

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 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 Queen Elizabeth II & Astley Rooms - Castle House, Barracks Road, Newcastle, Staffs. ST5 1BL on Wednesday, 20th September, 2023 at 7.00 pm.

BUSINESS

- 1 APOLOGIES
- 2 DECLARATIONS OF INTEREST

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

3 MINUTES OF A PREVIOUS MEETING

(Pages 5 - 16)

To consider the Minutes of the previous meeting(s)

- 4 MAYOR'S ANNOUNCEMENTS
- 5 ALLOCATION OF COMMITTEE SEATS TO POLITICAL GROUPS (Pages 17 20)
- 6 TREASURY MANAGEMENT ANNUAL REPORT 2022/23 (Pages 21 32)
- 7 STATEMENT OF THE LEADER OF THE COUNCIL (To Follow)

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

8 REPORTS OF THE CHAIRS OF THE SCRUTINY COMMITTEES (Pages 33 - 34)

A written report will be attached for the Health, Wellbeing & Environment Scrutiny Committee. The Finance, Assets & Performance Scrutiny Committee and Economy and Place Scrutiny Committee have not met since the last meeting of the Full Council.

9 REPORTS OF THE CHAIRS OF THE REGULATORY COMMITTEES

(Pages 35 - 36)

Contacting the Council:

Switchboard 01782 717717 . Text 07800 140048

Email webmaster@newcastle-staffs.gov.uk.

A written report is attached for the Licensing & Public Protection Committee. The Audit & Standards Committee has not met since the last meeting of the Full Council.

A verbal update will be given for the Planning Committee.

10 MOTIONS OF MEMBERS

(Pages 37 - 38)

To consider a Motion regarding Low Emission Zones and Low Traffic Neighbourhoods

11 QUESTIONS TO THE MAYOR, CABINET MEMBERS AND COMMITTEE CHAIRS

(To Follow)

12 RECEIPT OF PETITIONS

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

13 URGENT BUSINESS

To consider any communications which pursuant to Section B4, Rule 9 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

Markin 7. Handle

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..

Fire exits are to be found at the side of the room leading into Queens Gardens.

On exiting the building Members, Officers and the Public must assemble at the statue of Queen Victoria. DO NOT re-enter the building until advised to by the Controlling Officer.

2. Mobile Phones

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

3. Notice of Motion

A Notice of Motion other than those listed in Procedure Rule 14 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 B5, Rule 4 of the Constitution of the Council.

Officers will be in attendance prior to the meeting for informal discussions on agenda items.



Agenda Item 3

Skeldina

Wright

Council - 26/07/23

COUNCIL

Wednesday, 26th July, 2023 Time of Commencement: 7.00 pm

View the agenda here

Watch the meeting here

Present: Mayor - Councillor Simon White (Chair)

Barker MBE

Councillors: Adcock Grocott Richards

Bettley-Smith Stubbs Holland Brockie Fox-Hewitt Sweeney Brown Hutchison J Tagg Bryan Johnson S Tagg Burnett-Faulkner S Jones P Waring Lawley Whieldon Crisp Dymond Northcott G Williams Edginton-Plunkett Panter J Williams

Parker

Heesom

Gorton Reece

Apologies: Councillor(s) Allport, Beeston, D Jones, J Waring, G White and

Wilkes

Fear

Officers: Geoff Durham Civic & Member Support Officer

Martin Hamilton Chief Executive

Simon McEneny Deputy Chief Executive
Sarah Wilkes Service Director - Finance /

S151 Officer

Craig Jordan Head of Planning

Also in attendance:

1. DECLARATIONS OF INTEREST

There were no declarations of interest stated.

2. MINUTES OF A PREVIOUS MEETING

Resolved: That the minutes of the meetings held on 17th May and 28th

June, 2023 be agreed as correct records.

3. RECEIPT OF A PETITION SUBMITTED UNDER THE COUNCIL'S PETITION SCHEME

1

A petition was received asking the Council to review its targets for new housing in the Borough. Mr Hancock gave a presentation on behalf of signatories which was then debated by the Council.

Council - 26/07/23

The Leader stated that it was important to get a Local Plan in place to protect the Borough's green spaces.

Resolved:

- (i) That the contents of the petition be noted and that it be recorded as a consultation response to the First Draft Borough Local Plan. Consultation on the First Draft Local Plan ends on the 14 August 2023.
- (ii) That the petition, alongside a summary of other responses to the consultation on the First Draft Local Plan, be considered at a future meeting of the Economy and Place Scrutiny Committee and Cabinet.

Watch the debate here

4. MAYOR'S ANNOUNCEMENTS

Members were informed of the resignations of Sue Moffat and Stephanie Talbot who were both wished well for their futures.

Councillor Susan Beeson would be taking a brief leave of absence for personal reasons. On behalf of Council, the Mayor sent her best wishes.

The Mayor also made one announcement regarding his Ball on 21st October, 2023 at Keele Hall.

5. APPOINTMENT OF INTERIM MONITORING OFFICER

The Leader introduced a report regarding the appointment of Barbara Beardwell as the Interim Monitoring Officer.

Resolved:

That the appointment of Barbara Beardwell as the Council's Interim Monitoring Officer be confirmed in accordance with section 5 of the Local Government & Housing Act 1989.

