for their information."

7.3   Although not a specific consideration of the Peer Review, this issue is particularly well illustrated by the meetings of the Council itself. Both in terms of Statute and the Council's Constitution the decisions which are reserved to the Council itself are relatively small in number. However, a convention has grown up for the Council to receive reports from all of its Committees and also from the Cabinet, although there is no legal or Constitutional requirement for this. The main purpose seems to be to ensure that all Members are informed about the work of all the Council's committees an evident information rather than decision-making role.

7.4   A similar position is replicated by the overview and scrutiny committees where a very high proportion of the work is focused on pre-decision scrutiny of decisions to be taken by the Cabinet and to receive information reports on the work of officers falling within the remit of the particular committee. This would seem to confirm the view of the Peer Review team that "some of the overview and scrutiny committees appear to operate like service committees." They confirm that the principles of good scrutiny are that they should cover the issues that matter to local people, it should be 'narrow and deep' rather than 'broad and shallow'. It is evident that the current scrutiny arrangements are fulfilling more of an information and involvement role for members rather than the task of scrutiny.

7.5   The Council had a separate peer review to consider the future shape of scrutiny in 2011. This review made a recommendation that the council should consider having task and complete scrutiny studies rather than the standing thematic scrutiny committee arrangements. In the most recent peer review the team noted that the council has both standing committees and task and finish groups. They propose that scrutiny arrangements need to be flexible enough to adapt to changing circumstances. They also propose that scrutiny reviews should be properly scoped, task and finish, rather than on-going. The same lead officer served on both of the peer reviews and was highly surprised that the council now operated both thematic scrutiny committees and task and complete groups. This was contrary to what was intended following the recommendation of the earlier review, hence the comments made about scrutiny in the recent report.

7.6   The impact which lack of discipline over the work of scrutiny is having on officer time is clearly brought out by the Peer Review Team. They note that "scrutiny committee work-plans should not be agreed without some consideration of the officer resources available to support them."   The Peer Review Report makes recommendation to merge some scrutiny committees but clearly states that "the council may wish to consider being more radical in the reduction of the number of scrutiny committees."

7.7   Whilst on occasion committee, panel or working party arrangements have been set up on a task and complete basis in an attempt to limit the risk of mission creep and drift, there has been a lack of discipline applied to these arrangements and many have sustained a role beyond that of the initial remit.   There are a number of examples of where task and complete arrangements have turned into standing arrangements. This is picked up by the Peer Review team and they propose that legacy arrangements should be identified and addressed. Arrangements for areas of work which have been concluded or are no longer relevant should result in the committee being wound up.

7.8   In summary there are three key issues which the Peer Review has helped identify:

- The Leader and Cabinet model of governance has created an information and involvement role for councillors which is currently being met by the inappropriate use of committees to fulfil these needs.

- The scrutiny process has become poorly focussed and ill-disciplined.   The scrutiny process is consuming a very significant amount of resources in member but particularly officer time which is diverting resources from delivery at a time when resources have been and will continue to be under pressure. Scrutiny has become another vehicle through which Members receive information and seek to feel involved and this results in the role to provide scrutiny being blunted or non-existent.

- Committees established on a task and complete basis have in certain cases been allowed to drift and maintain a life beyond their original remit and purpose.

7.9   The headline is that the council currently has very cumbersome and resource intensive committee arrangements.   Due to the reductions in resources these are now placing a very heavy overhead on officer time which is proving costly to resource and is diverting resources from other priority work. It is anticipated that the number of members will also be reduced in the near future and that work should be set in hand to plan for committee arrangements which will be sustainable in the longer term.

8.   Responding to the Peer Review recommendations

8.1   The Peer Review proposes committee mergers as a method for reducing the demands of the current arrangements. Whilst mergers are a way of reducing the demands of the current committee arrangements it is not the only option. Reducing the frequency of meetings is an option which the Peer Review did not consider. In relation to scrutiny in particular, there is an option to set a limit on the resources which are allocated to support this function, for example some councils give scrutiny committees an allowance of scrutiny days and there is a requirement for specific pieces of scrutiny work to be commissioned within this finite resource allocation.

8.2   The Peer Review also hints at whether all of the committees which are currently serviced by the council need to be operated in this way. They give the example of the former Sports Committee which was previously serviced by the council and now operates as an independent sports coordination body for the Borough without council support. The Peer Review team also suggest that some activities which are currently constituted as formal committees and therefore requiring formal agendas, reports and minutes do not need to operate in this way. Again they hint at the use of less formal arrangements which may serve the same purpose but with less overhead to maintain them.

8.3   The analysis in this report has shown that in very large part the council's current committee arrangements are an unintended and unforeseen consequence of the adoption of the Leader and Cabinet model under the Local Government Act 2000. With key decisions in the hands of a relatively small number of councillors there will be a heightened need to ensure that other councillors are informed about the business of the council and to feel involved in its work. The response has therefore been to create a set of committee arrangements which fulfil these needs. It is also known that this is a situation not unique to this council. However, what has been demonstrated by the Peer Review work is that the extent and impact of this is far greater in this council than in others and is at risk of having a detrimental impact on the work of the council, which is also dysfunctional for members. Whilst creating more meetings may have helped members feel more informed it has created additional work for them and may not be the most effective way of keeping councillors well briefed.

8.4   The response to the challenge of reducing the number of committees is therefore not only the practical task of having less meetings but also of dealing with the information and involvement role which they are serving for members.

9.   Legacy arrangements

9.1   In the survey that the review team carried out of councillors, all respondents identified changes to the number of committees as they type of change they would be most likely to support. Indeed, it showed that 81% of respondents strongly supported reducing the number of committees. This contrasts with none being in favour of reducing the size of committees and only 19% who supported changing the times of meetings. This shows therefore that there is universal recognition of and support for the need to reduce the number of formal council committee meetings.

