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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 **Castle House** on **Thursday, 19th July, 2018** at **7.00 pm**.

B U S I N E S S

1 APOLOGIES

2 DECLARATIONS OF INTEREST

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

3 MINUTES

(Pages 5 - 11)

To consider the minutes of the previous meeting(s)

4 MAYOR'S ANNOUNCEMENTS

5 TREASURY MANAGEMENT ANNUAL REPORT 2017/18

(Pages 13 - 22)

6 STATEMENT OF THE LEADER OF THE COUNCIL

(Pages 23 - 25)

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

7 REPORTS OF THE CHAIRS OF THE SCRUTINY COMMITTEES

(Pages 27 - 31)

Written reports have been submitted for:

- a) Update report on all three Scrutiny Committees
- b) Economy, Environment and Place Scrutiny Committee
- c) Health, Wellbeing and Partnerships Scrutiny Committee

A verbal report will be given for Finance, Assets and Performance Scrutiny Committee

8 REPORTS OF THE CHAIRS OF THE REGULATORY COMMITTEES

(Page 33)

A written report has been submitted for the Licensing and Public Protection Committee.

Verbal updates will be given on the following:

- a) Audit and Standards Committee
- b) Planning Committee

9 APPOINTMENT OF VICE CHAIR TO CONSERVATION ADVISORY WORKING PARTY

Nominations:

Councillor Moffatt
Councillor Wilkes

10 MOTIONS OF MEMBERS

(Pages 35 - 36)

A notice of motion, under Appendix 7 – paragraph 12 other than those listed in Appendix 7 – paragraph 10 of the Constitution must reach the Chief Executive at least ten clear days before the relevant Meeting of the Council.

11 QUESTIONS TO THE MAYOR, CABINET MEMBERS AND COMMITTEE CHAIRS

12 RECEIPT OF PETITIONS

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

13 STANDING ORDER 18 - URGENT BUSINESS

To consider any communications which pursuant to Appendix 7 – paragraph 7 of the constitution are, in the opinion of the Mayor, of an urgent nature and to pass thereon such resolutions as may be deemed necessary.

14 DISCLOSURE OF EXEMPT INFORMATION

To resolve that the public be excluded from the meeting during consideration of the following report(s) as it is likely that there will be disclosure of exempt information as defined in paragraphs contained within Part 1 of Schedule 12A (as amended) of the Local Government Act 1972.

Yours faithfully



Acting Chief Executive / Head of Paid Service

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 on entering the building. This will be located at the Porter's lodge.

3. Mobile Phones

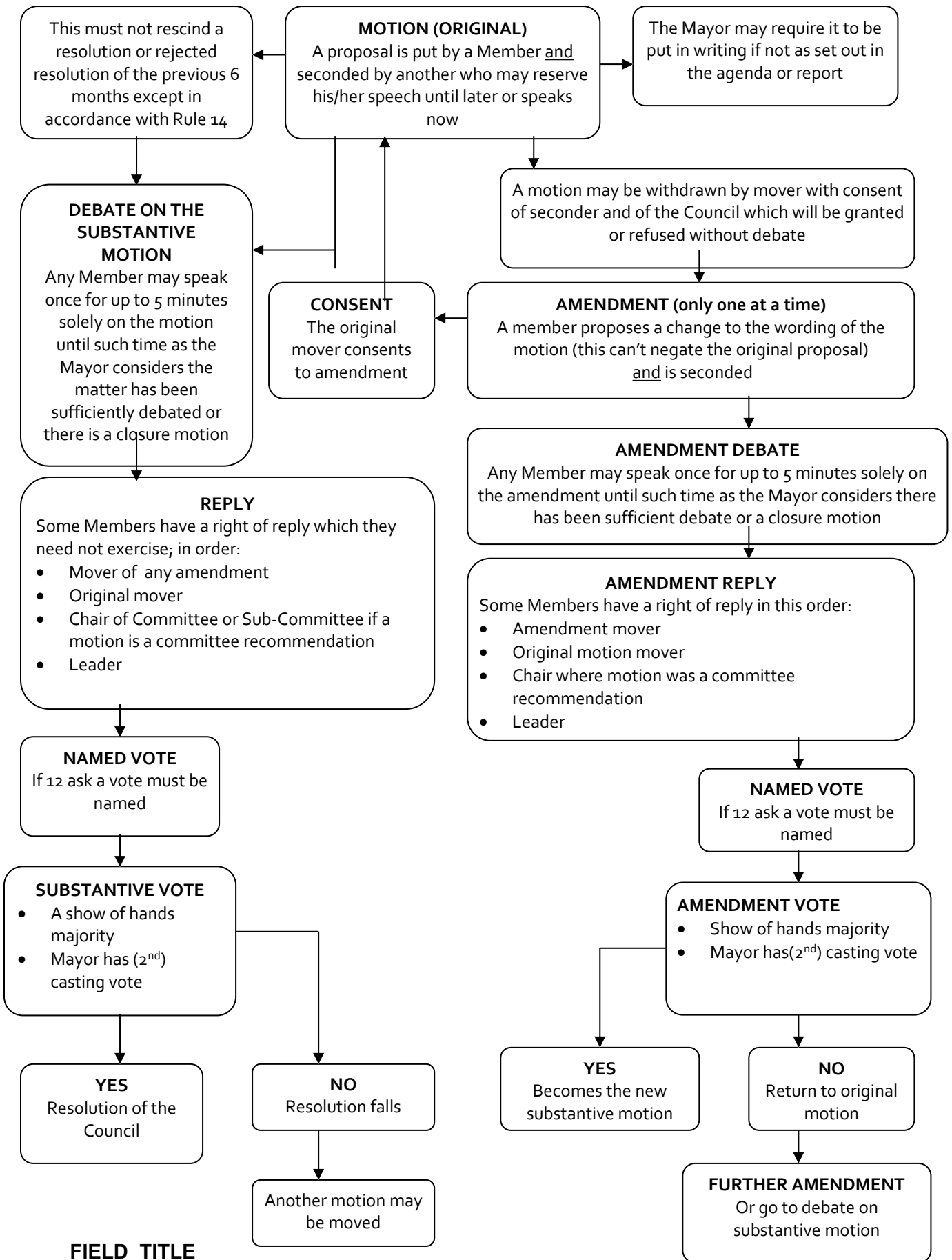
Please switch off all mobile phones before entering the Council Chamber.