Watch the debate here

6. CORPORATE PEER CHALLENGE OUTCOME AND ACTION PLAN

The Leader introduced a report seeking to receive the Local Government Association's (LGA) Corporate Peer Challenge report and the Action Plan.

Peter Fleming and Helen Murray from the LGA gave an update on some key findings and the next steps. A team would return in January, 2024 to see how the Council was progressing with the recommendations that were made.

Resolved:

- (i) That the LGA's Corporate Peer Challenge report be received; and
- (ii) That the Action Plan prepared in response to the LGA's recommendations be approved.

Watch the debate here

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7. CHANGES TO COMMITTEE MEMBERSHIP

The Leader introduced a report advising of changes to committee membership following changes in political group membership. The changes followed the resignations of two Members as announced earlier in the meeting.

Resolved:

- (i) That the urgent decision taken by the Chief Executive to amend the allocation of committee seats to the political groups to reflect updated proportionality requirements (Appendix 1) be noted.
- (ii) That the appointment of Councillor Panter to the newly allocated Conservative seat on the Audit and Standards Committee be noted.
- (iii) That the appointment of Councillor Grocott to the vacant Labour seat on Finance, Assets and Performance Scrutiny Committee be noted.
- (iv) That Councillor Holland be appointed to the newly allocated Conservative seat on the Economy and Place Scrutiny Committee.
- (v) That the vacant Labour seat on the Planning Committee be advised.

Watch the debate here

8. STATEMENT OF THE LEADER OF THE COUNCIL

The Leader presented the statement that had been circulated about the activities and decisions made by Cabinet to allow questions and comments.

The Leader provided a verbal update on two items: national judging for Britain in Bloom would take place on 27th July at Castle House and there had been a large incursion of travellers on Wolstanton Marsh; the Council had obtained the Section 78 order and they had been moved off the site in the evening.

The Leader thanked the local Newcastle LPT Police Commander for his proactive approach to the removal of travellers.

Questions were raised and responses were provided as follows.

On paragraph 2 – Walleys Quarry Odour Issues

Councillor Adcock advised that there had been good feedback on the Community Engagement event held at the Fire Station and asked the Leader if he would support another such event, should there be demand for it.

The Leader stated that he would support such an event and hoped the Environment Agency would arrange another in the community soon.

3

On paragraph 3 – Town deal and Future High Street Fund

Page 7

Councillor Brockie asked for assurance that the scale and appropriateness of developments in the town centre would remain under active review.

Councillor John Williams asked for assurance that the Ryecroft site would be designed and built to complement the existing town centre.

The Leader stated that there was a blueprint for the development that had been to Cabinet, part of which was about having a good standard of design on the sites which would complement existing buildings and any other buildings on the Ryecroft.

Councillor Williams also asked if the proposed Wammy Changing Rooms could be used for other sporting activities in the area.

Councillor Parker asked the Portfolio Holder for Finance, Town Centres and Growth how the relocation of the remaining York Place tenants was progressing.

Councillor Sweeney stated that there were two tenants still on there, the Cooperative Bank and Specsavers, both were scheduled to vacate by Christmas and would be remaining in the town centre.

Councillor Paul Waring made reference to the Shared Services Hub which would improve Kidsgrove Town Centre.

Councillor Gorton asked the Leader for reassurance that the Philip Astley Centre would not be a stand-alone body but would work with the Museum, Newcastle College and other performing arts groups.

Councillor Gorton also asked the Leader if he would impress upon the team who take the project forward that collaboration, particularly with overseas links, would be essential to its success.

The Leader stated that Andrew Van-Buren was part of the steering group for the project and he did have links overseas, particularly in Monaco and with Newcastle College.

Councillor Fox-Hewitt asked if he was correct in his understanding that the amount spent on the performing arts centre had increased by £100,000.

The Leader confirmed that there was no increase in spending.

On paragraph 4 – Sustainable Environment Update:

Councillor Panter asked the Portfolio Holder for Sustainable Environment for the progress in the Council's adoption of Hydrated Vegetable Oil (HVO) for the Council fleet, effect on vehicle emissions and any financial advantages in adopting it.

Councillor Hutchison advised that the Waste and Recycle Fleet had all been running on HVO since March, 2023. No new CO2 would be released into the atmosphere. All raw materials were checked and verified by the Department of Transport. In addition, CO2 emissions of the vehicles had been reduced by 90%. HVO was purchased on the open market, with any price fluctuations being monitored and buying when appropriate, saving the Council and its residents thousands of pounds.

On paragraph 5 – Active Lifestyles Strategy:

Councillor Stubbs referred to the removal of nine 850 Anniversary banners on the main road through Kidsgrove and their replacement with banners advertising a fast food outlet which was located within Cheshire East.

The Leader stated that these were hired out spaces by the County Council and he had taken the matter up with the relevant director at the County Council.

Councillor Dymond asked the Leader to confirm if any funding had been allocated for new or refurbished tennis courts in Clough Hall Park, Kidsgrove.

The Leader advised that the Council had applied to the Lawn Tennis Association for funding, so any further streams of funding coming from that come forward, could be used for the refurbishment. Also, if there was any re-profiling of Town Deal Funding it could be put into enhancing sports facilities and the tennis courts could then be put forward for inclusion.