9.2   The Peer Review has identified a number of legacy matters which could be progressed immediately and which would start to ease the current demands on the system.

9.3   It is suggested that the legacy committees be disbanded. This would include the following:

- Joint Parking Committee
- Member Development Panel
- Capital Cabinet Panel
- Cabinet Panel – Concurrent Funding
- Revenue Investment and Budget Support Cabinet Panel

9.4   The FRAP Scrutiny Committee specifically endorsed the recommendation of the Peer Review report to disband the Joint Parking Committee and the Member Development Panel.

9.5   Ensure that current task and finish committees are wound up on completion, this would include:

- Recycling and Waste Strategy Cabinet Panel
- Asset Policy Committee
- Governance Committee

9.6   It is suggested that the following committees which are constituted as formal groups supported by Democratic Services become Member / officer working groups supported by the relevant Executive Director or Head of Service:

- Kidsgrove Leisure Centre Working Group
- Newcastle Almshouse Charity
- Cabinet Panel Community Centres
- Parish Councils Forum

9.7   Members will be aware that Cabinet Panels are established by the Cabinet and it is therefore not within the remit for the Council to determine whether these be disbanded. The recommendations relating to this report therefore contain no reference to Cabinet Panels.

10.   Merger of Committees

10.1   The matter of Committee mergers is a route to reduce the amount of committee workload. Mergers of committees with overlapping remits is a sensible step but needs to be taken advisedly and in doing so ensure that workload is also rationalised to avoid creating super-committees which have unrealistic workloads. The consultations which have taken place with committees has given some valuable insights which can inform how any changes are taken forward.

10.2   Audit and Risk Committee and Standards Committee: The Peer Review report makes the case for the Audit and Risk and the Standards Committees to be merged to create an Audit and Governance Committee. There is a high degree of synergy between the work of the two existing committees and from the feedback from Members serving on the existing committees it is evident that this is a prudent step and that a combined committee would have a realistic and synergistic work programme. This proposal was endorsed by the FRAP Scrutiny Committee.

10.3   Public Protection Committee and Licencing Committee: The Peer Review Report proposes that the Public Protection Committee and Licensing Committee be amalgamated. It is noted that a single committee covering all of the functions of those two committees is common practice in other councils. However, it should be noted that these two Committees as responsible for two discrete areas of licensing working under two distinct sets of statutory provisions. The Public Protection Committee under the provisions of the local government Act 1972 and the Licensing Committee under the Licensing Act 2003 and Licensing Act 2005.

10.4   Given the semi-judicial nature of these Committees care needs to be taken to ensure that Members serving on them are given adequate training. Members will be aware that to facilitate the participation of businesses and their representatives where this is

required sub-committees of the Licensing Committee have met during the daytime. It should be noted that on occasion, due to other commitments on the part of some Committee Members, it has been challenging for a suitable quorum of Members. It may therefore be prudent in making changes to these committees to enlarge the size of the Public Protection Committee to standardise the number of Members on each Committee at 15 places. In making nominations, Group Leaders should advise their Members of the daytime meeting requirements of these roles.

10.5   Whilst the Peer Review recommendation to amalgamate the two committees has merit, some eminent legal authorities maintain that Parliament's intention under the Licencing Act 2003 was to create a standalone licensing committee. This being the case it may be prudent at this time for the Council to retain the separate entities of a Licencing Committee and a Public Protection Committee but that identical nominations be made to the two Committees and that meetings be scheduled so that they run sequentially on the same day. On the basis of the workload of the two committees over the past two years, this is considered to be a practical proposal. This arrangement would give efficiencies since the officer time involved in supporting the meeting would be less where the businesses of the two Committees is conducted on a 'back-to-back' arrangement.

10.6   It is proposed therefore that the Peer Review recommendation to bring together the operation of two existing committees be accepted but constitutionally to retain the two distinct Committee roles. In practice this would mean have each Committee sized at 15 members with identical nominations to each. This proposal was endorsed by the FRAP Scrutiny Committee.

10.7   Staffing Committee and Employee Consultative Committee: The Peer Review report states that the team was not certain of the role of the Staffing Committee and how it adds value to decision-making. Concerns were expressed that it may add unnecessary delay to the process of getting relatively minor policy updates approved, or escalates issues which might be resolved more quickly and collaboratively at a lower level.

10.8   The Staffing Committee has two remits firstly to be responsible for the adoption and amendment of all employment policies and second to make arrangements for Members to determine employee appeals. The Head of Human Resources has been working with the Council's recognised Trade Unions and has drafted a new Joint Recognition Agreement. Within this agreement it is proposed to establish a Joint Negotiating and Consultation Committee. This Committee would take the place of the current Employee Consultative Committee. It is proposed that the Joint Negotiating and Consultation Committee should also take on the role of policy adoption and amendment currently performed by the Staffing Committee. The Joint Negotiating and Consultation Committee would comprise elected Members, local Trade Union representatives, the Head of Paid Service (Chief Executive) or Executive Director Resources and Support Services and Head of Human Resources. The representatives on the Joint Negotiating and Consultation Committee have voting rights.

10.9   Regarding the Staffing Committee's remit in respect of employee appeals it is recommended that a Member Appeal Panel be established to perform this function. Members forming the Panel would be provided with the relevant training to support them in this role.

10.10   In summary it is suggested that the Staffing Committee and Employee Consultative Committee both be disbanded and replaced by a Joint Negotiating and Consultation

Committee. The Joint Negotiating and Consultation Committee would perform the functions of the current Employee Consultative Committee and the policy formulation and adoption role of the Staffing Committee. That a Member Appeal Panel be established to hear employee appeals under the relevant policy.