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.



FIELD_TITLE

COUNCIL

Wednesday, 16th May, 2018
Time of Commencement: 7.00 pm

Present:- Councillor Simon White – in the Chair

Councillors:

Burgess	Panter
Mrs Burnett	Parker
Cooper	Pickup
Cooper	Proctor
Miss J Cooper	Reddish
Driver	Robinson
Dymond	Rout
Fear	Shenton
Fox-Hewitt	Spence
Gardner	Stubbs
Harrison	Sweeney
Heesom	J Tagg
Holland	S Tagg
Horsfall	Walklate
Johnson	J Waring
Johnson	P Waring
Jones	G White
Kearon	Wilkes
Maxfield	G Williams
Moffat	J Williams
Northcott	Wright
Olszewski	

Officers Executive Director Operational Services- David Adams, Executive Director Development) - Neale Clifton, Geoff Durham - Mayor's Secretary / Member Hammond, Simone Harris, John Tradewell - Acting Chief Executive / Head Executive Director (Resources and Support Services) - Kelvin Turner

1. **APOLOGIES**

There were no apologies

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

3. **MINUTES**

Resolved: That the minutes of the meeting held on 21 February, 2018 be agreed as a correct record.

4. ELECTION OF MAYOR 2018/19

It was moved by Councillor Simon Tagg and seconded by Councillor Sweeney that Councillor Heesom be appointed as Mayor for the 2018/19 municipal year.

Resolved: That Councillor Heesom be appointed as Mayor for the 2018/19 municipal year.

Councillor Gill Heesom – in the Chair

The Mayor made the Declaration of Acceptance of Office.

5. APPOINTMENT OF DEPUTY MAYOR 2018/19

It was moved by Councillor Kearon and seconded by Councillor Robinson that Councillor Shenton be appointed as Deputy Mayor for the 2018/19 municipal year.

Resolved: That Councillor Shenton be appointed as Deputy Mayor for the 2018/19 municipal year.

The Deputy Mayor signed the Acceptance of Office.

6. MAYORAL APPOINTMENTS

Consorts – Mr John Heesom & Mr Paul Heesom
High Constable – Mr Andrew Mackay-Astley
Chaplain – Reverend John Taylor
Mace Bearers – Mrs Angela Mayer and Mr James Worgan

7. MAYORAL ADDRESS

The Mayor thanked the Council for affording her the honour of the appointment and paid tribute to the hard work, enthusiasm and commitment of her predecessor.

8. VOTE OF THANKS TO THE RETIRING MAYOR, MAYORESS AND CONSORT

On behalf of the Council, Councillor Simon Tagg expressed gratitude and appreciation to the retiring Mayor, Mayoress and Consort for their tireless dedication to the role and their services to the Borough and its communities. Councillors S. Tagg added that the Borough had been served well by the retiring Mayor as its Ambassador.

Official Badges were presented to the retiring Mayor and Consort. The Mayoress was not present at the meeting and would be presented with her badge by the retiring Mayor.

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

The retiring Mayor thanked members of the Council for their support and also everyone who had helped and guided him throughout his term of Office.

He stated that it had been a privilege to represent the Borough and had fond memories of many engagements that had been undertaken especially awarding Gordon banks OBE his Freedom of the Borough. He was proud to have raised just over £18,000 towards his two chosen charities. The retiring Mayor also gave thanks to his High Constable Allan Jones who could not be at the meeting due to ill health. He wished his successor well for the forthcoming year and offered his full support.

10. **MAYOR'S ANNOUNCEMENTS**

The Mayor gave notice that her Annual Civic Service would be held at St. Giles Church at 10.30am on Sunday 24 June 2018. She referred to a formal Reception which was to be held immediately following this Annual Council meeting and thanked her family and friends for their support for both events.

11. **ELECTION RESULTS 2018**

Members were asked to receive a report detailing the results from the elections held earlier this month.

Resolved: That the information be received.

12. **APPOINTMENT OF LEADER OF THE COUNCIL**

It was moved by Councillor Fear and seconded by Councillor Sweeney that Councillor Simon Tagg be appointed as Leader of the Council.