Councillor Burnett-Faulkner welcomed the Strategy and made reference to the first anniversary yesterday, of the reopening of Kidsgrove Sports Centre which was celebrated with an open day.

Councillor Skelding congratulated Kidsgrove Sports Centre on its first anniversary of re-opening. They had set a target of recruiting 700 members within the first year and, as of yesterday they had over 1100 signed up members. In addition, they had a target of teaching 500 children to swim within the first year - this figure currently stood at 750.

Councillor Crisp asked what the membership figures were for J2 and if they had been affected by Kidsgrove Sports Centre.

The Leader echoed members comments and stated that there were currently 3330 members at J2, a ten percent increase on pre-lockdown levels. There had been no impact from Kidsgrove Sports Centre – they actually complimented each other.

On paragraph 6 – Financial and Performance Review Report – Fourth Quarter 2022-23:

Councillor Panter asked the Leader if he agreed that the Borough Museum, with its new extension, was a true asset and a place to celebrate the cultural history of our Loyal and Ancient Borough.

The Leader shared these comments. It had really come into its own during this anniversary year.

Councillor Bettley-Smith asked the Leader if he agreed that the Council was taking the matter of long term sickness very seriously and if he was content with the actions being taken.

The Leader confirmed that the Council was doing all that it could to address the matter, some of which was still stemming from the Covid outbreak through health service delays, which were affecting some staff awaiting treatment operations. FAPS Scrutiny Committee had asked for a detailed report on the issue at its next meeting.

There were no comments or questions on paragraph 7 – Corporate Peer Challenge and Action Plan.

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There were no comments or questions on paragraph 8 – the Forward Plan.

Resolved: That the statement of the Leader of the Council be received and

noted.

Watch the debate here

9. REPORTS OF THE CHAIRS OF THE SCRUTINY COMMITTEES

The reports for the Health, Wellbeing and Environment Scrutiny Committee and Economy and Place Scrutiny Committee had been circulated with the agenda.

A verbal update was given for the Finance Assets and Performance Scrutiny Committee detailing the items discussed at previous meetings.

Resolved: That the reports be received.

Watch the debate here

10. REPORTS OF THE CHAIRS OF THE REGULATORY COMMITTEES

Reports for the Licensing and Public Protection Committee and the Audit and Standards Committee were attached to the main and supplementary agendas.

A verbal update was given for the Planning Committee detailing the items discussed at previous meetings.

Resolved: That the reports be received.

Watch the debate here

11. MOTIONS OF MEMBERS

A Motion was received concerning Fire Appliance Crewing proposed by Councillor Stubbs and seconded by Councillor Brockie.

Following a debate on the substantive motion, a vote was taken.

In Favour (Y) – 14 Against (N) – 21 Abstain – 0

The Motion fell.

Watch the debate here

12. QUESTIONS TO THE MAYOR, CABINET MEMBERS AND COMMITTEE CHAIRS

Nine questions were received:

1) Question from Councillor Gorton to the Leader of the Council:

"The publication of the draft Local Plan, which highlights the importance of residents having access to public transport, coincided with the decision by First to axe the bus

service between Audley and Hanley. The frequency of services on other routes has also been reduced.

Does the Leader of the Council agree that the time is right to: a) reconsider the current arrangements for operating bus services across the Borough; b) for the Borough Council to work with the City Council and other authorities across Staffordshire to put in place a new structure for providing bus services which could involve services being run by new bus operators?"

The Leader stated that this was in relation to Route 7 that originally came through Audley which had been picked up by D&G. The Council did not have any specific powers around bus services but did feed into the County wide Policies. The Government had brought forward a national Bus Strategy that was asking County Councils / Highways and Transport Authorities to set up enhanced partnerships with the bus services and to bring forward an improvement plan. The Council was working with the County Council through the Leaders Board and was looking to put in a bid to Government for devolved powers, one of which could be around the area of transport. There could also be a North Staffordshire Bid Public Transport Improvement which would include bus services.

2) <u>Question from Councillor Edgington-Plunkett to the Portfolio Holder for</u> Sustainable Environment:

"In the Leader's statement it expresses that the administration will continue to improve the recycling and waste service, can the portfolio holder for sustainable environment please tell the residents and members what his action plan is for this service to improve? It also states that agency staff will be employed to help with the service, can the portfolio holder also inform members how many agency staff will be employed, how much this is costing the council and how many colleagues in the waste and recycling service are currently off on long term sickness?"

Councillor Hutchison stated that there were 7 staff currently on long term sick leave out of a workforce of approximately 77 drivers and loaders. Pressures within the NHS were leading to appointments being cancelled and therefore delaying actions to help staff back into work. Against this, short term sickness causes temporary service disruption.

To increase resilience, the Council was increasing the driver / loader team posts through existing staff who would be able to do both. Four new drivers had been recruited and the Council would be advertising for four more. The Council was in the process of developing a Workforce Strategy to attract younger people with career progression opportunities.

The garden waste service was seasonal in nature. Agency staff were brought into the service as required to cover absences such as annual leave. This was the most efficient way to manage the variation in resourcing. The aggregate value for agency staff would be in the region of £212,000 per year. The Council was in the process of an Agency Framework Review that would standardise rates and maintain strong governance in terms of training and induction.