11.   Other Committees

11.1   Constitution Working Group: The Constitution Working Group is an advisory body and comprises a representative of each Group. This body reviews potential changes to the Council's Constitution to ensure that it is in line with current legal requirements, conventions and procedures and best practice. Members have expressed a very clear view that this should be an all-party body and that it should not be subject to the rules of political proportionality but rather each Group be represented by a single member. In order for this to be achieved it should not therefore become a formally constituted committee of the Council or a Cabinet Panel. It is therefore proposed that the Constitution Working Group be retained in its present form and that its role continues to be to advise the Council on amendments to the Constitution on an all-party basis. This proposal is endorsed by the FRAP Scrutiny Committee. The Constitution Working Group oversaw a full review of the Council's Constitution in 2012. There continues to be a need to update the Constitution on a regular basis to reflect changes to legislation and to ensure that the Council's working practice remain in line with best practice. The Constitution Working Group provides a valuable forum for the officers who are responsible for initiating these changes to discuss with Members how they are best reflected in the Council's Constitution. It is therefore recommended that the Constitution Working Group take the form of a Member / officer working group supported by the relevant senior officers. The Working Group will report by making direct recommendations to Council or Cabinet as may be required.

11.2   Member Development Panel: It has been recommended that the Member Development Panel be disbanded and this was a proposal which was endorsed by FRAPS. However, the Panel has done some very important work and has a remit to advise on Member support and development. If this element of the work of the Member Development Panel were to be lost there is a risk that there would be no vehicle for Members being able to consider their own support and development needs. It is therefore recommended that Members should consider asking the Constitution Working Group to widen its remit to encompass Member support and development.

11.3   Conservation Advisory Working Party: The Conservation Working Group is an advisory Committee which makes comments to the Planning Committee on matters which affect the historic environment and in particular on applications for planning permission, listed building consent, conservation area consent and advertisement consent and to recommend on conservation policy. It is held on a three-weekly cycle in order to facilitate efficient decision-making on applications for permission or consent. Its members are drawn from Borough Councillors and representatives of local organisations and a representative of each Parish Council.

11.4   In terms of officer resources it is supported by one specialist member of staff. In view of the importance of achieving good quality design in historically important parts of the Borough it is considered that this group should be retained. However, it is suggested that in light of work which has been undertaken to improve the work scheduling of agendas and the meeting arrangements of the Planning Committee the Constitution Advisory Working Party should consider the frequency with which it meets.

12.   Scrutiny

12.1   The Peer Review is critical of the current arrangements in respect of scrutiny. It is evident that the Council's current arrangements are highly resource intensive and it is questionable how much scrutiny the current committees have been delivering. It is evident that the current arrangements are providing a great deal of information for members much of which may not be related to any scrutiny activity and going forward it will be important to consider how this need is met in a different way.

12.2   The Peer Review report is clear in its recommendation regarding scrutiny. "The principles of good scrutiny are that they should cover the issues that matter to local people, it should be 'narrow and deep' rather than 'broad and shallow' and that all scrutiny reviews should be properly scoped, task and finish, rather than on-going and have realistic timescales. There needs to be a discipline to ensure scrutiny doesn't drift.

12.3   In considering an early draft of this report, the Group Leaders have asked the Chief Executive to give further consideration to the potential future operation of the Council's scrutiny arrangements. The Scrutiny Committees have been refreshed following the Borough elections in May 2016. The Chief Executive has met with the Chairs of the scrutiny committees and it has been agreed that it would be useful for there to be a regular programme of meetings with the chairs to ensure that the scrutiny process keeps a focus, area of common interest are coordinated and there is a discipline on the use of resources deployed by the scrutiny committees. In order to support this, the Chairs are developing briefs for the pieces of scrutiny work to be undertaken during the course of the coming year. The Chairs will work closely with the Senior Democratic Services Officer who will support them to deliver their work programme as set out in the agreed briefs. It is incumbent on the Members of the scrutiny committees to ensure that the agreed work programme is delivered and that there are clear outcomes from the work of scrutiny committees.

12.4   It is not proposed to make any changes to the arrangements for scrutiny at this time, but the situation will be kept under review by the Group Leaders in light of the comments made by the Peer Review in their report.

13.   Cycles of meetings

13.1   The Peer Review report did not make comment on the issue of the number of meetings which each committee had in a year, but in the analysis of comparative authorities it did provided information on the average number of meetings which committees have in a year. The average across the comparator group was 5.8 with this council at the upper end of the range with an average of 7 meetings per year for each committee.   Whilst reducing the number of meetings can help reduce overheads, particularly those associated with the officer time to prepare agendas, reports and minutes, if not handled sensitively there is a risk that this can result in fewer meeting but those which there are held having very long agendas. However, a recent analysis has indicated that it is not uncommon for meetings to be cancelled due to a genuine lack of businesses. It is therefore suggested that it may be advisable to the Constitution Working Group to review their cycle of meetings to see if there was scope to reschedule each committee with one less meeting in the year. Taken in the round this action would bring Newcastle into line with comparator authorities.

14.   Information requirements of Members

14.1   The Peer Review report very clearly identifies the fact that Members are using the current committee arrangements to service their need for information and also as a way of feeling involved in the council's businesses. The team noted that based on their analysis, councillors "saw being involved in committee meetings as the key role of a councillor at Newcastle."   The review report recommends that there "may be a need to consider a re-balancing the role of councillors and the shape and structure of decision-making required to enable an emphasis on local community leadership in communities as well as attending and participating in formal committee meetings."