A named vote was requested:

BURGESS	N	JOHNSON T	Y	SPENCE	N
BURNETT	Y	JONES	N	STUBBS	N
COOPER	Y	KEARON	N	SWEENEY	Y
MISS COOPER	Y	MAXFIELD	Y	TAGG J	Y
MRS COOPER	Y	MOFFAT	N	TAGG S	Y
DRIVER	N	NORTHCOTT	Y	WALKLATE	A
DYMOND	N	OLSZEWSKI	N	WARING J	Y
FEAR	Y	PANTER	Y	WARING P	Y
FOX-HEWITT	N	PARKER	Y	WHITE G	Y
GARDNER	N	PICKUP	N	WHITE S	Y
HEESOM	Y	PROCTOR	Y	WILKES	A
HARRISON	Y	REDDISH	A	WILLIAMS G	N

HOLLAND	Y	ROBINSON	N	WILLIAMS J	N
HORSFALL	N	ROUT	N	WRIGHT	N
JOHNSON B	N	SHENTON	N		

In Favour - 21

Against - 20

Abstain – 3

Resolved: That Councillor Simon Tagg be appointed as Leader of the Council.

13. APPOINTMENT OF DEPUTY LEADER AND CABINET

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

Councillor Holland
Councillor T Johnson
Councillor Northcott
Councillor J Waring

14. ADOPTION OF THE CONSTITUTION

The Leader introduced a report outlining a number of changes to the council's constitution reflecting the reduction in the number of members and changes to some committees.

The Leader also proposed that the Constitution and Member Support Working Group be reconvened with the same membership as before; Councillors' Holland, Reddish, Shenton and G White. The remit of the Working Group being as follows:

- (i) To scrutinise the changes set out in the reports and to monitor their impact over the year ahead.
- (ii) To carry out a proper review of the Constitution to ensure that it is fit for purpose for the new Council.
- (iii) To ensure that Members have the training and development they need to be effective in their executive, scrutiny, regulatory and ward member roles.

Councillor Kearon agreed with the reconvening of the above Working Group and seconded the proposal.

- Resolved:**
- (i) That the changes to committees to reflect the reduced number of Members on the Council be agreed.
 - (ii) That the changes to the Planning Service Scheme of Delegation, reflecting changes to legislation, be agreed.
 - (iii) That the changes to the Constitution, reflecting new ways

of working (particularly the use of sub-committees) consequent on bringing together the Licensing and Public Protection Committees as a single committee, be agreed.

- (iv) That the Constitution and Member Support Working Group be reconvened.

15. APPOINTMENT OF COMMITTEES, CHAIRS AND VICE-CHAIRS FOR 2018/19

Resolved: That the appointments to committees, as set out in the Supplementary agenda, be approved:

Chairs and Vice-Chairs

Resolved: That the following Chair and Vice-Chair appointments be approved:

COMMITTEE	CHAIR	VICE - CHAIR
Audit and Standards	P. Waring	S. Dymond
Conservation Advisory	A. Gardner	B. Proctor
Employment Committee	Portfolio Holder	No nomination required
Licensing & Public Protection	M. Olszewski	S. White
Planning	A. Fear	M. Reddish*
Health, Wellbeing & Partnerships Scrutiny	I. Wilkes*	R. Wright**
Economy, Environment & Place Scrutiny	G. White	M. Reddish
Finance, Assets & Performance Scrutiny	M. Stubbs	S. Pickup**

*Denotes where a vote was not taken as only one nomination was received.

** Denotes a changed nominee to that of the printed agenda.

16. APPOINTMENT OF REPRESENTATIVES ON OUTSIDE BODIES

The List of Representatives onto Outside Bodies was considered. Where more than one nomination was received a vote was taken.

- Community Council for Staffordshire - Councillor S White
- Aspire Board - Councillor Shenton
- Campaign to Protect Rural England - Councillor Panter
- West Midland Reserve Forces and Cadets Association - Councillor Sweeney
- LGiU Assembly - Councillor Julie Cooper

Resolved: That the list of Representatives onto Outside Bodies, as set out in the Supplementary agenda and those Members listed above following a

vote having been taken, be agreed and the Members appointed accordingly.

17. MEMBERS ALLOWANCES

The Leader introduced the report from the Independent Remuneration Panel and thanked them for the work that they had carried out. The Leader stated that he could not accept the proposed changes to allowances for this Municipal year and proposed that the existing levels of allowance be retained and the Panel be invited to review them again next year when a full year of the new arrangements for this Council had passed.

Councillors' Kearon and Proctor backed the Leader's proposal.

Councillor Shenton asked that a copy of the findings of the Independent Remuneration Panel be made available to the Constitution and Member Support Working Group.

- Resolved:**
- (i) That the current Scheme of Members' Allowances be retained for the municipal year 2018/19.
 - (ii) That an Independent Remuneration Panel be asked to review Members' Allowances prior to the 2019/20 Municipal year.

18. CALENDAR OF MEETINGS 2018/19

The Leader moved that the Calendar of Meetings be rolled forward to cover the full four years so that it is in Members diaries.

In order to preserve the Annual Council meeting primarily as for the ceremonial functions such as appointing Committees and Chairs and Mayor making, the Leader proposed that the April meeting of the Council be used to deal with changes to the Constitution and any general business, particularly as there are no Borough elections for the next few years.