Councillor Edgington-Plunkett asked a supplementary question about whether the Portfolio holder thought a union undertaking a consultative ballot for industrial action would add to the recent issues in waste and recycling.

The Portfolio holder stated that a written reply would be issued for this.

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3) Question from Councillor Edgington – Plunkett to the Leader of the Council:

The question, regarding J2 had been answered earlier in the meeting and was therefore withdrawn.

4) Question from Councillor Bryan to the Portfolio Holder for Finance, Town Centres and Growth:

"I note that the outturn for 2022/23 shows a favourable variance of £8,000 against the budget. Given the financial pressures that the Council is under, how did you achieve such a positive outcome?"

Councillor Sweeney stated that the actual forecast position compared to the budget set in February, 2022 was continuously monitored by the Finance Team, Corporate Leadership Team and Portfolio Holder in order to detect any significant variances of expenditure or income from the approved amounts. Prompt corrective actions had been taken to ensure that the Council delivered a balanced budget position for the year 2022/23.

Councillor Bryan asked a supplementary question about the Portfolio Holder's confidence regarding the strong financial management continuing into current and future years.

Councillor Sweeney was very confident. The recent Peer Review spoke glowingly about the Council's Financial Planning and Management and quoted their findings.

5) Question from Councillor Brown to the Leader of the Council:

"This year, Love Parks' week runs from 28 July to 6 August. This annual campaign celebrates parks, green spaces, and the dedicated volunteers and workers that look after them all year round. These vibrant, living spaces bring communities together and provide an opportunity to connect with nature in the heart of our cities, towns, and neighbourhoods. Can the Leader provide Council with an update and explanation as to why council has decided not to support this initiative?"

The Leader stated that the Council continued to support such events as Love Parks and other initiative that enabled communities to become actively involved in green spaces and looking after their neighbourhoods. Support and advice was also made available to community groups that want to hold events on their local green spaces and carry out projects to improve them which could be seen through Britain in Bloom. Tree planting in the Council's carbon catch areas on 60 green spaces that had been protected. Even though the Council had not organised a specific event for Love Parks it was still supported.

Councillor Brown asked a supplementary question about what the Council would be doing at the park during the Parade for Love Parks Week so that she can share it with her residents.

The Leader suggested getting in touch with the Parks team who deal with maintenance and promotion to ask what could be done to help and what they could do to put on an event.

6) Question from Councillor Stubbs to the Portfolio Holder for Finance, Town Centres and Growth:

"The Office of Budget Responsibility has predicted that "Real Household Disposable Income" (The Measure of Real Living Standards here in the UK) per person, is expected to fall by a cumulative 5.7 per cent over the next two financial years. Would the Portfolio Holder for Finance update us how the Borough Council will step in to protect the most vulnerable here in the Borough who are facing the largest two-year fall since records began in 1956-57."

Councillor Sweeney stated that the Office for Budget Responsibility (OBR) was often wrong and any forecast was rarely completely accurate. Forecasts from the OBR were predictions rather than warnings. Thanks to measures announced at the Spring Budget the predicted recession had gone away. The Government would now follow its economic plan to ensure that living standards continued to rise in the UK. The Government was protecting the most vulnerable with a £94bn package of cost of living support worth £3,300 per household. The Council continued to passport funding out to residents and businesses within the Borough.

Councillor Stubbs asked a supplementary question about the 5% cut equated to a real time cash fall of £1,841 for every household and the £97.2m subsequently withdrawn from the local economy which could affect both the businesses within the Borough and budget setting at the Council.

Councillor Sweeney mentioned the government's £94bn cost of living package as per the previous question.

7) Question from Councillor Stubbs to the Portfolio Holder for Finance, Town Centres and Growth:

"Nationally, the Conservative Government have crashed the Economy leaving Newcastle Residents to pick up the pieces. Does the Portfolio Holder for Finance agree with the Prime Minister that my residents in Talke and Butt Lane, and residents across the Borough, should "hold their nerve" when it comes to rising interest rates and stubborn inflation, or does he agree with me that the Prime Minister is simply out of touch?"

Councillor Sweeney responded that since 2010 the UK economy had grown faster than France and Japan and was currently outpacing Germany as well as having the fastest growth in the G7. The inflation was falling faster than predicted and interest rates were set independently from governments by the Bank of England.

Councillor Stubbs asked a supplementary question about research suggesting that 3,774 households in Newcastle faced a mortgage penalty of £2,300 per year and where the residents already suffering from a cost of living crisis could find the 8.7 million to cover increased mortgages.

Councillor Sweeney expressed the opinion that this was outside of the scope of the Council.

8) Question from Councillor Stubbs to the Portfolio Holder for Finance, Town Centres and Growth:

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"End Child Poverty is an organisation that highlights the real impacts that poverty has on the daily lives of Children across the UK. Would the Portfolio Holder care to comment on the latest figures for Newcastle under Lyme suggesting that around 7,829 children are currently living in abject poverty?"