14.2   The peer review team noted that the council used to have a Member Information Bulletin and recommended that it may be timely to "consider reintroducing something that enables councillors to be kept informed on major developments so that they don't feel the need to attend committee meetings and/or request committee agendas as a way of keeping in touch". If other recommendations identified in this report were take forward and this resulted in time being freed up in the Democratic Services team and in the wider organisation it would be possible to use some of the resource to reinstate a Member Bulletin as the vehicle for providing the information which is provided to members in 'for information' and similar committee reports.

14.3   As regards being involved in the work of the council through meetings, it is fair to recognise that formal council meetings are not the only avenue for such involvement and indeed it could be argued that time spent in meetings internal to the council are taking away from time which members can spend in their wards.   There are a number of examples of where work in communities would be much enhanced by the active involvement of members in community meetings which includes the work of the Locality Action Partnerships.

14.4   There may be a cultural requirement for the Group Leaders to consider the balance of time which members spend on internal council meetings and externally facing community based meetings.   The Council is a signatory to the West Midlands Member Development Charter. This recognises explicitly the importance of the local councillor working within the community to solve problems and champion local needs. Further, the LGAs Councillors Handbook which is issued each year gives a detailed explanation of the role of councillors within in the council and the community. It may be that insufficient recognition is given to the community aspect of the Member role over that accorded to the role in formal council meetings. This may be about giving more recognition and validity to a council which is externally rather than internally focussed.

15.   Timing of meetings

15.1   Although not considered as part of the brief of the Peer Review there has been discussion within the Council about the timing of meetings. By convention the majority of the council's formal meetings start at 7pm. As part of wider moves to ensure that the council is efficient in the way it conducts its business it has been suggested that consideration be given by Members about whether this is the most convenient time in view of the other demands on the time of both Members and officers.

15.2   As part of recent discussions with the Trades Unions about the removal of the officer evening meeting allowance it has been agreed that efforts should be made by elected Members to seek to be more efficient in the use of officer time attending meetings out of normal office hours.

15.3   It is suggested that the Constitution Working Group be asked to give this matter greater consideration and to make recommendations for whether there are ways in which meetings could be scheduled to be more efficient on the time of Members and officers.   In doing this the Working Group would also be asked to make recommendations about other practices which could be adopted by convention which may assist the business management of meetings to promote efficient use of time and also to consider this in relation to meetings where members of the public, consultees or others are present.

16.   Conclusion

16.1   This report has been discussed by all of the Group Leaders. They have requested that Council considers proposals to implement those recommendations which are within the remit of Council to determine. For clarity, the authority to establish or cease Cabinet Panels lies with the Cabinet and there are therefore no recommendations concerning these in this report.

16.2   In considering the LGA Peer Review Report the Group Leaders have also given further consideration to the issue of Member training and development. The Group Leaders have asked the Chief Executive to develop some proposals for consideration and these will be taken forward over the coming months. This is also a matter which it is proposed would form part of the remit of the Constitution Working Group.

This page is intentionally left blank

A review of the democratic decision-making structures at Newcastle-under-Lyme Borough Council

January 2015

1. Introduction

Background and scope of the review

Like many other local authorities and other public sector organisations, Newcastle-under-Lyme Borough Council is facing financial challenges as a result of reduced Central Government funding to local government. In dealing with these challenges, the Council has introduced the 'Newcastle 2020' programme which is designed to identify efficiencies, cost savings and improvements across all aspects of the Council in terms of its organisation and also the services it delivers.

This review was commissioned as part of that wider drive for further organisational efficiency. It was specifically designed to help the Council look at the way in which its' various committees and panels are organised and identify potential options to consider. The review will feed into the planned local democracy review, and inform and complement the work the Council is already doing. As such the review has been commissioned as a 'light-touch' review focussing on improving current structures and arrangements, not a fundamental examination of the governance model.

Methodology and approach

The review has been undertaken by local government peers, drawing on the principles of sector-led improvement and informed by the following activity:

- Desk top analysis of Newcastle-under-Lyme Borough Council's committee terms of reference, committee membership, and agendas and reports.

- Benchmarking exercise, comparing Newcastle-under-Lyme Borough Council with other district and borough councils in terms of numbers of committees, numbers of committee positions, and frequency of meetings. (Appendix 1)

- Stakeholder engagement facilitated through an online survey to all councillors (and relevant officers) (Appendix 2), face-to-face engagement with committee chairs, vice chairs, senior management and democratic services staff onsite at Newcastle-under-Lyme, plus telephone conversations with other relevant officers (Appendix 3 provides a list of stakeholders engaged during the Review).

The peers who carried out the review at Newcastle-under-Lyme were:

Jane Burns – Director of Strategy and Challenge, Gloucestershire County Council
Councillor Michael Payne – Deputy Leader, Gedling Borough Council
Jeremy Thomas – Head of Law and Governance, Oxford City Council
Paul Clarke – Programme Manager (Local Government Support), LGA

The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and materials they read. This report provides a summary of the peer team's findings.

2. Review Findings

Our findings are divided into sections:

- Section 2.1 below summarises our key observations and recommendations about the current arrangements and practice at Newcastle-under-Lyme Borough Council. These are essentially the 'quick wins' that will help achieve efficiencies.

- In section 2.2 we summarise other areas we think need to be considered as part of the wider work on governance and culture the Council is already embarking on, or is planning to undertake.

2.1 Key Observations

The current democratic decision-making arrangements at Newcastle-under-Lyme demand a lot from both councillors in terms of their participation, and officer time to service an extensive array of formally constituted committees and panels. The numbers of committees and committee positions per councillor is high when compared to the other district and borough councils we benchmarked Newcastle-under-Lyme against (3.6 positions per councillor at Newcastle compared to an average of 2.6 positions per councillor in other councils), and we know there have been examples of you struggling to fill all positions on some committees.

