

NON-CONFIDENTIAL



Borough of Tamworth

3 September 2018

Dear Councillor

You are hereby summoned to attend a **meeting of the Council of this Borough** to be held on **TUESDAY, 11TH SEPTEMBER, 2018** at 6.00 pm in the **COUNCIL CHAMBER - MARMION HOUSE**, for the transaction of the following business:-

AGENDA

NON CONFIDENTIAL

1 Apologies for Absence

2 To receive the Minutes of the previous meeting (Pages 3 - 24)

To receive the minutes of the previous two meetings held on 6 June 2018 and 7 July 2018.

3 Declarations of Interest

To receive any declarations of Members' interests (pecuniary and non-pecuniary) in any matters which are to be considered at this meeting.

When Members are declaring a pecuniary or non-pecuniary interest in respect of which they have dispensation, they should specify the nature of such interest. Members should leave the room if they have a pecuniary or non-pecuniary interest in respect of which they do not have a dispensation.

4 To receive any announcements from the Mayor, Leader, Members of the Cabinet or the Chief Executive

5 Matters Referred to Council in accordance with the Overview and Scrutiny Procedure Rules (Pages 25 - 26)

To receive the recommendations of the Chair of the Corporate Scrutiny Committee on the Report on Prayers to Full Council

6 Against Hate Campaign - Endorsement of Amnesty International's Definition (Pages 27 - 30)

To receive a recommendation from the Chair of Corporate Scrutiny Committee to endorse Cabinet's decision regarding Amnesty International's Against Hate Campaign

7 Question Time:

- (i) To answer questions from members of the public pursuant to Procedure Rule No. 10.
- (ii) To answer questions from members of the Council pursuant to Procedure Rule No. 11

8 Annual Report on the Treasury Management Service and Actual Prudential Indicators 2017/18 (Pages 31 - 50)

Yours faithfully

A handwritten signature in black ink, consisting of a stylized, cursive name followed by a long horizontal line extending to the right.

CHIEF EXECUTIVE

People who have a disability and who would like to attend the meeting should contact Democratic Services on 01827 709264 or e-mail committees@tamworth.gov.uk preferably 24 hours prior to the meeting. We can then endeavour to ensure that any particular requirements you may have are catered for.

Marmion House
Lichfield Street
Tamworth



MINUTES OF A MEETING OF THE COUNCIL HELD ON 17th JULY 2018

PRESENT: Councillor P Thurgood (Chair), Councillors R Kingstone, M Bailey, J Chesworth, R Bilcliff, A Bishop, R Claymore, S Claymore, T Clements, D Cook, C Cooke, S Doyle, J Faulkner, R Ford, M Gant, A James, J Oates, M Oates, S Peple, Dr S Peple, R Pritchard, R Rogers and M Thurgood

The following officers were present: Andrew Barratt (Chief Executive), Matthew Bowers (Assistant Director Growth & Regeneration), Sushil Birdi (Senior Policy and Delivery Officer), Stefan Garner (Executive Director Finance), Ryan Keyte (Head of Legal & Democratic Services) and Angela Struthers (Head of Audit & Governance)

28 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor S Goodall, Councillor M Greatorex, Councillor T Jay, Councillor K Norchi, Councillor B Price, Councillor P Standen and Councillor M Summers.

29 TO RECEIVE THE MINUTES OF THE PREVIOUS MEETING

From the minutes of the meeting held on 6th June 2018 it was noted by Councillor Dr S Peple that a written response on Question from Member of the Council number 1 is still outstanding. Councillor S Claymore confirmed a response would be received within 7 days.

30 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

31 TO RECEIVE ANY ANNOUNCEMENTS FROM THE MAYOR, LEADER, MEMBERS OF THE CABINET OR THE CHIEF EXECUTIVE

Councillor D Cook made the following the announcement,

“Thank you Mr Mayor, Just that time of year to present the Chamber with the outside bodies, Copies have been given to Democratic services, and the Chief Executive and here is a copy for yourself and the leader of the Labour Group and leader of the other opposition party I will give them out at the end, they have been circulated and amended as per conversation we had last week. Thank you”

Councillor Dr S People made the following announcement

“Thank you Mr Mayor first of all in writing can I ask the council to note for the minutes that the sad parting of Councillor Turner who was a member of this authority, he is somebody who I can remember when I first came to Tamworth in 1989 he was generally described in political circles as an old warhorse he knew everything there was to know about Labour Party and continued to serve and the people of Tamworth for a long time, not only on the Borough Council, previously been a Birmingham Councillor but also in running trips for the members of high rise residents for many years and was some discussion amongst us as to who was the greatest negotiator because the deals he got for the coach trips down to Torquay and places like that made them very affordable outings for a large number of people over the years and obviously we want to extend our Condolences to Joan and his great extended family and I know they would be appreciative that it was noted today.

Then Secondly Mr Mayor I’ve had a conversation with the leader following the delayed election, The leader has given me the courtesy of the allocation up to our discretion therefore to say I am pleased that Councillor Standen will step down from ISG Committee and will be replaced by Councillor Faulkner and Councillor Faulkner will be replaced on Health by Councillor Bishop and that leaves Councillor Sheree People who is not on a Scrutiny due to work commitments but she will continue to be our specialist on regulatory committees, may god love her because somebody needs to when you’re on those committees.

Thank you very much Mr Mayor I will circulate that in detail but Councillor Standen was bringing it with him but hasn’t been able to”

32 QUESTION TIME:

QUESTIONS FROM MEMBERS OF THE PUBLIC NO. 1

Under Procedure Rule No 10, Vivien Shaw of Tamworth will ask the Portfolio Holder Heritage and Growth, Councillor Steven Claymore, the following question:-

“With the decline of Tamworth's town centre so far as its retail shops are concerned and the Borough Council's much publicised ambition to convert to more of a cultural centre for visitors and residents, WHY then is the provision of adequate toilet facilities NOT seen as a priority ? I would ask, therefore what the council's plans are, if any, to rectify this shortfall”

Councillor S Claymore gave the following reply:-

“Within the 2018/19 budget setting process, and in recognition of the need to improve toilet facilities serving the Town Centre, proposals were put forward to undertake refurbishment work within the existing public conveniences located in the Castle Grounds.

These proposals will see the existing Male, Female, Disabled and Baby Change rooms being converted into a series of individual general use toilets that will also provide additional wheelchair accessibility, aides for disabled users, baby change facilities and will include one ‘changing places’ toilet. The toilets will be designed to be easy clean and low maintenance, which will mean we will be able keep one or more of the toilets open at all times and all year round.

Already a work in progress is the refurbishment of the Assembly Rooms, included within this refurbishment will be a new café complete with toilet facilities which will be open to and accessible by the general public. It was always envisaged that these facilities would go some way to replacing the old Aldergate toilets that were demolished to enable the Creative Quarter regeneration scheme”

Vivien Shaw asked the following supplementary question:-

“What is the timeline for the Assembly Rooms? Will the toilet facilities be open to everyone for the Assembly Rooms or just the people using the Café and will they be signposted because at the moment there are no signposts”

Councillor S Claymore gave the following reply:-

“Yes they will be signposted and the facilities will be open to everyone not just people using the Café. The Timeline for the Assembly Rooms is still on plan for Christmas time this year or early next year”

QUESTIONS FROM MEMBERS OF THE PUBLIC NO. 2 Under Procedure Rule No 10, Vivien Shaw of Tamworth will ask the Portfolio Holder Heritage and Growth, Councillor Steven Claymore, the following question:-

“Bearing in mind the Council's clear ambition to turn Tamworth's town centre into a more of a tourist attraction than a 'shopping experience' , would it not be advantageous to prospective visitors to have a larger and more impressive "Visitor Centre" where they could obtain information on events available? Rather than the small, barely visible, corner within the council offices reserved for this purpose?”

Councillor S Claymore gave the following reply:-

“The Tamworth Information Centre is currently based in Marmion House, purely as a temporary measure following the building works taking place in the Enterprise Quarter to the Philip Dix, Carnegie and Assembly Rooms.

The Council is currently investigating town centre opportunities for the future location of the TIC. It is also considering whether we can provide in addition, a mobile TIC offer and a satellite offer at other locations in and around the town.

We will also be considering what services should be provided for both residents and visitors.

This will be as part of our wider work on our developing town centre strategy to ensure we have a comprehensive and joined up service.
Any TICs will also have Toilets”

Vivien Shaw asked the following supplementary question:-

“There are several empty properties at the moment in Tamworth Town Centre by the Town Hall why are they not been used?”

Councillor S Claymore gave the following reply:-

You may be referring to a couple we are valuating at the moment so I cannot go in to too much detail but we are hoping to look at those in the near future.”

QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 1

Under Procedure Rule No 11, Councillor Dr S People will ask the Portfolio Holder for Assets and Finance, Councillor R Pritchard, the following question:-

“How much money received under 106 agreements (or equivalent) has the Council received and not yet spent, and what is the breakdown by ward in which it is due to be spent and how much is being retained for overall town-wide projects?”

Councillor R Pritchard gave the following reply:-

“As this item is on the Scrutiny work plan and I’ve already had enquiries from the committee chairman so I will provide a written response”

Councillor Dr S People objected to the response

“Mr Mayor I object that is bad manners I asked this question in good faith and it should have required an answer and I think Councillor Pritchard is falling below the standards of his duties in saying he is going to submit a written answer to a question that he’s had in due notice”

Councillor R Pritchard gave the following reply:-

“The member has had my response Mr Mayor”

Councillor Dr S People asked the following supplementary question:-

“My Supplementary then Mr Mayor is to note that clearly Councillor Pritchard knows he’s falling below standards else he would have offered a defence”

QUESTIONS FROM MEMBERS OF THE COUNCIL NO.2

Under Procedure Rule No 11, Councillor Dr S People will ask the Portfolio Holder for Heritage and Growth, Councillor S Claymore, the following question:-

“Would he join me in congratulating Tamworth Together CiC in winning a contract funded by the WMCA to carry out work in Glascote to address the needs of those furthest from securing employment?”

Councillor S Claymore gave the following reply:-

“Thank you Councillor People,

Yes, absolutely

I'm delighted that Tamworth was able to initially secure this £190,000 of funding through the WMCA, and equally delighted to hear that our partners at Tamworth Together will be delivering this three year pilot project within the Glascote community.