Councillor Sweeney responded that relative poverty, which was the metric calculated in the research referred to, was a measure of income inequality and not of absolute poverty. Every member of the Council would agree that all children should grow up safe, healthy and cared for with no limitations placed on their potential based on the circumstances of their birth. Evidences to reduce poverty were essential in continuing and no government National or local would ever say otherwise. The best way to lift families out of poverty and support living standards was to work better skills and high wages that is why the Borough Council's corporate priorities included successful and sustainable growing Borough and why its Administration was bring forward a local plan based on well-planned growth, attracting high school, highways, jobs and store area opening up opportunities for all residents. The government had also put those mostly needed a financial support first when it came to financial support as it had been demonstrated through the millions of families supported through the coronavirus pandemic and then through the unprecedented cost of living support packages made available in response to the spike in energy costs.

Councillor Stubbs asked a supplementary question about poverty putting pressure on struggling families and undermining their ability to cope as well as the role of the wider administration to address the 33 percent child poverty rate in Newcastle.

Councillor Sweeney responded that the Council was currently offering £3,000 support to every family.

9) Question from Councillor Stubbs to the Portfolio Holder for Finance, Town Centres and Growth:

"According to the Office for National Statistics, the average family in Newcastle-under-Lyme has seen the price of the weekly food shop rise by a staggering £700 per year. Given there will be an estimated 30,200 households within the Borough directly affected by this, that is a further £21.1M being absorbed by struggling families with minimal help, and indeed my previous questions, would the Portfolio holder agree to join with me in writing to our Local MPs to demand more support from a Government that is currently failing our residents?"

Councillor Sweeney responded that Councillor Stubbs should issue a motion for the Council to debate. Inflation was invidious, eroding the means of all families in the borough and making everything more costly for the Council as an authority. Energy Prices rose sharply in 2022 as a result of the Russian invasion of Ukraine and the cost of producing storing and transporting food shut up along with domestic energy bills. Before the war both Russia and Ukraine ranked among the top three Global exporters of wheat, barely, maize and rapeseed oil, sunflower seed and sunflower oil. Short supply of these Commodities had also pushed up prices on the global market.

Help from the government to tackle the cost of living was provided through the energy price guarantee capping utility bills, the 400 pound Energy bill discount for all households, the 150 pounds council tax rebates, the 650 pounds cost living payment for those on benefits, the 300 pounds pension of cost of living payments, the 150 pound payment for those on disability benefits, the 500 million pound household support fund to provide targeted discretionary support to exactly those low-income families who need that extra help, a 94 billion package in total worth 3 300 on

average per household. The government was doing everything it could to reduce inflation which was a single action that would most help the greatest number of people.

Watch the debate here

13. RECEIPT OF PETITIONS

The petition pertaining to the Borough Local Plan had been discussed under item 6 of the agenda. No other petitions were received.

14. **URGENT BUSINESS**

There was no urgent business.

15. **DISCLOSURE OF EXEMPT INFORMATION**

There were no confidential items for consideration.

Mayor - Councillor Simon White Chair

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Meeting concluded at 9.50 pm



NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CHIEF EXECUTIVE'S URGENT DECISION ON BEHALF OF

Council 20 September 2023

Report Title: Allocation of Committee Seats to Political Groups

Submitted by: Chief Executive

<u>Portfolios:</u> One Council, People & Partnerships

Ward(s) affected: N/A

Purpose of the Report

To re-allocate committee seats to the political groups following a change in political proportionality of the Council.

Decision

That Council:

- Notes the changed political proportionality of committee places membership following the by-elections held in the Knutton and Audley wards on 7th September 2023.
- 2 Agrees to change the composition of committees as set out in this report in order to ensure political proportionality.
- 3 Receives and approves nominations from Group Leaders for members to be removed from, and placed on, committees to give effect to the changed committee composition.
- 4 Receives and approves nominations from Group Leaders for any other vacant committee places, in line with the political proportionality of the Council.

Reasons

To comply with the political proportionality requirements in the Local Government and Housing Act 1989, following the by-elections in the Knutton and Audley wards on 7th September 2023.

1. Background

1.1 The Local Government and Housing Act 1989 ("the 1989 Act") imposes political proportionality requirements in respect of the allocation of seats on ordinary committees to the political groups.



- 1.2 Specifically, section 15 of the Act requires that four principles be followed in allocating committee seats:
 - a) All seats on a committee cannot be allocated to the same political group;
 - b) The majority of the seats on each committee should be allocated to the political group holding the majority of seats on the council;
 - c) Subject to (a) and (b) above, the number of seats on the total of all the ordinary committees of the council allocated to each political group should bear the same proportion to the proportion of their seats on the council;

The change is best effected by simply reverting to pre resignation

d) Subject to (a), (b) and (c) above, the number of seats on each ordinary committee of the council allocated to each political group should bear the same proportion to the proportion of their seats on the council.

2. **Issues**

- 2.1 Following the by-elections held to elect one Councillor for the Knutton ward and one Councillor for the Audley ward there is a need to alter the seat allocations as set out above. The election of Rebekah Sioban Lewis (Labour Party) in Audley and Robert Ian Moss (Labour Party) in Knutton mean that the political proportionality on the Council is:
 - Conservative 57%
 - Labour 43%

Labour are now entitled to 34 places and Conservatives to 45 places,

- The change is best effected by simply reverting to pre resignation committee make up:
- Additionally, Labour need to nominate to their vacant seat on Planning Committee
- 2.2 The adjustment of committee seat allocations requires:
 - Conservative Group decrease its seat allocation by 2
 - Labour group increase its seat allocation by 2
- 2.3 In order to both reflect the political proportionality across the Council as a whole and, as far as practical, reflect the Council's overall political proportionality on individual committees these changes are best reflected by changing the membership of Audit & Standards Committee and Economy & Place Scrutiny Committee as set out below:
 - Audit and Standards Committee Conservative membership reduced by 1;
 Labour membership increased by 1.