The number of meetings per year (well over 100 meetings) is also amongst the highest in terms of the benchmarked authorities. The time and resource required to service and support these mean officers are stretched and are focused on 'feeding the machine' rather than 'doing the day job.' The sheer volume may also be compromising the quality of committee servicing and support, evidenced by the high number of supplementary papers and replacement reports correcting errors. This in turn puts additional pressure on those trying to read the reports in advance of meetings, and arguably diminishes the quality of discussion and debate.

We questioned whether demands on councillors in terms of the requirement to attend a high number of committee meetings has a detrimental effect on their time to effectively undertake their frontline councillor roles within communities. The councillors we engaged with did not cite this as an issue. In fact, some suggested they saw being involved in committee meetings as the key role of a councillor at Newcastle-under-Lyme. The perceived importance of having formal and public roles on committees is reinforced by the survey results (Appendix 2) which suggest that councillors highly value the principles of all debates and decision making being carried out in formally constituted committee meetings which meet in public and supported by formal agendas and minutes.

We think given the important role councillors have in the overall relationship between Council and community, lessening the demands of meeting attendance will allow these roles and relationships to develop further and crucially 'free up' reducing officer resources to focus on service delivery.

It appears the extensive structures, together with the relative low levels of delegated decision-making to officers and individual cabinet members, mean the Council is operating a de facto committee system alongside a Leader and Cabinet model of executive arrangements with all of the additional demands on officer time that that implies. Some of the Overview and Scrutiny Committees appear to operate like service committees (in that they perceive themselves to be directing the work of officers) and the existence of others, such as the Staffing Committee, are out of kilter with current practice in other authorities and seem focused on operational matters that are usually in the domain of officers.

In particular, given the existence of the Employee Consultative Committee, and the fact most of the powers and functions of the Staffing Committee appear to be in the remit of the Head of Paid Service, we do not fully understand or appreciate the role of the Staffing Committee and how it adds value to decision-making. There is a danger we think that the Committee adds unnecessary delays to the process of getting relatively minor policy updates approved, or escalates issues that might be resolved more quickly and collaboratively at a lower level.

All of the above combine to create a set of current arrangements and practice that puts an unnecessary and unsustainable demand on the organisation and its capacity and resources, which due to the financial challenges facing local government are continuing to decrease. There is definite scope to achieve more productivity and efficiency within the current set-up. For example, there are opportunities to reduce and rationalise the numbers of committees by merging those with complementary remits and functions.

In particular, the Public Protection Committee and Licensing Committee could be amalgamated. One committee covering all the functions of those two committees is common practice in other councils. There are other opportunities too, such as incorporating the functions of the Standards Committee into remit of the Audit and Risk Committee to create an Audit and Governance Committee. Another is to merge the Active and Cohesive and the Health and Well Being Scrutiny Committees. The Council may wish to consider being more radical in the reduction of the number of Scrutiny Committees. At the very least, scrutiny committee work-plans should not be agreed without some consideration of the Officer resources available to support them.

The responses to the survey we carried out suggest there is support from both officers and councillors for this. Combining/merging some committees was the type of change most likely to be supported by both councillors and officers (81% of respondents), and many of the specific suggestions for change are reflected in our recommendations. There is also a timely opportunity we suggest to review some of the historical legacy arrangements, such as the Joint Parking Committee and Conservation Working Group. The recent changes made to the arrangements regarding the Sports Council provides a precedent here.

In terms of overview and scrutiny, there are both standing committees and task and finish groups. Scrutiny arrangements need to be flexible enough to adapt

3

to changing circumstances. The principles of good scrutiny are that they should cover the issues that matter to local people, it should be 'narrow and deep' rather than 'broad and shallow' and that all scrutiny reviews should be properly scoped, task and finish, rather than on-going and have realistic timescales. There needs to be a discipline to ensure scrutiny doesn't drift.

There are also some aspects of how committees are serviced and supported that will benefit from modernising. For example, the way committee agendas are circulated. Currently any member can request to be added to a circulation list, enabling them to receive a hard copy of the committee meeting agenda. This potentially adds significant costs to the servicing of committees. This is something you have already identified and are beginning to address (as per the report 'Use of ICT and ICT Resources' to the Member Development Panel on 2nd October 2014). The recent rule changes enabling councils to send out committee papers electronically will help here too.

The length and style of committee reports was cited as an issue. Reports appear lengthy and many of the officers we spoke to feel they take a disproportionate time to produce. This issue may be being exacerbated by a tendency to establish formally constituted committees and sub-committees for areas and issues that may be served equally well by more informal bodies – especially where they are performing an advisory function (e.g. member development) - meaning a need to generate formal agendas, reports and minutes.

We know you are already looking at report writing and we agree this is an important exercise. Ensuring that report writing becomes more consistent across the organisation, is proportionate to the matter being considered, and that reports can be easily read and digested by councillors are all important facets. There may be an opportunity to also review the style of minutes as part of this work.

We think there are also some underlying organisational and cultural issues, including the perceptions and expectations of councillors that have evolved over time which now need addressing. In particular, the current arrangements appear to be seen by non-executive members as a range of opportunities to feel involved and informed, rather than part of a decision-making system.   Our desktop analysis suggests more than 40% of the reports on agendas for meetings during September-November 2014 were 'for information'.

In short, councillors appear to rely heavily on committee meetings and agendas/reports for their information.   We understand there used to be a Member's Information Bulletin and suggest it may be timely to consider re-introducing something that enables councillors to be kept informed on major developments so they don't feel the need to attend committee meetings and/or request committee agendas as a way of keeping in touch.   There may also be scope to consider ward specific information and tailored briefings for councillors to better support them in their frontline roles.