Glascote will be one of nine areas across the west midlands region that will share £4million, allowing each to deliver an employment Support Pilot Schemes.

As well as helping people find work, this scheme also aims to equip low paid workers with the skills needed to secure better paid jobs.

Overall, the programme is targeting around 4,500 people across the nine areas, and with a particular focus on young people, disabled people and other vulnerable groups.

I know that the scheme is due to start around this time and that Tamworth Together has a brilliant track record of delivering locality support, I therefore wish the scheme and those who receive support, every success and look forward to seeing how many people this reaches and how the project performs in the near future.”

Councillor Dr S People asked the following supplementary question:-

“Can I ask Councillor Claymore therefore please and thank you for the contents of that answer and also the fact that I join too with the group concerned that we have identified for a long period that Glascote contains a large number of people

who have got lower education attainment and are therefore furthest from employment to use the language of this scheme. Therefore can I ask him to urge on all the Council departments every support for this programme because if we are going to lift Glascote out of the problems it has, then these are the schemes we need and I would hope to see that we find the Council behind them in their work”

Councillor S Claymore gave the following reply:-

“Absolutely Councillor People I think it’s a fantastic scheme and I really do hope it works and I will be pressuring and pushing to make sure it does and as much as I possibly can”

QUESTIONS FROM MEMBERS OF THE COUNCIL NO.3

Under Procedure Rule No 11, Councillor S People will ask the Portfolio Holder for Housing Services and Neighbourhoods, Councillor M Thurgood, the following question:-

“What number of Council properties are currently void and what is the average turnaround time, once a property is void, for it being re-let?”

Councillor M Thurgood gave the following reply:-

“As of today Friday 13th July there are 18 void properties.

At the end of year 2017/18 average void turnaround time (from tenancy end date to new tenancy start date) for standard void properties was 17.75 days”

Councillor S People asked the following supplementary question:-

“Would Councillor Thurgood therefore be surprised and no doubt dismayed to find that on a matter I was dealing with for a resident I was advised that the property concerned had been void for 8 months.

What measures would Councillor Thurgood put in place to ensure that doesn’t happen in future?”

Councillor M Thurgood gave the following reply:-

“Thank you for the supplementary I’m not going to talk about a particular instance that I have no knowledge of at this particular point, I would like to remind Councillor People that she can contact me at any point to raise these issues she doesn’t have to wait for full Council.

I will look into that specific case if you send me the details”

QUESTIONS FROM MEMBERS OF THE COUNCIL NO.4

Under Procedure Rule No 11, Councillor S People will ask the Portfolio Holder for Housing Services and Neighbourhoods, Councillor M Thurgood, the following question:-

“How many council owned properties have been sold in the last five years under the Right to buy and similar schemes?”

Councillor M Thurgood gave the following reply:-

“Councillor People thank you for your question.

The total number of properties sold in last five financial years due to Right to buy was 199.

The breakdown of the properties sold were as follows per year:

| | | |
|--------------------------|---|----|
| Financial Year 2013/2014 | - | 42 |
| Financial Year 2014/2015 | - | 36 |
| Financial Year 2015/2016 | - | 36 |
| Financial Year 2016/2017 | - | 40 |
| Financial Year 2017/2018 | - | 45 |

During that period we have added 75 from acquisitions and 1:1 receipts.

In 2017/18, we added an additional 62 properties to our stock from acquisitions - including 43 new builds / garage sites and 19 using 1:1 receipts

So a net loss of 124 over the 5 year period”

Councillor S People asked the following supplementary question:-

“As a matter of pure policy would the Portfolio Holder join with me in condemning the fact that we still have a right to buy scheme and would ask her what she would be prepared to do, to lobby the government to get the law changed”

Councillor M Thurgood gave the following reply:-

“I think everyone knows my views on the right to buy, obviously national government has set the policy I would like the opportunity to influence and ask the questions but on my own I don't have much chance. I am more than happy to say my views but the policy is there”

QUESTIONS FROM MEMBERS OF THE COUNCIL NO.5

Under Procedure Rule No 11, Councillor Dr S People on behalf of Councillor P Standen will ask the Leader of the Council, Councillor D Cook, the following question:-

“Could the Leader of the Council provide an update on the responses if any to the letters sent to our neighbouring authorities regarding potential developments on Tamworth's borders?”

Councillor D Cook gave the following reply:-

“Thank you Mr Mayor. I can confirm we have had positive responses from all Councils we wrote too expressing their understanding of the issues we raise. Myself and Cllr Claymore have met with the Leadership of NWBC and are meeting with LDC next Monday. Both have been receptive this far. I have sat down with the Leader of SCC earlier this year and agreed the start of a process of an overarching study which we may contribute too. They are liaising with WCC.

We have also liaised with the WMCA and the Metro Mayor. I also have a conversation booked with a Minister tomorrow 18th July to begin I hope discussions with government around the greater impact on our infrastructure due to Planning app's judged 'On their own merits'. I hope to brief all members after this point on our progress. Thank you Mr Mayor”

Councillor Dr S People asked the following supplementary question:-

“Can I just say on Councillor Standen's behalf that's exactly the kind of update we were hoping for and I will pass that on to him. Thank you”

QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 6

Under Procedure Rule No 11, Councillor R Bilcliff will ask the portfolio holder for culture and operational services, Councillor J Chesworth the following question:-

“How many Licenses have been sold to Tamworth residents in regards the Green Bin Tax to date?”

Councillor J Chesworth gave the following reply:-

41% of Tamworth Households have signed up to the scheme and 49% across the partnership.

Councillor R Bilcliff asked the following supplementary question:-

Staffordshire County Council have recently announced it will reduce recycling credits over a 4 year period, given the total lost amount to Tamworth Council was reportedly £223,000 originally if this deduction is taken as a 25% loss per year this would mean Tamworth Council only loses £56, 250 in the first year and that

doesn't start till 2019, can these savings be passed on to the gardeners of Tamworth who have paid the green bin tax"

Councillor J Chesworth gave the following reply:-

"As you are all aware the charge for the green waste recycling scheme was introduced to protect services for vulnerable residents of Tamworth, that is how the scheme is intended to work.

We can't at the moment make any further decisions we do anticipate further changes to dry plastic recycling which we will keep reviewing as we go"

QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 7

Under Procedure Rule No 11, Councillor J Faulkner will ask the Portfolio Holder for Communities and Partnerships, Councillor S Doyle the following question:-

"I would like to thank the Council for the recent repairs and extension to the Boardwalk at Warwickshire Moor Local Nature Reserve. This has been much appreciated by local residents.

Unfortunately, due to the actions of one or more malefactors, significant damage has been caused to this local resource.

Can the portfolio holder advise me what actions will be taken to repair this damage and what measures are proposed to diminish a recurrence of this vandalism?"

Councillor S Doyle gave the following reply:-

"Councillor Faulkner thank you for your question, I would like to point out before I answer the question that for information Councillor Chesworth heads up the Nature Reserves and liaises with the groups looking after the Nature Reserves.

I'd like to state that I and Colleagues condemn this act and also previous acts of mindless vandalism that have been carried out.

From information provided after an inspection by Officers that approximately 35 slats have been damaged in the recent incident and repairs are currently underway by TBC to address the damage and restore the walkway to its previous condition.

In terms of deterring future acts we are working with our Partners including the Police and Fire Services through the daily Partnership meetings, all the appropriate measures will be taken and ensure the regular patrols by Police Officers are supplemented by additional Special Constable Patrols as well and raising public awareness.

I would also encourage any member of the public who knows who the perpetrator(s) are to come forward and inform the Police or ourselves, this is a community asset that needs everyone's protection.

In addition I welcome the involvement of the local Cllrs in the area in promoting co-operation with the Police and ourselves in identifying those responsible for the incident.

It is unfortunate that areas such as this attract the attention of the more destructive members of the Community the closer we approach the Summer time, I would also add that in the extremely dry spell we are incurring extra vigilance is a must.

From January to May this year there has been an increase on incidents of crime reported to Police for the area in question, based on Police figures, from a total of 3 crimes in the immediate area to a total of 12 for a number of different types of crime"

Councillor J Faulkner asked the following supplementary question:-

"Thank you for your very comprehensive reply in addition to what you've said would it be appropriate if the Warwickshire Moor including the area between the river Anker and the railway line to Glasgow from London was included as a public space protection order which would give the police additional resources"

Councillor S Doyle gave the following reply:-

"This is something to consider I need to work with officers to understand the full impact but at this point in time I have no objection and I dare say nobody in this room has any objection in to something like this"

QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 8

Under Procedure Rule No 11, Councillor J Faulkner will ask the Leader of the Council, Councillor D Cook the following question:-

"Presently, the Council's vision reads:

"One Tamworth, Perfectly Placed – Open for business since the 7th century AD"

Given that this is supposedly the starting point of all the Council's strategies, what proposals has the Leader of the Council to replace this meaningless balderdash with something more apposite to our aspirations?"

Councillor D Cook gave the following reply:-

“Thank you Mr Mayor. I am deeply sorry Councillor Faulkner fails to understand or support the Councils vision statement. However. I am sure if he reflects on the corporate priorities that fall from it and guide our budgets and policies he would be supportive. They reflect this Councils desire to support vulnerable residents and raise aspirations. We will achieve this through sustained Economic growth providing resources to the public sector in Tamworth. That said. One Tamworth - to ensure equal opportunities and access to all residents to all our great town has to offer now and in years to come. Perfectly placed - to take advantage of our great connectivity and its location to the second city. Perfectly placed to grab the opportunities that lay ahead. Open for business since the 7th century AD. - this reflects on the fact that we can trace commerce and markets in Tamworth back to Saxon days in the 7th century. Tamworth is a place you can do business. Grow your business. See you family flourish. It always has been and under this group always will be. That is the vision. Sorry your aspirations do not match this statement
Councillor Faulkner”

Councillor J Faulkner asked the following supplementary question:-

“I’m sorry that the leader of the Council takes that particular view its very much a backwards looking view you could argue at the historical aspects but quite frankly its irrelevant what we should be looking at is something for the future and we should be looking at something that is clear to all the people of Tamworth and those who have dealings with Tamworth, whether is visitors or in some other capacity. Does the leader of the Council not agree with me?”