- Economy and Place Scrutiny Conservative membership reduced by 1; Labour membership increased by 1.
- 2.4 Following discussion with the Group Leaders, the nominations to the two committees will be made at the Council meeting on 20th September.

3. **Proposal**

- a. Notes the changed political proportionality of committee places membership following the by-elections held in the Knutton and Audley wards on 7th September 2023.
- b. Agrees to change the composition of committees as set out in this report in order to ensure political proportionality.
- c. Receives and approves nominations from Group Leaders for members to be removed from, and placed on, committees to give effect to the changed committee composition.
- d. Receives and approves nominations from Group Leaders for any other vacant committee places, in line with the political proportionality of the Council.

4. Reasons for Proposed Solution

4.1 To comply with the political proportionality requirements of the Local Government and Housing Act 1989.

5. **Options Considered**

5.1 Consideration was given to giving effect to these changes by way of an urgent decision by the Chief Executive, but the absence of any committee meetings prior to this Council meeting had rendered the use of urgency powers unnecessary.

6. Legal and Statutory Implications

6.1 Dealt with in the body of the report.

7. Equality Impact Assessment

7.1 N/A

8. Financial and Resource Implications

8.1 N/A

9. Major Risks

9.1 Dealt with in the body of the report.

10. Sustainability and Climate Change Implications



10.1 None identified.

11. Key Decision Information

11.1 This is not a Key Decision.

12. <u>Earlier Cabinet/Committee Resolutions</u>

12.1 Not Applicable.

13. <u>List of Appendices</u>

13.1 Not Applicable.

14. **Background Papers**

14.1 Not Applicable

Agenda Item 6

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Council 20 September 2023

Report Title: Treasury Management Annual Report 2022/23

Submitted by: Service Director for Finance (Section 151 Officer)

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All Indirectly

Purpose of the Report

To receive the Treasury Management Annual Report for 2022/23 and to review the Treasury Management activity for this period.

Recommendation

That the Treasury Management Report for 2022/23 be noted.

Reasons

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management recommends that Members should be informed on Treasury Management activities at least twice a year. Council resolved that the Audit and Standards Committee would monitor and oversee the delivery of the Treasury Management Strategy through the receipt of half yearly and year end Treasury Management Reports. Following submission to the Audit and Standards Committee the Treasury Management Annual Report will be reported to Full Council.

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. It was resolved that the Audit and Standards Committee would monitor and oversee the delivery of the Treasury Management Strategy through the receipt of half yearly and year end Treasury Management Reports.
- 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 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 2022/23 approved by Council on 23 February 2022.
- 1.4 The Council has been provided with Treasury Management Advisory services for the period 1 April 2022 to 31 March 2023 by Arlingclose Ltd.



2. **Issues**

2.1 The Treasury Management Annual Report for 2022/23 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. **Proposal**

3.1 That the Treasury Management Annual Report for 2022/23 be noted.

4. Reasons for Proposed Solution

4.1 In line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

5. Options Considered

5.1 There are no specific options to consider.

6. <u>Legal and Statutory Implications</u>

6.1 The CIPFA Code of Practice on Treasury Management recommends that Members should be informed on Treasury Management activities at least twice a year. It was resolved that the Audit and Standards Committee would monitor and oversee the delivery of the Treasury Management Strategy through the receipt of half yearly and year end Treasury Management Reports.

7. Equality Impact Assessment

7.1 Not applicable.

8. Financial and Resource Implications

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

9. Major Risks

- 9.1 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.
- 9.2 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.
- 9.3 Operational procedures, coupled with monitoring arrangements, are in place to minimise the risk of departures from the approved strategy.



10. <u>UN Sustainable Development Goals (UNSDG)</u>

10.1 The Treasury Management Annual Report for 2022/23 supports UNSG and Climate Change objectives through supporting sustainable cities and communities through the correct use of public monies.



11. Key Decision Information

11.1 Not applicable.

12. <u>Earlier Cabinet/Committee Resolutions</u>

12.1 Council 24 February 2010 – Adoption of CIPFA Treasury Management Code of Practice.

13. <u>List of Appendices</u>

13.1 Appendix 1, Treasury Management Annual Report 2022/23.

14. **Background Papers**

- 14.1 CIPFA Treasury Management Code of Practice.
- 14.2 Council's Treasury Management Policy Statement.
- 14.3 Council's Treasury Management Strategy.
- 14.4 Local Government Act 2003.
- 14.5 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.
- 14.6 Ministry of Housing, Communities and Local Government's revised Guidance on Local Government and Investments and Statutory Guidance on Minimum Revenue Provision.
- 14.7 Arlingclose Ltd. Treasury Management Outturn Report template.



TREASURY MANAGEMENT ANNUAL REPORT 2022/23

1. INTRODUCTION AND BACKGROUND

The 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 2022/23. 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 Council's Treasury Management Strategy for 2022/23 was approved at a meeting on 23 February 2022. The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's Treasury Management Strategy.