4

Recommendations

1. **Merge/combine/disband some committees that appear to have a similar or complementary role and remit, or have roles that are effectively fulfilled elsewhere in the wider governance arrangements, in particular:**
   - Merge/Amalgamate the Public Protection Committee and Licensing Committees
   - Merge/Amalgamate the Audit & Risk Committee and Standards Committees
   - Merge/Amalgamate the Active and Cohesive Communities and Health & Well Being Scrutiny Committee
   - Review the continued need for the Staffing Committee

2. **Review some of the historical/legacy arrangements, such as the Joint Parking Committee and Conservation Working Group, and whether the Council should continue to service these bodies.**

3. **Consider re-introducing a Members' Information Bulletin and critically review any "for information" items on committee agendas.**

4. **Progress and implement the measures you are already considering to improve business practice, including report format and circulation of agendas.**

5. **Consider and progress the other issues and areas as identified in section 2.2 of this report (below) – including delegation - drawing on practice from other authorities. They will bring bigger gains and help address the underlying issues.**

2.2. Other observations and areas to consider

You have rightly identified there are potentially a number of other bigger benefits and savings to be gained. Reviewing the frequency of local elections (currently annual by thirds) for example, and reducing the numbers of councillors, (which at 60 is high compared to similar sized district authorities), are likely to result in more significant cost savings. But the bigger prize will be the political stability. All out elections every four years are likely to bring this, and enable more focus on the medium to longer term ambitions and strategic priorities of the Council. It is this vision for the future, including the future shape and function of the Council that will need to inform the wider review of democracy and governance.

We think this should include consideration of the scheme of delegation to individual Cabinet Members which can help manage business more effectively and speed up decision-making. We also think there could be a review of the scheme of delegation to officers with a view to increasing the levels of delegation. As we have alluded to, the levels of delegation to officers at Newcastle-under-Lyme seems low compared to many other authorities.

5

Local Government House, Smith Square, London SW1P 3HZ **T** 020 7664 3000 **F** 020 7664 3030 **E** info@local.gov.uk www.local.gov.uk
Chief Executive: Carolyn Downs

Page 46

Reports to Cabinet tend to be presented in the name of the Executive Director and Scrutiny Committees tend to hold officers rather than executive members to account. Individual decision making and reports to Cabinet in the name of the portfolio holder are now common practice in many councils, and will help to reinforce and embed some of the key principles of a leader/cabinet model of governance. It may be something that warrants consideration at Newcastle-under-Lyme.

The principles of good scrutiny may need to be re-emphasised, so they are fully adopted and embedded, and drive how the overview and scrutiny function operates. It may be timely to review the key objectives of overview and scrutiny and consider where the emphasis needs to be to best support the Council in delivering its priorities – so there is a clearer understanding of the balance between holding to account and informing policy, and the focus on internal and external matters. Ensuring scrutiny is positioned to make a timely and effective contribution to strategic policy development and decision-making will become increasingly important as will an external focus, given that in the future the Council might well directly deliver less, and looks to influence and leverage more from external partners and the community.

There may be a need to consider a re-balancing of the role of councillors and the shape and structure of decision-making arrangements required to enable an emphasis on local community leadership in communities as well as attending and participating in formal committee meetings in the civic offices. The organisation will need to consider the best way of supporting councillors in these roles with the resources and capacity available.

Appendix 1 - Comparison with other councils

	Cotswold DC	Forest of Dean DC	Stroud DC	Cheltenham BC	Tewkesbury BC	Gloucester City	Oxford City	Gedling BC	Ipswich BC	Cannock Chase DC	East Staffs BC	Newcastle-under-Lyme BC	AVERAGE
Current Political Control	Cons (C: 18 / L:9 / LD: 9)	NOC (C: 18 / L:17 / IND: 11 / LD:1 / UKIP:1)	NOC (C: 22 / L:20 / GR: 6 / LD: 3)	Lib Dem (LD 24 / C: 12 / IND: 4)	Cons (C:24 / LD:9 / IND: 5)	NOC (C: 18 / L:9 / LD:9)	Labour (L: 33 / LD: 8 / G: 6 / IND: 1)	Labour (L: 32 / C: 15 / LD: 3)	Labour (L: 35 / C: 10 / LD: 3)	Labour (L: 25 / UKIP: 6 / C: 5 / LD: 3 / IND: 2)	NOC (L: 16 / IND: 4 / C: 18 / LD: 1)	Labour (L: 32 / C:16 / LD: 6 / UKIP: 5/ G:1)	n/a
Total Number of Committees	7	14	9	10	8	11	15	9	12	23	15	16	12
No. of Cttee Positions:No of Members	60:44	114:48	110:40	118:40	82:38	103:36	104:48	95:50	138:48	199:41	45:39	156:60	-
Number of Committee Positions Per Member	1.4	2.4	2.8	3.0	2.2	2.9	2.2	1.9	2.9	4.9	1.2	3.6	2.6
Average Number of Positions Per Committee (Mean)	8.6	11.2	10.9	11.8	8.2	9.4	7	12	11.5	8.6	7.5	9.8	9.7
Total No of Committee Meetings Per Year	48	66	40	51	52	69	114	100	82	120	45	105	74
Average Number of Meetings Per Committee Per Year (Mean)	7	5	4	5	7	6	7	7	7	5	3	7	5.8
Governance Model	Cabinet 6	Cabinet 5	Committee System	Cabinet 8	Fourth option	Cabinet 5	Cabinet 10	Cabinet 7	Cabinet 9	Cabinet 9	Cabinet 6	Cabinet 7	-

6

Appendix 2 – summary of survey results

All members and a range of relevant officers (senior managers and democratic services staff) were invited to complete a short online survey between 26th November and 10th December 2014. 16 people (9 officers, 7 councillors) completed the survey.