Councillor D Cook gave the following reply:-

“Mr Mayor I do not agree however I will put on record I cannot remember the terminology exactly I’m more than happy to look it up but on the day I was elected on the 10th June 2004 taking control from the Labour group opposite this Councils visions was along the line “to be the best retail experience” not perfect wording but along those lines. I have got to give the Labour group real credit that is aspiration to compete with New York, Milan, and Paris that was going for it, Unrealistic but going for it”

33 COMMUNITY INFRASTRUCTURE LEVY

Report of the Portfolio Holder for Heritage and Growth to; consider the outcome of public consultation on the Regulation 123 List, Infrastructure Delivery Plan and Planning Obligations Supplementary Planning Document and to approve the Tamworth Borough Council Community Infrastructure Levy (CIL) Charging Schedule arising from the Planning Inspectorate’s report of the examination for adoption and implementation. The Infrastructure Delivery Plan and Regulation 123 List that sit alongside the Charging Schedule to be published and a new Planning Obligations Supplementary Planning Document to be adopted

RESOLVED

That Council;

1. Resolved to adopt and publish the Tamworth Borough Council Community Infrastructure Levy Charging Schedule and Local Policies contained in Appendix 1 and that the Charging Schedule and Local Policies be implemented from 1st August 2018, in line with the Planning Act 2008 (as amended) and Community Infrastructure Levy Regulations 2010 (as amended).
2. Resolved to publish the Infrastructure Delivery Plan contained in Appendix 2 alongside the CIL Charging Schedule and that arrangements for the approval of subsequent revisions to the Infrastructure Delivery Plan be considered by Cabinet
3. Resolved to publish the Regulation 123 List, in accordance with the Community Infrastructure Levy Regulations 2010, contained in Appendix 3, alongside the CIL Charging Schedule and that arrangements for the approval of subsequent revisions to the Regulation 123 List be considered by Cabinet
4. Resolved to adopt the Planning Obligations Supplementary Planning Document (2018), contained in Appendix 4 and it will be a material consideration in future decision making on planning applications
5. Resolved to revoke the existing Planning Obligations Supplementary Planning Document (2007) and the Open Space for New Development Supplementary Planning Document (2007)
6. Resolved that a report will be submitted to a future Cabinet meeting to consider governance arrangements for the distribution of CIL funding
7. Noted Appendix 6 CIL notice of adoption (required under the CIL regulations 2010); Appendix 7 notice of revocation of existing SPD's (Planning Obligations July 2007 and Open Space for New Residential Development SPD July 2007); and Appendix 8 Obligation SPD Adoption Statement (Planning Obligations 2018). The notices in Appendix 7 and Appendix 8 are required under the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) and will be published following the decision of Council.

(Moved by Councillor S Claymore and Seconded by Councillor Dr S Peuple)

34 APPOINTMENT OF A DEPUTY ELECTORAL REGISTRATION OFFICER

Report of the Chief Executive to; seek Council approval to appoint a Deputy Electoral Registration Officer, with the same duties as the Electoral Registration Officer (ERO) to provide resilience and business continuity in this role.

RESOLVED That Council;

Approved the appointment of the Head of Audit & Governance, Mrs Angela Struthers, to the role of Deputy Electoral Registration Officer, under section 52(2) of the Representation of People Act 1983, having the same duties as the Electoral Registration Officer

(Moved by Councillor R Pritchard and Seconded by Councillor Dr S Peale)

35 EXCLUSION OF THE PRESS AND PUBLIC

Councillor R Bilcliff Spoke against the motion of Exclusion of the Press and Public and stated that if the Agenda item is held in private he would take no further part in the meeting.

RESOLVED: That members of the press and public be now excluded from the meeting on the grounds that the business involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended)

(Moved by Councillor D Cook and seconded by Councillor R Pritchard)

Councillor R Bilcliff left the Council Chamber.

36 LOCAL AUTHORITY TRADING COMPANY

Report of the Chief Executive to invite the Council to consider the enclosed approach to the set up and governance of a Local Authority Trading Company (LATC), which will result in an operating Company with distinct separation of powers from the Council and at the same time furthering the Council's vision and priorities in terms of its Commercial Investment Strategy (CIS).

RESOLVED

The Council Approved;

1. That authority be delegated to the Chief Executive in conjunction with the Executive Director Finance and Leader of the Council proceed as a working party to set up a Local Authority Trading Company including finalisation of the legal agreements. The Council being the sole shareholder. For clarity the Company shall be wholly owned by the Council.
2. The working party being authorised to carry out all functions necessary for the setting up of the Company including Council approval for the appointment of the initial Directors/Non Executive Director of the Company as identified in the draft business case and to continue to operate the new company thereafter
3. The alteration of the Constitution to include (i) in part 4 a new paragraph 4.2.29 "consider annual reports from the Council's Company; (ii) in Article 6 Corporate Scrutiny under Primary scope "The Committee shall bi-annually review and scrutinise matters relating to the Company's activities and performance (iii) in Article 9 a new paragraph 2.9.3 (a)(vi) consider on an annual basis the Company's Code of Practice and Governance Statement.
4. Creation of a capital budget in the sum of £4m financed from capital receipts from the sale of the land at the former golf course to provide a part loan to the LATC as per the draft Loan Agreement at Appendix C giving the LATC working capital and an ability to purchase land for housing development estimated at 48% of the capital, 52% of which is equity investment.
5. Disposal at market value of the land at Solway Close to the LATC for housing development purposes
6. Officers have been using the name "Solway (Tamworth) Limited" as the project name for the company, Council endorsed this

(Moved by Councillor D Cook and Seconded by Councillor R Pritchard)

The Mayor

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**MINUTES OF A MEETING OF THE
COUNCIL
HELD ON 6th JUNE 2018**

PRESENT: Councillor P Thurgood (Chair), Councillors R Kingstone, M Bailey, J Chesworth, D Cook, C Cooke, S Doyle, J Faulkner, R Ford, M Gant, S Goodall, M Greatorex, A James, T Jay, J Oates, M Oates, Dr S Peale, S Peale, B Price, R Pritchard, P Standen, M Summers and M Thurgood

The following officers were present: Andrew Barratt (Chief Executive), Anica Goodwin (Executive Director Organisation) and Jane Hackett (Solicitor to the Council and Monitoring Officer) Jodie Small (Democratic Services Assistant)

18 THE MAYOR MOVED A MOTION WITHOUT NOTICE IN TERMS OF RULE 4.13 (C)

To change the order of business in the agenda, Proposing that item 6 be heard after items 7, 8 and 9, and to re number the items accordingly.

(Moved by Councillor P Thurgood and seconded by Councillor Dr.S Peale)

19 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors S Claymore, R Claymore, T Clements, R Rogers, K Norchi, A Bishop and R Bilcliff.

20 TO RECEIVE THE MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 22ND May 2018 were approved and signed as a correct record.

(Moved by Councillor D Cook and seconded by Councillor Dr.S Peale)

21 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

22 TO RECEIVE ANY ANNOUNCEMENTS FROM THE MAYOR, LEADER, MEMBERS OF THE CABINET OR THE CHIEF EXECUTIVE**Councillor Dr. S People made the following announcements;**

“First of all Mr Mayor can I ask the council’s indulgence to make a small announcement on behalf of councillor Ken Norchi who cannot be here today to make it himself which is to recognise that we have Gary Hunt who is one of the key people who organised the carnival that was so successful at the weekend. I’m sure they are grateful for the judging of the best float not entirely sure Councillor Clements agreed but that’s another matter, and can I take this opportunity to extend my best wishes to Councillor Clements who came and told us all about the injury and so one can only hope everything goes smoothly today and she’s back on her feet in good time.

Gary is here Mr Mayor and Councillor Norchi has asked me to say that he is very grateful to Gary for his leadership and to Dave Bradley. Ken Gordon is with him who is one of the key people who was getting everything ready and one of my former colleagues and your current colleague, former Councillor Dennis Powick who all played a key role in Achieving what was a fantastic community event at the weekend. I understand that subject to pennies finally been counted we raised £4,000 for the charity itself and in addition to that there is the money that was raised by the community groups and others, so Councillor Norchi said he booked his holiday before he knew any of this and therefore would like to say Mr Mayor thank you for coming along and to Gary and his colleagues for the tremendous work they did and also thank you to the council for their tremendous support and that he is feeling on the back of this success to look forward to a conversation with you as to continuing it next year.

So that’s the first announcement Mr Mayor I’m sure we would all agree Gary deserves a massive thank you.”

Councillor Mayor P Thurgood made the following comment

“I would endorse everything you have said it was a proud moment that I was able to go with the parade and see the people of the town enjoying themselves, everyone done a cracking job and I really do hope we see it again next year, Thank you.”

Councillor Dr. S People went on to announce

“Mr Mayor I have been asked by my Colleagues to be the leader of the Labour group and can I announce the committee allocations which we have agreed following the recounting of the numbers of the people of the council, I have a copy for the controlling group and for the officers and one for the leader of the council, I also need to announce I have asked for Councillor Bishop to Shadow Councillor Doyle I understand they like going for drinks so would give them something to talk about. The work that is done in communities is very important therefore it can continue to be very important to both of you.

I am very privileged it isn’t often I get to make these decisions that councillor S People continues to shadow Councillor Thurgood with regards to housing and related matters and I’m absolutely delighted to have the strength of someone like Councillor Faulkner to shadow the deputy leader of accounts and his portfolio of assets and finance . John brings 20 years of experience to the council.

I've asked Councillor Standen to continue to shadow Councillor Claymore with some input from myself because of circumstances of particular interest overlap. In addition to that to shadow the IT part of councillor Chatsworth's role in which we will deal with between us.

Thankyou Mr Mayor for that one other thing I should announce is that of next time because it wasn't needed this time we will be sat slightly differently. Councillor Norchi asked me last January if he could sit where Councillor Seekings use to sit because Councillor Seeking s has been his mentor and brought him in to politics, I asked him to delay that whilst we were running the election.

I have kept my promise so I will be asking them to do that, so we will be sitting 3 and 3 because I can't really put him there on his own and it means an awful lot to him. Thank you."