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 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, Assets and Performance 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 2022/23.

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 Council.

2. THIS ANNUAL TREASURY REPORT COVERS

- The Council's treasury position as at 31 March 2023;
- The strategy for 2022/23;
- The economy in 2022/23;
- Investment rates in 2022/23;
- Compliance with treasury limits and Prudential Indicators;
- Investment outturn for 2022/23;
- Involvement of Elected Members;
- Other issues.

3. TREASURY POSITION AS AT 31 MARCH 2023

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

	At 31/03/23		Life (Days)	At 31/03/22		Average Life (Days)
Total Debt	£0m	0.00%	0	£0m	0.00%	0
Total Investments	£17m	4.05%	14	£14m	0.5%	1

It should be noted that the above table is only a snapshot of the total Investments as at 31 March 2023. Large fluctuations in cash inflows and outflows that occur throughout the month can have an impact on the figure reported.

4. THE STRATEGY FOR 2022/23

The strategy agreed by Council on 23 February 2022 (including related items included in the Capital Strategy) was that:

- The Council may be required to borrow during 2022/23;
- All borrowing would be kept absolutely within the Authorised Limit of £85m and would not normally
 exceed the Operational Boundary of £75m (although it could for short periods of time be permitted
 to rise to a figure between £75m and £85m 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 March 2023 £25m, maturing beyond 31 March 2024 £25m, maturing beyond 31 March 2025, £25m;
- 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 war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.

Central Bank rhetoric and actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve, and European Central Bank all increased interest rates over the period, even in the face of potential economic slowdowns in those regions.

Starting the financial year at 5.5%, the annual Consumer Price Index (CPI) measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food and housing. RPI followed a similar pattern during the year, hitting 14.2% in October. In February the Retail Price Index (RPI) measure of UK inflation reached 13.8%, up from 13.4% in the previous month.

Following the decision by the UK government under Rishi Sunak and Jeremy Hunt to reverse some of the support to household energy bills announced under Liz Truss, further support in the form of a cap on what energy suppliers could charge household was announced in the March Budget to run from April until end June 2023. Before the announcement, typical household bills had been due to rise to £3,000 a year from April.

The labour market remained tight albeit with some ongoing evidence of potential loosening at the end of the period. The unemployment rate 3mth/year eased from 3.8% April-June to 3.6% in the following quarter, before picking up again to 3.7% between October-December. The most recent information for the period December-February showed an unemployment rate of 3.7%.

The inactivity rate was 21.3% in the December-February quarter, slightly down from the 21.4% in the first quarter of the financial year. Nominal earnings were robust throughout the year, with earnings growth in December-February at 5.7% for both total pay (including bonuses) and 6.5% for regular pay. Once adjusted for inflation, however, both measures were negative for that period and have been so throughout most of the year.

Despite household budgets remaining under pressure, consumer confidence rose to -36 in March, following readings of -38 and -45 in the previous two months, and much improved compared to the record-low of -49 in September. Quarterly GDP was soft through the year, registering a 0.1% gain in the April-June period, before contracting by (an upwardly revised) -0.1% in the subsequent quarter. For the October-December period was revised upwards to 0.1% (from 0.0%), illustrating a resilient but weak economic picture. The annual growth rate in Q4 was 0.6%.

The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting

over the period, with recent hikes of 50bps in December and February and then 25bps in March, taking Bank Rate to 4.25%. March's rise was voted by a majority of 7-2, with two MPC members preferring to maintain Bank Rate at 4.0%. The Committee noted that inflationary pressures remain elevated with growth stronger than was expected in the February Monetary Policy Report. The February vote was also 7-2 in favour of a hike, and again with two members preferring to keep Bank Rate on hold.

After reaching 9.1% in June, annual US inflation slowed for eight consecutive months to 6% in February. The Federal Reserve continued raising interest rates over the period with consecutive increases at each Federal Open Market Committee meetings, taking policy rates to a range of 4.75%- 5.00% at the March meeting.

From the record-high of 10.6% in October, Eurozone CPI inflation fell steadily to 6.9% in March 2023. Energy prices fell, but upward pressure came from food, alcohol, and tobacco. The European Central Bank continued increasing interest rates over the period, pushing rates up by 0.50% in March, taking the deposit facility rate to 3.0% and the main refinancing rate to 3.5%.

6. INVESTMENT RATES IN 2022/23 – narrative supplied by the Council's Treasury Management Advisors – Arlingclose Limited

Uncertainty continued to be a key driver of financial market sentiment and bond yields remained relatively volatile due to concerns over elevated inflation and higher interest rates, as well as the likelihood of the UK entering a recession and for how long the Bank of England would continue to tighten monetary policy. Towards the end of the period, fears around the health of the banking system following the collapse of Silicon Valley Bank in the US and purchase of Credit Suisse by UBS caused further volatility.

Over the period the 5-year UK benchmark gilt yield rose from 1.41% to peak at 4.70% in September before ending the financial year at 3.36%. Over the same timeframe the 10-year gilt yield rose from 1.61% to peak at 4.51% before falling back to 3.49%, while the 20-year yield rose from 1.82% to 4.96% and then declined to 3.82%. The Sterling Overnight Rate (SONIA) averaged 2.24% over the period.