Support for change: The survey responses suggest strong support (81% of respondents) for changing the number of committees, as opposed to changing the numbers of times committees meet (19%) or changing the numbers of members on committees (0%). All councillors (100%) who responded to the survey identified changes to the number of committees as the type of change they would be most likely to support:
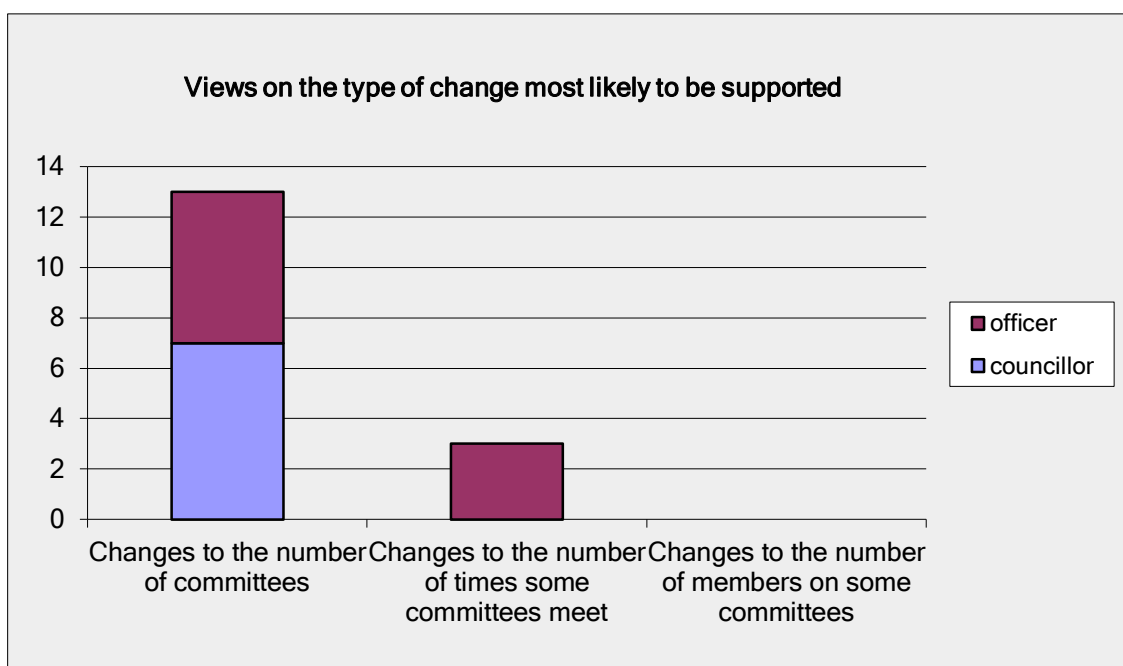
Principles and features of governance and decision-making that councillors value the most:

- **Accountability** (which was defined as 'all debates and decision making are carried out in formally constituted committee meetings with agendas and minutes') was ranked by 72% of councillors as the principle of governance they value most.

- This contrasts sharply with **Involvement** (which was defined as 'opportunities for councillors and other stakeholders to be involved in debates and decision making') which no councillors (0%) ranked as the principle they value most.

- 28% of councillors considered **Transparency** (which was defined as 'all debates and decision making are carried in meetings that are held in public') as the principle they most valued.

7

Specific suggestions for change and consideration: A range of suggestions were put forward by respondents. These included:

- Reduce the number of committees by amalgamating those with obvious synergy
- Get rid of specific committees – e.g. Staffing Committee, Member Development
- Merge the Audit & Risk committee with Standards Committee
- Have less scrutiny committees and/or revisit their remits.
- Less committees and less meetings
- Review the types of agenda items to reduce the number of 'information only' items
- Consider the timescales for submission of items to Committee
- Ensure that meetings have a clear outcome/resolution

Appendix 3 – list of stakeholders engaged during the review

The peer team met and/or spoke with the following officers and councillors during the review:

John Sellgren – Chief Executive

Neale Clifton – Executive Director (Regeneration and Development)

David Adams - Executive Director (Operational Services)

Kelvin Turner – Executive Director (Resources and Support Services)

Mark Bailey- Head of Business Improvement, Central Services & Partnerships

Julia Cleary – Democratic Services Manager

Justine Tait – Democratic Services Officer

Geoff Durham – Member Training and Development Officer

Liz Dodd – Audit Manager and Monitoring Officer

Cllr Reginald Bailey – Chair, Active and Cohesive Communities Scrutiny Committee, and member of Health and Wellbeing Scrutiny Committee and Public Protection Committee

Cllr Colin Eastwood - Chair of Health and Wellbeing Scrutiny Committee, and member of Public Protection Committee and Planning Committee

Cllr Sandra Hambleton – Chair of Standards Committee and Staffing Committee and member of Planning Committee and Audit & Risk Committee

Cllr Derrick Huckfield - UKIP Group Leader

Cllr Hilda Johnson – Vice Chair of Health and Wellbeing Scrutiny Committee and member of Active and Cohesive Communities Scrutiny Committee

Cllr Nigel Jones - Liberal Democrat Group Leader

Cllr David Loades – Conservative member of two Scrutiny Committees and Audit & Risk Committee

Cllr Bert Proctor – Vice Chair of Public Protection Committee and Planning Committee and member of Member Development Panel

Cllr Elizabeth Shenton – Deputy Leader of the Council (and Cabinet Member)

Cllr David Stringer – Chair of Economic Development and Enterprise Scrutiny Committee and member of Finance, Resources and Partnerships Scrutiny Committee

Cllr Gill Williams – Chair of Cleaner Greener and Safer Communities Scrutiny Committee and member of Licensing Committee and Public Protection Committee

Cllr Mike Stubbs – Leader of the Council (and Cabinet Member)

Cllr Joan Winfield – Chair of Licensing Committee and member of Cleaner Greener and Safer Communities Scrutiny Committee and Member Development Panel

This page is intentionally left blank

STATEMENT OF THE LEADER OF THE COUNCIL TO FULL COUNCIL – 13TH JULY 2016

Submitted by: Councillor Elizabeth Shenton

Portfolio: All

Wards affected: All

Purpose of the Report

To provide an update to Members on the activities and decisions of Cabinet together with the Forward Plan.