Councillor D Cook made the Following announcements;

"Thank you Mr Mayor couple of points from me, firstly I'm hoping to email all Councillors tomorrow we are hoping the secretary of state will release the judgement on Arkall Farm tomorrow hopefully it's in our favour either way I would like to thank all my colleagues across all sides of the chamber for the energy that's gone in I'm sure we are all on the same page, the speed in which we all signed a letter a couple of months ago gave me great heart we are all on the same page. As soon as I see the judgment I will send it round.

Can't go in to too much detail at the moment but let's just say monies have been placed with a solicitor for a certain purchase that I won't go in to many details for and I hope for confirmation in the morning that the purchase has finally been done.

Final one for me before I do the committee I would like to echo Councillor People's point about the work of Gary Hunt and the committee. Gary has driven me absolutely mental for the last couple of months with emails to resolve some issues; it's been a pleasure to help resolve those. You do a fantastic job and thank you.

As Councillor People raised Mr Mayor the adjusted committee structure one for yourself Mr Mayor, one for the monitoring officer and one for each of the opposition group as per tradition and that's me done Mr Mayor Thank you."

23 QUESTION TIME:

QUESTIONS FROM MEMBERS OF THE COUNCIL NO. 1

Under Procedure Rule No 11, Councillor Dr S People will ask the Portfolio Holder for Heritage and Growth, Councillor S Claymore, the following question:-

"Would the Portfolio holder agree that it is important to do all we can to raise educational attainment in Glascote?"

Councillor S Claymore gave the following reply:-

Councillor S Claymore will provide a written response.

24 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: That members of the press and public be now excluded from the meeting on the grounds that the business involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended)

(Moved by Councillor D Cook and seconded by Councillor Dr. S Peaple)

25 APPOINTMENT OF CHIEF EXECUTIVE AND HEAD OF PAID SERVICE

Report of The Leader of the Council and Chair of Appointments & Staffing Committee to seek formal approval to Appoint to the statutory posts of Chief Executive & Returning Officer and the Executive Director Organisation (Head of Paid Service & Deputy Chief Executive) in accordance with the Council's Constitution and the Local Authority (Standing Orders) Reg 2001.

- RESOLVED** That Members:
- 1) Approved the appointment of Andrew Barratt to the post of Chief Executive & Returning Officer; and
 - 2) Approved the appointment of Anica Goodwin to the post of Executive Director Organisation (Head of Paid Service & Deputy Chief Executive).

(Moved by Councillor D Cook and Seconded by Councillor Dr. S Peaple)

26 APPOINTMENT STATUTORY POSITIONS INCLUDING SENIOR MANAGEMENT REVIEW

Report of the The Leader of the Council and Chair of Appointments & Staffing Committee to seek formal approval to appoint to the statutory posts of Section 151 Officer and Monitoring Officer in accordance with the Council's Constitution and the Local Authority (Standing Orders) Reg 2001

RESOLVED That Members:

- 1) Approved the appointment of Stefan Garner to the post of Executive Director Finance (Section 151 Officer); and
- 2) Angela Struthers to the post of Head of Audit and Governance (Monitoring Officer and Deputy Returning Officer).

(Moved by Councillor D Cook and Seconded by Councillor Dr. S Peale)

27 REVIEW OF THE CONSTITUTION AND SCHEME OF DELEGATION

The Leader of the Council and Solicitor to the Council & Monitoring Officer ensures lawfulness and operational functionality of the Governance Process of the Council, as required by the endorsement and approval of the Constitution and Scheme of Delegation as required by Local Government Legislation

RESOLVED That Members

- 1) Endorsed the Constitution and Scheme of Delegation as presented in Appendix 1;
- 2) Adopted and approved the Constitution and Scheme of Delegation; and
- 3) Agree to the Constitution Review Group, organising a review of the business items for Council and report to Audit and Governance Committee to consider and review the proposals prior to a report back to Council with all additional recommendations

(Moved by Councillor D Cook and seconded by Councillor R Pritchard)

The Mayor

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COUNCIL

11 SEPTEMBER 2018

REPORT OF THE CORPORATE SCRUTINY COMMITTEE

PRAYERS AT FULL COUNCIL

Purpose

To feed back on the Corporate Scrutiny Committee's review of the inclusion of prayers at the start of full council meetings. To seek approval of the Committee's recommendations from Council on the inclusion of prayers at full council.

Recommendations

- In the light of modern times prayers should be held before the mayor opens the formal part of a full council meeting.
- A signal to be given for to either enter the chamber for a moment of reflection or to attend another room (committee room 2 gives access to the chamber) for prayer at 17:55, at 18:00 member will all enter the chamber.
- When the meeting is in order the Mayor is informed by the Deputy or assistant to make their entry in the traditional way.
- The Mayor under opens the meeting with a 'thought of the day' style comment to remind attendees why the council exists.

Executive summary

During the last cycle the corporate scrutiny committee had a small working group looking at procedures of the mayor, during which it was mentioned that the parish chaplain always provides prayers at full council. The working group considered that this may not appropriate as it is not inclusive of all denominations present. Prior to this recommendation going to Cabinet the Council received an Equality and Diversity update training session in which the speaking raised the issue of prayers at full council as a potential for alienation or inequality. It is with these two items in mind that the Corporate Scrutiny Committee chose to create a working group to look at the broader issue of prayers at Full Council meetings.

The working group considered the increasing secularisation of society as well as increasing sectarianism within religious communities of all types. During these discussion it the working group arrived at a conclusion that to have one 'preacher' at a full council meeting did not give due regard to the diverse nature of an elected body. The working group also gave due regard to the traditions of the council including the virtues of prayer time at the start of a full council meeting.

It was concluded that prayers, whilst providing a moment of reflection and consideration, were no longer appropriate to the whole membership however the rights of those who chose to be religious should not be lost and therefore a mechanism should be in

place for those to exercise their religion. It was also concluded that the quiet moment of thought should not be lost at the start of a meeting and therefore the Mayor should lead a moment of thought.

The mechanism proposed includes the opportunity for those who wish to pray to do so regardless of their religion without this being imposed on those who chose not to pray. Those who chose not to pray should also be able to have some quiet reflection time before the meeting away from the members room. It is therefore envisaged that the chamber will be open but remain a relatively quiet place with informal discussion taking place in the member's room. It is proposed to use committee room 2 for prayer as this leads into the chamber whilst giving distance from what could be a noisy corridor or members room.

Following prayers and reflection time both the public and councillors will then take their seats prior to the meeting being called to order.

The recommendation that the Mayor be informed that the meeting is ready comes from the inevitable need for members to on occasion exchange information very late before a full council meeting with officers or members, rather than the Mayor entering whilst members scurry to their seats, they can be seated in readiness for the Mayor to enter and call the meeting to order.

THURSDAY, 6 JULY 2017

REPORT OF THE PORTFOLIO HOLDER FOR COMMUNITIES AND WELLBEING**AGAINST HATE CAMPAIGN****EXEMPT INFORMATION****PURPOSE**

To inform Members of the Amnesty International UK's 'Against Hate Campaign'.

To seek Council endorsement of Amnesty International UK's campaign and the adoption of the Amnesty International motion to condemn racism, xenophobia and hate crimes.

RECOMMENDATIONS

That Cabinet endorses the Amnesty International UK motion:

"We are proud to live in a diverse and tolerant society. Racism, xenophobia and hate crimes have no place in our country. Our council condemns racism, xenophobia and hate crimes unequivocally. We will not allow hate to become acceptable.

We will work to ensure that local bodies and programmes have the support and resources they need to fight and prevent racism and xenophobia.

We reassure all people living in this area that they are valued members of our community."

EXECUTIVE SUMMARY

Amnesty International is a global movement with 542,000 members, supporters and activists here in the UK campaigning for human rights. Collectively, the vision is of a world where human rights are enjoyed by all.

The Against Hate campaign was launched in response to the reported rise in hate crimes following the EU referendum. From June 2016 Amnesty International UK supporters have been writing to their local councils asking them to pass a council motion to condemn racism, xenophobia and hate crimes and to work to ensure local bodies and programmes have support and resources to fight and prevent racism and xenophobia.

The Leader of the Council was approached recently by Amnesty International for Tamworth Borough Council to pass a council motion to condemn racism, xenophobia and hate crimes. Whilst there is no indication that there is a particular problem in Tamworth the Council feels it important to sign up to this proposal. Ninety-one councils including Lichfield District Council have already passed a motion condemning hate crime.

Tamworth Borough Council through the Community Safety Partnership (CSP) has engaged Communities Against Crimes of Hate (CACH) to support victims of hate crimes and to educate and challenge unacceptable behaviours within Tamworth. The figures provided by CACH for hate crimes where the victim resides in Tamworth between April 2016 and February 2017 are as follows:

- 14 x Race
- 5 x Learning Disability
- 3 x Gender Identity (transgender)
- 3 x Religion
- 1 x Sexual Orientation
- 1 x Age

- 13 x verbal abuse
- 9 x harassment
- 4 x physical assault
- 2 x mate crime
- 2 x criminal damage
- 1 x theft

Some victims felt that they were targeted for more than one reason and experienced more than one type of incident.

Although the current figures are relatively low, there is traditionally an under reporting of incidents. The CSP is actively working to identify vulnerable persons to offer support and to tackle the issues on a case by case basis as part of the CSP action plan.

Staffordshire Police encourage all incidents to be reported on 101 or 999 if an emergency or on-line <http://www.report-it.org.uk/home> As the Amnesty International UK's recommended motion is aligned to everything the Council promotes through policy, procedure and behaviours, Council is requested to endorse the motion to publically condemn racism, xenophobia and hate crimes.

Under the Council's Diversity and Equality Scheme 2015-19 Making Equality Real (MERIT), the Council is committed to working to make Tamworth a place free from discrimination. An update report on the Council's Equalities Policy and progress made is also on this agenda where members will find information on actions taken.

OPTIONS CONSIDERED

An option would be to not adopt the motion; however, this would not be in accordance with everything the Council promotes through policy, procedure and behaviours. The option presented to adopt the campaign is supportive of the work of

the Community Safety Partnership and the Council as a statutory member of the Responsible Authorities Group.

RESOURCE IMPLICATIONS

£4,000 from the Community Safety budget has been allocated to fund CACH during 2017/18. This funding provides a half a day dedicated support worker for Tamworth.