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 2022/23

Internally Managed Investments

The Council manages its investments in-house and during 2022/23 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 66 days during 2022/23, dependent on the Council's cash flows, its interest rate view and the interest rates on offer. 29 of 70 investments made in 2022/23 were for a period of 2 weeks or less. 2 investments were made with the Public Sector Deposit Fund. The remaining 68 investments were deposited in the Debt Management Account Deposit Facility.

In addition, funds were held in the general fund account that the Council has with Lloyds Bank.

Investment Outturn for 2022/23

During 2022/23 an average rate of return of 2.32% was achieved on an average individual investment of £2.369m due to the receipt in advance of Government Grants and the interest rate rises referred to in section 5. No target was set for 2022/23 as it was assumed that a net interest payable amount would be required to meet the Council's capital programme. Actual interest income from investment activity amounted to £0.578m for 2022/23.

9. INVOLVEMENT OF ELECTED MEMBERS

Elected members have been involved in the treasury management process during 2022/23 including:

- Scrutiny of the Treasury Management Strategy by the Finance, Assets & Performance Scrutiny Committee prior to being submitted for approval by the 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	2021/22 Actual	2022/23 Indicator	2022/23 Actual
1	Capital Expenditure	£14.730m	£33.588m	£7.545m
2	Capital Financing Requirement at 31 March *	£10.649m	£17.348m	£10.682m
3	Treasury Position at 31 March: Borrowing Other long term liabilities	£0 £0	N/A N/A	£0
	Total Debt Investments	£0	N/A N/A	£0
	Net Borrowing	£0	N/A	£0
4	Authorised Limit (against maximum position)	£0	£85.0m	£0
5	Operational Boundary (against maximum position)	£0	£75.0m	£0
6	Ratio of Financing Costs to Net Revenue Stream	(0.22%)	1.10%	(3.97%)
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	£25.0m	£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.

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.



SCRUTINY COMMITTEES CHAIR'S REPORTS

Health, Wellbeing and Environment Scrutiny Committee

The Committee met on 7 September, 2023 and the following matters were considered:

- The regular reports from the County Health and Care Overview and Scrutiny Committee and the Police, Fire and Crime Panel and notes of a meeting with the Integrated Care Board were considered.
- The Committee considered the latest report to Cabinet on odour issues at Walleys Quarry.
- The Committee Considered a report on Homelessness reviewing new arrangements
- The Committee considered a review of the allotment waiting list
- The Committee received a question and answer session from the Chief Fire Officer
- The Committee considered a report on Cycle Routes and Lane Provision
- The Work Programme was discussed and Members requested that the Fire Officers come back to a future meeting to present their findings on the trial of mobilising its resources which concludes in December. Also, it had been suggested at a previous meeting to add an item on tackling obesity. A request was made for a member of the Police Team to attend to discuss 'Right Care Right Person'. Provision of NHS dental care and the potential for a School of Dentistry at Keele University was also added to the work programme.

Cllr Ian Wilkes Chair



REGULATORY COMMITTEES CHAIR'S REPORTS

Licensing and Public Protection Committee

The Licensing and Public Protection Committee met on the 5th of September 2023 and in this meeting the Committee received reports for the following:

- Business and Planning Act 2020 Update
- Renters(Reform)Bill
- Revocation of Little Madeley Air Quality Management Area
- Public Space Protection Order Gating Consultation Update

The Committee agreed and noted the recommendations that were set out in all of the reports.

The Public Protection sub-Committee has not met since the last meeting of the Full Council.

Cllr Andrew Parker Chair



No to Low Emission Zones and Low Traffic Neighbourhoods

This council notes that:

Local authorities including Bath & North East Somerset Council and Oxford City Council have brought forward the concept of '15 minute cities' and '15 minute neighbourhoods'. In practice, the realisation of these concepts has taken the form of Low Emission Zones and Low Traffic Neighbourhoods, enforced by physical infrastructure (vehicle filters, bus gates, bollards) and ANPR recording systems, backed by a schedule of fees and penalties for non-compliance.

The recent extension of the Labour Mayor of London's Ultra Low Emission Zone (ULEZ) to all boroughs of London has attracted wide condemnation and opened a debate across the country about the suitability of such schemes.

This council believes that:

Ultra Low Emission Zones, Low Emissions Zones and Low Traffic Neighbourhoods are:

- Ineffective at reducing pollution and emissions, merely pushing vehicles onto other roads and often increasing dangerously the traffic and pollution at the perimeter of such zones
- Harmful to the local economy, discouraging visitors and raising unnecessary extra costs to businesses
- Unethical tools of local and devolved government, designed to bring in revenue and exert control over individual freedoms, and not a sincere effort to cut pollution or improve lives

This council further notes:

Newcastle Borough Council's excellent environmental record and previous commitments to reduce carbon emissions as set out in its Sustainable Environment strategy. Over the last few years, the council has committed to eliminate single-use plastics; and to embrace the UN's Sustainable Development Goals.

This council resolves:

To oppose fully and unambiguously any proposal to introduce Ultra Low Emission Zones, Low Emission Zones or Low Traffic Neighbourhoods in any part of our borough.

To ask the Council to redouble efforts to stop the imposition of a bus gate at Basford Bank and continue to work with our local MPs towards that end.

Proposed: Clir Mark Holland

Seconded: Cllr Simon Tagg