Recommendation

That the statement of the Leader of the Council be received and noted.

Reasons

To update Council Members on the activities and decisions of the Cabinet and to allow questions and comments on the Statement to the relevant Portfolio Holders.

---

1. **Cabinet Meetings**

   Cabinet has met once since the last meeting of Full Council, on 8th June 2016. The next Cabinet meeting is on 20th July 2016. Below is a summary of actions and decisions taken, along with a link to the Forward Plan. (For further background to the Cabinet's decisions please refer to the actual published Cabinet agenda and Minutes).

2. **Appropriation of Property for Planning Purposes:**
   Development Sites (i) Former St Giles' and St George's School, Barracks Road; (ii) Ryecroft

   Cabinet received a report for the appropriation of the sites at former St Giles' and St George's School in Barracks Road and land at the Ryecroft. Cabinet resolved that this was appropriated, in accordance with section 122 of the Local Government Act 1972 (as amended), from use for commercial purposes to use for planning purposes.

3. **Locality Action Partnerships**

   Cabinet discussed and endorsed a report which gave an update on the work of the Locality Action Partnerships (LAPs). This report highlighted their achievements of the nine LAPs during the past year. The work that LAPS are doing within their communities is valued and Cabinet have asked for a further update in 12 months' time.

4. **Newcastle-Under-Lyme Housing Strategy 2016-2021**

   Cabinet have adopted and approved the Newcastle-under-Lyme Housing Strategy 2016-2021. Before coming to Cabinet the strategy had been through the scrutiny process and public consultation process.

5. **Newcastle-Under-Lyme Homelessness Strategy 2016-2021**

Cabinet have approved and adopted the Homelessness Strategy 2016-2021. This strategy takes into account good practice and government guidance, and will assist in our aim to achieve the Gold Standard in the delivery of homelessness services.

6. **LGA Conference**

Councillor Turner and myself will be attending the LGA Conference being held from 5th – 7th July 2016.

7. **Cabinet Portfolios**

Since the last Full Council I have undertaken a review of the portfolios and also replaced the vacant Cabinet position. The updated Cabinet line-up and responsibilities are now as follows:

Cllr Elizabeth Shenton – Policy, People & Partnerships
Cllr Terry Turner – Finance, IT & Customer
Cllr Ann Beech – Operational Services
Cllr John Williams – Town Centres, Property & Business
Cllr Amelia Rout – Leisure & Culture
Cllr Kyle Robinson – Planning & Housing
Cllr Tony Kearon – Communities & Social Cohesion

8. **Forward Plan**

The Forward Plan of Key and non-Key Decisions covering the period June to August 2016 can be found at:

http://sviam/mgListPlanItems.aspx?PlanId=68&RP=118

Councillor Elizabeth Shenton
Leader of the Council

Report from Chair of Audit and Risk Committee meeting 14th April 2016

At the meeting, the following reports were presented/reviewed:

- Risk Management strategy 2016-7 detailing the areas that will be reviewed next year
- Audit Plan 2015/16. This report was for information and detailed the areas that the Internal Audit section has reviewed
- Certification Work report 2014/8. This was presented by the external auditors, Grant Thornton and related to the housing benefit claim form. Some inor errors were noted but these were not material to the overall claim
- Code of corporate Governance – this is an annual report for the committee to approve. There were no changes from the report presented last year.
- Counter Fraud Arrangements- this was a report for information only about the work being undertaken in partnership with other councils and government bodies to reduce and detect fraud.

Cllr Sarah Pickup

Chair of Audit and Risk Committee

This page is intentionally left blank

Report from the Chair of the Planning Committee

Since the last meeting of full council there have been two meetings of the planning committee held on 25thMay and 21st June 2016.
At the meeting in May there were three applications for major developments and two applications for minor developments.There were three further applications for other developments.
Also reported at this meeting was the result of an appeal in respect of an appeal decision in respect of an application at Market Draton Rd Loggerheads.
The full details and all other issues on the agenda were circulated in the subsequently published minutes.

At the June meeting there were two applications for major developments,one for a minor development and a further one for other development.
There was the annual report on Development management performance and a report on planning appeal performance.
The details of these was again circulated in the subsequent minutes..
There has been one site visit by the planning committee in respect of an application at Ravens Close Bignall End.

This page is intentionally left blank

* European Union referendum result in Newcastle-under-Lyme*

The Council notes that the people of the Borough voted by a large
majority of 43,457 (63%) to 25,477
(37%), that the United Kingdom should leave the European Union.

The Council believes that the democratic decision of the clear
majority of voters in Newcastle-under-
Lyme must be enacted.

The Council resolves that the Chief Executive shall write to the
four Members of Parliament representing
the Borough, and to the Office of the Prime Minister, informing them
of the Council's position.

PROPOSER: Mark Holland
SECONDER: Andrew Fear

This page is intentionally left blank