LEGAL/RISK IMPLICATIONS BACKGROUND

Tamworth Borough Council has a statutory duty under the Equality Act 2010, General Duty to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
- Advance equality of opportunity between people from different groups; and
- Foster good relations between people from different groups.

SUSTAINABILITY IMPLICATIONS

Work to address Hate Crimes is a specific element of the Vulnerability strand of the Community Safety Partnership's annual action plan.

BACKGROUND INFORMATION

The Council and the CSP has a long history on promoting equalities and addressing hate crime.

REPORT AUTHOR

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Jo Sands Head of Community Safety

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None

APPENDICES

None

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COUNCIL

11 SEPTEMBER 2018

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND FINANCE

ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2017/18

PURPOSE

The Annual Treasury report is a requirement of the Council's reporting procedures. It covers the Treasury activity for 2017/18, and the actual Prudential Indicators for 2017/18.

The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes in accordance with Regulations issued under the Local Government Act 2003. It also provides an opportunity to review the approved Treasury Management Strategy for the current year and enables Members to consider and approve any issues identified that require amendment.

RECOMMENDATIONS

That Council;

- 1. Approve the actual 2017/18 Prudential and Treasury Indicators within the report and shown at Appendix 1; and**
- 2. Accept the Annual Treasury Management Report for 2017/18.**

EXECUTIVE SUMMARY

This report covers Treasury operations for the year ended 31st March 2018 and summarises:

- the Council's Treasury position as at 31st March 2018; and
- Performance Measurement

The key points raised for 2017/18 are

1. The Council's Capital Expenditure and Financing 2017/18
2. The Council's Overall Borrowing Need
3. Treasury Position as at 31st March 2018
4. The Strategy for 2017/18
5. The Economy and Interest Rates
6. Borrowing Rates in 2017/18
7. Borrowing Outturn for 2017/18
8. Investment Rates in 2017/18

9. Investment Outturn for 2017/18
10. Performance Measurement
11. Other Issues

The Treasury Function has achieved the following favourable results:

- The Council has complied with the professional codes, statutes and guidance;
- There are no issues to report regarding non-compliance with the approved prudential indicators;
- The Council maintained an average investment balance externally invested of £61.3m and achieved an average return of 0.54% (budgeted at £50.3m and an average return of 0.50%).
- This result compares favourably with the Council's own Benchmarks of the average 7 day and the 3 month LIBID rates for 2017/18 of 0.22% and 0.29%;
- The closing weighted average internal rate on borrowing has reduced in year to 4.05% (4.26% for 2016/17);
- The Treasury Management Function has achieved an outturn investment income of £331k compared to a budget of £260k as a result of both investment balances and average interest rates being higher than budgeted.

During 2017/18 the Council complied with its legislative and regulatory requirements.

The Executive Director Finance confirms that there was no overall increase in borrowing within the year and the Authorised Limit was not breached. On two occasions during 2017/18 the approved counterparty limits within the Annual Investment Strategy were exceeded:

- The first occurred on 22nd December 2017 when early payments of business rates resulted in £1.696m being held within the Lloyds Bank account, which exceeded the approved limit of £1m by £696k for a period over the weekend and Christmas bank holiday.
- The second occurred on 2nd January 2018 when the repayment of a £2m investment resulted in £2.048m being held in the Lloyds Bank account, exceeding the approved limit by £1.048m overnight.

At 31st March 2018, the Council's external debt was £63.060m (£63.060m at 31st March 2017) and its external investments totalled £60.77m (£50.119m at 31st March 2017) – including interest credited but excluding impaired investments.

RESOURCE IMPLICATIONS

There are no financial implications or staffing implications arising directly from the report.

LEGAL/RISK IMPLICATIONS

The Council is aware of the risks of passive management of the Treasury Portfolio and with the support of Link Asset Services, the Council's current Treasury advisers, has proactively managed its debt and investments during the year.

SUSTAINABILITY IMPLICATIONS

None

REPORT AUTHOR

If Members would like further information or clarification prior to the meeting please contact Stefan Garner, telephone 01827 709242 or email stefan-garner@tamworth.gov.uk

LIST OF BACKGROUND PAPERS

- Local Government Act 2003;
- Statutory Instruments: 2003 No 3146 & 2007 No 573;
- CIPFA Code of Practice on Treasury Management in Public Services;
- Treasury Management Strategy 2017/18 (Council 21st February 2017);
- Treasury Management Mid-Year Review 2017/18 (Council 12th December 2017);
- Treasury Outturn Report 2016/17 (Council 12th September 2017);
- CIPFA Treasury Benchmarking Club Report 2017;
- Treasury Management Strategy 2018/19 (Council 27th February 2018).

APPENDICES

Appendix 1 – Prudential and Treasury Indicators

Appendix 2 – Borrowing and Investment Rates

Annual Treasury Management Review 2017/18

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 2017/18. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2017/18 the minimum reporting requirements were complied with:

- an annual treasury strategy in advance of the year (Council 21st February 2017)
- a mid-year (minimum) treasury update report (Council 12th December 2017)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

In addition, Cabinet has received quarterly Treasury management updates as part of the Financial Healthcheck Reports.

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 also confirms that it has complied with the requirement under the Code to provide scrutiny of all of the above Treasury Management Reports to the Audit and Governance Committee. Member training on Treasury Management issues was provided in February 2018, and will also be provided as and when required in order to support members' scrutiny role.

During 2017/18, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows.

| Prudential & Treasury Indicators | 2016/17 Actual £m | 2017/18 Estimate £m | 2017/18 Actual £m |
|----------------------------------|-------------------------|---------------------------|-------------------------|
| Capital Expenditure | | | |
| Non HRA | 1.408 | 2.421 | 1.545 |
| HRA | 7.351 | 16.413 | 7.655 |
| Total | 8.759 | 18.834 | 9.200 |
| Capital Financing Requirement | | | |
| Non HRA | 0.943 | 1.885 | 0.885 |
| HRA | 68.041 | 75.255 | 68.041 |
| Total | 68.984 | 77.140 | 68.926 |
| Gross Borrowing | | | |
| External Debt | 63.060 | 65.060 | 63.060 |
| Investments | | | |
| Longer than 1 year | - | - | - |
| Less than 1 year | 51.211 | 58.143 | 60.805 |
| Total | 51.211 | 58.143 | 60.805 |
| Net Borrowing | 11.849 | 6.917 | 2.255 |

It should be noted that **£27.304m** of scheme spend has been re-profiled into 2018/19 (also including re-profiling from previous years) which has increased investment balances.

The Executive Director Finance confirms that there was no overall increase in borrowing in year and the statutory borrowing limit (the authorised limit) was not breached.

The financial year 2017/18 continued the challenging investment environment of previous years, namely low investment returns.

1. The Council's Capital Expenditure and Financing 2017/18

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

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

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

| | | | |
|---------------------------------------|-------------------------|---------------------------|-------------------------|
| General Fund | 2016/17 Actual £m | 2017/18 Estimate £m | 2017/18 Actual £m |
| Capital Expenditure | 1.408 | 2.421 | 1.545 |
| Financed in year | 1.408 | 2.421 | 1.545 |
| Unfinanced capital expenditure | - | - | - |
| HRA | 2016/17 Actual £m | 2017/18 Estimate £m | 2017/18 Actual £m |
| Capital Expenditure | 7.351 | 16.413 | 7.655 |
| Financed in year | 7.351 | 11.441 | 7.655 |
| Unfinanced capital expenditure | - | 4.972 | - |

2. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2017/18 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWL] or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2017/18 MRP Policy (as required by MHCLG Guidance) was approved as part of the Treasury Management Strategy Report for 2017/18 on 21st February 2017.

The Council's CFR for General Fund and the HRA for the year are shown below, and represent a key prudential indicator.

| CFR: General Fund | 31st March 2017 | 31st March 2018 | 31st March 2018 |
|---|--------------------|--------------------|--------------------|
| | Actual £m | Budget £m | Actual £m |
| Opening balance | 1.001 | 1.943 | 0.943 |
| Add unfinanced capital expenditure (as above) | - | - | - |
| Less MRP/VRP | (0.058) | (0.058) | (0.058) |
| Less PFI & finance lease repayments | - | - | - |
| Closing balance | 0.943 | 1.885 | 0.885 |

| CFR: HRA | 31st March 2017 | 31st March 2018 | 31st March 2018 |
|---|--------------------|--------------------|--------------------|
| | Actual £m | Budget £m | Actual £m |
| Opening balance | 68.041 | 70.283 | 68.041 |
| Add unfinanced capital expenditure (as above) | - | 4.972 | - |
| Less MRP/VRP | - | - | - |
| Less PFI & finance lease repayments | - | - | - |
| Closing balance | 68.041 | 75.255 | 68.041 |

Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2016/17) plus the estimates of any additional capital financing requirement for the current (2017/18) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2017/18. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

| Gross borrowing and the CFR | 31st March 2017 | 31st March 2018 | 31st March 2018 |
|-----------------------------|--------------------|--------------------|--------------------|
| | Actual £m | Budget £m | Actual £m |
| Gross borrowing position | 63.060 | 65.060 | 63.060 |
| CFR | 68.984 | 77.140 | 68.926 |

The Authorised Limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2017/18 the Council has maintained gross borrowing within its authorised limit.