- Resolved:**
- (i) That the Calendar of Meetings for 2018/19 as submitted be approved.
 - (ii) That the Calendar of Meetings be rolled forward to cover the full four year period so that this is in Members' diaries.
 - (iii) That the Annual Council meeting be used primarily as for the ceremonial functions and that this be achieved by use of the April Council meeting for changes to the Constitution and other general business.

19. A500 WIDENING - LAND NORTH OF DOMVILLES FARM, AUDLEY PARISH - 348/241

The Portfolio Holder for Planning and Growth, Councillor Paul Northcott introduced this report to delegate any of its planning powers to Cheshire East with respect to the determination of a planning application for the A500 widening.

- Resolved:**
- (i) That Council resolves that it delegates to Cheshire East Council the discharge of the Borough Council's function under the Town and Country (Environmental Impact Assessment) Regulations 2017 to give a Scoping Opinion, under the above Regulations, with respect to a proposal to widen the A500 between Junction 16 of the M6 and the Meremoss roundabout, Crewe, insofar as it relates to land that lies within the Borough Council's administrative area.
 - (ii) That Council resolves that it delegates to Cheshire East Council the discharge of the Borough Council's planning control functions under Section 70(1) (Part III) of the Town and Country Planning Act 1990 to determine, insofar as it relates to land that lies within the Borough Council's administrative area, a cross boundary planning application in relation to the proposed widening of the A500 between Junction 16 of the M6 and the Meremoss roundabout, Crewe.

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

There was no urgent business.

COUNCILLOR SIMON WHITE
Chair

COUNCILLOR GILL HEESOM
Chair

Meeting concluded at 8.10 pm

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO COUNCIL

19 July 2018

1. TREASURY MANAGEMENT ANNUAL REPORT 2017/18

Submitted by: Head of Finance

Portfolio: Finance and Efficiency

Ward(s) affected: All Indirectly

Purpose of the Report

To receive the Treasury Management Annual Report for 2017/18.

Recommendations

(a) That the Treasury Management Annual Report for 2017/18 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 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 Standards Committee monitor and oversee the delivery of the Treasury Management Strategy. The Treasury Management Annual Report for 2017/18 has already been reviewed by the Audit and Standards Committee at their meeting on 25 June 2018.
- 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 2017/18 approved by Council on 22 February 2017.
- 1.5 The Council is provided with Treasury Management Advisory services for the period 1st April 2017 to 31st March 2020 by Arlingclose Ltd.

2. **Issues**

- 2.1 The Treasury Management Annual Report for 2017/18 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, Arlingclose Ltd.

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 2017/18.

7. **Background Papers**

- CIPFA Treasury Management Code of Practice,
- 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),
- Arlingclose Ltd Treasury Management Outturn Report template

TREASURY MANAGEMENT ANNUAL REPORT 2017/18

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 2017/18. 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 was adopted by this Council on 24 February 2010; this was updated in November 2011 and updated further in December 2017.

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 Standards 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 2017/18.

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 Standards Committee prior to it being reported to Full Council.

2. THIS ANNUAL TREASURY REPORT COVERS

- ❖ The Council's treasury position as at 31 March 2018;
- ❖ The strategy for 2017/18;
- ❖ The economy in 2017/18;
- ❖ Investment rates in 2017/18;
- ❖ Compliance with treasury limits and Prudential Indicators;
- ❖ Investment outturn for 2017/18;
- ❖ Involvement of Elected Members;
- ❖ Other issues.

3. TREASURY POSITION AS AT 31 MARCH 2018

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

	At 31/03/18	Return	Average Life (Days)	At 31/03/17	Return	Average Life (Days)
Total Debt	£2.5m	0.95%	14	£0m	N/A	N/A
Total Investments	£0m	0.37%	2	£3.4m	0.60%	8

It should be noted that the above table is only a snapshot of the total Investments as at 31 March 2018. £2.5m was borrowed on 20 March 2018 to reflect a temporary cash flow position, this was repaid on 3 April 2018 following the receipt of the expected Council Tax and Business Rates payments by direct debit. Large fluctuations in cash inflows and outflows that occur throughout the month can have an impact on the figure reported.

4. THE STRATEGY FOR 2017/18

The strategy agreed by Council on 22 February 2017 was that:

- The Council's had no Borrowing Need for 2017/18, due to the Council expecting to have funds available and no borrowing requirement, this was estimated to rise to £6m 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 £7.5m (although it could for short periods of time be permitted to rise to a figure between £7.5m 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 31/03/17 £5m, maturing beyond 31/03/18 £5m, maturing beyond 31/03/19, £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.

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

The United Kingdom (UK) economy showed signs of slowing with latest estimates showing Gross Domestic Product (GDP), helped by an improving global economy, grew by 1.8% during 2017, the same level as in 2016. This was a far better outcome than the majority of forecasts following the European Union (EU) Referendum in June 2016, but it also reflected the international growth momentum generated by the increasingly buoyant United States economy and the re-emergence of the Eurozone economies.

The inflationary impact of rising import prices, a consequence of the fall in sterling associated with the EU referendum result, resulted in the year-on-year Consumer Price Index (CPI) rising to 3.1% in November before falling back to 2.7% in February 2018. Consumers felt the squeeze as real average earnings growth, i.e. after inflation, turned negative before slowly recovering.

The inherent weakness in UK business investment was not helped by political uncertainty following the surprise General Election in June and by the lack of clarity on Brexit, the UK and the EU only reaching an agreement in March 2018 on a transition which will now be span Q2 2019 to Q4 2020. The Withdrawal Treaty is yet to be ratified by the UK parliament and those of the other 27 EU member states and new international trading arrangements are yet to be negotiated and agreed.

6. INVESTMENT RATES IN 2017/18 – narrative supplied by the Council's Treasury Management Advisors – Arlingclose Limited

The Bank of England's Monetary Policy Committee (MPC) increased Bank Rate by 0.25% in November 2017. It was significant in that it was the first rate hike in ten years, although in essence the MPC reversed its August 2016 cut following the referendum result. The February Inflation Report indicated the MPC was keen to return inflation to the 2% target over a more conventional (18-24 month) horizon with 'gradual' and 'limited' policy tightening. Although in March two MPC members voted to increase policy rates immediately and the MPC itself stopped short of committing itself to the timing of the next increase in rates, the minutes of the meeting suggested that an increase in May 2018 was highly likely.

The increase in Bank Rate resulted in higher money markets rates: 1-month, 3-month and 12-month rates averaged 0.32%, 0.39% and 0.69% and at 31st March 2018 were 0.43%, 0.72% and 1.12% respectively.

Gilt yields displayed significant volatility over the twelve-month period with the change in sentiment in the Bank of England's outlook for interest rates. The yield on the 5-year gilts which had fallen to 0.35% in mid-June rose to 1.65% by the end of March. 10-year gilt yields also rose from their lows of 0.93% in

June to 1.65% by mid-February before falling back to 1.35% at year-end. 20 year gilt yields followed an even more erratic path with lows of 1.62% in June, and highs of 2.03% in February, only to plummet back down to 1.70% by the end of the financial year.

7. CHANGES DURING 2017/18

Revised CIPFA Codes

CIPFA published revised editions of the Treasury Management and Prudential Codes in December 2017. The required changes from the 2011 Code have been incorporated into Treasury Management Strategies and monitoring reports.

The 2017 Prudential Code introduces the requirement for a Capital Strategy which provides a high-level overview of the long-term context of capital expenditure and investment decisions and their associated risks and rewards along with an overview of how risk is managed for future financial sustainability. Where this strategy is produced and approved by full Council, the determination of the Treasury Management Strategy can be delegated to a committee. The Code also expands on the process and governance issues of capital expenditure and investment decisions.

The Council has an existing Capital Strategy for the period 2015 to 2019; this was approved by Council on 25 February 2015.

In the 2017 Treasury Management Code the definition of 'investments' has been widened to include financial assets as well as non-financial assets held primarily for financial returns such as investment property. These, along with other investments made for non-treasury management purposes such as loans supporting service outcomes and investments in subsidiaries will be discussed in the Investment Strategy, within the Treasury Management Strategy. Additional risks of such investments will be set out clearly and the impact on financial sustainability will be identified and reported.

Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance and Minimum Revenue Provision (MRP)

In February 2018 the MHCLG published revised Guidance on Local Government and Investments and Statutory Guidance on Minimum Revenue Provision (MRP).

Changes to the Investment Guidance include a wider definition of investments to include non-financial assets held primarily for generating income return and a new category called "loans" (e.g. temporary transfer of cash to a third party, joint venture, subsidiary or associate). The Guidance introduces the concept of proportionality, proposes additional disclosure for borrowing solely to invest and also specifies additional indicators. Investment strategies must detail the extent to which service delivery objectives are reliant on investment income and a contingency plan should yields on investments fall.

The definition of prudent MRP has been changed to "put aside revenue over time to cover the Capital Financing Requirement (CFR)"; it cannot be a negative charge and can only be zero if the CFR is nil or negative. Guidance on asset lives has been updated, applying to any calculation using asset lives. Any change in MRP policy cannot create an overpayment; the new policy must be applied to the outstanding CFR going forward only.

Markets in Financial Instruments Directive (MiFID II)

As a result of the second Markets in Financial Instruments Directive (MiFID II), from 3rd January 2018 local authorities were automatically treated as retail clients but could "opt up" to professional

client status, providing certain criteria was met which includes having an investment balance of at least £10 million and the person(s) authorised to make investment decisions on behalf of the authority have at least a year's relevant professional experience. In addition, the regulated financial services firms to whom this directive applies have had to assess that that person(s) have the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The Authority has not and does not plan to opt up to professional status as this would expose the Council to unnecessary borrowing costs and risk with no significant benefit. This may lead to some increased costs and restrictions in accessing financial products. The main protection in being a retail client is a duty on the firm to ensure that the investment is "suitable" for the Authority. It should be noted that local authorities' investments are not protected by the Financial Services Compensation Scheme nor are they eligible to complain to the Financial Ombudsman Service regardless of whether they are retail or professional clients.

8. 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.

9. INVESTMENT OUTTURN FOR 2017/18

Internally Managed Investments

The Council manages its investments in-house and during 2017/18 invested with institutions in compliance with the credit worthiness service of the Council's treasury management advisors, Arlingclose Limited.

The Council invested for a range of periods from overnight to up to two months during 2017/18, dependent on the Council's cash flows, its interest rate view and the interest rates on offer. Thirteen of the eighteen investments made in 2017/18 were for a period of two weeks or less. All eighteen investments were deposited in the Council's business reserve account due to the available rate and liquidity. No fixed investments were made during 2017/18.