The Operational Boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual Financing Costs as a Proportion of Net Revenue Stream - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

| Borrowing Limits | GF £m | HRA £m | Total £m |
|--|--------|--------|----------|
| Authorised limit | 4.885 | 79.407 | 84.292 |
| Maximum gross borrowing position | - | 65.060 | 65.060 |
| Operational boundary | - | 65.060 | 65.060 |
| Average gross borrowing position | - | 63.060 | 63.060 |
| | | | |
| Budgeted financing costs as a proportion of net revenue stream % | (0.95) | 39.23 | 38.27 |
| Actual financing costs as a proportion of net revenue stream % | (2.84) | 38.19 | 35.35 |

3. Treasury Position as at 31st March 2018

The Council’s debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council’s Treasury Management Practices. At the beginning and the end of 2017/18 the Council’s treasury (excluding borrowing by PFI and finance leases) position was as follows:

| General Fund | 31st March 2017 Principal £m | Rate/ Return % | Average Life yrs | 31st March 2018 Principal £m | Rate/ Return % | Average Life yrs |
|---------------------------------|------------------------------|----------------|------------------|------------------------------|----------------|------------------|
| Total debt | - | - | - | - | - | - |
| CFR | 0.943 | - | - | 0.885 | - | - |
| Over / (under) borrowing | (0.943) | - | - | (0.885) | - | - |
| Investments: | | | | | | |
| - in house | 25.010 | 0.60 | - | 32.334 | 0.54 | - |
| Total investments | 25.010 | 0.60 | - | 32.334 | 0.54 | - |

| HRA | 31st March 2017 Principal £m | Rate/Return % | Average Life yrs | 31st March 2018 Principal £m | Rate/Return % | Average Life yrs |
|---------------------------------|------------------------------|---------------|------------------|------------------------------|---------------|------------------|
| Fixed rate funding: | | | | | | |
| -PWLB | 63.060 | 4.26 | 37.74 | 63.060 | 4.05 | 36.74 |
| Total debt | 63.060 | 4.26 | 37.74 | 63.060 | 4.05 | 36.74 |
| CFR | 68.041 | - | - | 68.041 | - | - |
| Over / (under) borrowing | (4.981) | - | - | (4.981) | - | - |
| Investments: | | | | | | |
| - in house | 26.201 | 0.60 | - | 28.471 | 0.54 | - |
| Total investments | 26.201 | 0.60 | - | 28.471 | 0.54 | - |

Maturity Structures

The maturity structure of the debt portfolio was as follows:

| Duration | 31st March 2017 Actual £m | 2017/18 original limits % | 31st March 2018 Actual £m |
|--------------------------------|---------------------------|---------------------------|---------------------------|
| Under 12 months | - | 20 | - |
| 12 months and within 24 months | - | 20 | - |
| 24 months and within 5 years | - | 25 | - |
| 5 years and within 10 years | - | 75 | - |
| 10 years and within 20 years | 5 | 100 | 5 |
| 20 years and within 30 years | - | | - |
| 30 years and within 40 years | 22 | | 30 |
| 40 years and within 50 years | 36 | | 28 |

Investments - All investments held by the Council were invested for under one year.

Investment and borrowing rates

- Investment returns remained low during 2017/18 but were on a gently rising trend in the second half of the year.
- The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;
- A cost of carry remained during the year on any new long-term borrowing as it would have caused a temporary increase in cash balances which would have incurred a revenue cost – the difference between borrowing costs and investment returns.

Borrowing strategy

The Council maintained an under-borrowed position. This meant that the capital borrowing need (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as a temporary measure. This strategy was prudent as investment returns were low and counterparty risk was still an issue that needed to be considered.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Executive Director Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks

- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

The exposure to fixed and variable rates (based on net debt) was as follows:

| Rate Type | 31st March 2017 Actual £m | 31st March 2018 Actual £m |
|--------------------------|---------------------------------|---------------------------------|
| Fixed rate - principal | 33.242 | 28.740 |
| Variable rate - interest | - | - |

4. The Strategy for 2017/18

The expectation for interest rates within the treasury management strategy for 2017/18 anticipated that Bank Rate would not start rising from 0.25% until quarter 2 2019 and then only increase once more before 31st March 2020. There would also be gradual rises in medium and longer term fixed borrowing rates during 2017/18 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

During 2017/18 longer term PWLB rates were volatile but with little overall direction, whereas shorter term PWLB rates were on a rising trend during the second half of the year.

5. The Economy and Interest Rates

UK. The outcome of the EU referendum in June 2016 resulted in a gloomy outlook and economic forecasts from the Bank of England based around an expectation of a major slowdown in UK GDP growth, particularly during the second half of 2016, which was expected to push back the first increase in Bank Rate for at least three years. Consequently, the Bank responded in August 2016 by cutting Bank Rate by 0.25% to 0.25% and making available over £100bn of cheap financing to the banking sector up to February 2018. Both measures were intended to stimulate growth in the economy. This gloom was overdone as the UK economy turned in a G7 leading growth rate of **1.8% in 2016**, (actually joint equal with Germany), and followed it up with another **1.8% in 2017**, (although this was a comparatively weak result compared to the US and EZ).

During the calendar year of 2017, there was a major shift in expectations in financial markets in terms of how soon Bank Rate would start on a rising trend. After the UK economy surprised on the upside with strong growth in the second half of 2016, growth in 2017 was disappointingly weak in the first half of the year; quarter 1 came in at +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y), which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this was the sharp increase in inflation caused by the devaluation of sterling after the EU referendum, feeding increases into the cost of imports into the economy. This caused a reduction in consumer disposable income and spending power as inflation exceeded average wage increases. Consequently, the services sector of the economy, accounting for around 75% of GDP, saw weak growth as consumers responded by cutting back on their expenditure. However, growth did pick up in quarter 3 to 0.5% before dipping slightly to 0.4% in quarter 4.

Consequently, market expectations during the autumn rose significantly that the MPC would be heading in the direction of imminently raising Bank Rate. The **MPC meeting of 14th September** provided a shock to the markets with a sharp increase in tone in the minutes where the MPC considerably hardened their wording in terms of needing to raise Bank Rate very soon. The **2nd November MPC quarterly Inflation Report meeting** duly delivered on this warning by withdrawing the 0.25% emergency rate cut which had been implemented in August 2016. Market debate then moved on as to whether this would be a one and done move for maybe a year or more by the MPC, or the first of a series of increases in Bank Rate over the next 2-3 years. The MPC minutes from that meeting were viewed as being dovish, i.e. there was now little pressure to raise rates by much over that time period. In particular, the GDP growth forecasts were pessimistically weak while there was little evidence of building pressure on wage increases despite remarkably low unemployment. The MPC forecast that CPI would peak at about 3.1% and chose to look through that breaching of its 2% target as this was a one off result of the devaluation of sterling caused by the result of the EU referendum. The inflation forecast showed that the MPC expected inflation to come down to near the 2% target over the two to three year time horizon. So this all seemed to add up to cooling expectations of much further action to raise Bank Rate over the next two years.

However, GDP growth in the second half of 2017 came in stronger than expected, while in the new year there was evidence that wage increases had started to rise. The **8th February MPC meeting** minutes therefore revealed another sharp hardening in MPC warnings focusing on a reduction in spare capacity in the economy, weak increases in productivity, higher GDP growth forecasts and a shift of their time horizon to focus on the 18 – 24 month period for seeing inflation come down to 2%.

(CPI inflation ended the year at 2.7% but was forecast to still be just over 2% within two years.) This resulted in a marked increase in expectations that there would be another Bank Rate increase in May 2018 and a bringing forward of the timing of subsequent increases in Bank Rate. This shift in market expectations resulted in **investment rates** from 3 – 12 months increasing sharply during the spring quarter.

PWLB borrowing rates increased correspondingly to the above developments with the shorter term rates increasing more sharply than longer term rates. In addition, UK gilts have moved in a relatively narrow band this year, (within 25 bps for much of the year), compared to **US treasuries**. During the second half of the year, there was a noticeable trend in treasury yields being on a rising trend with the Fed raising rates by 0.25% in June, December and March, making six increases in all from the floor. The effect of these three increases was greater in shorter terms around 5 year, rather than longer term yields.

As for **equity markets**, the FTSE 100 hit a new peak near to 7,800 in early January before there was a sharp selloff in a number of stages during the spring, replicating similar developments in US equity markets.

The major UK landmark event of the year was the inconclusive result of the **general election** on 8 June. However, this had relatively little impact on financial markets. However, **sterling** did suffer a sharp devaluation against most other currencies, although it has recovered about half of that fall since then. Brexit negotiations have been a focus of much attention and concern during the year but so far, there has been little significant hold up to making progress.

The **manufacturing sector** has been the bright spot in the economy, seeing stronger growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, the manufacturing sector only accounts for around 11% of GDP so expansion in this sector has a much more muted effect on the average total GDP growth figure for the UK economy as a whole.

EU. Economic growth in the EU, (the UK's biggest trading partner), was lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of quantitative easing to stimulate growth. However, growth eventually picked up in 2016 and subsequently gathered further momentum to produce an overall GDP figure for 2017 of 2.3%. Nevertheless, despite providing this massive monetary stimulus, the ECB is still struggling to get inflation up to its 2% target and in March, inflation was still only 1.4%. It is, therefore, unlikely to start an upswing in rates until possibly towards the end of 2019.

USA. Growth in the American economy was volatile in 2015 and 2016. 2017 followed that path again with quarter 1 at 1.2%, quarter 2 3.1%, quarter 3 3.2% and quarter 4 2.9%. The annual rate of GDP growth for 2017 was 2.3%, up from 1.6% in 2016. Unemployment in the US also fell to the lowest level for 17 years, reaching 4.1% in October to February, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has been the first major western central bank to start on an upswing in rates with six increases since the first one in December 2015 to lift the central rate to 1.50 – 1.75% in March 2018. There could be a further two or three increases in 2018 as the Fed faces a challenging situation with GDP growth trending upwards at a time when the recent Trump fiscal stimulus is likely to increase growth further, consequently increasing inflationary pressures in an

economy which is already operating at near full capacity. In October 2017, the Fed also became the first major western central bank to make a start on unwinding quantitative easing by phasing in a gradual reduction in reinvesting maturing debt.

Chinese economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus, and medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

Japan. GDP growth has been improving to reach an annual figure of 2.1% in quarter 4 of 2017. However, it is still struggling to get inflation up to its target rate of 2% despite huge monetary and fiscal stimulus, although inflation has risen in 2018 to reach 1.5% in February. It is also making little progress on fundamental reform of the economy.