In addition funds that were held in the general fund account that the Council has with Lloyds Bank also earn interest on a daily basis.

Investment Outturn for 2017/18

During 2017/18 an average rate of return of 0.37% was achieved on an average individual investment of £4.123m. This compared with the target of 0.45% included in the departmental service plan.

10. INVOLVEMENT OF ELECTED MEMBERS

Elected members have been involved in the treasury management process during 2017/18 including:

- Scrutiny of the treasury management strategy by the Finance, Resources and Partnerships Scrutiny Committee prior to being submitted for approval by the Full Council.
- Scrutiny of treasury management performance by the Audit and Standards 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.

ANNEX 1: PRUDENTIAL INDICATORS

	Position/Prudential Indicator	2016/17 Actual	2017/18 Indicator	2017/18 Actual
1	Capital Expenditure	£8.729m	N/A	£6.296m
2	Capital Financing Requirement at 31 st March *	£0.828m	(£0)	£4.405m
3	Treasury Position at 31 st March:			
	Borrowing	£0	N/A	£2.500m
	Other long term liabilities	£0	N/A	£0
	Total Debt	£0	N/A	£0
	Investments	(£3.460m)	N/A	£0
	Net Borrowing	(£3.460m)	N/A	£2.500m
4	Authorised Limit (against maximum position)	£0	£15.0m	£0
5	Operational Boundary (against maximum position)	£0	£7.5m	£0
6	Ratio of Financing Costs to Net Revenue Stream	(0.81%)	(1.09%)	(0.46%)
7	Upper Limits on Variable Interest Rates (against maximum position)			
	Loans	0%	100%	0%
	Investments	0%	100%	0%
8	Actual External Debt	£0	N/A	£0
9	Principal Funds Invested for Periods Longer than 365 days (against maximum position)	£0	£5.0m	£0

GLOSSARY

CFR – Capital Financing Requirement

The Capital Financing Requirement is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources.

CIPFA – The Chartered Institute of Public Finance and Accountancy

The Chartered Institute of Public Finance and Accountancy, is the professional body for accountants working in Local Government and other public sector organisations.

CPI – Consumer Price Index

A measure that examines the weighted average of prices of a basket of consumer goods and services. The Consumer Price Index is calculated by taking price changes for each item in the predetermined basket of goods/services and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living.

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

The DMADF is the 'Debt Management Account Deposit Facility' which is a highly secure fixed term deposit account with the Debt Management Office, part of Her Majesty's Treasury.

GDP – Gross Domestic Product

Gross Domestic Product is the market value of all officially recognised final goods and services produced within a country in a given period of time.

MIFID II – Markets in Financial Instruments Directive

New European Union rules that came into effect on 3rd January 2018, aiming to improve the functioning of financial markets and to strengthen investor protection.

MPC – Monetary Policy Committee

Interest rates are set by the Bank of England's Monetary Policy Committee. The MPC sets an interest rate it judges will enable the inflation target to be met.

MRP – Minimum Revenue Provision

The Minimum Revenue Provision represents the revenue charge for the repayment of debt.

STATEMENT OF THE LEADER OF THE COUNCIL TO FULL COUNCIL – 19th JULY 2018

Submitted by: Councillor Simon Tagg

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 Leader & Cabinet and to allow questions and comments to be made on the Statement.

1. **Cabinet Meetings**

Cabinet met on the 6th June 2018 and will meet again on the 18th July 2018. Key decisions are detailed under items 4 and 5 of this report.

2. **Move to Castle House**

The long-awaited move to Castle House is underway and the building will be open to the public to access Borough Council services on Monday 23rd July 2018.

The Council meeting on the 19th July 2018 is the first in our new Council Chamber and I would welcome any feedback from Members of the Council on their experience of the new building from their perspective.

3. **Future of the Guildhall**

As a result of the move to Castle House, Customer Service staff will also vacate the Guildhall.

Following the failed attempt by the previous administration to secure the future of this historic building, I am working with Council officers and interested parties from the community, town centre focused organisations and the Friends of the Guildhall Group, to explore opportunities for securing the future of the Guildhall under the umbrella of a Newcastle Borough Council owned and maintained building.

4. **Traveller Incursions**

The Borough has experienced multiple incursions by travellers on various green spaces in recent months. The Council has led on work to evict several unauthorised camps from its land recently.

Members will be aware the Council does everything it can to remove travellers as soon as is legally possible and it works quickly to serve initial notices, which require them to leave a site, and then to secure the earliest court hearing date available, to apply for an eviction order, if the first contact is ignored.

Residents regularly report issues of anti-social behaviour, littering and fly-tipping which the Council also deals with, ultimately ensuring that the sites are left clean and tidy after the travellers finally leave.

Officers have confirmed that legal and clean-up costs associated with these incursions amount to within the region of £500 per encampment.

Councillor Trevor Johnson and I along with Council officers have met with Chief Inspector Pete Owen and Matthew Ellis, the Police and Crime Commissioner for Staffordshire, to discuss ways to enhance the partnership working which already exist between our two organisations with the aim of speeding up the eviction process.

We agreed a 10 point plan which includes closer working on the ground between Council officers and the police when new encampments occur. This includes joint visits where possible, and also joint working to speed up the eviction process, as well as on community reassurance messages and progress reports.