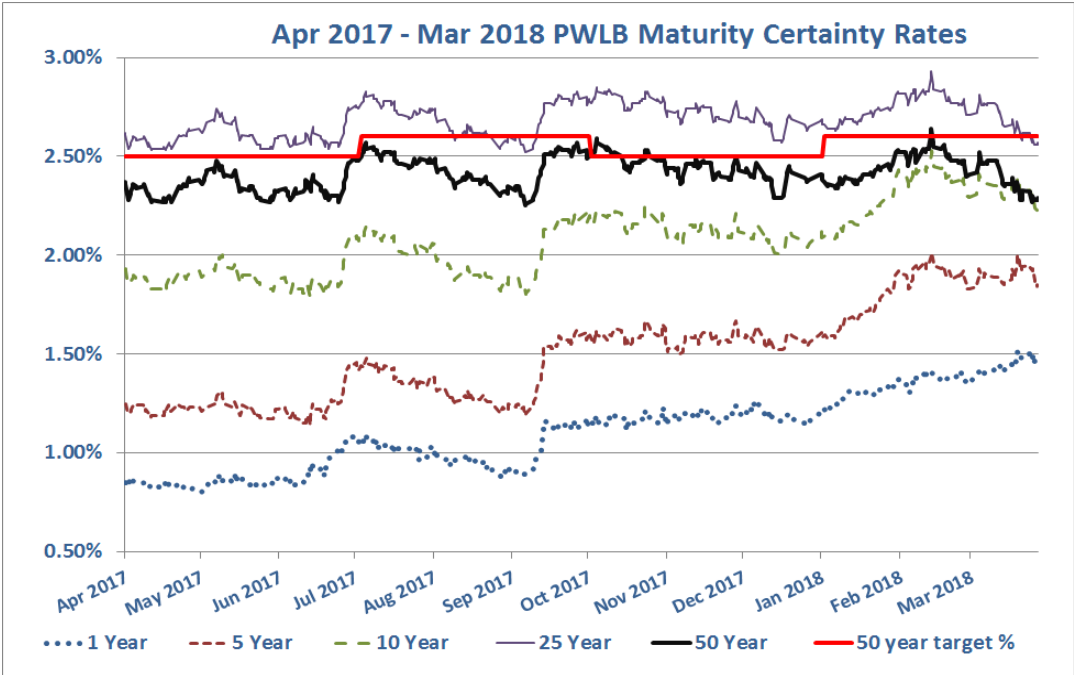
6. Borrowing Rates in 2017/18

PWLB certainty maturity borrowing rates

As depicted in the graph and tables below and in Appendix 2, PWLB 25 and 50 year rates have been volatile during the year with little consistent trend. However, shorter rates were on a rising trend during the second half of the year and reached peaks in February / March.

During the year, the 50 year PWLB target (certainty) rate for new long term borrowing was 2.50% in quarters 1 and 3 and 2.60% in quarters 2 and 4.

The graphs and tables for PWLB rates show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



7. Borrowing Outturn for 2017/18

Treasury Borrowing

Due to investment concerns, both counterparty risk and low investment returns, no borrowing was undertaken during the year.

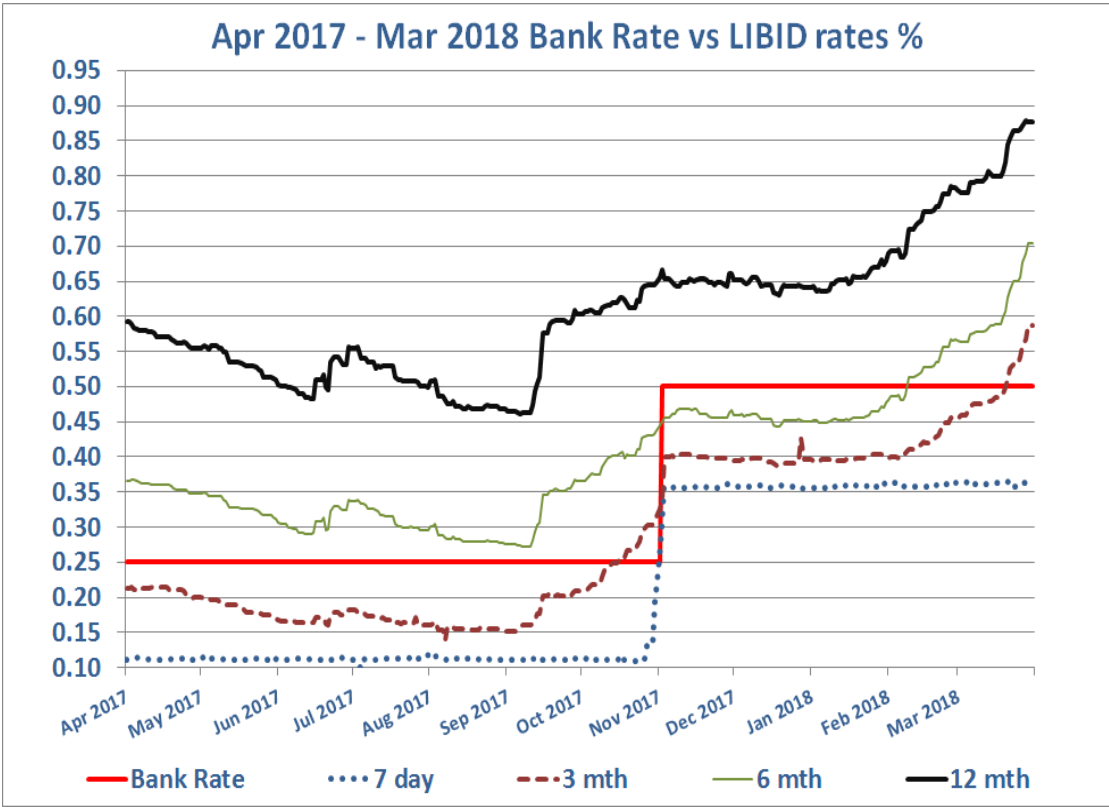
Rescheduling

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

8. Investment Rates in 2017/18

Investment rates for 3 months and longer have been on a rising trend during the second half of the year in the expectation of Bank Rate increasing from its floor of 0.25%, and reached a peak at the end of March.

Bank Rate was duly raised from 0.25% to 0.50% on 2nd November 2017 and remained at that level for the rest of the year. However, further increases are expected over the next few years. Deposit rates continued into the start of 2017/18 at previous depressed levels due, in part, to a large tranche of cheap financing being made available under the Term Funding Scheme to the banking sector by the Bank of England; this facility ended on 28th February 2018.



9. Investment Outturn for 2017/18

Investment Policy – the Council’s investment policy is governed by MHCLG guidance, which has been implemented in the annual investment strategy approved by the Council on 21st February 2017. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties. However, on two occasions during 2017/18 the approved counterparty limits within the Annual Investment Strategy were exceeded:

- The first occurred on 22nd December 2017 when early payments of business rates resulted in £1.696m being held within the Lloyds Bank account, which exceeded the approved limit of £1m by £696k for a period over the weekend and Christmas bank holiday.
- The second occurred on 2nd January 2018 when the repayment of a £2m investment resulted in £2.048m being held in the Lloyds Bank account, exceeding the approved limit by £1.048m overnight.

Resources – the Council’s cash balances comprise revenue and capital resources and cash flow monies. The Council’s core cash resources comprised the following:

| Balance Sheet Resources General Fund | 31 st March 2017 £m | 31 st March 2018 £m |
|--------------------------------------|--------------------------------|--------------------------------|
| Balances | 6.588 | 6.918 |
| Earmarked Reserves | 5.725 | 5.888 |
| Provisions | 1.905 | 1.545 |
| Usable Capital Receipts | 9.049 | 17.001 |
| Capital Grants Unapplied | 0.048 | 0.048 |
| Total GF | 23.315 | 31.4 |

| Balance Sheet Resources HRA | 31 st March 2017 £m | 31 st March 2018 £m |
|-----------------------------|--------------------------------|--------------------------------|
| Balances | 6.353 | 6.824 |
| Earmarked Reserves | 14.513 | 15.572 |
| Provisions | - | - |
| Usable Capital Receipts | 3.56 | 5.252 |
| Total HRA | 24.426 | 27.648 |

| | | |
|----------------------------------|---------------|---------------|
| Total Authority Resources | 47.741 | 59.048 |
|----------------------------------|---------------|---------------|

Investments held by the Council – the Council maintained an average balance of £61.3m of internally managed funds. The internally managed funds earned an average rate of return of 0.54%. The comparable performance indicator is the average 7-day LIBID rate which was 0.22%. This compared with a budget assumption of £50.3m investment balances earning an average rate of 0.50%.

10. Performance Measurement

One of the key requirements in the Code is the formal introduction of performance measurement relating to investments, debt and capital financing activities. Whilst investment performance criteria have been well developed and universally accepted, debt performance indicators continue to be a more problematic area with the traditional average portfolio rate of interest acting as the main guide (as incorporated in the table in section 3). The Council's performance indicators were set out in the Annual Treasury Management Strategy Statement.

This service has set the following local performance indicator:

- *Average external interest receivable in excess of 3 month LIBID rate;*

Whilst the assumed benchmark for local authorities is the 7 day LIBID rate, a higher target is set for internal performance.

The actual return of 0.54% compared to the average 3 month LIBID of 0.29% (0.25% above target).

CIPFA Benchmarking Club

The Council is a member of the CIPFA Treasury Management Benchmarking Club which is a means to assess our performance for the year against other members.

11. Other Issues

Revised CIPFA Codes

In December 2017 CIPFA issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code. A particular focus of these revised codes is non-treasury investments, including the purchase of property to generate income, which may involve external borrowing or the use of existing cash balances. The codes are effective from 2018/19.

MHCLG Investment and Minimum Revenue Provision (MRP) Guidance

Revised guidance was issued by MHCLG in February 2018. Key issues include amendments to the definition of an investment, so that it now covers all financial assets and other non-financial assets that an authority holds primarily to generate returns, such as investment portfolios; and the proviso that authorities should not borrow in advance of need purely to profit from the investment of extra sums borrowed. Additional disclosures are also required in terms of risk management around investments. The investment guidance and requirements with regard to changes to MRP calculations are effective from 2018/19.

Markets in Financial Instruments Directive II (MIFID II)

MIFID II is the EU legislation that regulates firms who provide services to clients linked to financial instruments, and this has recently been revised to strengthen consumer protection and improve the functioning of markets in light of the 2008 financial crisis. Under these reforms effective 3rd January 2018, all local authorities are classified as retail counterparties and have to consider whether to opt up to professional status and for which types of investment. This Council has over £10m in investments and meets the criteria as a professional counterparty, we have opted up to professional status, so that we may continue to use the full range of investments, for example Money Market Funds (MMFs).