There will be more police evaluation of encampments to consider use of immediate removal powers which are available to the police if criminal damage or anti-social behaviour is caused.

The Council will continue to work quickly to serve initial notices and secure the earliest court hearing date to apply for eviction orders recognising that a strict legal process has to be followed in order to organise a successful eviction.

Both parties pledged to work with local communities to protect their green spaces. Measures such as the wooden posts that are in the process of being installed at Wolstanton Marsh, or barriers and gates will be considered on a rolling programme. Funding for this will be made available from the Police and Crime Commissioner's Proceeds of Crime fund.

Councillor Johnson will work with Officers and Partners to investigate options for a temporary transit site.

It was also agreed to press local MP Paul Farrelly to respond to calls for changes to traveller laws and to support any legislative changes which may come from Parliament in the future.

5. **Cabinet Meeting of the 6th June 2018**

5.1 **Financial and Performance Management Report to End of Quarter Four (January - March) 2017-18**

Cabinet Members reviewed the Financial and Performance Data for the period to March 2018.

5.2 **Keele Conservation Area Appraisal and Management Plan Supplementary Planning Document**

Cabinet agreed to adopt the Supplementary Planning document for the Keele Conservation Area. One key element is to amend the boundary to include the area of former student halls of residence known as The Hawthorns which is currently being developed for housing.

5.3 **Newcastle Economic Development Strategy (EDS): Year One Action Plan**

Following approval of the EDS by Cabinet in March, the Action Plan for Year One (2018-2019) has now been agreed, which identifies a number of key priorities which will be refreshed annually and contains details on how the agreed aims and objectives will be delivered.

5.4 **Anti-Social Behaviour (ASB) Policy and Procedure**

Cabinet approved an updated ASB Policy that sets out the Council's commitment to reducing anti-social behaviour, improving the quality of life for local people and reducing crime and fear of crime within our communities.

This ensures that the Council has robust mechanisms in place in order to appropriately co-ordinate ASB enforcement and diversionary activity in the Borough, using available resources.

6. **Cabinet Meeting of the 18th July 2018**

To follow.

7. **Forward Plan**

The Forward Plan covering the period from April to July 2018 can be found at:

<https://moderngov.newcastle-staffs.gov.uk/mqListPlans.aspx?RPId=118&RD=0>

**Councillor Simon Tagg
Leader of the Council**

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REPORT OF THE ACTING CHIEF EXECUTIVE TO FULL COUNCIL

19 JULY 2018

SCRUTINY COMMITTEES – UPDATE

Introduction

At your Annual Council meeting on 16 May 2018, members agreed revisions to the Scrutiny Committee structure to provide three Committees namely:

Economy, Environment and Place

Finance, Assets and Performance

Health, Well Being and Partnerships.

I can now report that each Committee has met for the first time and have agreed their Terms of Reference (essentially a standard Terms for all) and have considered their Work Programme.

Progress by each Committee is briefly summarised as follows:

Health Well Being and Partnerships,

- Has agreed a Work Programme for 2018/19
- Has received a report on the decision of Staffordshire County Council to invite each District/Borough represented on the County's Healthy Staffordshire Select Committee to appoint a Substitute member in order to ensure that as far as practically possible a representative can be present at every meeting. Consequently as the appointment of the Borough's primary representative on the Healthy Staffordshire Select Committee is an 'Outside Body' appointment by full Council (For 2018/19 – the Chair of the Health Well Being and Partnerships Scrutiny Committee) , this meeting is requested to appoint a Substitute representative,
- Has considered the benefits of involving representatives of young people in the Borough in their discussions and decision making. The Scrutiny Committee therefore agreed to seek Council approval to the extension of the Committees membership to include two co-opted non-voting representatives of young people – the Students' Union at Keele University and student representatives at Newcastle College each to be invited to appoint one representative.

Finance, Assets and Performance

- Has agreed its initial Work Programme for 2018/19 including proposals to hold Joint meetings with the Health, Well Being and Partnerships Scrutiny

Committee in Autumn 2018 and Spring 2019 to discuss matters of mutual interest.

- Has indicated a wish to review its Terms of Reference after 12 months of operation.

Economy, Environment and Place

- Has invited individual members of the Committee to submit items for consideration for inclusion in the Work Programme
- Has scrutinised three front line service areas namely Grass Cutting, Tree Management and the Planning Service to both identify the causes of pressures on those services and to determine how those pressures can be addressed, including any support/assistance which the Scrutiny Committee itself might offer.

Future Council meetings will receive regular updates on the work of the Committees from their Chairs.

In addition to formal meetings, a scrutiny training event was staged on 5 July 2018. It is proposed to repeat the event on an evening in early September 2018. Details will be forwarded to members in due course.

RECOMMENDED:

1. That the updates on the establishment of the three Scrutiny Committee be noted
2. That Council appoint a substitute member to serve on the Healthy Staffordshire Select Committee on those occasions when the Borough's primary representative is unable to attend (The appointment of a Substitute to be dealt with as part of appointments to Outside Bodies in future years)
3. That approval be given to an amendment to the Constitution and to the Terms of Reference for the Health, Well Being and Partnerships Scrutiny Committee to allow the appointment of 2 co-opted, non-voting representatives of young people to serve on that Scrutiny Committee: such appointments to be invited from Keele University Students' Union and Newcastle College students' representatives and to be for a period of 1 year.