Investment in Property Funds

Investment in property funds was included within the Commercial Investment and Regeneration Strategy, with the aim of generating improved returns of c.4-5% p.a. (plus asset growth) being long term investments of between 5 – 10 years (minimum) in order to make the necessary returns (after set up costs).

Utilising the capital receipt proceeds of the sale of the Golf Course, it is envisaged that approx. £12m will be available for long-term investment in a number of property funds. To this end, during the year, the Council undertook a Property Fund Manager selection exercise, appointing Link Asset Services to provide support and advice in the identification and selection of suitable UK-focussed property funds. Full details of the selection process were included in Link Asset Services's report presented to Members 21st February 2018.

The result of the process is that the Council will look to splitting investment across the following six funds:-

- BlackRock UK Property Fund
- Hermes Property Unit Trust
- Lothbury Property Trust
- Schroder UK Real Estate Fund
- The Local Authorities Property Fund (CCLA)
- Threadneedle Property Unit Trust

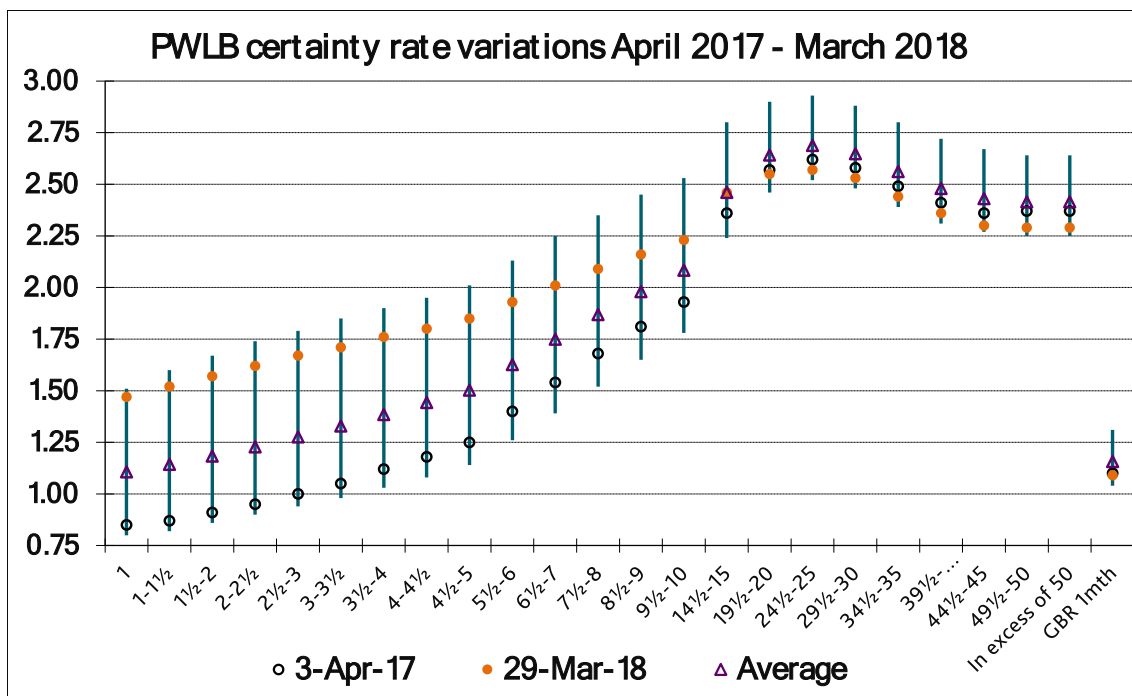
This will provide the Council with a range of approaches to property fund investment, diversification across a number of funds, rather than a concentration in only one or two options, as well as the ability to take advantage of entering a number of funds via the secondary market, whereby the Council would be purchasing units from investors looking to exit the particular fund, and may potentially gain access to a fund at a lower level of cost than via the primary route.

PRUDENTIAL AND TREASURY INDICATORS

APPENDIX 1

| 1. PRUDENTIAL INDICATORS | 2016/17 | 2017/18 | 2017/18 |
|---|----------------|-----------------|----------------|
| Extract from budget and rent setting report | Actual | Original | Actual |
| Capital Expenditure | £m | £m | £m |
| Non - HRA | 1.408 | 5.397 | 1.545 |
| HRA | 7.351 | 25.988 | 7.655 |
| TOTAL | 8.759 | 31.385 | 9.200 |
| Ratio of financing costs to net revenue stream | % | % | % |
| Non - HRA | (3.49) | (0.95) | (2.84) |
| HRA | 37.84 | 39.23 | 38.19 |
| Gross borrowing requirement General Fund | £m | £m | £m |
| brought forward 1 April | - | - | - |
| carried forward 31 March | - | - | - |
| in year borrowing requirement | - | - | - |
| Gross borrowing requirement HRA | £m | £m | £m |
| brought forward 1 April | 63.060 | 65.060 | 63.060 |
| carried forward 31 March | 63.060 | 65.060 | 63.060 |
| in year borrowing requirement | - | 4.972 | - |
| Gross debt | £m | £m | £m |
| | 63.060 | 65.060 | 63.060 |
| Capital Financing Requirement | £m | £m | £m |
| Non – HRA | 0.943 | 1.885 | 0.885 |
| HRA | 68.041 | 75.255 | 68.041 |
| TOTAL | 68.984 | 77.140 | 68.926 |
| Annual change in Capital Financing Requirement | £m | £m | £m |
| Non – HRA | (0.058) | (0.058) | (0.058) |
| HRA | - | 4.972 | - |
| TOTAL | (0.058) | 4.914 | (0.058) |

| 2. TREASURY MANAGEMENT INDICATORS | 2016/17 | 2017/18 | 2017/18 |
|--|----------------|-----------------|----------------|
| | Actual | Original | Actual |
| | £m | £m | £m |
| Authorised Limit for external debt - General Fund | | | |
| borrowing | 9.705 | 4.885 | 4.885 |
| other long term liabilities | 3.000 | - | - |
| TOTAL | 12.705 | 4.885 | 4.885 |
| Authorised Limit for external debt - HRA | | | |
| borrowing | 79.407 | 79.407 | 79.407 |
| other long term liabilities | - | - | - |
| TOTAL | 79.407 | 79.407 | 79.407 |
| Operational Boundary for external debt - General Fund | | | |
| | £m | £m | £m |
| borrowing | 0.000 | 0.000 | 0.000 |
| other long term liabilities | - | - | - |
| TOTAL | 0.000 | 0.000 | 0.000 |
| Operational Boundary for external debt - HRA | | | |
| | £m | £m | £m |
| borrowing | 65.060 | 65.060 | 65.060 |
| other long term liabilities | - | - | - |
| TOTAL | 65.060 | 65.060 | 65.060 |
| Actual external debt | | | |
| | £m | £m | £m |
| | 63.060 | 65.060 | 63.060 |
| Maximum HRA debt limit | | | |
| | £m | £m | £m |
| | 79.407 | 79.407 | 79.407 |



| | 1 | 1-1.5 | 2.5-3 | 3.5-4 | 4.5-5 | 9.5-10 | 24.5-25 | 49.5-50 | 1 month variable |
|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|
| 3/4/17 | 0.850% | 0.870% | 1.000% | 1.120% | 1.250% | 1.930% | 2.620% | 2.370% | 1.100% |
| 29/3/18 | 1.470% | 1.520% | 1.670% | 1.760% | 1.850% | 2.230% | 2.570% | 2.290% | 1.090% |
| High | 1.510% | 1.600% | 1.790% | 1.900% | 2.010% | 2.530% | 2.930% | 2.640% | 1.310% |
| Low | 0.800% | 0.820% | 0.940% | 1.030% | 1.140% | 1.780% | 2.520% | 2.250% | 1.040% |
| Average | 1.107% | 1.143% | 1.276% | 1.384% | 1.503% | 2.083% | 2.688% | 2.415% | 1.157% |
| Spread | 0.710% | 0.780% | 0.850% | 0.870% | 0.870% | 0.750% | 0.410% | 0.390% | 0.270% |
| High date | 21/03/2018 | 21/03/2018 | 21/03/2018 | 21/03/2018 | 15/02/2018 | 15/02/2018 | 15/02/2018 | 15/02/2018 | 21/03/2018 |
| Low date | 03/05/2017 | 03/05/2017 | 30/05/2017 | 15/06/2017 | 15/06/2017 | 15/06/2017 | 08/09/2017 | 08/09/2017 | 04/04/2017 |

| | 1 Year | 5 Year | 10 Year | 25 Year | 50 Year |
|---------|------------|------------|------------|------------|------------|
| 1/4/17 | 0.85% | 1.25% | 1.93% | 2.62% | 2.37% |
| 31/3/18 | 1.47% | 1.85% | 2.23% | 2.57% | 2.29% |
| Low | 0.80% | 1.14% | 1.78% | 2.52% | 2.25% |
| Date | 03/05/2017 | 15/06/2017 | 15/06/2017 | 08/09/2017 | 08/09/2017 |
| High | 1.51% | 2.01% | 2.53% | 2.93% | 2.64% |
| Date | 21/03/2018 | 15/02/2018 | 15/02/2018 | 15/02/2018 | 15/02/2018 |
| Average | 1.11% | 1.50% | 2.08% | 2.69% | 2.41% |

Money market investment rates 2017/18

| | 7 day | 1 month | 3 month | 6 month | 1 year |
|-----------|---------|---------|---------|---------|---------|
| 1/4/17 | 0.111 | 0.132 | 0.212 | 0.366 | 0.593 |
| 31/3/18 | 0.364 | 0.386 | 0.587 | 0.704 | 0.878 |
| High | 0.366 | 0.390 | 0.587 | 0.704 | 0.879 |
| Low | 0.099 | 0.122 | 0.140 | 0.273 | 0.461 |
| Average | 0.215 | 0.233 | 0.286 | 0.401 | 0.606 |
| Spread | 0.267 | 0.268 | 0.447 | 0.432 | 0.418 |
| High date | 27/2/18 | 22/3/18 | 29/3/18 | 29/3/18 | 28/3/18 |
| Low date | 4/7/17 | 10/8/17 | 7/8/17 | 7/9/17 | 6/9/17 |