ECONOMY, ENVIRONMENT AND PLACE SCRUTINY COMMITTEE
CHAIR'S REPORT TO COUNCIL
19 JULY, 2018

The first meeting of the new economy, environment and place scrutiny committee took place on 4th July. The workflow for the year was discussed and members asked to submit appropriate topic points to be scrutinised.

At the meeting the following departments were scrutinised and reports presented to committee with the associated actions and requests made.

- Grass cutting
- Arboricultural
- Planning resource levels and performance statistics

It was agreed that the requested scrutiny of the Recycling function be deferred to the September meeting.

Councillor Gary White
Chair

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ECONOMY, ENVIRONMENT AND PLACE SCRUTINY COMMITTEE
CHAIR'S REPORT TO COUNCIL
19 JULY, 2018

The Health and Wellbeing Committee met on 21 June 2018. The Acting Chief Executive submitted draft Terms of Reference for the newly constructed Health and Wellbeing and Partnership Scrutiny Committee.

The Terms of Reference detailed the remit and role of the Committee and made particular reference to the working arrangements with Staffs County Council. Members discussed the flexibility of the workload while acknowledging the limits of resources within the authority to support that workload.

The Work Programme for 2018/19 :

Newcastle Town Centre, emergency planning, Britain in Bloom for September's meeting.

Leisure provision, SPACE, services for people with diabetes/ Parkinson's disease and safeguarding will be looked at later in the year.

Councillor's Panter and Maxfield are working together to look at support and advice available within the Borough for those suffering with diabetes/ Parkinson's Disease.

I am asking the Council for their support for two substitutes in order that Newcastle can be represented on the Staffordshire Health Committee and sub committees. The reason I ask for two, is that I cannot guarantee time off work and some meetings clash with Borough meetings, so having two substitutes we are more likely to be represented at the County. My first sub would be my vice chair, Ruth Wright, and second Alison Gardener. Councillor Ruth Wright to continue her work on swimming provisions for those with dementia.

I am also asking the council to include two non voting co-opted members representing young people in the borough. This I have done in the past when Chair of the Parish Council, also with the Audley Patient's Panel and on Hitmix radio. Some with more success than others. The term would be for one year and then reviewed.

Councillor Ian Wilkes
Chair

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Report to Full Council (July 2018) from the Chair of Licensing & Public Protection

Members will be aware that full Council (16 May 2018) approved the creation of a combined Licensing & Public Protection Committee. This includes Sub-Committees. As Chair I have worked with the interim Chief Executive and The Head of Environmental Health to bring this resolution to fruition. Licensing Sub-Committees will be held as required. Public Protection Sub-Committees will be held at three weekly intervals on a Tuesday, alternating between 10am and 2pm starts. Three members will be required for each Sub-Committee. To clear the backlog of Licence applications, meetings have been held weekly and have I have Chaired each one. The feedback from members who have sat on the Sub-Committees has been very positive. Equally, the new structure has achieved a 100% attendance from applicants. This has never been achieved before. The new arrangements will be subject to review after 12 months.

A full day of training was planned for all members of Licensing & Public Protection, but had to be abandoned due to the trainer falling sick. The revised date for this training is on Monday 16th July 2018. As an interim measure, a comprehensive training session was delivered by the Head of Environmental Health and Licensing Manager.

A meeting of the full Licensing & Public Protection Committee was held on 27th June 2018. Members received reports on the following principle headings:

- Licensing Annual Performance Report;
- Cumulative Impact Policy (Presented by the Police);
- Air Quality Action Plan;
- Food Safety Service Plan;
- Environmental Health Annual Performance and Enforcement Report.

Cllr Mark Olszewski

Chair

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Motion to Full Council – 19 July, 2018

This council notes

Though slavery was abolished in the UK in 1833, there are more slaves today than ever before in human history. Figures from the International Labour Organisation (ILO) suggest that there are more than 40 million people in modern slavery across the world, with nearly 25 million held in forced labour.

There were 3805 victims of modern slavery identified in the UK in 2016. A rising number but still well below the 10,000 and 13,000 potential victims estimated by the Home Office.

Modern Slavery is happening nationwide. Traffickers and slave masters use whatever means they have at their disposal to coerce, deceive and force individuals into a life of abuse, servitude and inhumane treatment. This can include sexual and criminal exploitation.

This council believes

That action needs to be taken to raise awareness of modern slavery and the fact that it is happening all over the UK.

That the current support for victims is not sufficient and needs to go beyond the 45 days they are currently given by the government.

That councils have an important role to play in ensuring their contracts and supplies don't contribute to modern day slavery and exploitation.

This council resolves

To adopt the Co-operative Party's Charter against Modern Slavery to ensure our procurement practices don't support slavery.

Charter

Newcastle under Lyme Council will:

1. Train its corporate procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply.
2. Require its contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.
3. Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery.
4. Highlight to its suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.
5. Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.

6. Require its tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.
7. Review its contractual spending regularly to identify any potential issues with modern slavery.
8. Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.
9. Refer for investigation via the National Crime Agency's national referral mechanism any of its contractors identified as a cause for concern regarding modern slavery.
10. Report publicly on the implementation of this policy annually.

Proposed by:

Councillor Mike Stubbs

Seconded by:

Councillor Tony Kearon